technicolor
CREATIVE STUDIOS

UNIVERSAL REGISTRATION DOCUMENT 2022

INCLUDING THE ANNUAL FINANCIAL REPORT

Contents

The elements of the Annual Financial Report are identified in the summary using the pictogram / AFR /

The elements of the Extra-Financial Performance Declaration are identified using the pictogram / EFPD /

technicolor

CREATIVE STUDIOS

UNIVERSAL REGISTRATION DOCUMENT 2022

including the Annual Financial Report

Technicolor Creative Studios
Société Anonyme with a share capital of €273,340,957.50
Registered Office: 8-10 rue du Renard
75004 Paris – France
Paris Register of Commerce and Companies No. 892 239 690

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was approved on April 21, 2023 by the Autorité des Marchés Financiers (the "AMF"), in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Universal Registration Document after having verified that the information it contains is complete, coherent and comprehensible.

This Universal Registration Document has been given the following approval number: R.23-013. This approval should not be construed as a favorable opinion of the AMF on the Company that is the subject of this Universal Registration Document.

This Universal Registration Document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if it is supplemented by securities note and, where applicable, a summary and its supplement(s). In this case, the securities note, the summary and all amendments made to the Universal Registration Document since its approval are approved separately in accordance with Article 10 paragraph 3, second subparagraph of Regulation (EU) 2017/1129. It remains valid until April 21, 2024, and, during this period and, at the latest, simultaneously with the securities note and pursuant to Articles 10 and 23 of Regulation (EU) 2017/1129, must be completed by an amendment in the event of significant new facts, errors or significant inaccuracies.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in European Single Electronic Format (ESEF) and is available on our website www.technicolorcreative.com.

PRELIMINARY COMMENTS

In this Universal Registration Document, unless otherwise stated, the “Company” refers to Technicolor Creative Studios and “Technicolor Creative Studios” and the “Group” refers to Technicolor Creative Studios together with its consolidated affiliates.

This Universal Registration Document includes:

(i) the Annual Financial Report (*Rapport Financier Annuel*) issued pursuant to Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and referred to in Article 222-3 of the AMF General Regulation (*Règlement général de l’AMF*) (a cross-reference table is set forth on page 291 between the documents referred to in Article 222-3 of the AMF General Regulation and the relevant sections of this Universal Registration Document);

(ii) the Management Report (Rapport de gestion) adopted by the Board of Directors of the Company pursuant to Articles L. 22-10-35, L. 225-100 et seq. and L. 232-1 of the French Commercial Code (*Code de commerce*) (the cross-reference table on page 292 mentions the elements of this report); and

(iii) the Corporate Governance Report (*Rapport sur le Gouvernement d’entreprise*) adopted by the Board of Directors of the Company pursuant to Articles L. 22-10-10 et seq. and L. 225-37 of the French Commercial Code (the cross-reference table on page 294 mentions the elements of this report).

This Universal Registration Document contains certain forward-looking statements with respect to Technicolor Creative Studios’s financial condition, results of operations and business and certain plans and objectives of the Group. These statements are based on management’s current expectations and beliefs in light of the information currently available and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. In addition to statements that are forward-looking by reason of context, other forward-looking statements may be identified by use of the terms “may”, “will”, “should”, “expects”, “plans”, “intends”, “anticipates”, “believes”, “estimates”, “projects”, “predicts” and “continue” and similar expressions identify forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that are anticipated to occur in the future. Such statements are also subject to assumptions concerning, among other things, Technicolor Creative Studios anticipated business strategies; its intention to introduce new products and services; anticipated trends in its business; and Technicolor Creative Studios ability to continue to control costs and maintain quality.

MESSAGE FROM THE CHAIRPERSON AND THE CHIEF EXECUTIVE OFFICER

Dear Shareholders,

2022 was a year of major transition for Technicolor Creative Studios as it officially started operating as a standalone company, following the finalization of the spin-off process from Technicolor. Despite operational and financial challenges experienced over the past few months, the relentless commitment of our talented teams has enabled 2022 to also be a year of creative successes and great business achievements. Reaching an agreement on the refinancing of the Company was pivotal to solidify the foundations for our long-term growth, and reflective of the strong support of a large majority of our shareholders and lenders. With a reinforced capital structure and the implementation of our Re*Imagined program, Technicolor Creative Studios is in a better position to fully leverage its distinctive assets and find its way back to profitability.

A contrasted beginning for Technicolor Creative Studios

The first few months of the year saw the completion of the reorganization process of Technicolor Creative Studios initiated two years ago, notably with the integration of our studios under dedicated business lines – MPC, The Mill, Mikros Animation, Technicolor Games - to better align with our talents and customers. The spin-off decision was supported by all our stakeholders and Technicolor Creative Studios began its new journey in September.

Over the last part of the year, the Company however experienced operational and financial challenges, which we immediately tackled through the launch of our Re*Imagined transformation and recovery program and constructive discussions with our shareholders and creditors. In this context, clients kept relying on our award-wining creativity to deliver their vision. The efforts and dedication of our incredible teams allowed us to keep delivering extraordinary work for them and achieve revenue growth over the year. 2022 full year revenue reached €784 million, up 30% compared to 2021, but profitability contracted due to operational challenges. Effects of our turnaround program are expected to materialize progressively through 2023.

Large support from shareholders on the refinancing

By the end of 2022, we engaged in discussions with our stakeholders to address our financing needs. Many of our lenders and major shareholders have clearly reaffirmed their renewed confidence in the long-term prospects of Technicolor Creative Studios and we are extremely grateful for this support. This materialized in an agreement in principle on a new financing structure which includes a c.€170 million new money injection and would substantially reduce the financial liabilities of the business. The agreement provides a favorable framework for the rebound of the Company, thus setting Technicolor Creative Studios back on its journey towards achieving its full value potential. The implementation of the agreement in principle will be subject to certain conditions precedent including the approval of the required resolutions by the General Meeting expected to be held.

On the road towards profitability

The new financing marks a fresh start for us, to the benefit of our studios, talent, customers, and suppliers. The Company is now able to keep investing in cutting-edge technology and creative talent, while ensuring the studios keep doing what they do best: delivering award-winning content to the industry.

In this context, a new leadership structure has been implemented with the appointment of Caroline Parot as CEO. It allows Christian Roberton to fully focus on clients and talent, while the ongoing transformation – driven by our Re*Imagined program – puts Technicolor Creative Studios in a stronger position to enhance profitability and seize market opportunities. In addition, we will proceed with a strategic review in the short term, to maximize value for all stakeholders.

We know Technicolor Creative Studios has all the distinctive assets to become the first-choice production partner for the world's most creative companies. With your support and our operational turnaround, we are more confident than ever that our Company can re-establish its market leading position. The entire leadership team is fully committed to shaping a successful, profitable, and exciting future for Technicolor Creative Studios.

Thank you for your trust,

Anne Bouverot
Chairperson
of the Board

Caroline Parot
Chief Executive Officer

OVERVIEW OF TECHNICOLOR CREATIVE STUDIOS IN 2022

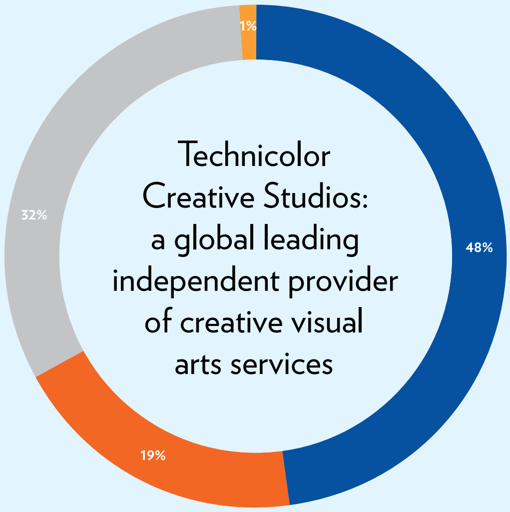
Revenues
BY BUSINESS

48% **MPC**
VS 40% in 2021
The Group's award-winning visual effects studios unite artistry and creativity with technology and innovation. MPC brings decades of experience in delivering everything from breathtaking environments to the precise details of a full CGI character, all for the world's leading film and episodic content creators

19% **Mikros Animation**
VS 14% in 2021
Partner with filmmakers and the animation community to design and craft stories in striking CGI animation in any format and for any screen, from episodic hits to major studio animated features

32% **The Mill**
VS 44% in 2021
Producer of ground-breaking advertising, branded content and interactive marketing solutions for the world's biggest brands, agencies and production companies, with the latest visual effects, CGI and immersive technologies

1% **Technicolor Games**
VS 2% in 2021
TCreator of high-end art and animated content with its partners in the gaming industry, collaborating with many of the top game developers in the world on their AAA franchise



Revenues
BY GEOGRAPHICAL AREA

32%	**29%**	**20%**	**12%**	**7%**
Canada	United States of Americas	UK	France	Rest of the World
VS 24% in 2021	*VS 38% in 2021*	*VS 23% in 2021*	*VS 11% in 2021*	*VS 4% in 2021*

OVERVIEW OF TECHNICOLOR CREATIVE STUDIOS IN 2022

GOVERNANCE*

Anne Bouverot
Independent Chairperson of the Board of Directors

Caroline Parot
Chief Executive Officer

Bpifrance Participations
Represented by Thierry Sommelet
Independent Director

Xavier Cauchois
Lead Independant Director

Guillaume Maucomble
Director representing the employees

Katherine Hays
Independent Director

Christine Laurens
Independent Director

Rajan Kohli
Independent Director

Angelo, Gordon & Co., L.P.
Represented by Julien Farre
Board Observer

* *As of the date of publication of this Universal Registration Document.*

AUDIT COMMITTEE	REMUNERATION & TALENT COMMITTEE	GOVERNANCE & SOCIAL RESPONSIBILITY COMMITTEE
Meetings in 2022: **2**	*Meetings in 2022:* **2**	*Meetings in 2022:* **2**
Participation: 100%	Participation: 100%	Participation: 100%

83% **INDEPENDENT DIRECTORS**
(without the Directors representing the employees)

50% **WOMEN AND** 50% **MEN DIRECTORS**
(without the Directors representing the employees)

52 years **AVERAGE AGE OF DIRECTORS**

SHAREHOLDING

(as of December 31, 2022)

TECHNICOLOR SA
Parent Company of the Group

Vantiva 35.0%

Angelo, Gordon & Co., L.P 14.6%

Bpifrance Participations S.A. 7.8%

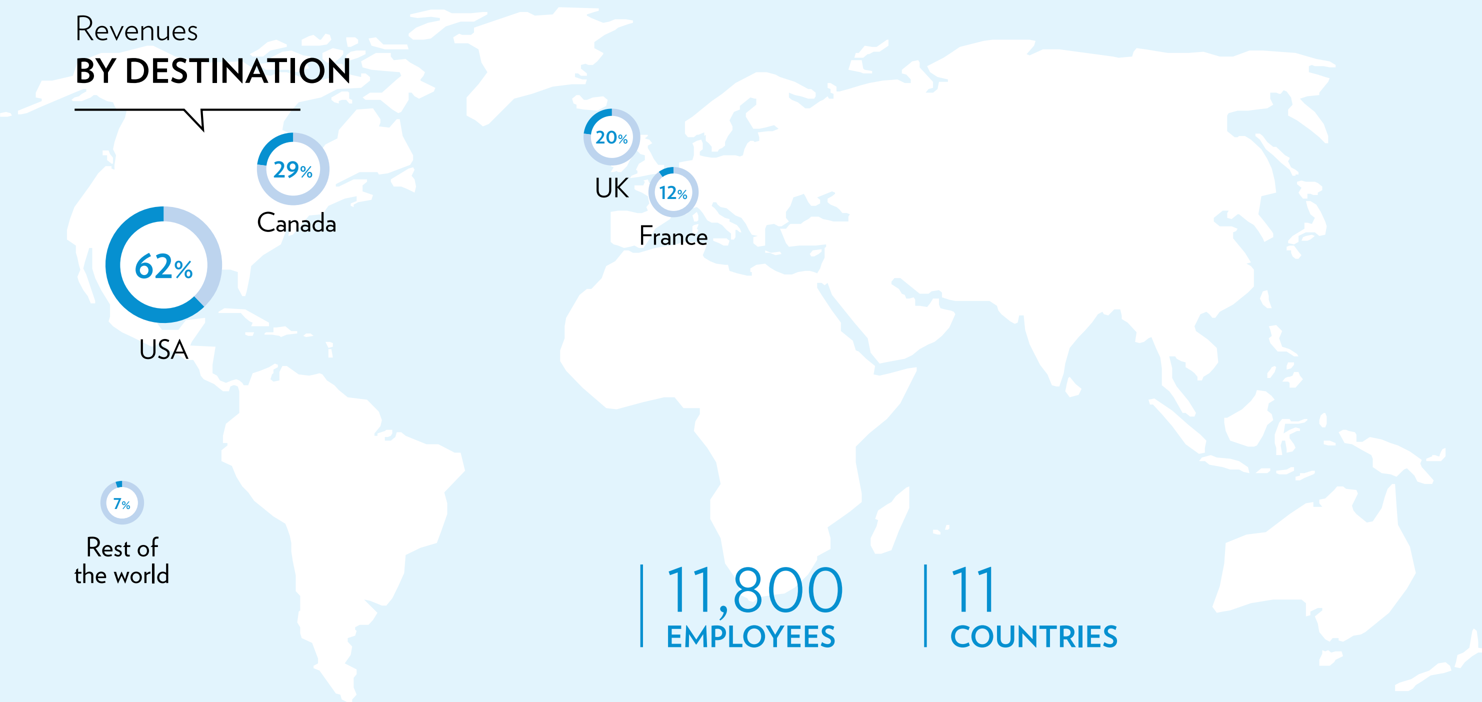
Briarwood Chase Management Ltd. 6.8%

Baring Asset Management Ltd. 5.3%

Crédit Suisse Asset Management 5.0%

Other free float 25.5%

Revenues
BY DESTINATION



11,800 **EMPLOYEES**

11 **COUNTRIES**


SWORD
FAGOR
adidas
OL
20
13
KEOLIS
BYMYCAR.fr

1. PRESENTATION OF THE GROUP

€784 MILLION
of consolidated revenue from continuing operations

11,800
EMPLOYEES
in **11** COUNTRIES
as of December 31, 2022

OUR MISSION
be a global leading independent provider of creative visual arts services

INPUTS

FINANCIAL
€784m revenues from continuing operations

HUMAN
11,800+ employees
11 countries

EMPLOYEES
Creatives: 9,000+
Creative Technology Support: 1,950+
R&D: 150+

SUSTAINABILITY
Attracting and developing a diverse talent pool of creative individuals.
Enabling sustainable content creation with decarbonated energy.
Ensuring a safe, healthy and diversity friendly work environment.

ACTIVITIES

MPC

Award-winning visual effects studios unite artistry and creativity with technology and innovation.

Decades of experience in delivering everything from breathtaking environments to the precise details of a full CGI character

The Mill

Producer of ground-breaking advertising, branded content and interactive marketing solutions for the world's biggest brands, agencies and production companies

Latest visual effects, CGI and immersive technologies

CLIENTS

mikros ANIMATION

Partner with filmmakers and the animation community to design and craft stories in striking CGI animation in any format and for any screen, from episodic hits to major studio animated features

technicolor GAMES

Creator of high-end art and animated content with its partners in the gaming industry, collaborating with many of the top game developers in the world on their AAA franchise

Cutting edge technology and workflow processes

One of the largest concentrations of digital artists in the world

Significant geographical reach

STRENGTHS

1. Positioned for Accelerated Structural Growth in a Large and Growing TAM
2. Leadership Position in Tech-Enabled Content Creation with an Award-Winning Portfolio
3. Long-Standing and Deeply Cemented Relationships with Blue-chip Customers
4. Global Footprint with Highly Skilled and Flexible Talent
5. Cutting Edge Technology and Workflow Processes Offering Competitive Advantage
6. Experienced TOP Management Team with Proven Track Record and Deep Sector Expertise

OUTPUT

FINANCIAL
- Revenue of €784m
- Adjusted EBITDA after lease of €20m

INTELLECTUAL
Award-winning teams of technologists and artists partnering with the creative community across Feature Film, Episodic, Animation, Brand Experience & Advertising, and Gaming to bring the universal art of visual storytelling to audiences everywhere

CREATION
- MPC: 20+ theatrical projects and 45+ streaming / episodic projects in production
- Mikros Animation: 6 features and 15+ episodic series in production
- The Mill: contribution to c. 3,400 projects, including 34 Super Bowl LVI projects
- Technicolor Games: contribution to 8 global releases

OUTCOME

→ PEOPLE
→ CUSTOMERS
→ SUSTAINABILITY

1.1 OVERVIEW AND HISTORICAL BACKGROUND

1.1.1 OVERVIEW

Technicolor Creative Studios is a global leading independent provider of creative visual arts services. The Group specialises in VFX and through its award-winning teams of artists and technologists partners with the creative community across Feature Film, Episodic, Animation, Brand Experience & Advertising, and Gaming to bring the universal art of visual storytelling to audiences everywhere.

Technicolor Creative Studios has organised itself under four primary business lines – MPC (Film & Episodic VFX), The Mill (Advertising), Mikros Animation, and Technicolor Games – to strengthen its respective brand propositions across key industry sectors, underpinned by the Group's large-scale production platform in India, centralised R&D operations, global production infrastructure, and global people & talent organisation.

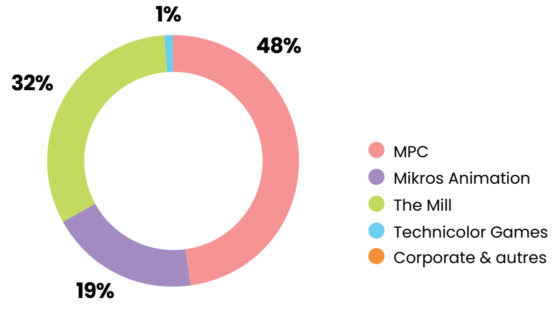
- **MPC**: The Group's award-winning visual effects studios, under the unitary MPC brand, unite artistry and creativity with technology and innovation. MPC brings decades of experience in delivering everything from breathtaking environments to the precise details of a full CGI (computer-generated imagery, abbreviated as "CG" or "CGI") character, all for the world's leading film and episodic content creators. It accounted for 48% of the Group's combined revenues for the financial year ended 31 December 2022;
- **Mikros Animation**: partners with filmmakers and the animation community to design and craft stories in striking CGI animation in any format and for any screen, from episodic hits to major studio animated features. It accounted for 19% of the Group's combined revenues for the financial year ended 31 December 2022;
- **The Mill**: With the latest visual effects, CGI and immersive technologies, The Mill produces ground-breaking advertising, branded content and interactive marketing solutions for the world's biggest brands, agencies and production companies, and accounted for 32% of the Group's combined revenues for the financial year ended 31 December 2022;
- **Technicolor Games:** creates and delivers high-end art and animated content with its partners in the gaming industry, collaborating with many of the top game developers in the world on their AAA franchises. It accounted for 1% of the Group's combined revenues for the financial year ended 31 December 2022.

For the fiscal year ended 31 December 2022, the Group generated combined revenue of €784 million (compared to €601 million for the fiscal year 2021), and Adjusted EBITDA after lease of €20 million (compared to €75 million for the fiscal year 2021), resulting in an EBITDA after lease margin of 3% (13% in 2021).

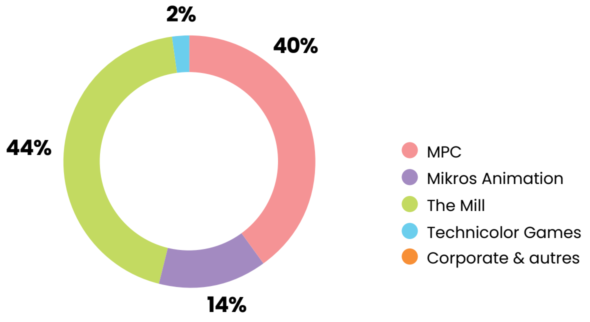
At 31 December 2022, the Group employed approximately 11,800 people across eleven (11) countries, including India (57%), Canada (17%), the UK (10%), France (7%), USA (6%) and Other (3%). Its customers include the world's leading content producers such as Amazon, Apple, Disney, Legendary, NBCUniversal, Netflix, Paramount, Sony and Warner Bros. Discovery; major brand marketers and agencies like Apple, Best Buy, Comcast, Dell, Electronic Arts, L'Oréal, Meta, Nike, Samsung and Wieden+Kennedy; and AAA video game companies, including 2K Sports, Activision, Electronic Arts, Rockstar Games, and Ubisoft.

Since September 27, 2022, Technicolor Creative Studios is publicly listed on the Euronext Paris Exchange (TCHCS) with a market capitalization of €122 million as of December 31, 2022.

2022 REVENUES OF CONTINUING OPERATIONS BY BUSINESS

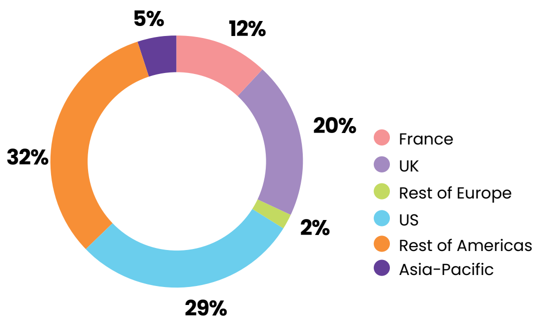


2021 REVENUES OF CONTINUING OPERATIONS BY BUSINESS



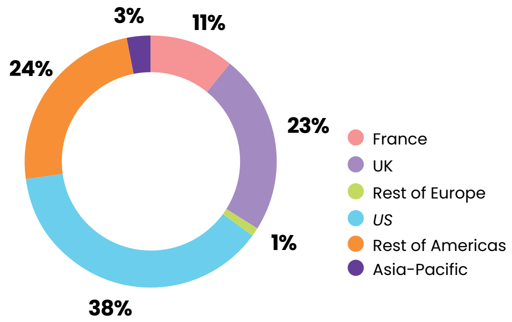
2022 REVENUES FROM CONTINUING OPERATION BY GEOGRAPHICAL AREA

(according to the location of the entity that invoices the customer)

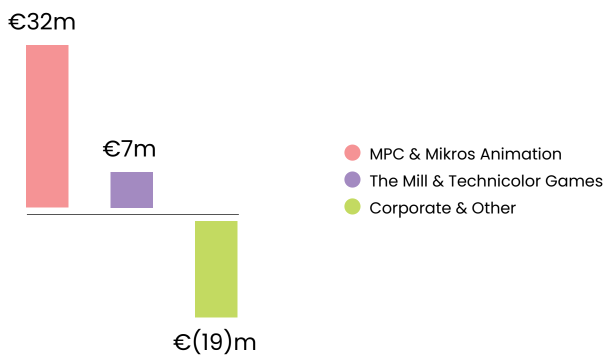


2021 REVENUES FROM CONTINUING OPERATION BY GEOGRAPHICAL AREA

(according to the location of the entity that invoices the customer)



2022 ADJUSTED EBITDA AFTER LEASE BY SEGMENT (IN € MILLION)



1.1.2 HISTORICAL BACKGROUND

In 1912, MIT professors Dr. Herbert Kalmus and Dr. Daniel Comstock join with self-taught mechanical engineering prodigy W. Burton Westcott to create KCW, their research engineering firm that directly led to their exploration and embrace of motion picture color and the creation of Technicolor in 1915. After a series of advances in color motion picture processes, Technicolor launched "Process IV" featuring the pioneering "three-strip" process, with Walt Disney as the first filmmaker to employ this new process on Disney's first color animated short, Flowers and Trees (1932) – recipient of the first ever Academy Award for the category now called Best Animated Short Film.

Significant events in the history of Technicolor Creative Studios today begin with the Group's foray into VFX services in 2001, followed in 2004 by the acquisition of The Moving Picture Co. ("MPC") from British broadcaster ITV. Spanning Film and Advertising VFX, MPC then counted around 400 employees and operated from a single facility in Soho, London. MPC already counted major Hollywood studios among its clients, including Warner Bros., Twentieth Century Fox and Universal Pictures, and worked on famous productions such as the first three Harry Potter films and Lara Croft: Tomb Raider.

In 2007, the Group acquired a majority interest in Paprikaas, an animation studio based in Bangalore, India; and subsequently acquired the remaining interest in Paprikaas in December 2009. Shortly thereafter, the studio was rebranded Technicolor India and has since grown exponentially over the years to become the primary production backbone of the Group.

Meanwhile, MPC Film and MPC Advertising rapidly expanded, opening offices in Los Angeles, Bangalore, New York, Montreal and Amsterdam, and growing the total VFX headcount to approximately 1,800 by 2013. That year also marked a significant achievement for the Group as MPC won an Academy Award for Best Visual Effects for its work on Life of Pi.

In 2014, the Group further grew its footprint with the acquisition of Toronto-based visual effects studio Mr. X. In line with its track record and customer relationships, Mr. X focused on high-concept TV productions, genre features and international film co-productions, while MPC continued to address projects for both its major studio and advertising clients.

2015 was marked by a series of acquisitions, beginning with the purchase of Paris-based independent animation producer OuiDo! Productions, co-producer of the highly acclaimed Alvinnn!!! & The Chipmunks series. The Group then acquired Paris-based Mikros Image who also operated a feature animation studio in Montreal. Mikros Image encompassed aspects of production and post-production for feature animation, advertising, feature film and TV, and had then recently produced the animation for the Asterix: le Domaine des Dieux and Le Petit Prince feature films.

And later that same year, the Group acquired London-based VFX and content creation studio The Mill from Equistone Partners Europe. Founded in 1990, The Mill, with its 800 employees across studios in London, New York, Los Angeles, Chicago and Mumbai, possessed numerous industry awards for its work for advertising agencies and brands, including commercial spots to promote popular video game titles such as Call of Duty: Black Ops 2.

These acquisitions were crucial to the Group's strategy to strengthen its animation and advertising offerings, while expanding into episodic VFX, as well as to better position the Group in the context of emerging technologies such as virtual reality. As a result, the Group rapidly grew in scale and further expanded geographically into Shanghai, Berlin and Adelaide.

More recently, the Group undertook a number of strategic changes following a restructuring in 2020. In April 2021, the Group sold its post-production business for €30 million to Streamland Media. Following this, the Group progressively reorganised around four (4) business lines, with its portfolio of brands being consolidated in accordance with the new organisational structure: MPC (Film & Episodic VFX), The Mill (Brand Experience & Advertising), Mikros Animation and Technicolor Games. The simplification of the brand portfolio is a further step towards a more efficient and integrated organization benefitting from common infrastructure, support functions and talent.

On September 15, 2022, for Technicolor Creative Studios, Technicolor has finalized the closing of a new €624 million floating rate private First Lien Term Facility. This facility is composed of two tranches: a €564 million tranche and a $60 million tranche. Maturity for both tranches will be 4 years. In addition, the Group finalized a €40 million Revolving Credit Facility with a maturity of 3 years.

On September 27, 2022, Technicolor Creative Studios began operating as a standalone company, following the distribution of 65% of its shares by Technicolor to its shareholders and the concurrent listing on Euronext Paris (under the ticker symbol "TCHCS"). The technical reference price for each Technicolor Creative Studios' share (amounting to €1.9539 per share) for the opening of the trading session was confirmed by a notice published by Euronext Paris on September 26, 2022.

On November 15, 2022, the Group announced that it had to face the unprecedented post-Covid recovery challenges and its related operational issues. As a consequence, the Company has taken a set of recovery actions with the launch of the Re*Imagined program. It is based on the following axes:

- Operational Management:
  - The forthcoming appointment of a new Head of Operations to oversee the implementation of operation performance measurement, reporting, and execution of the required improvement actions.
  - The continued improvement of real-time KPI tracking, and improvement of business tools and working practices in the medium-term.
  - The progressive reinforcement of our unique global unified platform to continue the consolidation of the business in the medium-to-long-term, notably with the unification of India production platform along with facilitation of talent mobility thanks to dedicated software.

- Talent Retention / Attraction:
  - At MPC, the Company is enhancing its global leadership team, appointing several new key hires. MPC's executive leadership will be led by President, Jean-Paul Burge, a seasoned executive whose career to date has specifically focused on connecting the world's top creative talent with AAA brands after 18 years as the Head of BBDO Asia. He will be supported by an Executive - in charge of client services, Stephanie Allen who joins from Paramount Pictures where she was Head of VFX, and the newly appointed Global Head of Production, Chris Burn, a notable VFX industry veteran who joins the MPC team after 18 years at DNEG.
  - In The Mill, the Company is implementing management organizational changes to improve the focus of the teams around business development and delivery. The Company has also engaged in a search for further executive talent in sales and delivery expertise.
  - The Company is implementing new operational governance focusing on operational efficiencies, notably with the reinforcement of middle management.
  - In addition, a deep-dive assessment by executive management is ongoing to drive change throughout the organization. This includes a thorough assessment of multiple layers of management and a holistic analysis on the root causes of challenges to retain key talents.
  - A talent retention program will also be launched by early 2023.
- Performance and Cash Management:
  - The Company will continue to optimize the level of its production in India.
  - Further consolidation is ongoing through IT system integration and overhead staff mutualization.
  - Overhead corporate costs reduction is under review for 2023 implementation. This does not factor immediate customary cost reduction measures already taken.
  - Optimization of capex and working capital requirements management.

In addition, the company took a set of immediate corporate actions, including:

- Appointing Caroline Parot as Interim CEO to take the lead on the acceleration of Technicolor Creative Studios global transformation, alongside Christian Roberton as Deputy CEO, who will be fully dedicated to clients and project execution as well as talents. This appointment is following her appointment as Senior Advisor to the Company announced on November 30th, 2022;
  - Appointing Hugues de Nicolay as Interim Chief Financial Officer;
  - Appointing Simon Presswell as Interim Head of Operations and Transformation, he is responsible to oversee the implementation and execution of improvement actions;
  - Launching an independent review. The Company has mandated an international renown independent audit firm to carry out an in-depth mission, that is already ongoing, to help the Company better analyze the situation and identify areas for improvements from a financial, reporting, and operational perspective;
  - Establishing an ad hoc committee. Technicolor Creative Studios Board of Directors has decided to set up an ad hoc committee which mainly comprise independent Directors, which mission will include helping the Board of Directors to oversee the progress of both the independent audit review and the recovery actions.

On March 8, 2023, Technicolor Creative Studios announced it has reached an agreement in principle with a large majority of shareholders and lenders on a new financing structure which includes a c.€170 million new money injection.

On the 3rd April, 2023, following the agreement in principle reached on March 8, 2023, Technicolor Creative Studios announced (i) the execution on March 27, 2023 of a conciliation protocol (the "Conciliation Protocol") by its lenders and shareholders showing their support in the rebound of the Company and (ii) its approval by a judgment of the Commercial Court of Paris dated March 29, 2023 which put an end to the conciliation procedure opened on January 20, 2023. In accordance with the terms of the agreement in principle dated March 8, 2023, the Conciliation Protocol provides that the refinancing includes (i) a new money financing in aggregate principal amount, net of original issue discount and underwriting fee, equal to c.€170 million and (ii) the reinstatement of the existing indebtedness.

For further information on the Agreement in Principle, please refer to the press release dated March 8, 2023 and April 3rd, 2023 respectively available at the following address: https://www.technicolorcreative.com/investor-center/, to section 2.3 and to the Note 1.1.4. to the Consolidated Financial Statements.

1.2 BUSINESS OVERVIEW

1.2.1 MPC & MIKROS ANIMATION

BUSINESS OVERVIEW

Together, MPC and Mikros artists deliver contents for episodic and film projects of entertainment producers. Segment FY 2022 revenue amounted to €522 million and adjusted EBITDA after lease amounted to €32 million.

- **MPC** (FY 2022 revenue amounted to €375 million, up 55%): MPC is an industry leading VFX provider on many film and episodic projects based on the magnitude of its involvement in the overall VFX portion of a project, whether by creating a significant portion of the VFX shots or by creating the more complicated VFX sequences for a given project. At times, MPC's award-winning VFX supervisors may be engaged directly by a client as the overall production VFX supervisor, managing all the VFX vendors on a project. MPC believes it has the capacity to scale and deliver at high quality while being able to adapt its offerings to widely disparate customer segments. Its competitive position is underpinned by access to a global talent pool, investment in leading technologies, and continuous workflow optimization. At 31 December 2022, MPC employed approximately 5,500 people over eight (8) countries. The Group's VFX work has been recognised with several major industry accolades, including four (4) Academy Awards® for Best Visual Effects (*Gladiator*, *Life of Pi*, *The Jungle Book* and *1917*).
- **Mikros Animation** (FY 2022 revenue amounted to €147 million, up 79%): Mikros Animation is an industry-leading CGI animation studio dedicated to feature films and short-form & long-form episodic content, serving a variety of clients globally. The company offers front-end to back-end production to deliver its clients a concept-to-completion solution. With studios in Paris, Montreal, and Bangalore, Mikros Animation has animated 10 feature films released to date, including Spin Master Entertainment's *PAW Patrol: The Movie* and Paramount's *The SpongeBob Movie: Sponge on the Run*; and over 30 episodic series, including Disney's *Mickey Mouse Funhouse*, DreamWorks Animation's *Fast & Furious: Spy Racers*, and Nickelodeon's *Star Trek: Prodigy*. At 31 December 2022, Mikros Animation employed approximately 2,500 people in six (6) countries. Mikros Animation also operates a dedicated content IP team that sources, develops and produces its own content such as Gus, the Itsy Bitsy Knight.

MARKET

The market information in this Section, including size and growth potential, is taken primarily from independent sources including two reports issued to Technicolor Creative Services USA, Inc. by FTI Consulting (April 2022 and November 2022). All data and information presented in this URD attributed to FTI Consulting reflect the Group's interpretation of the data, research and viewpoints expressed in the Report published by FTI Consulting in April 2022 and updated in November 2022 and have not been reviewed or endorsed by FTI Consulting. Any FTI Consulting publication should be read and interpreted as of its original publication date, not as of the date of this URD. FTI Consulting does not assume any responsibility, duties or obligations to third parties for information presented in this Section extracted from studies, reports or other materials prepared by FTI Consulting.

The Film & Episodic VFX market (MPC)

In 2022, the Film & Episodic VFX market globally was estimated at approximately $5.1 billion, increasing by 15% compared to $4.4 billion in 2021. In the next few years, the Film & Episodic VFX market is expected to increase to $6.1 billion by 2025, representing an approximate 6% compound annual growth rate ("CAGR") from 2022, according to FTI Consulting, as the industry returns to full production and the content arms race continues.

This market is defined by the following segments (with MPC operating across all):

- **Film (Theatrical and Digital)**: live-action feature films across all budget levels released theatrically and/or through a digital platform (e.g., Disney+, Netflix).
- **TV Episodic and Film**: broadcast and cable TV production spend, including episodic content and long-form "made-for-TV" movies.
- **Digital Episodic**: episodic content released through a digital platform or a premium cable network. Premium cable content is included due to the convergence of premium cable networks and their respective streaming platforms (e.g., HBO and HBO Max).

Note that all segments above exclude CG or other animation.

GLOBAL ENTERTAINMENT VFX MARKET SIZE, 2018 - 2025F

(*US$ IN BILLIONS*)	2018	2019	2020	2021	2022F	2023F	2024F	2025F	CAGR '18-22	CAGR '22-25
FILM (THEATRICAL & DIGITAL)	2.5	2.5	2.0	1.9	2.5	2.9	3.2	3.3	-1%	11%
TV EPISODIC & FILM	1.1	1.2	0.8	1.0	1.0	0.9	0.9	0.8	-2%	-6%
DIGITAL EPISODIC	0.5	0.9	0.6	1.6	1.7	1.6	1.8	1.9	34%	5%
TOTAL ENTERTAINMENT VFX MARKET	**4.1**	**4.6**	**3.5**	**4.4**	**5.1**	**5.4**	**5.8**	**6.1**	**6%**	**6%**
YOY		***13%***	***-25%***	***28%***	***15%***	***6%***	***8%***	***4%***		

Source: FTI Consulting (November 2022)
Note: Digital Episodic includes Premium Cable. TV Episodic & Film includes Broadcast & Basic Cable.

Going forward, FTI Consulting estimates market growth of 6% which will be driven predominately by the Film and Digital Episodic Markets. The Film market is expected to achieve 11% CAGR between 2022 and 2025. This market is anticipated to remain robust as the major studios continue to focus on tentpole projects that tend to have VFX-heavy content and are part of existing franchises or have franchise potential.Episodic market is forecast to be relatively flat over the next few years as a 6% CAGR in Digital Episodic content produced for the major streaming platforms, driven by increasing competition, is projected to be offset by a -5% CAGR decline in TV Episodic and Film produced for Broadcast and Basic Cable.

The CG (Computer Generated) Animation market (Mikros Animation)

In 2022, the CG Animation market globally was estimated at approximately $2.2 billion, increasing by 2% compared to $2.1 billion in 2021, while it increased by 76% in 2021 compared to 2020 largely due to the significant increase in Digital Episodic spend. In the next few years, the CG Animation market is expected to remain broadly flat, according to FTI Consulting.

This market is divided into the following segments (with Mikros Animation operating across all):

- **Theatrical Film**: CG animated films released theatrically.
- **Digital Film**: CG animated films released through a digital platform, including films that were originally slated for theatrical release that ultimately went direct-to-streaming due to the COVID-19 pandemic (e.g., Disney/Pixar's *Soul, Luca,* and *Turning Red*; and Sony's *Hotel Transylvania*: *Transformania*).
- **TV Episodic**: CG animated episodic content released through basic cable, the vast majority of which is lower-budget children's programming (e.g., *Paw Patrol*).
- **Digital Episodic**: CG animated episodic content initially released through a digital platform.

Market definition does not include production spend related to non-animation production elements such as voice-over talent; and all categories exclude non-CG animation (e.g., 2D or stop motion).

GLOBAL CG ANIMATION SERVICES MARKET SIZE, 2018 - 2025F

(*US$ IN BILLIONS*)	2018	2019	2020	2021	2022F	2023F	2024F	2025F	CAGR '18-22	CAGR '22-25
FILM - THEATRICAL	0.8	0.6	0.4	0.7	0.9	0.9	0.8	0.8	2%	-2%
FILM - DIGITAL	0.1	0.2	0.3	0.2	0.3	0.3	0.3	0.3	37%	9%
EPISODIC: DIGITAL	0.3	0.2	0.3	0.9	0.8	0.7	0.8	0.8	33%	-2%
BASIC CABLE	0.4	0.4	0.2	0.3	0.2	0.2	0.2	0.2	-10%	-9%
TOTAL CG ANIMATION MARKET	**1.5**	**1.3**	**1.2**	**2.1**	**2.2**	**2.1**	**2.1**	**2.1**	**10%**	**-1%**
YOY		***-12%***	***-8%***	***76%***	***2%***	***-3%***	***1%***	***-1%***		

Source: FTI Consulting (November 2022)
Note: Includes productions done wholly in-house (e.g., Pixar films)

FTI Consulting estimates overall CG animation spending to remain broadly flat compared to 2022 levels. Relative to the live-action world, animation tends to have a more extended development and production cycle, potentially tying up more capital for a longer period at a time when interest rates are rising. As a result, there has been a demonstrative slowdown in production greenlight decision making from clients and increasing pressure to reduce costs.

While FTI Consulting's market forecasts above show a relatively flat spend on services over the next few years, they forecast volume growth in terms of number of films (a 12% 2022-2025 CAGR) and series produced (a 2% 2022-2025 CAGR). This volume growth is expected to be offset by a material decrease in average project sizes.

MAIN COMPETITORS

MPC

The Film & Episodic VFX market is highly fragmented, with thousands of very small players and only a few globally scaled firms, of which MPC is one of the largest based on revenue. Amongst the globally scaled firms, players are divided between:

- **Providers tied to studios:** e.g., Disney's Industrial Light & Magic ("ILM"), Netflix's Scanline VFX, and Sony's Sony Pictures Imageworks, and Pixomondo;
- **Independent players**: e.g., MPC, Cinesite, Digital Domain, DNEG (majority-owned by Prime Focus Limited), Framestore, Pitch Black Company (previously known as the Fuse Group), Rodeo FX, and Wētā FX.

The Group considers a sub-set of the above players as Tier 1 competitors to MPC, including DNEG, Framestore, ILM and Wētā FX. This is based on the Group's assessment of those players competing with it for leading and major supporting roles on large-scale VFX productions.

Mikros Animation

The CG animation market is highly fragmented and characterised by several global tied providers, a small number of independent globally scaled and mid-sized providers, and thousands of small independent providers. Some of the major Hollywood studios have "tied" CG animation studios; e.g., Disney has Disney Animation and Pixar, while NBCUniversal has DreamWorks Animation and Illumination.

Cost efficiencies may be obtained by outsourcing production to independent global studios. Mikros Animation, among few players, is able to meet this demand due to its scale, access to production incentives highly attractive to clients, industry-recognised talent, and ability to produce multiple high quality feature and episodic productions in parallel. Other global independent players include Cinesite and DNEG, as well as a limited number of mid-sized providers (e.g., ICON Creative Studio, Jellyfish Pictures).

1.2.2 THE MILL AND TECHNICOLOR GAMES

BUSINESS OVERVIEW

The Mill and Technicolor Games are delivering digital content to create new experiences for our customers' targets. Segment FY 2022 revenue amounted to €261 million and adjusted EBITDA after lease amounted to €7 million.

- **The Mill** (FY 2022 revenue amounted to €248 million, down 6%): As specialists in VFX, Creative Production and Experience design, The Mill pushes the boundaries of the imagination to make big ideas a reality. Partnering with agencies, production companies and brands, The Mill solves tough creative challenges and brings visually stunning stories to life across linear and interactive media. With locations in London, New York, Los Angeles, Chicago, Paris, Berlin, Amsterdam, Shanghai, Seoul, Bangalore, and Mumbai, The Mill features a global network of award-winning VFX artists and creative technologists with decades of experience across the Brand Experience & Advertising industries. At 31 December 2022, The Mill employed approximately 1,500 people in eight (8) countries.
- **Technicolor Games** (FY 2022 revenue amounted to €13 million compared to €10 million in FY 2021): In addition to its studio in Bangalore, Technicolor Games has small front-end teams located across North America and Europe to cover key client time zones. At 31 December 2022, Technicolor Games employed approximately 700 people. 2022 released titles worked on by Technicolor Games include 2K Sports' *NBA 2K22* and *WWE 2K22*, Electronic Arts' *FIFA 22* and *NHL 22*, and Ubisoft's *Tom Clancy's Rainbow Six Extraction*.

MARKET

The brand experience & advertising production market (The Mill)

In 2022, the Brand Experience & Advertising Production market globally was estimated at approximately $31.9 billion, increasing by 6% compared to $30.0 billion in 2021. In the coming years, the Brand Experience & Advertising Production market is expected to increase to $33.3 billion by 2025, representing an approximate 1% CAGR from 2022, according to FTI Consulting who has defined the market by the following segments:

- **Advertising Spots**: global production spending on all TV, online video and digital out-of-home advertising (e.g., Pepsi Super Bowl commercial);
- **Premium Branded Content**: professionally-produced branded content production spend without a direct call to action (e.g., Red Bull Stratos); and
- **Experience Marketing**: live events and experiences either managed by a brand or a 3rd party that allows brands to build brand image and awareness with consumers. Includes immersive Extended Reality ("XR") experiences (e.g., Augmented Reality ("AR"), Virtual Reality ("VR"), Mixed Reality ("MR")).

Advertising spending is, however, sensitive to the macroeconomic environment and GDP growth. Should a recession occur, recession-adjusted forecasts could result in an approximately 10% smaller estimated market size by 2025 according to FTI Consulting estimates.

GLOBAL BRAND EXPERIENCE & ADVERTISING PRODUCTION MARKET SIZE, 2019 – 2025

(US$ IN BILLIONS)	2019	2020	2021	2022F	2023F	2024F	2025F	CAGR '18-22	CAGR '22-25
ADVERTISING SPOTS	21.6	20.0	23.1	24.3	24.2	24.1	24.7	4%	1%
PREMIUM BRANDED CONTENT	3.5	2.6	3.2	3.6	3.8	4.0	4.2	1%	5%
EXPERIENTIAL MARKETING	3.9	3.4	3.7	4.0	4.1	4.2	4.4	1%	3%
TOTAL ADVERTISING PRODUCTION MARKET	**29.0**	**26.0**	**30.0**	**31.9**	**32.1**	**32.3**	**33.3**	**3%**	**1%**
YOY		***-10%***	***15%***	***6%***	***1%***	***1%***	***3%***		

Source: FTI Consulting (November 2022)
Note: estimates above are assuming a relatively mild recession that lasts 9 – 12 months, with the uncertainty causing businesses to cut marketing spend.

The largest segment of the Brand Experience & Advertising production market is Advertising Spots. This market is divided into traditional and digital advertising for TV, online video and digital out-of-home advertising (i.e., excludes print, radio, online search, etc.). Digital advertising spend continues to grow faster than traditional television advertising spend. Digital video advertising growth will primarily come from mobile advertising production spend as mobile increasingly becomes consumers' main internet device.

The global Premium Branded Content production market is expected to grow as consumers become increasingly less tolerant to viewing advertisements, causing brands to leverage branded content as an alternative marketing strategy, and due to the desire of brands to align their image to customers' personal values, with branded content allowing brands to signal their value and market their product at the same time.

The return of in-person events is a key driver in the recovery for physical Experience Marketing as pandemic restrictions are lifted. In addition to in-person events, marketers are increasingly looking to innovative digital formats, such as AR and VR, for Experience Marketing. Live, in-person events are increasingly held in a hybrid format, creating a need for digital experiences to engage virtual attendees. Extended Reality experiences will be a key driver of future growth and will shape the landscape of the segment in the coming years, given their higher conversion rates.

The Group believes that The Mill is well-positioned to address this market evolution and use emerging technologies to create the high-end imagery required by advertisers and marketers across all screens and experiences, strengthening its leadership in high-end branded content creation and immersive experiences.

The outsourced video games services market (Technicolor Games)

The outsourced video game services market can be broadly divided into eight segments. The Group currently operates in the Art Services and Games Development segments via Technicolor Games, and partially offers Marketing Services through The Mill; and plans to expand its services into other segments.

OUTSOURCED VIDEO GAME SERVICES OVERVIEW

	CORE CREATIVE AND DEVELOPMENT SERVICES		DOWNSTREAM SERVICES					
	ART SERVICES	GAME DEVELOPMENT	FUNCTIONAL QA	LOCALIZATION	AUDIO SERVICES	LOCALIZATION QA	MARKETING SERVICES	PLAYER SUPPORT
DESCRIPTION	Services related to the creation of video game graphical art, digital assets and animation	Services that support video game creation, including external development support, porting, and consulting	Services that test the game to ensure it is functioning properly without bugs or glitches	Services that adapt a game for use in a foreign country or region	Services that create or adapt sounds specifically for games or provide accessibility audio solutions	Services that test the game to ensure it has been adapted properly for specific countries or regions	Services that promote the launch and sale of video game releases	Services that provide in-game customer support and manage digital community and social platforms
SAMPLE SERVICES	• 2D and 3D Asset Creation • Animation • Concept Art	• Full-game Development • Co-development • Porting • Tool Development	• Quality Assurance • Compatibility Testing • Bug Discovery and Documentation • Compliance Testing	• Translation Services • Cultural and Local Adaptation • Packaging and Marketing Materials	• Voice-over • Music • Sound Effects • Accessibility	• Out-of-context Translations • Spelling / Grammar • Cultural Sensitivities • Age Rating Issues	• Game Trailers • Marketing Art and Materials • PR • Brand Campaign Strategies	• In-game Customer Support • Digital Community and Social Platform Management

Source: FTI Commercial Due Diligence Report (April 2022), Company information

In 2022, the outsourced video games service market was estimated at approximately $3.8 billion, increasing by 17% compared to $3.3 billion in 2021. In the next few years, the outsourced video games service market is expected to increase to $5.7 billion by 2025, representing an approximate 14% CAGR from 2022, according to FTI Consulting.

EXTERNAL GAME DEVELOPMENT SERVICES MARKET SIZE, 2019 - 2025

(*US$ IN BILLIONS*)	2019	2020	2021	2022F	2023F	2024F	2025F	CAGR '18-22	CAGR/ '22-25
GAMES DEVELOPMENT	0.5	0.6	0.9	1.1	1.2	1.5	1.7	27%	17%
ART SERVICES (1)	0.3	0.5	0.6	0.7	0.8	1.0	1.1	26%	18%
FUNCTIONAL TESTING	0.6	0.6	0.6	0.7	0.8	0.9	1.0	8%	12%
AUDIO SERVICES	0.3	0.4	0.4	0.4	0.5	0.5	0.6	6%	11%
LOCALIZATION	0.4	0.4	0.3	0.4	0.4	0.4	0.5	5%	4%
PLAYER SUPPORT	0.3	0.3	0.3	0.4	0.4	0.5	0.5	7%	14%
LOCALIZATION TESTING	0.2	0.2	0.2	0.2	0.2	0.2	0.3	-2%	14%
TOTAL EXTERNAL GAME DEVELOPMENT SERVICES MARKET	**2.6**	**2.9**	**3.3**	**3.8**	**4.3**	**5.0**	**5.7**	**14%**	**14%**
YOY		***13%***	***12%***	***17%***	***12%***	***16%***	***14%***		

Source: FTI Consulting – April 2022

(1) Art Services category includes Marketing Services; however, services related to traditional marketing, advertising, branding, campaign management, analytics, social / community management, etc. are not included in the market size forecast

Within the outsourced video games services market, Technicolor Games operates primarily in the Art Services segment.

For video games, market trends continue to support the outsourced video game services market. AAA games clients are increasingly looking to outsource to increase the volume of video game releases to meet consumer demand and to meet deadlines, with developer capacity the primary constraint. In addition, given the increasing complexity of AAA games and growing demand for higher quality graphics, the global outsourced video games services market will benefit as publishers and game developers increase the proportion of work outsourced.

Furthermore, live operations, where games are periodically refreshed without needing to publish a new game (e.g., the different seasons in Epic Games' *Fortnite*), are becoming more and more prevalent. This is an area ripe to be outsourced to external game developers so that clients can focus on new games.

On top of PC and console games, mobile gaming has become a more relevant market. Mobile game art quality increases alongside each successive generation of smartphones, growing the potential market for outsourced video game services.

MAIN COMPETITORS

The Mill

The Advertising Production value chain is a broad ecosystem (see illustration below). The Mill currently participates across multiple areas within the advertising production value chain, with its strongest footprint within VFX.

	DESCRIPTION	KEY SERVICES PROVIDED	SELECT PROVIDERS	THE MILL PRESENCE
Advertiser	Walmart Save money. Live better.	P&G	L'ORÉAL	gm
Campaign Planning & Design	**Define objective and overall approach for advertising campaign**	• Campaign design and planning • Media mix planning • Media buying	SAATCHI & SAATCHI R/GA Wieden+Kennedy	N/A
CONTENT PRODUCTION				
Pre-Production	**Creative development and planning for physical production**	• Concept development • Storyboard / script • Artwork design • Talent management (e.g., casting)	MJZ A TECHNICOLOR CREATIVE STUDIO SMUGGLER	
Production	**Physical production of advertisement**	• Physical production (including crew and production equipment) • Above-the-line direction and talent	RSA FILMS PASSION MEDIA MONKS A TECHNICOLOR CREATIVE STUDIO	
Post-Production	**Editing / finishing of visual and audio assets from physical production**	• Visual effects (VFX) • Music editing • Sound effects • Color grading	FRAMESTORE A TECHNICOLOR CREATIVE STUDIO	
Distribution / Delivery	**Delivery of finished product and post-campaign analysis**	• Cross platform advertising attribution • Return-on-advertising-spend tracking	DV DoubleVerify MEASURED IQ NIELSEN COMPANY Sizmek	N/A
Consumer				

Illustrative, non exhaustive

Source: Adapted from FTI Consulting Due Diligence Report (April 2022)

Within the Advertising VFX market, The Mill, alongside Framestore (including Method Studios), is one of two globally scaled independent VFX providers, and is the clear market leader by fiscal year 2021 revenue according to FTI Consulting. The Mill also competes with the global production arms of the major advertising holding companies like WPP's Hogarth Worldwide and Publicis' Prodigious. In addition, there are a number of smaller-scaled, VFX-first boutique providers that may operate within a certain country or region, including Untold Studios, Carbon VFX, and Blacksmith. The Mill continues to distinguish itself by redefining brand experiences and advertising through a powerful, award-winning combination of storytelling and craft, while pushing the boundaries of new and emerging technologies.

Notwithstanding its market leadership in Advertising VFX, The Mill considers its addressable market opportunity to be the much larger Brand Experience & Advertising production market, with a wide spectrum of competition across the different segments in which The Mill competes.

Technicolor Games

Providers in the outsourced video game services market can be segmented into three distinct categories:

- **Global Scaled Service Providers**: Companies providing services across all or a majority of the different service lines. The largest scale providers present across multiple geographies include, e.g., Keywords Studios, Virtuos, and Pole To Win.
- **Core Service Providers**: Companies with highly-skilled core service lines such as game development and art. Specific expertise in high-skilled areas allows them to command higher pricing compared to more diversified providers or commoditised service providers. Includes, e.g., Room 8 Group, Amber.
- **Downstream Service Providers**: Companies providing downstream services such as localization, localization quality assurance ("QA"), and functional QA. Includes, e.g., Lionbridge Games, GlobalStep, and TransPerfect.

The market is highly fragmented with few true global scaled service providers, presenting an opportunity for Technicolor Games to expand into new service lines.

1.2.3 CORPORATE & OTHER

The "Corporate & Other" division includes corporate functions, which comprise the costs of Group management, together with headquarters support functions, such as Human Resources, IT, Finance, Marketing and Communication, Corporate Legal Operations and Real Estate Management, and which do not service a particular business within the two operating segments of the Group. Segment FY 2022 revenue amounted to €1 million and adjusted EBITDA after lease amounted to €(19) million.

1.2.4 DISCONTINUED OPERATIONS

Technicolor Post-Production, which was delivering services such as color grading and sound services to entertainment customers, was disposed of in 2021 and is presented in discontinued activities (see note 13.1 for further detail).

1.2.5 THE GROUP'S CUSTOMER BASE AND KEY HIGHLIGHTS FOR 2022

The Group's customer base includes major and independent film studios, and non-studio customers such as TV broadcasters, independent content producers, game developers/publishers and streaming service providers producing their own original content. In Brand Experience & Advertising, clients range primarily from boutique to major advertising agencies to production companies to brands and advertisers. In the past few years, the Group has been strategically strengthening its market position with leading studios and advertising agencies/production companies while also increasing its collaborations with non-studio customers and directly with brands and advertisers.

	Film & Episodic VFX	**Brand Experience & Advertising**	**Animation**	**Games**
Key Brand	MPC	The Mill	Mikros Animation	Technicolor Games
Key Customers	Major U.S. studios Mini-majors and independent studios TV production companies Streaming providers	Major U.S. studios Mini-majors and independent studios TV production companies Streaming providers	Major and independent Animation studios Key children's TV networks and other distributors	Publishers and developers of AAA game titles
Key Data (2022)	Worked on over 20 theatrical films and over 45 streaming / episodic projects	Contribution to over 3,400 advertising / marketing commercials & campaigns, including ~29 spots at Super Bowl LV	6 features and 15+ episodic series or TV specials	Collaborated on 8 AAA releases

1.2.6 PRODUCTION WORKFLOW

SALES AND BIDDING

The Group intervenes in the early stages of each project, defining with the clients the methodology to be applied on the project and creating a close partnership with film makers to help them realise their vision. The Group has a deep bench of highly regarded production side supervisors who are the creative leads on a project and can be available for the duration of the project, collaborating with the film makers to drive the VFX needs. Examples, demos and bespoke tests or proofs of concepts are developed by the Group's concept and visualization teams to demonstrate its capabilities to the clients on a project. The scripts and such demos will then be broken down into assets and shots that will be used during the project. A bidding producer estimates for each project the man days needed for each shot and asset based on several criteria, and will then quantify bids based on our rate cards. The scope of work is redefined with each script rewrite, and all details of the bidding process are handed over to the MPC production team at point of award. During production, the award size may increase or decrease based on changes in the project scope.

TECHNOLOGY

The Group's technology vision relies on (i) unification, with a unified infrastructure and workflows handled in a common way, although each division retains its own artistic identity; (ii) flexibility in the Group's infrastructure or in the software architecture, with the work of each project sent to the best equipped location, tackling any kind of project; and (iii) scalability, with the Group's technology enabling scaling of artists' capabilities and augmenting creative production. The Group's technology vision has developed around TCS' software stack, with cutting-edge, off-the-shelf software supplemented with in-house proprietary development, providing further production flexibility. The Group benefits from a close relationship with vendors to promote its use. In terms of infrastructure and key capabilities, the Group experiences 300 terabytes (TB) of new content written daily, possesses 60 petabytes (PB) of production storage globally in nineteen different clusters, and benefits from a partnership with the three major cloud providers. Such globally distributed infrastructure supports the Group's virtual production efforts globally, and enables a large pool of connected digital artists globally (in particular in Los Angeles, Montreal, London, Paris and Bangalore).

1.3 STRATEGY

1.3.1 STRENGTHS AND COMPETITIVE ADVANTAGES

The Group has the following strengths and competitive advantages:

POSITIONED FOR ACCELERATED STRUCTURAL GROWTH IN A LARGE AND GROWING TOTAL ADDRESSABLE MARKET ("TAM")

MPC and Mikros Animation are benefitting from the arms race for original content, which is driving the increase in demand for VFX and animation services across both theatrical and streaming releases. The Mill is benefitting from improving marketing budgets, which are rebounding from the pandemic decline at a pace that is faster and stronger than anticipated, as well as by targeting a greater share of wallet outside of traditional media advertising. Lastly, Technicolor Games is benefitting from the growing volume of releases, demand for higher quality graphics, and increasing rate of game developers using outsourced services.

LEADERSHIP POSITION IN TECH-ENABLED CONTENT CREATION WITH AN AWARD-WINNING PORTFOLIO

MPC and The Mill represent two recognised leaders based on quality of projects and number of awards, operating at the forefront of the tech-enabled VFX and advertising industries. MPC has won four (4) Academy Awards, 4 BAFTA Awards, 1 Emmy Award, and several VES Awards since 2001. The Mill, over the last decade, has won over 100 major industry awards for its advertising campaigns, including Cannes Lions, D&AD Awards, and VES Awards.

LONG-STANDING AND DEEPLY CEMENTED RELATIONSHIPS WITH BLUE-CHIP CUSTOMERS

With a 100+ year legacy, the Group has long-standing commercial relationships with the major Hollywood studios that dates back generations, having worked on projects with them and their predecessor firms. In addition, many clients have elected to work with the Group repeatedly on their franchises, including Electronic Arts on its FIFA and NHL franchises for 15 and 13 games, respectively, and MGM on Vikings for all six seasons plus the Vikings: Valhalla spin-off series. In addition to its extensive studio, director and gaming relationships, the Group also maintains growing relationships with major technology clients, including Apple, Meta, and Netflix, across multiple business lines.

GLOBAL FOOTPRINT WITH HIGHLY SKILLED AND FLEXIBLE TALENT

As a large-scale provider of creative visual art services, the Group employs approximately 11,800 employees at 31 December 2022 and has one of the largest pools of digital artists in the industry. Though the high level of attrition in the sector and the difficluties relate to post covid, Technicolor Creative Studios still attracts, recruits, and has enhanced its program to retain key talents.

The Group has facilities across 11 countries, including a lower-cost production base in India. Group offices are strategically located close to clients and key talent hubs, and with significant capacity in regions offering the highest production incentives for our clients.

CUTTING EDGE TECHNOLOGY AND WORKFLOW PROCESSES OFFERING COMPETITIVE ADVANTAGE

The Group leverages the latest cutting-edge software, and supplements these with a bespoke technological toolkit that enables a highly scalable and efficient global workflow. As a result, the Group's facilities can collaborate seamlessly and simultaneously globally. Underpinning these capabilities is a scalable, service-oriented infrastructure capable of transporting 160 terabytes of data on the Group's network daily and allows the Group to be one of the few players able to produce multiple large, complex projects for clients at the same time.

EXPERIENCED TOP MANAGEMENT TEAM WITH PROVEN TRACK RECORD AND DEEP SECTOR EXPERTISE

The Group has a highly experienced management team with a track record of delivering top-line growth and projects which are recognised in the industry, while maintening strong pipeline of creative talents.

1.3.2 STRATEGY

The Group's vision is to be the first-choice digital services production partner for the world's most creative companies in media, entertainment, advertising and gaming. Its focus on technology, creativity and talent development, combined with cost efficiency and rigorous management, will drive the Group to operate as a client-focused, technology-driven and profitable global studio delivering high-quality projects, combining VFX, animation and other digital services. Building upon the knowhow of the Group, its mission is to drive the business lines' respective growth and margin enhancement by cross-fertilizing all the Group's creative and production expertise, and by adapting client servicing to the post-Covid-19 era.

The Group's key strategic pillars are to:

- Adapt capacity and capabilities to meet strong demand :
  - Benefit from strong tailwinds in underlying markets to capture new demand
  - Adapt capacity to adjust to demand in a profitable way and extend market leadership
  - Seek to invest in untapped high-growth regions and emerging/adjacent services in a profitable way, in particular for gaming
- Develop our brand to be seen as Employer of Choice by talent:
  - Increase investment in Technicolor Creative Studios' Academy programs to train and develop talent
  - Implement mentoring and retention programmes for key talent
  - Implement a workforce planning to ensure the operational structure necessary to achieve the Group's forecasted performance
  - Increase accessibility to Learning & Development
  - Improve mobility opportunities across geographies and businesses
- Continue to invest in R&D and Technology:
  - Focus R&D priorities on producing and delivering quality content at scale
  - Further improve utilization and efficiencies through technology to reduce dependency on human capital
  - Be alert to technological developments and innovation to best serve customers and improve our talents' quality of work
- Start leveraging existing capabilities to capture the Gaming and Metaverse opportunity:
  - Leverage industry-leading immersive artistry and industrial-scale content creation platform for the Metaverse
  - Integrate emerging real-time technologies to service the massive volume of digital content the Metaverse will require

1.3.3 OUTLOOK

Demand for VFX and original content remains strong (6% CAGR over 2022-2025), and the industry is recognizing Technicolor Creative Studios for the high quality work its studios are delivering. However, this demand for original content is facing a VFX production capacity still impacted by unprecedented post-Covid recovery challenges and corresponding operational issues. As a consequence, the Company has been focused on its *Re*Imagined* program:

- Third-party reviews by renowned firms helping the Company to identify areas for improvements from a financial, reporting and operational perspective;
- Continued improvement of real-time project tracking with action-orientated processes to resolve current delivery issues, to run initiatives to develop efficient best practices across our client facing delivery brands and to capitalize on our unique global unified platform;
- Deep-dive assessment of top management completed, and recruitment of critical hires is progressing well;
- New retention program for key talents launched, along with plan to attract the right new talents;
- Improve functional performance and overall cash management.

The completion of the refinancing of the Company would enable Technicolor Creative Studios to address its liquidity needs from Q2 2023 and allows operating cash flow to be focused on operational needs. More information on the refinancing is available in the Note 1.1.4. to the Consolidated Financial Statements and in the sections 1.1.2 Historical Background and 7.5 Material Contracts

1.4 SHARE CAPITAL AND SHAREHOLDING

1.4.1 SHARE CAPITAL

NUMBER OF SHARES AND VOTING RIGHTS AS OF DECEMBER 31, 2022

In 2022, the Company carried out the following operations which impacted the amount of the share capital.

Share capital increase in cash, with preferential subscription right through the issuance of new shares

The Company's shareholders decided at the combined general meeting of July 8, 2022 and while the Company was not yet listed on Euronext Paris, to increase the Company's share capital by a nominal amount of 1,490,000 euros through the issuance of 149,000 new ordinary shares with a nominal value of 10 euros each, thus bringing the share capital from 10,000 euros, divided into 1,000 ordinary shares with a nominal value of 10 euros, to a total amount of 1,500,000 euros, divided into 150,000 ordinary shares with a nominal value of 10 euros.

The 149,000 ordinary shares were fully subscribed by Technicolor SA (now Vantiva), by way of set-off against a due and payable debt that it held against the Company.

Capital reduction via a reduction of the shares' nominal value

The Company's shareholders decided at the combined general meeting of July 8, 2022, and following the above capital increase, to reduce the Company's share capital on the grounds of forecast losses for the financial year 2022. The share capital was thus reduced by a total amount of 1,425,000 euros from 1,500,000 euros to 75,000 euros, by way of reduction of the nominal value of the Company's shares from 10 euros to 0.50 euro.

Increase in the share capital through the issuance of new shares in consideration for a contribution in kind

The Company's shareholders decided, at the combined general meeting of September 15, 2022, and following a contribution in kind by Technicolor SA of Tech 6 shares to the Company, to issue 546,531,915 new ordinary shares with a nominal value of 0.50 euro each. All these shares were allocated to Technicolor SA in consideration of the said contribution in kind.

As a result, the share capital of the Company was thus increased by a total 273,265,957.50 euros from 75,000 euros (divided into 150,000 ordinary shares with a nominal value of 0.5 euro) to 273,340,957.50 euros (divided into 546,681,915 ordinary shares with a nominal value of 0.5 euro).

Until September 27, 2022, the Company's capital and voting rights were therefore wholly owned directly and indirectly by Technicolor SA (99,99%) and by Thomson Sales Europe SAS (0,01%).

On February 24, 2022, Technicolor SA published its intention to list and spin-off 65% of Technicolor Creative Studios through a distribution-in-kind to its shareholders.

Based on the above, and following Technicolor SA's general meeting held on September 6, 2022, Vantiva (*ex* Technicolor SA), distributed, on September 27, 2022, 355,343,245 Company's shares to its shareholders in accordance with the distribution ratio of 1 TCS share for 1 outstanding Technicolor share.

As of December 31, 2022, the Company's share capital was divided into 546,681,915 shares with a nominal value of 0.50 euro, fully paid-up (ISIN FR001400BWV7) and all of the same class (see below paragraph "Changes to the share capital" of this Chapter).

Date	Number of Outstanding Shares	Number of Voting Rights
December 31, 2022	546,681,915	Number of Theoretical Voting Rights(1): 546,681,915 Number of Voting Rights Exercisable at Shareholders' Meeting(2): 546,681,915

(1) Calculated, pursuant to Article 223-11 of the General Regulations of the Autorité des marchés financiers, based on the total number of outstanding shares to which voting rights are attached, including shares with suspended voting rights.

(2) Excluding shares without voting rights.

HOLDING OF SHARE CAPITAL AND VOTING RIGHTS

The table below shows the Company's shareholding structure as of December 31, 2022*:

Name		Number of Shares	% of share capital	% of voting right
Equitis Gestion / Vantiva(1)		191,338,670	35.0%	35.0%
Angelo, Gordon & Co., L.P.		79,671,524	14.6%	14.6%
	Public	73,465,874	13.4%	13.4%
Bpifrance Participations S.A.		42,682,417	7.8%	7.8%
Briarwood Chase Management LLC		37,343,934	6.8%	6.8%
Baring Asset Management Ltd.		29,016,111	5.3%	5.3%
Credit Suisse Asset Management		27,320,434	5.0%	5.0%
Bain Capital Credit, LP		22,713,660	4.2%	4.2%
Farallon Capital Management, L.L.C.		19,350,000	3.5%	3.5%
Goldman Sachs Group, Inc.		15,474,103	2.8%	2.8%
ICG Advisors, LLC		8,305,188	1.5%	1.5%
TOTAL		**546,681,915**	**100%**	**100%**

* Sources : Company - shareholder identification as of December 31, 2022.

(1) Shares held by Equitis Gestion pursuant to a fiduciary trust agreement, it being specified that under the terms of the fiduciary trust agreement the voting rights attached to the 191,338,670 Technicolor Creative Studios' shares held in trust may be exercised by the trustee acting on the instructions of Technicolor SA (now Vantiva) for ordinary decisions.

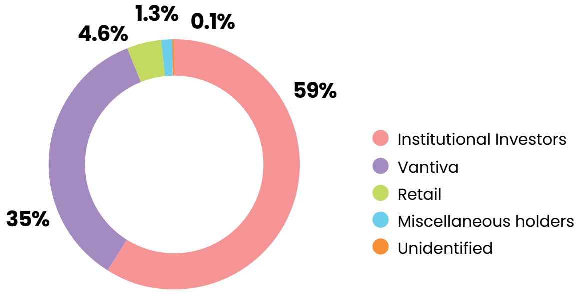
TOP 10 HOLDERS*

Rank	Name	Number of shares	% of share capital and voting rights
1	Equitis Gestion / Vantiva(1)	191,338,670	35.0%
2	Angelo, Gordon & Co., L.P.	79,671,524	14.6%
3	Bpifrance Participations S.A.	42,682,417	7.8%
4	Briarwood Chase Management LLC	37,343,934	6.8%
5	Baring Asset Management Ltd.	29,016,111	5.3%
6	Credit Suisse Asset Management	27,320,434	5.0%
7	Bain Capital Credit, LP	22,713,660	4.2%
8	Farallon Capital Management, L.L.C.	19,350,000	3.5%
9	Goldman Sachs Group, Inc.	15,474,103	2.8%
10	ICG Advisors, LLC	8,305,188	1.5%

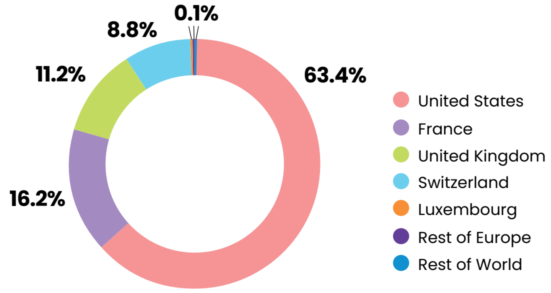
* Sources : Company - shareholder identification as of December 31, 2022.

1. Shares held by Equitis Gestion pursuant to a fiduciary trust agreement, it being specified that under the terms of the fiduciary trust agreement the voting rights attached to the 191,338,670 Technicolor Creative Studios' shares held in trust may be exercised by the trustee acting on the instructions of Technicolor SA (now Vantiva) for ordinary decisions. PLease refer to § COMPANY'S SHARES HELD AS COLLATERAL

HOLDING OF SHARE CAPITAL



INSTITUTIONAL HOLDERS BY GEOGRAPHY



* Unidentified Shares are likely to be held by Miscellaneous and Retail investors

INDIVIDUALS OR ENTITIES HOLDING CONTROL OF THE COMPANY AND SHAREHOLDERS' AGREEMENTS

No entity controls the Company, and, to the Company's knowledge, there are no shareholders' agreements among its shareholders.

SHARE OWNERSHIP THRESHOLDS' CROSSINGS NOTIFIED TO THE COMPANY IN 2022 AND UNTIL THE PUBLICATION OF THIS UNIVERSAL REGISTRATION DOCUMENT AND SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S CAPITAL AS OF DECEMBER 31, 2022

In accordance with Article L. 233-13 of the French Commercial Code, and to the Company's knowledge, the following legal share ownership thresholds' crossings were notified to the Company and the Autorité des marchés financiers (AMF) during 2022 and until the publication of this Universal Registration Document:

Shareholders	Date on which threshold crossed	Threshold crossed upwards or downwards	Threshold crossed	Percentage of share capital held on the date of notification	Number of shares
Bpifrance Participations (D&I AMF n° 222C2260 (1) et D&I AMF n° 222C2276 (2))	September 27, 2022	Upwards	5%	7.05%	38 525 391
Angelo, Gordon & Co., L.P. *(D&I AMF n° 222C2283)*	September 27, 2022	Upwards	5% and 10%	14.57%	79 671 524
Baring Asset Management Ltd *(D&I AMF n° 222C2308)*	September 27, 2022	Upwards	5%	5.26%	28 779 023
Briarwood Chase Management LLC *(D&I AMF n° 222C2289)*	September 27, 2022	Upwards	5%	6.71%	36 706 867

(1) *This declaration was made by EPIC Bpifrance on behalf of Bpifrance Participation SA, which is controlled by Bpifrance SA, itself jointly controlled by EPIC Bpifrance (49.2%) and Caisse des dépôts et Consignations (49.2%)*

(2) *This declaration was made by Caisse des dépôts et Consignations which declares that it indirectly holds (i) 7.05% of Technicolor Creative Studios' share capital through Bpifrance Participation SA, which is controlled by Bpifrance SA, itself jointly controlled by EPIC Bpifrance (49.2%) and the Caisse des dépôts et Consignations (49.2%) and (ii) 0.35% of Technicolor Creative Studios' share capital through CDC Croissance, which wholly owned by Caisse des dépôts et Consignations.*

As of December 31, 2022:

- Equitis Gestion held 35% of the share capital and voting rights (resulting from the fiduciary trust agreement entered into with Technicolor SA (now Vantiva);
- Angelo, Gordon & Co., L.P. held 14.6% of the share capital and voting rights;
- Bpifrance Participations SA and Caisse Des Dépôts held 7.8% of the share capital and voting rights.
- Briarwood Chase Management LLC held 6.8% of the share capital and voting rights;
- Baring Asset Management Ltd. held 5.5% of the share capital and voting rights; and
- Credit Suisse Asset Manageemnt held 5.0% of the share capital and voting rights.

To the Company's knowledge, no shareholder, other than those mentioned above, held more than 5% of its share capital or voting rights on December 31, 2022.

In addition, to the Company's knowledge, no Corporate Officer (*mandataire social*) or Executive Committee member currently holds more than 1% of the Company's share capital or voting rights, except for Bpifrance Participations (for further information on Board Members' holdings see section 4.1.1.5: "Corporate Officers' holdings in the Company's share capital" under Chapter 4: "Corporate governance and compensation" of this Universal Registration Document).

MODIFICATIONS IN THE HOLDING OF SHARE CAPITAL OVER THE PAST THREE YEARS

In 2022, the main highlight of the shareholder base is the distribution-in-kind by Vantiva (ex. Technicolor SA) to its shareholders of Technicolor Creative Studios' shares through a distribution-in-kind to its shareholders in accordance with the distribution ratio of 1 TCS share for 1 outstanding Technicolor share.

Therefore, 2022 is marked by the following changes in the holdings in the share capital and voting rights:

Vantiva went from 100% to 35% in 2022;

Vantiva went from 35% to 0% in 2022 (resulting from the fiduciary trust agreement entered into with Technicolor SA (now Vantiva);

Equitis Gestion went from 0% to 35% in 2022 (resulting from the fiduciary trust agreement entered into with Technicolor SA (now Vantiva);

Angelo, Gordon & Co., L.P. went from 0% to 14.6% in 2022;

Briarwood Chase Management LLC went from 0% to 6.8% in 2022;

Baring Asset Management Ltd. went from 0% to 5.3% in 2022; and

BpiFrance Participations SA went from 0% to 7.8% in 2022.

Credit Suisse Asset Manageemnt went from 0% to 5.0%

In 2021, there was no change in the ownership of share capital. Technicolor SA (now Vantiva) was the sole shareholder of the Company's 1.000 shares.

In 2020, the Company was incorporated by Technicolor SA (now Vantiva) which was the sole shareholder of its 1.000 shares.

CHANGE TO THE SHARE CAPITAL

Transaction date	Number of shares issued or canceled	Increase/ reduction in capital (in euros)	Total amount of share capital at closing (in euros)	Additional paid-in capital variation (in euros)	Carrying amount of additional paid-in capital (in euros)	Special Reserve at closing (in euros)	Cumulative number of shares at closing	Nominal value (in euros)
Incorporation of the Company	1,000	10,000						10
As of December 31, 2020			10,000				1,000	10
As of December 31, 2021			10,000				1,000	10
Share capital increase in cash, with preferential subscription right through the issuance of new shares	149,000	1,490,000						10
Capital reduction by reducing the nominal value of the 150,000 shares of the Company from €10 to €0.50		(1,425,000)				1,425,000		0.50
Increase in share capital through the issuance of new shares in consideration for a contribution in kind	546,531,915	273,265,957.50		862,967,016.64				0.50
AS OF DECEMBER 31, 2022			**273,340,957.50**		**862,967,016.64**	**1,425,000**	**546,681,915**	**0.50**

POTENTIAL MODIFICATIONS TO THE COMPANY'S SHARE CAPITAL

No potential modifications to the Company's share capital are anticipated as, as of December 31, 2022, no securities giving access to capital are in circulation or are planned to be issued.

COMPANY'S SHARES HELD AS COLLATERAL

To the Company's knowledge, as of the date of publication of this Universal Registration Document, 191,338,670 registered shares (i.e., 35% of the Company's share capital) were held as collateral, (i) to the lenders of a senior term loan in the principal amount of 250 million euros as security for the payment and repayment of all amounts due under such loan and (ii) to the lenders of a junior term loan in the principal amount of 125 million euros as security for the payment and repayment of all amounts due under such loan, transferred on 15 September 2022 by fiduciary trust agreement between Technicolor SA (now Vantiva) and Equitis Gestion.

ELEMENTS LIKELY TO HAVE AN INFLUENCE IN CASE OF A PUBLIC OFFER

Pursuant to Article L. 225-100-3 of the French Commercial Code, the facilities agreement (being a credit agreement entered into between the Company as parent borrower, Technicolor Creative Services USA, Inc. as co-borrower, Goldman Sachs Bank Europe SE as administrative agent and collateral agent, and French and non-French financial institutions, relating to the grant of a 623 million euros senior secured first lien term loan and an up to 40 million euros super senior secured first lien revolving facility) to which Group companies are parties contain change of control clauses under which all commitments under the Facilities may be cancelled by the lenders and any outstanding amounts under the Facilities may be declared immediately due and payable.

Moreover, the rights attached to the Company's shares placed in fiduciary trust by Technicolor SA (now Vantiva) as referred above under "Shares held as collateral" could result in restrictions on the transfer of shares and exercise of voting rights.

1.4.2 SHARE BUY BACK

The following paragraphs specify the information to be provided pursuant to Article L. 225-211 of the French Commercial Code.

There was no share purchase program in force in 2022.

SHARE MANAGEMENT AGREEMENT

As of December 31, 2022, the Company did not have any share management agreement.

HOLDING AND ALLOCATION OF TREASURY SHARES AS OF DECEMBER 31, 2022

As of December 31, 2022, the Company did not hold any treasury shares.

TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SHARES BETWEEN JANUARY 1, 2022 AND DECEMBER 31, 2022

The Company did not carry out any transactions on its own shares in 2022.

1.4.3 DELEGATIONS GRANTED TO THE BOARD OF DIRECTORS BY THE SHAREHOLDERS' MEETINGS

In accordance with Article L. 225-37-4, paragraph 3 of the French Commercial Code, the table below summarizes the delegations granted to the Board of Directors by the Shareholders' Meeting in force on December 31, 2022 and the use made of these delegations during the 2022 year.

I – FINANCIAL DELEGATIONS TO ALLOW EQUITY-LINKED INSTRUMENTS (EXCLUDING EMPLOYEES OR CORPORATE OFFICERS)

Type of the financial delegation	Duration of the authorization and date of expiration	Maximum amount of the issuance of equity-linked debt securities (in euros)	Maximum nominal amount of Capital Increases	Amount used	Amount available
RESERVES, EARNINGS OR CONTRIBUTION IN KIND					
Increase the share capital through the capitalization of reserves, profits, additional paid-in capital or any other capitalisable amount **(7th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024		20% of the share capital on September 27, 2022	None	100% of the ceiling
Issuance without pre-emptive rights, in consideration for investments in-kind: ordinary shares, and/or equity instruments convertible into other equity instruments and/or with rights to debt instruments, and/or securities convertible into equity be issued **(14th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024	750,000,000	10% of the share capital as of the date of the Board of Directors' decision to issue	None	100% of the ceiling
ISSUANCE WITH PREFERENTIAL SUBSCRIPTION RIGHT					
Increase the share capital by issuing, with pre-emptive rights: ordinary shares, and/or equity instruments convertible into other equity instruments and/or with rights to debt instruments, and/or securities convertible into equity instruments to be issued **(8th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024	750,000,000	50% of the share capital on September 27, 2022	None	100% of the ceiling
ISSUANCE WITHOUT PREFERENTIAL SUBSCRIPTION RIGHT					
Increase the share capital by issuing without pre-emptive rights, with a mandatory priority subscription period and through an offer to the public other than the offers referred to in Article L.411-2 of the French Monetary and Commercial Code: ordinary shares, and/or equity instruments convertible into other equity instruments and/or with rights to debt instruments, and/or securities convertible into equity instruments to be issued **(9th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024	750,000,000	20% of the share capital on September 27, 2022	None	100% of the ceiling

Type of the financial delegation	Duration of the authorization and date of expiration	Maximum amount of the issuance of equity-linked debt securities (in euros)	Maximum nominal amount of Capital Increases	Amount used	Amount available
Increase the share capital by issuing without pre-emptive rights, with a discretionary priority subscription period and through an offer to the public other than the offers referred to in Article L.411-2 of the French Monetary and Commercial Code: ordinary shares, and/or equity instruments convertible into other equity instruments and/or with rights to debt instruments, and/or securities convertible into equity instruments to be issued(1) **(10th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024	750,000,000	10% of the share capital on September 27, 2022	None	100% of the ceiling
increase the share capital by issuing without pre-emptive subscription rights shares and/or equity securities giving access to other equity securities and/or giving entitlement to the allotment of debt securities and/or securities giving access to equity securities to be issued, within the framework of public offers referred to in 1° of Article L.411-2 of the Monetary and Financial Code **(11th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024	750,000,000	10% of the share capital on September 27, 2022, it being specified that this amount may not exceed 20% of the share capital over a 12 month period	None	100% of the ceiling
OVERALL LIMITS ON ISSUANCES					
Overall limits on the amounts of issuances made under 8th to 18th resolutions of the AGM of July 8,2022 **(8th resolution of the AGM of July 8, 2022)**	N/A	750,000,000	50% of the share capital on September 27, 2022	Nonet	N/A
Overall limits on the amounts of issuances made under 9th to 12th resolutions of the AGM of July 8,2022 **(9th resolution of the AGM of July 8, 2022)**	N/A		20% of the share capital on September 27, 2022	Nonet	N/A
Overall limits on the amounts of issuances made under 10th to 12th resolutions of the AGM of July 8,2022 **(10th resolution of the AGM of July 8, 2022)**	N/A		10% of the share capital on September 27, 2022	Nonet	N/A

(1) Including as part of a public exchange offer initiated by the Company (Art. L. 22-10-54 of the French Commercial Code).

II – DELEGATIONS TO ALLOW EQUITY-LINKED INSTRUMENTS FOR EMPLOYEES OR CORPORATE OFFICERS

Type of the financial delegation	Duration of the authorization and date of expiration	Number of shares and percentage of capital likely to be issued	Amount used	Amount available
Issuance of shares reserved for the members of a company savings plan, without pre-emptive rights for shareholders other than such members **(15th resolution of the AGM of July 8, 2022)**	26 months September 8, 2024	3% of the share capital on September 27, 2022	None	100% of the ceiling
Increase the share capital by issuing, without pre-emptive rights, shares intended for an identified category of beneficiaries (employees and corporate officers of the Company and its related companies) **(16th resolution of the AGM of July 8, 2022)**	18 months January 8, 2024	3% of the share capital on September 27, 2022	None	100% of the ceiling
Allocation of existing or to be issued shares free of charge to certain employees and corporate officers of the company and its related companies under the conditions defined in Article L. 225-197-2 of the French Commercial Code **(17th resolution of the AGM of July 8, 2022)**	38 months September 8, 2025	3% of the share capital on September 27, 2022	None	100% of the ceiling
Grant of stock options to eligible employees and officers of the group **(18th resolution of the AGM of July 8, 2022)**	38 months September 8, 2025	3% of the share capital on the day the options are granted by the Board of Directors	None	100% of the ceiling
Overall limits on issuances				
Overall limits on the amounts of issuances made under 15th to 18th resolutions of the AGM of July 8,2022 **(15h resolution of the AGM of July 8, 2022)**	N/A	3% of the share capital on September 27, 2022	None	N/A
Overall limits on the amounts of issuances made under 8th to 18th resolutions of the AGM of July 8,2022 **(8th resolution of the AGM of July 8, 2022)**	N/A	50% of the share capital on September 27, 2022	None	N/A

1.4.4 DIVIDEND POLICY

Any payment of dividends or other distributions depends on the Company's financial condition and results of operations, especially net income, and its investment policy.

Upon proposal of the Board of Directors, it will not be proposed to the Annual General Meeting to be held to approve the financial statements for the fiscal year ending December 31, 2022, to pay any dividend with respect to fiscal year 2022.

With respect to fiscal year 2021, the General Shareholders' Meeting of March 28, 2022 decided not to pay a dividend.

With respect to fiscal year 2020, the General Shareholders' Meeting of June 23, 2021 decided not to pay a dividend.

The Reinstated Facilities Agreement, the New Money Credit Facility Agreement , the terms and conditions of the Bridge Notes and the terms and conditions of the Convertible Notes, contain clauses restricting the Company's ability to declare or pay dividends.

2. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

2022 ADJUSTED EBITDA AFTER LEASE

MPC & Mikros Animation
€32 MILLION

The Mill & Technicolor Games
€7 MILLION

Corporate & Other
€(18) MILLION

Please note "Adjusted indicators" used in this chapter are defined in section 2.2.9 – Adjusted indicators

Until September 27, 2022, the arrangement that constituted the combined Technicolor Creative Studios Group was not a legal entity in its own right and was made up of entities under the common control of Technicolor (now named Vantiva). On September 27, 2022, Technicolor distributed 65% of the shares of Technicolor Creative Studios to its shareholders and concurrently listed Technicolor Creative Studios on Euronext Paris. This common control business combination was accounted for using pooling of interest accounting. Therefore, the consolidated financial statements as of December 31, 2022, comprise nine months of combination and three months of consolidation, and no purchase price allocation was performed.

The information relating to the year ended December 31, 2021, presented in the consolidated financial statements is from the Combined Financial Statements as of December 31, 2021 approved on June 9, 2022 by Technicolor SA, as President of Tech 8, prior to the transformation of Tech 8 into a Société Anonyme and the change of its corporate name to "Technicolor Creative Studios".

2.1 SUMMARY OF RESULTS

Revenues from continuing operations totalled €784 million in 2022, up 30% compared to 2021. For more information, please refer to section 2.2.1: “Analysis of revenues from continuing operations” of this Chapter.

Adjusted EBITDA after lease from continuing operations reached €20 million in 2022, down €55 million compared to 2021. The Adjusted EBITDA after lease margin amounted to 3%, down from 13% year-on-year. For more information, please refer to sections 2.2.2: “Analysis of Adjusted EBITDA and adjusted EBITA”.

Earnings from continuing operations before Interest was a loss of €51 million in 2022 compared to a profit of € 20 million in 2021. For more information, please refer to section 2.2.3: “Analysis of operating expenses and profit (loss) from continuing operations before tax and net financial expense” of this Chapter.

The Group’s consolidated net loss was €99 million in 2022 compared to a loss of €14 million in 2021. For more information, please refer to section 2.2.8: “Net income (loss) of the Group” of this Chapter.

2.2 RESULTS OF OPERATIONS FOR 2021 AND 2022

Technicolor Creative Studios FY 2022 revenue amounted to €784 million, up 30% (up 23% at constant rate) compared to 2021. This improvement resulted from a sustained demand and was achieved despite a significant shortage of experienced talents which caused delays on both ongoing projects and the start of new ones and highlighted the need for improved project management and monitoring to deliver on time. In addition to this lack of adequate resources, operations were negatively impacted by internal reorganisations at MPC and The Mill post-Covid.

In FY 2022, adjusted EBITDA after lease amounted to €20 million compared to €75 million in FY 2021, with margin down from 13% to 3%.

The €55 million decrease year-on-year, mainly in the fourth quarter 2022 (-€55 million compared to Q4 2021), was primarily explained by unprecedented post-Covid recovery challenges and corresponding operational issues leading to higher costs. Despite an increased margin at Mikros Animation driven by higher sales, the margin at MPC was impacted by the shortage of experienced talent and a high-level departure of key talents, which drove production inefficiencies notably over the second half of the year. This resulted in higher costs and production delays. In addition, margin at The Mill decreased due to lower sales combined with the shortage of experienced talents resulting in fewer higher margin projects.

Cash and cash equivalents at the end of December 31, 2022 amounted to €38 million and nominal gross debt to €828 million (€776 million IFRS debt, including €140 million of operating lease liabilities [(1)]).

The Group’s results are presented in accordance with IFRS 5. Consequently, the contributions of discontinued operations are disclosed on one line in the consolidated statements of operations, named “Net profit (loss) from discontinued operations” and are presented separately under section 2.2.7: “Profit (Loss) from Discontinued Operations” of this Chapter.

(1) *As a reminder, next financial covenant test (First Lien Net Leverage Ratio) under its Senior Secured Facility will be on June 30, 2023.*

2.2.1 ANALYSIS OF REVENUES FROM CONTINUING OPERATIONS

€m	2022	% YoY change	% YoY change at constant currency	2021
MPC	375	55%	47%	242
Mikros Animation	147	79%	70%	82
MPC & Mikros Animation	522	61%	53%	324
The Mill	248	-6%	-14%	265
Technicolor Games	13	n.a.	n.a.	10
The Mill & Technicolor Games	261	-5%	-13%	276
Corporate & Other	1	n.a.	n.a.	1
Total Group	784	30%	23%	601

Technicolor Creative Studios FY 2022 revenue amounted to €784 million, up 30% (up 23% at constant rate) compared to 2021. This improvement resulted from a sustained demand and was achieved despite a significant shortage of experienced talents which caused delays on both ongoing projects and the start of new ones and highlighted the need for improved project management and monitoring to deliver on time. In addition to this lack of adequate resources, operations were negatively impacted by internal reorganisations at MPC and The Mill post-Covid. Those headwinds impacted fourth quarter revenue which decreased by 9% to €160 million versus Q4 2021.

MPC

At MPC,FY 2022 revenue amounted to €375 million, up 55%. Full year significant revenue growth was driven by the continued ramp-up in production of major theatrical projects, as well as increasing contributions from all the major streaming platforms, while 2021 revenue was still affected by the Covid impacts. Post-Covid demand has been strong and MPC delivered 65+ major films with heavy visual effects content in 2022.

However, fourth quarter revenue was down 30% to €58 million, due to the shortage of experienced talents creating more delays and inefficiencies in delivering some major projects.

In 2022 and early 2023, 20+ theatrical projects and 45+ streaming / episodic projects were in production at MPC. The Studio in 2022 won a Visual Effects Society ("VES") award for Outstanding Animated Character in a Photoreal Feature for its work on Apple TV+'s *Finch* and a César Award for Best Visual Effects for *Annette*. 11 films selected for the 2022 Cannes Film Festival featured the work of MPC, including the Dardenne brothers' *Tori and Lokita* (Prix Spécial); the world premiere of Baz Luhrmann's *Elvis*; and screening of *Top Gun*: *Maverick* starring Tom Cruise. *Top Gun*: *Maverick* also received Best Visual Effects Academy Award and Best Special Visual Effects BAFTA nominations. In February 2023, MPC won three VES Awards for its work on *Thirteen Lives* (Outstanding Supporting Visual Effects in a Photoreal Feature) and Guillermo del Toro's *Pinocchio* (Outstanding Visual Effects in an Animated Feature and Outstanding Created Environment in an Animated Feature).

MIKROS ANIMATION

At Mikros Animation, FY 2022 revenue amounted to €147 million and were up 79%, and Q4 2022 revenue was up 105% year-on-year to €49 million. This improvement, in line with expectations, was mainly a result of higher volumes in feature animation projects.

During 2022, 6 features and 15+ episodic series were in production at Mikros Animation.

THE MILL

At The Mill, FY 2022 advertising revenue amounted to €248 million, representing a 6% decrease compared to 2021. Activity was restrained by decelerating advertising spending growth compared with a high comparative base in 2021, along with the impact from passing on certain projects in Q3 and Q4 because of the lack of specific types of experienced talent. Q4 revenue declined by 24% year-on-year to €51 million.

During 2022, The Mill contributed to approximately 3,400 projects, including 34 Super Bowl LVI projects - 29 of which were TV spots that aired during the game, and were nominated for and won several prestigious industry awards. Notable projects during the year include Burberry's '*Open Spaces*', Samsung's '*The Spider and the Window*', Samsung's '*Playtime Is Over*', Pepsi's Super Bowl halftime trailer '*The Call*', Mastercard's 'What's Priceless to You?' and the title sequence for Netflix's Cabinet of Curiosities. Since the beginning of 2023, The Mill ranked as the #1 Post Production company in the UK and in Europe in Little Black Book's Immortal Awards Table of Creativity for 2022, while Burberry '*Open Spaces*' was one of four projects recognized as "Immortal". At 2023's Super Bowl LVII, The Mill collaborated on 16 commercials, including Amazon's '*Saving Sawyer*' and *Bud Light's 'Hold*'.

TECHNICOLOR GAMES

At Technicolor Games, FY 2022 revenue amounted to €13 million, compared to €10 million in FY 2021 thanks to greater production capacity.

During 2022, Technicolor Games worked with major gaming clients such as Capcom, Electronic Arts, Gameloft, NetEase, Meta, Sega, Sumo Digital, Take-Two Interactive's 2K and Rockstar Games, Ubisoft, Warner Bros. Interactive Entertainment and Scopely. The Technicolor Games team contributed to eight global releases including FIFA 23, the biggest selling sports title of 2022.

CORPORATE & OTHER

Negative Adjusted EBITDA after lease of the Segment Corporate & Other for FY 2022 amounted to €(19) million and includes costs related to the corporate functions, which comprise the costs of Group management, together with headquarters support functions, such as Human Resources, IT, Finance, Marketing and Communication, Corporate Legal Operations and Real Estate Management, and which do not service a particular business within the two operating segments of the Group.

2.2.2 ANALYSIS OF ADJUSTED EBITDA AFTER LEASE

For the purpose of analyzing the Group's performance, and in addition to its published results presented in accordance with IFRS, Technicolor publishes an Adjusted EBITDA. This indicator excludes factors the Group considers to be non-representative of Technicolor's normal operating performance. For a comprehensive definition of adjusted indicators and a description of their limitations as performance indicators please refer to section 2.2.9: "Adjusted Indicators" of this Chapter.

In FY 2022, adjusted EBITDA after lease amounted to €20 million compared to €75 million in FY 2021, with margin down from 13% to 3%.

The €55 million decrease year-on-year, mainly in the fourth quarter 2022 (-€55 million compared to Q4 2021), was primarily explained by unprecedented post-Covid recovery challenges and corresponding operational issues leading to higher costs. Despite an increased margin at Mikros Animation driven by higher sales, the margin at MPC was impacted by the shortage of experienced talent and a high-level departure of key talents, which drove production inefficiencies notably over the second half of the year. This resulted in higher costs and production delays. In addition, margin at The Mill decreased due to lower sales combined with the shortage of experienced talents resulting in fewer higher margin projects.

For FY 2022 [1], adjusted EBITDA after lease amounted to €32 million (6% margin) at MPC & Mikros Animation, €7 million (3% margin) at The Mill & Technicolor Games, and -€18 million for corporate & other.

(1) For FY 2021, adjusted EBITDA after lease by segment could not be computed retrospectively as allocation rules for many expenses could not be reliably established over the periods presented.

2.2.3 ANALYSIS OF OPERATING EXPENSES AND PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX AND NET FINANCIAL EXPENSE

	Year ended December 31,	
(€ in million)	**2022**	**2021**
CONTINUING OPERATIONS		
Revenue	**784**	**601**
Cost of sales	(716)	(495)
Gross margin	68	106
Selling and administrative expenses	**(93)**	**(78)**
Restructuring costs	(24)	(5)
Net impairment losses on non-current operating assets	(1)	(4)
Other income / (expense)	(1)	0
Earnings before Interest & Tax (EBIT) from continuing operations	**(51)**	**20**
Interest income	40	10
Interest expense	(83)	(31)
Other financial income	4	0
Net financial expense	**(39)**	**(21)**
Income tax expense	(9)	(18)
Loss from continuing operations	**(99)**	**(19)**
DISCONTINUED OPERATIONS		
Net gain / (loss) from discontinued operations	(0)	5
Net loss for the year	**(99)**	**(14)**
Attributable to:		
• *Equity holders*	*(99)*	*(14)*
• *Non-controlling interest*	*(0)*	-

COST OF SALES

Cost of sales amounted to €716 million in 2022 or 91.3% of revenue, compared to €495 million in 2021, or 82.4% of revenue. This €221 million increase mainly reflected higher revenue and higher costs linked to operational inefficiencies. Cost of sales in percentage of revenue has increased due to a lower absorption of costs linked to operational inefficiencies. The principal components of the Company's cost of sales were labor costs, as well as costs related to real estate and fixed asset depreciation. As a result, gross margin amounted to €68 million in 2022, or 8.7% of revenue, compared to €106 million in 2021, or 17.6% of revenue.

SELLING & ADMINISTRATIVE EXPENSES

Selling and administrative expenses amounted to €93 million in 2022, or 11.9% of revenue, compared to €78 million in 2021, or 13.0% of revenue. General and administrative expenses amounted to €72 million (9.2% of revenue) compared to €63 million in 2021, or 10.5% of revenue. This percentage decrease reflects the cost structure optimization done throughout the Group. Selling and marketing expenses amounted to €21 million in 2022 compared to €15 million in 2021.

RESTRUCTURING COSTS

In 2022, restructuring costs amounted to €24 million, compared to €5 million in 2021. This increase mainly resulted from footprint reorganization and the implementation of the Re*Imagined transformation plan.

NET IMPAIRMENT LOSSES ON NON-CURRENT OPERATING ASSETS

In 2022, the Company recorded net impairment losses of €1 million compared to €4 million in 2021 which mostly related to the impairment of Mr. X following integration of all VFX brands under MPC.

PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX AND NET FINANCIAL EXPENSE

As a result of the above, earnings before interest and tax (EBIT) from continuing operations was a loss of €51 million in 2022 compared to a profit of €20 million in 2021.

2.2.4 NET FINANCIAL EXPENSE

The Company's net financial expense amounted to €39 million in 2022 compared to €21 million in 2021:

- Net interest expense amounted to €43 million in 2022 compared to €21 million in 2021. FY 2021 and the first nine month of 2022 were mainly impacted by the financial interest on current accounts with the former parent company prior to the spin-off (Vantiva) while fourth quarter 2022 mainly corresponds to interest on the new Technicolor Creative Studios debt signed on September 15, 2022.
- Other financial income was €4 million in 2022 (mainly due to foreign exchange gains) compared to nil in 2021.

2.2.5 INCOME TAX

The Company's total income tax expense, including both current and deferred taxes, amounted to an expense of €9 million in 2022 compared to an expense of €18 million in 2021. This decline mainly results from lower profit before tax.

2.2.6 PROFIT (LOSS) FROM CONTINUING OPERATIONS

As a result of the above, loss from continuing operations amounted to €99 million in 2022 compared to a loss of €19 million in 2021.

2.2.7 PROFIT (LOSS) FROM DISCONTINUED OPERATIONS

Net gain (loss) from discontinuing operations was nil in 2022 compared to a gain of €5 million in 2021 consisting of discontinued activities related to post-production activities sold to Streamland Media in April 2021.

2.2.8 NET INCOME (LOSS) OF THE GROUP

Net loss totalled €99 million in 2022 compared to a net loss €14 million in 2021. There was no net income attributable to non-controlling interests in 2022 nor in 2021.

2.2.9 ADJUSTED INDICATORS

As part of the spin-off, the Group has reviewed its key performance indicators, with the goal of becoming more comparable with its peers and market practices, whilst being more aligned with the way the business is managed. More precisely:

- *Operating leases (rents)*: under IFRS 16, operating leases are capitalized and included in debt (with related interest expenses accounted for in financial results). Total rent paid (mostly real estate rent related) over the period is subtracted from non-GAAP Adjusted EBITDA after lease, as considered as an operational expense, which improves comparability with peers' reporting under US GAAP;
- *Cloud rendering and other usage-based IT costs*: under previous KPI definitions, these costs are accounted for as either intangible assets (third-party software) or contract costs (cloud rendering) depreciation. However, in light of the evolution of invoicing schemes applied for third-party software (which is increasingly invoiced based upon usage as opposed to fixed-term licenses), the Group's non-GAAP key performance indicators will instead treat usage-based IT costs as operating expenses. Accordingly, as cloud rendering and other usage-based IT costs are treated as operating expenses, the Group's non-GAAP key performance indicator related to adjusted operating free cash flow after lease (new definition) will include the following adjustments:

(i) Capital expenditures will exclude usage-based third-party software; and

(ii) Change in working capital will exclude cloud rendering;

- *Capital leases*: under IFRS, capital leases (e.g., IT infrastructure and workstations) are accounted for as tangible or intangible assets (and accordingly in net financing cash generated from (used in) continuing activities). These are now included in the non-GAAP adjusted operating free cash flow after lease (new definition).

As a result, the Group intends to follow four main non-GAAP financial indicators.

Adjusted EBITA after lease:

EBIT adjusted positively by:

- The amortization of intangibles that arose from acquisitions or disposals (PPA amortization);
- Restructuring costs;
- Other non-current items, comprising Other (expenses) income, Impairment (losses) gain and Capital gains/losses.

And negatively by:

- The difference between operating lease payments and operating leases assets depreciation.

Adjusted EBITDA after lease:

Adjusted EBITA after lease adjusted by adding back:

- Depreciation and amortization, excluding depreciation of usage-based IT costs, operating leases assets depreciation and Amortization of intangibles that arose from acquisitions or disposals (PPA amortization), including capital lease depreciation;
- Non-cash income and expense such as equity-settled share-based payments.

Adjusted Operating Free Cash Flow after lease:

Adjusted EBITDA after lease minus:

- Capital expenditures, excluding usage-based IT cost (without cloud rendering);
- Capital leases cash out;
- Restructuring cash out;
- Change in working capital, excluding cloud rendering cash out;
- Other non-current cash out.

Adjusted Free Cash Flow after lease corresponds to Adjusted Operating Free Cash Flow after lease (new definition) minus Net interest paid excluding leases and other cash financial items and Income tax cash out. For more information please refer to note 2.3.2.

In addition, in the context of the Group's indebtedness, the Group will follow the following non-GAAP financial indicators in order to calculate its financial covenant:

Net Debt excluding operating leases debt corresponds to the nominal value of the Group's debt less the operating lease debt under IFRS 16. For more information please refer to note 2.3.3.

Variation at constant rate are calculated by comparing the current financial year results at previous financial year average exchange rate with the previous financial year results at previous financial year average exchange rate.

	In m€	FY 2022	FY 2021	Var
P&L	**Revenues**	**784**	**601**	**183**
	EBIT	**(51)**	**20**	**(71)**
	In % of revenues	***n.a.***	***3%***	***n.a.***
	Operating leases – rent paid cancellation (mostly real estate)	(31)	(22)	(9)
	Operating leases - depreciation	21	16	5
	Amortization of purchase accounting items (PPA)	9	8	1
	Restructuring costs	24	5	19
	Other non-current items	3	4	-
	Adjusted EBITA after lease	**(25)**	**31**	**(56)**
	In % of revenues	***n.a.***	***5%***	***n.a.***
	Depreciation & amortization (1)	45	43	1
	Other non cash items (2)	0	0	-
	Adjusted EBITDA after lease	**20**	**75**	**(55)**
	In % of revenues	***3%***	***13%***	***n.a.***
FCF	**Adjusted EBITDA after lease**	**20**	**75**	**(55)**
	Capex (3)	(50)	(14)	(36)
	Capital leases (cash out)	(14)	(12)	(2)
	Restructuring cash out	(12)	(7)	(5)
	Change in working capital (4)	(19)	31	(50)
	Other non-current cash out	(2)	1	(2)
	Adjusted Operating Free Cash Flow after lease	**(76)**	**74**	**(150)**

(1) Excluding depreciation of cloud rendering and other usage-based IT costs, operating lease asset depreciation and amortization of intangibles that arose from acquisitions or disposals, including capital lease depreciation.
(2) Mainly costs of equity settled share-based payments.
(3) Excluding usage-based IT cost (without cloud rendering).
(4) Excluding cloud rendering cash out.

2.3 LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with Chapter 3: "Risks, Litigation and Controls", section 3.1.1: "Global market and industry risks" of this Universal Registration Document and note 8 to the consolidated financial statements.

2.3.1 OVERVIEW

2.3.1.1 PRINCIPAL CASH REQUIREMENTS

The main cash requirements of the Group arise from the following:

- **working capital requirements from continuing operation**s: the working capital requirements of the Group are based in particular on the level of inventories, receivables and payables;
- **losses relating to discontinued operations:** the Group must also fund the losses and cash requirements, if any, of its discontinued operations. For more information on the risks associated with the sale of these activities please refer to Chapter 3: "Risks, litigation and controls" section 3.1: "Risk factors" of this Universal Registration Document;
- **capital expenditures:** the Group must regularly invest in capital equipment to operate its businesses;
- **repayment or refinancing of deb**t: at each debt maturity date, the Group must either repay or refinance the maturing amounts;
- **dividends:** in 2021 no dividend was paid, and no dividend will be proposed for 2022, but the Group may have to fund future dividends. Please refer to section 1.4.4.

2.3.1.2 KEY LIQUIDITY RESOURCES

To meet its cash requirements, the Group's main sources of liquidity consist of:

- **cash and cash equivalents:** Cash and cash equivalents at the end of December 31, 2022 amounted to €38 million.

Liquidity as of December 31, 2022 amounted to €38 million, consisting of the above €38 million of cash and cash equivalents, while the €40 million RCF was fully drawn.

- **cash generated from operating activities**; Net operating cash used by contituing activities amounted to -€22 million in 2022.
- **committed credit lines:** at December 31, 2022 the Group had one credit line (RCF) for an amount of €40 million, which was fully drawn. For more information about the Group's credit lines please refer to note 9.5.5 to the Group's consolidated financial statements.

2.3.2 CASH FLOW

The table below sets out the Group's cash flows in the periods indicated.

(in € million)	2022	2021
Net operating cash generated from/(used in) continuing activities (I)	(22)	110
Net investing cash generated from/(used in) continuing activities (II)	(64)	(26)
Net financing cash generated from/(used in) continuing activities (III)	120	(118)
Net cash generated from/(used in) discontinued activities (IV)	0	17
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)	**34**	**(16)**
Exchange gains / (losses) on cash and cash equivalents	(8)	(0)
Net change in cash and cash equivalents	**26**	**(16)**

NET CASH GENERATED (USED) IN OPERATING ACTIVITIES

Net operating cash used in continuing activities amounted to €(22) million in 2022 compared to net operating cash generated from continuing activities of €110 million in 2021. This mainly results from Cash generated from continuing activities and Income tax paid.

Cash generated from continuing activities amounted to €37 million in 2022 and €131 million in 2021. This mainly results from Loss from continuing operations restated for noncash impact of Depreciation, amortisation and change in working capital and other assets and liabilities.

The variations between 2022 and 2021 are analysed in the table below:

(in € million)	**2022**	**2021**
Profit (Loss) from continuing operations	(99)	(19)
Summary adjustments to reconcile profit from continuing operations to cash generated from continuing operations:		
Depreciation, amortisation and impairments of assets	115	82
Net change in provisions	0	(3)
Loss on asset disposals	(1)	(3)
Interest (income) and expense	44	21
Other items (including tax)	11	23
Changes in working capital and other assets and liabilities	(33)	30
Cash generated from continuing activities	**37**	**131**
Interest paid on lease debt	(15)	(9)
Net interest (paid) and received, excluding lease debt	(20)	(11)
Income tax paid	(24)	(1)
Net operating cash generated from/(used in) continuing activities	**(22)**	**110**

NET CASH USED IN INVESTING ACTIVITIES

Net investing cash used in continuing activities amounted to €(64)million in 2022 compared to €(26) million in 2021. For more information please refer to note 4 to the Group's consolidated financial statements.

Overall increase in 2022 is explained by higher level of capital expenditures (impacting Purchase of property, plant and equipment and intangible assets, including capitalization of development costs) due to higher level of activity in 2022 notably driven by higher headcounts.

The variations between 2022 and 2021 are analysed in the table below:

(in € million)	**2022**	**2021**
Net proceeds from sale and acquisition of investments	(5)	(0)
Purchase of property, plant and equipment and intangible assets, including capitalization of development costs	(62)	(26)
Proceeds from sale of property, plant and equipment and intangible assets	4	2
Net cash collateral and security deposits (granted to) / reimbursed by third parties	(1)	(2)
Net investing cash used in continuing activities	**(64)**	**(26)**

NET CASH USED IN FINANCING ACTIVITIES

Net financing cash amounted to €120 million generated in 2022, compared to €(118) million used in 2021.

Net contributions from / (distributions to) Technicolor SA (now named Vantiva) and Net cash pooling variance correspond to current accounts with parent company Technicolor SA. Repayment of lease debt and borrowings mainly correspond to operating lease and capital lease repayments.

The variations between 2022 and 2021 are analysed in the table below:

(in € million)	2022	2021
Net contribution from / (distributions to) Vantiva SA	(14)	(5)
Net proceeds of borrowings*	173	-
Net cash pooling variance*	(0)	(81)
Repayment of lease debt*	(36)	(31)
Repayment of borrowings and other*	(3)	(1)
Net cash generated from /(used in) financing activities	**120**	**(118)**

*For more information please refer to note 10.1 to the Group's consolidated financial statements.

NET CASH GENERATED FROM/(USED IN) DISCONTINUED ACTIVITIES

Net cash from discontinued operations was nil in 2022 compared to €17 million of cash generated in 2021 (sale of Post Production).

ADJUSTED FREE CASH FLOW AFTER LEASE

Adjusted Free Cash Flow after lease is not an indicator defined by IFRS. It does not have an accounting definition and so the definition used by the Group may not correspond to other companies' definitions of this indicator. For a definition of this KPI, please refer to Section 8.1.5 "Key performance indicators" of this Document.

Adjusted Operating Free Cash Flow after lease is defined as Adjusted EBITDA after lease minus

- Capital expenditures, excluding usage-based IT cost (without cloud rendering);
- Capital leases cash out;
- Restructuring cash out;
- Change in working capital, excluding cloud rendering cash out;
- Other non current cash out.

Adjusted Free Cash Flow after lease corresponds to Adjusted Operating Free Cash Flow after lease minus Net interest paid excluding operating leases and other cash financial items and Income tax cash out.

The table below shows the Group's Adjusted Free Cash Flow after lease for the periods stated:

(in € millions)	2022	2021
Adjusted EBITDA after lease	20	75
Net capital expenditure (1)	(50)	(14)
Capital lease cash out	(14)	(12)
Restructuring provisions – cash usage of the period	(12)	(7)
Changes in working capital and other assets and liabilities	(19)	31
Other non-current result – cash usage of the period (2)	(2)	1
Adjusted Operating Free Cash Flow after lease	**(76)**	**74**
Financial cash out	(15)	(23)
Tax cash out	(24)	(1)
Adjusted Free Cash Flow after lease	**(115)**	**50**

(1) This item is defined as purchases of property, plant and equipment, intangible assets net of disposals.
(2) This item includes pension cash usage of the period and cash impact of operating reserves.

Over FY 2022, adjusted Operating Free Cash Flow after lease [1] amounted to €(76) million, compared to €74 million for 2021.

This €150 million deterioration is explained by:

- €(55) million adjusted EBITDA after lease deterioration as a result of unprecedented post-Covid recovery challenges and corresponding operational issues leading to higher costs;
- €(50) million working capital deterioration, primarily due to lower advanced payments as the order book is lower compared with the order book at the end of 2021, and in parallel cash received from 2021 advanced payments was consumed over the period in line with the advancement of the related projects;
- €(38) million capex and capital lease cash out increase to €64 million, as a result of increased level of activity over the period;
- €(5) million higher restructuring cash out, mainly due to the implementation of the Re*Imagined transformation plan.
- €(2) million of higher other non-current cash out.

2.3.3 FINANCIAL RESOURCES

The Group's debt consists primarily of term loans (the "Term Loans"), drawings on the Revolving Credit Facility (the "RCF") and lease liabilities. The Term Loans and RCF were issued by Technicolor Creative Studios SA and Technicolor Creative Services USA, Inc. as co-borrowers in September 2022.

In 2021 the Group's debt consisted primarily of short term borrowings from Technicolor SA and lease liabilities. At that time the Group's subsidiaries also deposited excess cash with Technicolor SA.

Details of the Group's debt as of December 31, 2022 is given in the table below:

In million currency	Currency	Rate Formula	Final maturity	Nominal rate	IFRS rate	Nominal Amount	IFRS Amount
Term Loan	EUR	3M Euribor w/ floor of 0% +6.00%	Sept. 26	8.05%	11.85%	564	519
Term Loan	USD	3M SOFR w/ floor of 0% +7.50%	Sept. 26	12.03%	15.36%	56	53
RCF	USD/EUR	SOFR/Euribor +4.50%	Sept. 25	7.10%	7.77%	40	36
Lease debt				10.21%	10.21%	165	165
Accrued interest and other debt				0%	0%	3	3
TOTAL GROSS DEBT						**828**	**776**
Cash & Cash equivalents						(38)	(38)
TOTAL NET DEBT						**790**	**738**
Average Interest rate						*8.67%*	*11.50%*

Lease debt includes €25 million capital leases debt and €140 million operating leases debt under IFRS 16. Net debt excluding operating leases debt is €650 million.

The term loan and RCF recognized as of December 31, 2022 are subject to a financial leverage covenant to be tested on June 30 and December 31 starting 2023. Refinancing of these financial debt resulted in the application of new covenants, replacing the previous one with a financial leverage covenant starting June 2025 and a liquidity covenant starting June 2023. Please refer to section 7.5 Material Contracts (Financial Covenants).

For more detailed information about Group's debt please see note 9.2.1 and 9.5.5 to the Group's consolidated financial statements and for more detailed information about financial risk, please refer to section 3.1.3. FInancial Risks.

(1) *A definition of Operating Free Cash Flow after lease (new definition) along with a reconciliation to GAAP measure is presented in Appendix II of this press release.*

PROVISIONS FOR PENSIONS AND ASSIMILATED BENEFITS

In France, Technicolor Creative Studios has a defined benefit plan which corresponds to "Indemnités de fin de carrière". The pension liability related to that commitment amount to respective €2.4 million and €2.9 million at 2022 and 2021 closing periods.

In Canada, Technicolor Creative Studios provided to certain employees a post-retirement medical plan. This medical plan includes life insurance, health and dental care benefit coverage and was closed to new entrants. The pension liability related to these plans amount to respective €1.9 million and €2.3 million at 2022 and 2021 closing periods.

LIQUIDITY RISK

For more information about the Group's liquidity risk, please refer to note 9.5.5 of the Group's consolidated financial statements and to section 3.1 "Financial Risks" and in particular "Cash Management – Liquidity".

2.4 SUBSEQUENT EVENTS

- **Reorganization**

On February 7, 2023 the Group announced it has taken a set of recovery actions with the launch of the Re*Imagined program as a consequence of operational and delivery issues due to unprecedented post-Covid recovery challenges.

In addition, on February 7, 2023, the Group announced the appointment of Caroline Parot as Interim CEO to take the lead on the acceleration of Technicolor Creative Studios global transformation, alongside Christian Roberton as Deputy CEO, who will be fully dedicated to clients and project execution as well as talents.

- **Refinancing**

Following the unprecedent difficulties announced on November 15th, 2023 and detailed on November 30th, 2023, Technicolor Creative Studios reached an agreement, on 8th March, 2023, with a large majority of Lenders and Shareholders, on a new financing structure which includes a c.€170 million new money injection.

Following the agreement, Technicolor Creative Studios announced (i) the execution on March 27, 2023 of a conciliation protocol (the "Conciliation Protocol") by its lenders and shareholders showing their support in the rebound of the Company and (ii) its approval by a judgment of the Commercial Court of Paris dated March 29, 2023 which put an end to the conciliation procedure opened on January 20, 2023.

As a ceonseuqence, the first tranche refinancing was drawdown early April in aggregate principal amount of €85,000,000 and the second tranche in aggregate principal amount of €85,000,000 is expected by the end of Q2 2023

More precisely, the Conciliation Protocol provides that the refinancing will include (i) a new money financing in aggregate principal amount, net of original issue discount and underwriting fee, equal to c.€170 million and (ii) the reinstatement of the existing indebtedness (the "Refinancing").

- A first tranche refinancing drawdown early April in aggregate principal amount of €85,000,000 through:
  - the issuance of bonds notes in a principal amount equal to thirty million euros (€30,000,000) subscribed by its major shareholders: Angelo Gordon, Bpifrance Participations, Briarwood and Barclays (the "Equity First Tranche Participants"). This bond issue (the "Equity First Tranche Refinancing") will be refinanced by way of set off with the subscription price of the Convertible Notes issue (described below) (1);
  - a first tranche super senior credit facility granted by the main lenders (the "New Money Lenders") for an amount of approximately fifty million euros (€50,000,000) plus approximately five million dollars ($5,000,000) (in each case net of original issue discount (OID) and underwriting fee).
- A second tranche of the refinancing for an aggregate principal amount of €85,000,000 will be granted by the end of the second quarter of 2023:
  - a second tranche of super senior credit facility (2) (in addition to the first tranche credit facility described above) fully underwritten by New Money Lenders for an amount of approximately fifty million euros (€50,000,000) plus approximately five millions dollars ($5,000,000) (in each case net of OID) will be drawn by the end of the second quarter of 2023, concurrently with the issue of the Convertible Notes. Share warrants entitling to 11% of the PF Fully Diluted Share Capital (as such term is defined hereafter) will be granted to the New Money Lenders in proportion to their exposure to the New Money Facility (3).

(1) These €30 million bonds notes have the following features: 31 July 2023 maturity, cash coupon interest of 0.75%, redemption (including early redemption and redemption at maturity) premium of €1,25 million in case of absence of refinancing through the Convertible Notes, super senior ranking (on a pari passu basis with the first tranche super senior credit facility and the reinstated super senior RCF) from date of the drawdown early April.

(2) The first tranche super senior credit facility and the second tranche of super senior credit facility are together being referred to as the "New Money Credit Facility".

(3) The strike of those warrants is expected to be 0.01€ per TCS share after a share capital reduction by way of reduction of the nominal value of each TCS share which will be proposed to the general meeting as part of the operations.

  - the issuance of convertible bonds (the "Convertible Notes") for sixty million euros (€60,000,000) (net of OID), by way of issuances reserved to the Equity First Tranche Participants and Vantiva. The Convertibles Notes will be subscribed in part up to €30,000,000 by way of set off of the Equity First Tranche Refinancing described above. Conversion of 100% of the Convertible Notes (1) will give holders of those notes an aggregate amount of 33% of the share capital of the Company on a fully diluted basis pro forma for: (i) such conversion and (ii) the issuance of certain warrants to be granted to New Money Lenders and existing senior secured lenders of the Company, in each case, as described in this announcement (2).
- Existing indebtedness would be reinstated and capitalized as follows:
  - the multicurrency Revolving Credit Facility would be reinstated for its total amount of €40 million (the “RCF”);
  - the c.€621 million first lien facility (the “First Lien Facility”) would be reinstated for a total amount of approximatively c.€421 million;
  - a portion in principal of the First Lien facility will be converted into a subordinated instrument stapled with the reinstated First Lien Facility for a total amount of c.€170 million;
  - a debt to equity will be carried out through capital increases reserved to the benefit of the First Lien Facility lenders (3), to be subscribed by way of set-off of receivables including a portion in principal of the First Lien facility of €30 million (4).

The implementation of the Refinancing (5) will be subject to approval by the general meeting (expected to be held during the second quarter of 2023) and to the visa of the Autorité des Marchés Financiers under applicable regulation.

The implementation of the Restructuring will be subject to certain conditions precedent which include the following key points

- the usual regulatory approvals that may be required.
  - the approval of the required resolutions by the general meeting which is expected to be held in the second quarter of 2023.
  - the satisfaction of the conditions precedent provided in the financing documentation.

The Agreement in Principle has therefore enabled Technicolor Creative Studios to address its liquidity needs in Q2 2023 and allows operating cash flow to be focused on operational needs.

Please see detailed description in Note 1.1.4. to the Consolidated Financial Statements and section 1.1.2 Historical Background. and Press releases on www.technicolor.com.

(1) Such conversion may occur on a voluntary basis at any time or on a mandatory basis, with mandatory conversion occurring if the enterprise value of the Company exceeds €1.2 billion or the EBITDAal exceeds €150,000,000, in each case, based on valuation methodology and mechanics to be agreed.

(2) The “PF Fully Diluted Share Capital”.

(3) Upon completion of the debt to equity, the First Lien Facility lenders will hold 65.67% of the Company’s share capital (44%of the PF Fully Diluted Share Capital) as set forth in Appendix I.

(4) The Company has been informed that the valuation work requested by the President of the Commercial Court as part of the conciliation proceedings from Ledouble, acting as independent valuator, concluded that the enterprise value of the Company is set between € 510 and 600 million.

(5) Excluding the Equity First Tranche Refinancing.A part of this new money financing would be made by end of March / beginning of April 2023, subject to finalization of the relevant documentation and satisfaction or waiver of the conditions set out therein. The remaining part of the c.€170 million new money financing is expected to be made available by the end of Q2 2023.

3. RISKS, LITIGATION, AND CONTROLS

STRONG *risk monitoring & mitigation* **EFFORTS**

207 SECURITY AUDITS *supported in 2022*

2022 Internal Control 8TIC'S campaign

772

SELF-ASSESSMENTS CONTROLS SUPPORTED

by **81** CONTROL OWNERS

Please note, "Adjusted indicators" used in this chapter are defined in section 2.2.9 – Adjusted indicators

The first section of this Chapter describes the main risks identified by the Group that could affect its businesses, financial situation or sustainability. Additional risks which are either not identified, or which are considered today as not significant may also have a significant impact on the Group's performance.

The next sections describe respectively litigations, internal controls, and insurance.

3.1 RISK FACTORS

The following risk factors are limited to risks which are specific to the Issuer and which are material for taking an informed investment decision, as corroborated by the content of the Issuer's Universal Registration Document. In each category below the Issuer, in its assessment, is taking into account the expected magnitude of the negative impact of such risks on the Issuer and the probability of their occurrence.

This description, made of explanations of each individual risk, management and monitoring actions and completed with an indication of the risk trend, increasing, stable and decreasing, is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Universal Registration Document *(Document d'enregistrement universel)*.

The classification of the risks relating to the business, the financial, and market risks below are the result of a regular analysis as part of the Issuer's internal risk management process which appears in part "Risk Management" of section 3.2.2 of this Universal Registration Document, after taking into account any mitigation measures resulting from such internal risk management process.

The risks that Technicolor Creative Studios considers to be the most important are pointed out by one ✪ on account of their occurrence probability and/or the seriousness of their prejudicial characteristics.

Top three risks faced by the Group:

- Attract Talents, Invest on Culture & Wellness;
- Skills, Knowledge Management, Retention & Succession;
- Customer Project Management & Infrastructure.

GLOBAL MARKET & INDUSTRY RISKS	
• Economic, Political & Social Conditions/Pandemic	• Evolving Legal Compliance and Ethics
• Highly competitive industries	• Sustained production work stoppages (i.e., strikes) caused by a breakdown in organised labour negociations
• Risks related to rapidly changing technological advancements	

BUSINESS & OPERATIONAL RISKS		
• Attract Talents, Invest on Culture & Wellness ✪	• Cybersecurity	• Mergers & Acquisition
• Skills, Knowledge Management, Retention & Succession ✪	• Production incentives	• Applicable taxation regimes and changes therein
• Customer Project Management & Infrastructure ✪	• Diversity and human rights	
• Client concentration	• Business Continuity	

FINANCIAL RISKS	
• Cash Management – Liquidity	• Interest rate and exchange rate fluctuations
• Financing structure - Indebtedness	

3.1.1 GLOBAL MARKET AND INDUSTRY RISKS

ECONOMIC, POLITICAL & SOCIAL CONDITIONS / COVID-19 PANDEMIC

Risk identification	Risk monitoring and management
Any further deterioration in the macroeconomic and political environment may adversely affect consumer confidence, disposable income and spending, and result in decreased volumes for some of the Group's services. More recently, Russia's invasion of the Ukraine and corresponding sanctions, may result in increased pressure on supply chain for IT equipment and global inflation. More specifically, social political unrest (e.g., BLM, BAME, LGBTQ+, ...), pandemic and/or other natural disasters directly impact employees, facilities, talent recruitment, clients, vendors and operations, along with upstream impacts (shift to streaming platforms, loss of theatrical exhibition) on our businesses. For instance, as governments restrict immigration and limit talent mobility, some employees are also reluctant to move to certain countries. Critical security events due to terrorism or civil unrest could harm business travelers / Talent to accept to join a different Studio location. In addition, weakness in general economic conditions may result in an increasing number of the Group's customers becoming delinquent on their obligations to pay or tax credit gap, which in turn could result in a higher level of write-offs of receivables. Recent events such as the exit of the United Kingdom from the European Union, Commercial War between the United States of America and China, or Hong Kong political instability may have negative impacts on the Group performance.	The Group's presence in geographically diversified markets makes it less sensitive to adverse economic conditions in a given market, even if Technicolor Creatives Studio remains particularly attentive to the main regions where it operates (i.e. USA, India, etc.); particularly during a global pandemic where certain key markets have returned to relative normalcy more quickly than others. Risks concerning the regulatory, political and social environment are managed by each business and at the Group level by the Strategy Committee, either in a decentralized form for risks specific to a given activity, or through support functions. They are regularly reviewed in detail by Group Management as part of the Monthly or Quarterly Business Review meetings. The Group continues to evaluate any potential impacts to production and deliveries and will try to mitigate via alternative plans where necessary. The Group has implemented work from home arrangements to ensure continuity and productivity across the Group. Finally, in order to react quickly and to take all necessary measures, the Group maintains a Covid-19 task force to address required actions and monitor on-going developments. Regarding the impact of general economic conditions on customers, the Group's Finance Department has long-standing policies in place for regular monitoring of debtors and credit checks on new clients. Technicolor Creative Studios remains in constant communications with immigration counsel and People & Talent to stay abreast of the latest regulations impacting talent mobility across borders. Surveys were launched to check employees' morale and mindset for those employees who were working from home for long periods as well as a global employee engagement survey to identify the expectations at the time most employees returned to the office. Soft skills training was delivered to support the change of working relations. A worldwide Diversity, Equity and Inclusion initiative targeting all employees' communities was also launched with local involvement.

HIGHLY COMPETITIVE INDUSTRIES	
Risk identification	**Risk monitoring and management**
The Group operates in a highly competitive environment across all its business lines: MPC (Film & Episodic VFX), The Mill (Advertising), Mikros Animation (Animation) and Technicolor Games (Games Art Services). In MPC, the Group competes with many VFX companies across all types and sizes of projects, including with Cinesite, Digital Domain, DNEG (owned by Prime Focus Limited), Framestore, Industrial Light & Magic (owned by Disney), Pixomondo, Rodeo FX, Scanline VFX (owned by Netflix), Sony Pictures Imageworks (owned by Sony), and Wētā FX. The Film & Episodic VFX market is highly fragmented, with thousands of very small players and only a few globally scaled firms, of which MPC is one of the largest based on revenue. In Mikros Animation, the Group competes with several CG animation studios like Animal Logic, Bardel Entertainment (majority-owned by Rainbow S.p.A.), CGCG, Cinesite, DNEG, ICON Creative Studio, Jellyfish Pictures, Reel FX, and Sony Pictures Imageworks. In The Mill, the Group's services extend across a wide spectrum of segments, each with its own distinct pool of competitors. Advertising competitors include Framestore and Media.Monks, local boutiques, global consultancies like Accenture Song and in-house production arms of the major global advertising holding companies (e.g., WPP's Hogarth and Publicis' Prodigious). The Mill currently participates across multiple areas within the advertising production value chain, with its strongest footprint within VFX, in which market The Mill is a major player based on revenue. However, The Mill considers its addressable market opportunity to be the much larger Brand Experience & Advertising production market, with a wide spectrum of competition across the different segments in which The Mill competes. In Technicolor Games, the Group, a minor player, competes in a highly fragmented industry, ranging from much larger companies like Keywords Studios and Virtuos to small studios primarily across Europe and Asia. For the industries in which each of the Group's business lines operate, demand for talent is also greatly exceeding supply, driving intense competition to recruit and retain talent. For MPC in particular, Film & Episodic VFX projects are increasingly split among a significant number of VFX vendors due to tightening production deadlines and clients' wanting to diversify vendor risk. As a result, switching costs for customers can be low, driving increasing competitive pressures; except in the case for large tentpole VFX-heavy films that require the scale and expertise that a limited number of VFX companies can provide, one of whom is MPC. Furthermore, customers' insourcing of VFX and/or animation services may limit or reduce the addressable market in the future (e.g., Netflix's acquisition of Scanline VFX). Even if the Group anticipates that growth in demand for such services may surpass the volume that customers like Netflix may be able to insource, the occurrence of such risk may negatively impact the Group's addressable market and financial performance. Without sufficient investment in recruiting, training and retaining talent, the Group may not develop and expand the production capacity needed to achieve its growth objectives. Furthermore, without continuing to invest in technology and workflows, the Group may fall behind its competitors with regards to quality, productivity and efficiency, potentially resulting in a decline in market share and/or a reduction in margins.	The Group continuously strives to identify and develop competitive advantages in order to retain or grow market share in its respective industries. Maintaining investment in talent, technology and workflows is critical for the Group to compete at scale and to strengthen relationships with key customers and with key talent. MPC, Mikros and the Mill represent major actors of the sector, constantly recognised through number of awards operating at forefront of the tech-enabled VFX and advertising industries. In terms of Talent, the Group has a long history of training the next generation of young artists and has recently added a focused retention program. The Group also maintains a large portion of its business in areas with large tax subsidies that provide clients with access to significant cost benefits. The Group also has a large amount of capacity in low-cost areas such as India that provides a cost advantage to TCS.

RISKS RELATED TO RAPIDLY CHANGING TECHNOLOGICAL ADVANCEMENTS	
Risk identification	**Risk monitoring and management**
The Group operates in industries where technology plays a vital role in the production of digital visual arts, and constantly witnesses technological advancements in quality, scale and speed in production and what ultimately appears on screen to consumers. For example, the entertainment industry continues to invest in and experiment with emerging technologies and processes like virtual production, incorporating real-time production using game engines. Failure of the Group to keep pace with the industry in such new technological advancements may cause other industry participants to develop a competitive advantage over the Group. To stay at the forefront of such technology advances, the Group continues to invest material sums in research and development and recruiting industry-recognised technology talent.	The Group leverages the lattest cutting edge sotware and supplements these with a bespoke technological toolkit that enables a highly scalable and efficient global workflow. Despite some necessary costs optmisation, the Group focuses at preserving the necessary Capex to ensure its technology remains forefront, and notably invests in the development of unique CGI tools and in the development of efficient and effective toolsets. As the Group is heavily involved in premium content creation, it finds itself at the forefront of Computer Graphics development in order to provide the services its clients expect. Software development roadmap is planned many years in advance and constantly reviewed to ensure the Group remains at the forefront of development.

EVOLVING LEGAL, COMPLIANCE & ETHICS	
Risk identification	**Risk monitoring and management**
Since the Group operates in a large number of countries, it must deal with various complex and new regulations. The laws and regulations to which the Group may be subject include, but are not limited to general business practices, competitive practices, anti-corruption, handling of personal data, consumer protection, corporate governance, employment laws, internal controls, local and international tax regulations. Any major changes in these laws and regulations could impact the Group's businesses. In addition, should the Group fail to adopt a defined and strong governance, the Group might possibly be exposed to potential liabilities. Despite its best efforts, the Group may have to face proven or unproven allegations that it has failed to comply with national or international regulations, and this could have a negative impact on its reputation, growth outlook prospects and financial performance. Monitoring Legal compliance and Ethics are critical to prevent breach of law, preserve an ethical reputation & the company commercial relationships while avoiding customer product delay, unfavourable clause, liability, and litigations.	To limit its exposure to such risks, Technicolor Creative Studios has developed, and will continue developping, compliance programs to cover issues common to its businesses. These programs are intended to be regularly updated and reviewed with the Audit Committee and the Board of Directors. Under the control of management and through the actions of the Chief Compliance Officer, the Group will seek to constantly improve its programs and employee awareness initiatives and to put in place procedures for preventing and handling potential risks in this regard. Moreover, Company will continue to audit its subsidiaries around the world on a regular basis and consults outside experts to validate compliance with applicable regulations across all aspects of its operations. The Company conducts a compliance approach across the Group, building on its Code of Ethics and culture of integrity. This compliance program sets down general rules and procedures that must be respected by all employees and entities based on which, a series of business specific and, as applicable, local procedures are then defined. These procedures are translated and adapted in line with local regulations and culture.

SUSTAINED PRODUCTION WORK STOPPAGES (I.E., STRIKES) CAUSED BY A BREAKDOWN IN ORGANISED LABOUR NEGOCIATIONS	
Risk identification	**Risk monitoring and management**
Key content producers like the major Hollywood studios are subject to several collective bargaining agreements with unions that are instrumental to the content production industry, including, for example, SAG-AFTRA, WGA, and IATSE. Any breakdown in labour negotiations that leads to a sustained strike with any such union may lead to a reduction in production activity and negatively impact the Group's financial performance. For instance, the last major strike that occurred in the industry was Writers Guild of America strike in 2007 – 2008, which lasted 100 days.	The Group stays abreast of industry news, including labour negotiations, that may indirectly or directly impact its businesses. The Group's investment in a Global Workforce Planning group is intended to allow for longer-term resource forecasting in order to optimize utilisation as well as mitigate the impacts of potential labour strikes or other events that may cause material production work stoppages.

3.1.2 BUSINESS & OPERATIONAL RISKS

ATTRACT TALENTS, INVEST ON CULTURE & WELLNESS

Risk identification	Risk monitoring and management
The Group depends on the continued recruitment and engagement of key team members, with strong skill sets (creative, technical, operational, etc.) depending on what division or enabling function they belong to, to deliver the operational 3-yr plan. Technicolor Creative Studios is reliant on aggressive recruitment to achieve aggressive financial targets. The absence of a strong People & Talent strategy/value proposition, cultural initiatives for inclusion, layoffs, lack of investment in new systems and wreaking financial results may lead the Group to being less attractive. Coupled with current external post pic pandemic challenges or residual effects, the Group may experience a longer recruitment process and/or talents are less motivated to join the Group. Some employees may be reluctant to go back to office because of competitive offerings, assurance on the safety of our workplaces for employees or if return-to-work plans are not adequately communicated and properly implemented.	To limit the impact that these risks might have, People & Talent has reengineered its mission, operations, and programs to better suit the current environment and business needs. These initiatives include: Recruitment programs, annual talent reviews, and the launch of a global Diversity, Equity, and Inclusion program aimed at demonstrating the Group's long-term commitment to celebrating our differences and representing the diversity of the communities and clients it serves. In addition to the Technicolor Creative Studios Academy, which serves as training camp for aspiring digital artists, Technicolor Creative Studios has an internal artist training program that focuses on upskilling artists in 21 disciplines practiced internally. In 2022, 1,727 artists (employees and potential employees) received two to three months of virtual training in the Technicolor Creative Studios Academy. New Virtual Academies are supporting artist development across studios globally to ensure a consistent show-ready skill set. In 2022 two "Compositing for Women" Academies were run in India to encourage more women to enter into this VFX discipline. Global Academy Admissions designed a "She Is Back" campaign to help women in India get back into VFX after a career break. This program will be launch in 2023. The recruiting team continues to build university partnerships to provide curriculum guidance to help ensure skill alignment with market needs and to participate in recruitment initiatives all while promoting diversity. For this purpose, "Academy in the cloud" was successfully introduced in the second quarter using virtual sessions to expand the graduate reach while additional programs continue to be developed. Furthermore, Technicolor Creative Studios is already using software Smart Recruiters which is used for the entire process of hiring (job add, resume, schedule interviews, etc.) that brings more efficiency for the Group as well as better experience to the new hires. Together with the new onboarding process going live in all countries with current tools (HR Online and People Doc), as an intermediary process, these changes will strengthen People & Talent process, increase the automatization, and limit the possibility of system failures. Regarding immigration, the Group has established and continues to nurture long-standing relationships with local external counsel/immigration administrators in order to encourage their support in facilitating the immigration process. As an element of differentiation to attract and retain employees, Technicolor strives continuously to improve its benefits policy. Surveys were launched to check employees' morale and mindset for those employees who were working from home for long periods as well as a global employee engagement survey to identify the expectations at the time most employees returned to the office. Soft skills training was delivered to support the change of working relations. A worldwide Diversity, Equity and Inclusion initiative targeting all employees' communities was also launched with local involvement. A new Vice President of Talent & Development was hired in Q1 of 2023 in order to bring all aspects of training, leadership/management development/high potentials, artist skill development, and external academies into on group as well as succession planning and performance management transformation.

SKILLS & KNOWLEDGE MANAGEMENT, RETENTION & SUCCESSION	
Risk identification	**Risk monitoring and management**
The Group relies significantly on the talent strategy based on three main pillars: • Define the right mix of unlimited and limited contracts to mitigate seasonability effect and optimize labor cost structure • Define the right footprint to optimize efficiency, ensure customer proximity and cost scalability • Identify critical positions and skills instrumental to achieve the 3-year strategy, ensure back up solutions if these employees were to leave the Group (e.g., Finance leaders, IT specialists…). In addition, not having the proper tools in place for the development of existing employees (i.e. training of soft and technical skills), combined with the lack of an identification process of key talents (such as high potential programs), may expose the Group to not being able to retain employees.	Several programs have been implemented across the Group to ensure proper knowledge retention including formalization and/or documentation of cross-training initiatives of key business activities: • With the use of Learning Management System (LMS) and global training campaigns, a compliance learning program was launched in 2022 • Succession plans and identification of key experts is part of the reengineering of the HR organization. Therefore, succession planning for ExCom, i.e ExCom of every Service lines was presented to the Governance and Corporate Social Responsibility Committee. • The implementation of the global ReImaigned program with key work streams focused on critical talent attraction and retention across a range of employee engagement and culture initiatives.
In 2022, the labor market of visual effects and animation talent became very dynamic with a strong increase of the employees' turnover and of the mobility of talent between studios. More than ever, retention of key people is a sensitive topic. Ongoing transformation, news regarding the spin-off of Technicolor Creative Studios, news regarding Technicolor Creative Studios profit warning, lack of investment in systems, competitors poaching and lack of a strong culture, wellness programs for employees, and identification process of key talents (such as high potential programs) may impact, depending on the business and the country or location, the ability to retain experienced employees in critical positions. Considering the spin-off and profit warning, critical talent might opt to leave due to uncertainty, leading to inability to meet key timelines and deliverables.	Th Group's capacity to keep and develop strategic technical skills and industry knowledge is even more important within the Technicolor Creative Studios relying completely on the artist value which is a subject of extreme competition on the labor market. Securing, retaining and developing valuable talents remains one of the key topics of the Group's success. In order to do so, (Phase 1) of employee mapping has been completed with a unified Technicolor Creative Studios framework and governance rolled out. The Salary Grading analyses is completed with objective of defining target average salaries and pricing dependency. Regarding skills assessment, the competency framework has been created and is in the process of being reviewed with creative.

CUSTOMER PROJECT MANAGEMENT & INFRASTUCTURE

Risk identification	Risk monitoring and management
For Technicolor Creative Studios difficulty resides in the subjective nature of final services it provides to the customers. Without an objective 'definition of done', Technicolor Creative Studios relies on: • strong partnerships with customers, built on reputation and trust. • a legacy of proven on time deliveries at a high level of quality control • a system of descriptive deliverable expectations, assumptions, constant customer review and feedback, which steers the creative process. This subjectivity in the product and services provided by Technicolor Creative Studios, leads to difficulty in the proper anticipation and allocation of resources to deliver production on time and on budget, and mitigating creative changes or direction from customers. The project-based nature of our business leads to difficulty in maintaining a consistent staff base and loss of institutional knowledge, mitigating gaps between projects, and managing changes by clients in their production schedules and release dates. The competitive labor market adds difficulty in recruiting talent when needed, especially in senior and project leadership roles. If a project consumes more resources than initially planned, it may lead to cost overruns that may be difficult to recover from our customers, given that much of Technicolor Creative Studios' business operates under fixed-price contracts. Dependencies may also exist with the customer and/or other service providers of the customer that can negatively impact the time available for Technicolor Creative Studios to complete a project (e.g. late delivery of VFX shots etc.). Production failing to flag to Management when there are issues (e.g. delays) may lead to negative financial impacts on the project and a potential client loss. With the current structure and go-forward strategy, difficulties may be enhanced as management looks for ways to streamline key operational processes while delivering key projects across several regions and/or service lines and the use of the technology. To achieve its financial targets, Technicolor Creative Studios service lines are highly dependent on recruiting and retaining a large number of artists, production staff, and technical talent, including a significant portion which are located in Bangalore.	In Technicolor Creative Studios, there are dedicated processes in place for risk assessment that are regularly updated throughout the planning and execution of the projects to identify any risks and mitigating actions needed. As part of the bidding process, the allocation and planning of resources is reviewed by production management to ensure that the assessment is adequate to deliver the project plus the allocation of a contingency. During production, monitoring of projects, including regular cost-to-complete financial reviews, is established to ensure that work-in-progress is in line with budgets initially approved, as well as anticipate any deviations in terms of resources, quality, and delivery timing. Progress reports and management indicators are built to support this monitoring process. In light of the recent operational issues identified at the end of the year, a specific focus has been put by management on the review of the project progress and on the assessment of the cost to complete. As part of the ReImagined Plan, improved processes and a strong monitoring of operational performance indicators are set up. To ensure that quality of services is in line with customers' expectations, initial tests and intermediary deliveries are scheduled with customers. The division also uses workflow management tools which help to coordinate reviews and deliveries with third parties and limit the dependencies risks. Progress reviews with the customer are constantly ongoing throughout the project, with well-defined progress stages where customer feedback and go-forward approvals are required. Further mitigating client dependencies, with fixed bid awards, contracts have well-structured change order provisions to allow for the negotiation of award increases or decreases if a client materially changes the project scope or scale or for creative retakes or changes the projects timeline due to delayed dependency deliveries or change in release date for example. With a network of production studios across the globe, Technicolor Creative Studios also has the scale and technology to optimize resource allocation and utilization if a specific project requires additional resources that were not previously anticipated or if a client changes its production schedule and/or release date for the project. Technicolor Creative Studios is currently undertaking several initiatives to optimize technology resource sharing among the businesses (e.g., cloud render utilization), and to eliminate any overlapping R&D efforts by the centralization of Technology and R&D. Initiatives to improve the creative talent resource planning and production workflow is underway. ' In addition, by increasing investment in Talent Recruitment, Learning & Development (including Technicolor Creative Studios Academies), and its Global Workforce Planning group, Technicolor Creative Studios is engaged in active risk mitigation actions to improve its position in the global labor market and secure the talent needed to deliver on its projects.

CLIENT CONCENTRATION	
Risk identification	**Risk monitoring and management**
For the financial year ended 31 December 2022, Technicolor Creative Studios's top two customers (from a customer ultimate holding company perspective) accounted for approximately 27% of the Group's revenues. While no single customer is responsible for 20% or more of the Group's revenues for the financial year ended 31 December 2022 and while the Group believes it is well-diversified between entertainment and advertising-related revenues, a significant part of the Group's business remains dependent upon its relationships with key content producers, including the major Hollywood studios, streaming providers and directors. Any substantial deterioration in these relationships, including from the loss of key talent to a competitor, may negatively impact the Group's business and financial performance. Furthermore, even though the Group's history with several major studios dates back to the early 20th century, the overwhelming majority of its customer contracts are on an individual project basis. The Group is dependent upon the development and maintenance of client relationships through performance (including quality and timeliness of its work, which is in part reliant upon technology), price, talent and key relationships. Any material adverse impacts to any of these factors may negatively impact the Group's business and financial performance. The Group is also dependent upon the volume of production on new content that requires VFX or animation services. Customer consolidation that may lead to an overall reduction in the volume of such content being produced may also have a negative impact on the Group's addressable market and financial performance. Customer consolidations include Disney's acquisition of 21st Century Fox assets, Amazon's acquisition of MGM, the Viacom and CBS merger, and the Discovery and WarnerMedia merger. Customer consolidation that may lead to a pressure for discounted prices may also have an impact on the pricing of the Group's services.	First of all, Technicolor Creative Studios has long standing commercial relationship with the major Holliwood Sutdios and also develops new ones with the new actors in the field (Netflix, Apple, Meta…). The Group has recently hired some new seasoned executives having spent most of their carrers in Advertising or VFX client's departments and beneftting of important credibility and experience with our clients. Moreover, Technicolor Creative Studios actively seeks to diversify its customer and project mix in order to mitigate financial performance volatility that may be caused by any significant dependency on a specific customer and/or sector. Having four divisions in this business helps reduce the exposure to any single client. While there is some cross over - for example, advertising and Games clients are distinct from animation and VFX business. As the Group continues to build up its portfolio of clients across the different dvisions, this limits the overall exposure to one single source of buisness.

CYBERSECURITY	
Risk identification	**Risk monitoring and management**
The secure maintenance and transmission of Technicolor Creative Studios and customer information is an essential component of the Group's operations due to highly sensitive and confidential content. The failure to have sufficient and effective content security systems and protocols may lead to loss, disclosure, misappropriation, alteration and unauthorized sharing and access to sensitive information and assets (Intellectual property). Data may be vulnerable due to the increase in volume and sophistication of hacking or other types of malicious attacks (e.g. phishing), that are continuing to occur more frequently and in more sophisticated methods, which expose the Group to liabilities, extra cost for remediation, or outages. New vulnerabilities must be identified and monitored appropriately to avoid successful operational attacks. The Group have several advanced Security tools deployed, of which Log Management is a critical element to the program. Log data from infrastructure and applications in the environment are the core to identifying or investigating security events and potential incidents. If log forwarding from key devices are interrupted for a significant period, it will reduce the SOC (Security Operations Center) operational capabilities due to lack of visibility. Data backup capabilities are critical to any recovery process, as such, lack of consistent procedures could impact our ability to successfully backup and restore systems. It is feasible that a flood of security breaches, incidents or attacks could overwhelm the SOC capability to manage, investigate and escalate them if processes and tool management are not complied with. The current pandemic environment over the last several years led to an increase in hybrid working environments and remote working which requires additional security and access protocols/assessments for both access solution and devices. Risks of content exfiltration have increased due to content being visible outside of our studios, expanding the security perimeter and secure production networks from our facilities into employees' homes. Failure to properly monitor equipment use and access rights could result in confidential information being shared to competitors or customers. Moreover, failure of employees' awareness on cyber risks increases the risk of phishing campaigns and introduces malwares in our systems. Those consequences may drive key customers to withdraw work from Technicolor Creative Studios's facilities. In light of the spin-off, publicity potentially prompts cybersecurity attacks, due to perception of systems and operations being in flux and vulnerable.	The security actions related to Technicolor Creative Studios content production networks are led by internal security teams which focus on the mitigation of these risks. These security actions and protocols are continuously implemented, enforced, evaluated, and updated as production needs evolve, and as new technologies or threats emerge. Security policies and the use of qualified suppliers, equipment and software, combined with regular security trainings, security assessments and penetration testing, aim to mitigate the risk to an acceptable level. For physical security risks, a dedicated team conducts risk assessments on all critical sites and suggests a remediation plan for local security coordinators when needed. In 2022, working in collaboration with clients and industry organizations, the Group has continued to establish and promote secure work-from-home environments and workflows where required based on local government requirements. Technicolor Creative Studios security standards are continuously reviewed and updated to stay current with the industry and with established security policies. Overall, in 2022, Technicolor Creative Studios supported over 207 security audits, which included a combination of internal and external audits. Audit findings are tracked and managed by internal teams. In 2022, the Group delivered security awareness training to all employees and provided multiple communications around phishing, malware, and general security practices, with an increased focus on the impacts of an increase in remote work. Inherited from Technicolor, the Technicolor Creative Studios Cyber Security Program is recalibrated quarterly and its initiatives are tracked regularly. Cyber security technology teams have enabled faster adoption of enterprise scale tools and processes in partnership with the Global Security teams. Architecture, assessment and deployment of specific remote Artist solutions, continuous implementation, enforcement, evaluation and update of security actions, protocols and standards in new production facilities is being performed. Tracking and management of items identified for remediation, led by internal teams within Service Now central repository, are managed and reported by the Technicolor Creative Studios Security Operations Center (SOC).

PRODUCTION INCENTIVES	
Risk identification	**Risk monitoring and management**
Some states, provinces or countries like Canada, the United Kingdom, France and Australia have developed incentive programs for film, episodic, game development and/or advertising productions (primarily for the benefit of the Group's clients). These production incentive programs offer financial incentives, such as refundable tax credits, tax rebates or grants, primarily based on the eligible production costs incurred in a specific location. As a result, the Group has installed its main activities and production staff in certain locations attractive to its customers. As of end of 2022, the Group has not faced any significant divergence of interests between the location where the Group has installed its VFX and Animation production facilities and the location-based production incentives attractive to its customers. However, any material changes to the incentive programs available in such locations may significantly impact the decisions by customers on where they outsource production services like VFX and Animation. While the Group has been effective in optimizing the geographical footprint of its activities accordingly, and expect that it will continue to do so, there can be no assurance that the Group will not be adversely affected by changes in location-based production incentives, which is likely to expose the Group to potential loss of revenue.	Technicolor Creative Studios maintains an active watch on any potential material changes to the location-based production incentive landscape and strives to be agile in ramping up and down the facilities in the strategic geographies to respond to customers' preferences for where production services are done. The Tax and Public Affairs Departments of the Group work diligently to scrutinize the production tax incentive evolution and to provide guidelines to the operations regarding eligible criteria and administrative constraints. The Group has also established and continues to nurture longstanding relationships with local governments and trade organisations in order to be a leading participant early in any discussions regarding the evaluation and implementation of any changes to production incentives.

DIVERSITY AND HUMAN RIGHTS	
Risk identification	**Risk monitoring and management**
Creative and innovative industries require diversity of talent: gender, culture, and experience, which are key elements and must be present across Technicolor Creative Studios's locations. Obstacles to diversity create a risk in the ability to attract and retain talent, attract work from clients who are increasingly seeking diversity from their production partners, or develop new services. These constraints apply from software development to the Visual Effects or Animation industries, as our services are equally used or watched by all gender identities around the world. Obstacles can be internal, despite Group initiatives to support diversity, equity and inclusion. Obstacles can also be external to the Group, preventing the recruitment of talent from diverse origins in a location. In growing markets, access to talent is key; and modification of these rules (e.g., immigration rules, national educational system, gender mix, etc.) can create tensions in the countries where the Group operates. As in any organisation, discrimination and harassment may occur. Beyond the fact that these behaviors are totally unacceptable in any work environment, such behaviors are also detrimental to the attraction and retention of talent, to the safety of the Group's operations, as well as to the reputation of the Group. Detection and prevention of human rights violations are essential, together with remediation in case of occurrence.	Internal proactive policies to increase the proportion of diversity in management positions in the Group is the first lever. Developing the Technicolor Creative Studios's attractiveness as a place to work (responsibility, engagement, development) allows the Group to better absorb changes of regulation, compared to the competition, that may affect the Group's talent diversity. Proactive actions toward public authorities are key levers to mitigate the shortage of talent mix. Employee training is organised to raise awareness on harassment and discrimination, and to help prevent them. In certain countries, training sessions of self-defense are also organised for women. A whistleblowing hotline is open to receive harassment and discrimination alerts. Sanctions may be taken after investigation and conviction.

BUSINESS CONTINUITY	
Risk identification	**Risk monitoring and management**
There are risks that critical processes, production / activities are impacted or forced to cease operations by natural disasters (e.g. earthquake, floods or pandemics), by government mandates, or man-made incidents like terrorism, civil unrest, or other internal critical events. Immature and inefficient Business Continuity Plan (BCP) may significantly handicap the Group to return to operations quickly and ultimately have significant impact on its financial situation. For instance, Technicolor Creative Studios relies heavily on the Bangalore studio headcount and any significant business disruption there would have a material impact. Lack of tabletop exercises may also leave potential opportunities for improvement should risks materialize. Business continuity program performance must be tested to ensure they are operational if needed, however limited resources lead to reduced recovery testing by the businesses. Also, producing security assessment reports require tools which licenses may be expensive and leverage infrastructure items that need maintenance. In addition, unavailability from key tools used for BCP and business operations along with lack of data backup could cause business disruption. Risk of poor coordination between IT DR and BCP (operations) may compromise the efficiency of continuity solutions. Not updating BCPs with lessons learnt from the pandemic could put the Group in the same situation in the future. Knowledge transfer of business continuity is at risk because of manual project excel based tracking. Insufficient awareness and ownership of incident management, escalation, response procedures and processes may also increase vulnerability.	A common framework with strong governance, supported by a defined matrix organization and leadership team exists across Technicolor Creative Studios, supported by the Technicolor Creative Studios Security Office. Crisis Management and Employee Safety (CMES) programs are established along with significant business incident (SBI) tools and an underpinning process with HR and TSO. Tools, processes and resources are in place to anticipate the unforeseen risks (e.g., pandemic). A centralized Business Continuity Management System (BCMS) was launched in 2021 across the Group with increased visibility into governance and BCPs across the Group. These improvements also include BCP with pandemic and return-to-office framework as well as checklist per site and RTO readiness added to the existing BCP site which will significantly reinforce Company's response in managing the unforeseen risks.

MERGERS & ACQUISITION	
Risk identification	**Risk monitoring and management**
The Group has in the past and will continue in the future to evaluate M&A opportunities that further the Group's strategies. An M&A transaction can be time-consuming and a distraction to the Group's management team. Identification, evaluation and valuation of an M&A target or partner can be highly subjective, may require significant amounts of capital, and may be subject to forward-looking projections and strategic plans that may never come to fruition. Post-M&A integration may also prove challenging and anticipated synergies may not be realised.	The Group has substantial experience in acquiring companies and assets, including the acquisitions of Mr. X Inc. (2014), OuiDO! Productions (2015), Mikros Image (2015), and The Mill (2015). The Group also continuously evaluates areas of underperformance and/or service lines that may become non-core to the Group's strategy. Such evaluations led to the decision to sell the post-production services business in 2021. After extensive due diligence investigations, financial modelling and scenario analyses, all potential M&A transactions are reviewed at multiple stages by the Group's Engagement Committee and/or its Board of Directors, depending on the size of the transaction.

APPLICABLE TAXATION REGIMES AND CHANGES THEREIN	
Risk identification	**Risk monitoring and management**
Given the footprint of the Group's operations globally, Technicolor Creative Studios is subject to complex tax laws and regulations in the various countries where it operates. It is subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of its operations and its corporate structure. Adverse developments in applicable tax laws or regulations, or any change in the position by the relevant authorities regarding the application, administration or interpretation of any applicable tax laws or regulations, could subject the Group to additional or increased tax payments, and in turn have a material adverse effect on the Group's business, financial condition and results of operations. In this regard, the fast-paced development of the global economy has led, and may lead, to public authorities adapting, or considering to adapt, tax regimes applicable to the Group, which could further subject the Group to changes in tax legislation in the countries where it operates. Given the international nature of the Group's operations, the Group is particularly impacted by changes to regulations relating to transfer pricing, permanent establishment and withholding tax on the repatriation of funds rules, which can be particularly complex and subject to divergent interpretations. In addition, the Group often relies on generally available interpretations of applicable tax laws and regulations including interpretations made by the relevant tax authorities and courts of law. There cannot be certainty that the relevant tax authorities or courts agree with the Group's interpretation of these laws or, as the case may be, that such tax authorities or courts do not depart from the generally available interpretations of applicable tax laws and regulations on which the Group often relies. The interpretation and application of these laws and regulations could therefore be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions, or sanctions, which could be material. Furthermore, the Group is likely to be subject to tax inspections by the local authorities in the normal course of business. Tax inspections could result in adjustments and sometimes give rise to tax litigation before the competent courts.	Technicolor Creative Studios is committed to managing its Tax affairs in accordance with applicable local and international laws, as well as generally accepted tax principles and best practices. For that purpose, the Group has established a strong tax risk management framework and a clear Tax Governance. The Board of Directors approves the Group's tax strategy and governance, regularly reviews its effectiveness, and maintains a sound system of risk management and internal control. The Group's Tax Department has the adequate resources and competences to monitor changes in local and international Tax legislations that can impact the Group's operations and filing obligations, as well as support any inquiry or inspection by local competent authorities.

3.1.3 FINANCIAL RISKS

CASH MANAGEMENT – LIQUIDITY	
Risk identification	**Risk monitoring and management**
Liquidity is the risk of not having funds to meet future financial obligations. This risk can arise if the Group's financial position deteriorates, limiting its access to financial markets or if suppliers reduce payment terms. The level of debt may have significant negative consequences for the Group and its shareholders. On the 31st of December 2022 the Group's gross debt amounted to €776 million (see Note 9.2 to the Consolidated Financial Statements) and the Group cash position amounted to €38 million (see Note 9.1 to the Consolidated Financial Statements. A large portion of any excess cash flow may need to be reserved to repay outstanding principal, thereby reducing the availability of cash for other purposes. In addition, the lack of end-to-end forecasting software and the complexity of the business, in particular, forecasting of cash collections which often depend on meeting project milestones, limit the accuracy of the Group's cash forecasts which could negatively impact the group's liquidity management and its ability to meet its financial covenant. The outcome of this monitoring and of the cash flow forecasts prepared by the Controlling department described in the risk monitoring section of this risk factor led to the determination by the Group that it could have faced a liquidity shortage by the end of the first quarter of 2023. While the Company entered in an agreement relating to its Refinancing as described in the risk monitoring section of this risk factor, no assurance can be given that the Refinancing will be implemented. Should the Refinancing not be implemented as anticipated, the Company may face another liquidity shortage by the beginning of 3rd quarter, which could have a material adverse material effect on the operations of the Company.	To manage this risk, the Group's treasury management is centralized. The central treasury team manages current and forecasted financing needs and has established policies aimed at securing continued and uninterrupted access to the financial markets on reasonable terms. To meet liquidity needs, the Group has put in place confirmed credit facilities and executes borrowings on the banking and financial markets. In order to monitor the Group's liquidity, the Treasury Department monitors the relative proportion of the Group's debt and equity, its credit ratings (current corporate ratings : S&P: D / Moody's: Ca-PD negative outlook) , the outlook for the financial markets and it uses the Group's consolidated cash forecasts to track the ability to meet scheduled debt payments (see note 8.2.3 for the Group's debt maturity schedule) and other future financing needs and to respect the covenants in its debt documentation. The results of this monitoring are reported regularly to the Chief Financial Officer, the Audit Committee, and the Board of Directors. The outcome of this monitoring and the cash flow forecasts prepared by the Controlling department is that the Group determined that it could have faced a liquidity shortage by the end of the first quarter of 2023**. In order to address the current liquidity shortage, the Company reached an agreement in principle on March, 7 2023, on a new financing structure that includes the provision of new funds of 170 million euros (the "Refinancing") (net of OID and underwriting fees) including (i) the issuance of 60 million euros of convertible notes (net of OID) (the "Convertible Notes") and (ii) the provision of 110 million euros of a new super senior credit facility (net of OID and underwriting fees) (the "New Super Senior Credit Facility"). In addition to the Refinancing the agreement in principle provides for the reduction the Group's financial burden by (i) reducing the interest burden on all financial instruments, (ii) rescheduling the maturity of existing financial debt to the third quarter of 2026, (iii) converting 170 million euros of existing loans into subordinated debt and (iv) converting 30 million euros of debt into equity. This agreement in principle led to the signature on March 27, 2023 of a conciliation agreement (protocole de conciliation) which was approved by the Paris commercial court by a judgement rendered on March 29, 2023 (jugement d'homologation). This conciliation agreement, provides, in accordance with the agreement in principle, inter alia, for (i) the issue of 30 million euros bridge notes (the "Bridge Notes") and (ii) a 50 million euros drawdown plus 5 million american dollars drawdown under the New Super Senior Credit Facility, in each case, net of OID and underwriting fees. Such issue and drawdowns took place on April 4, 2024. The conciliation agreement also provides for (i) the issue of the Convertible Notes (which will entirely refinance the Bridge Notes) and (ii) a second 50 million euros drawdown plus a second 5 million american dollars drawdown under the New Super Senior Credit Facility, in each case, net of OID, scheduled to take place before the end of the second quarter 2023 subject to certain conditions, in particular, the provision of a security package covering the Refinancing pursuant to the conciliation agreement and the approval of part of the operations described above by a general meeting of the Company. The terms of the Refinancing, of the conditions thereto and of the conciliation agreement are described in the press releases released by the Company dated April 3, 2023 and in section 7.5 of this Universal Registration Document.

FINANCING STRUCTURE – INDEBTEDNESS – DILUTION	
Risk identification	**Risk monitoring and management**
The significant level of debt (gross debt under IFRS of €776 million as of the end of December 2022) and the credit ratings of the Group (Moody's Ca-PD negative outlook / S&P D) may have a material adverse effect for the Group. Continued risks may remain, including: **1.** Difficulty in finding other sources of financing (factoring, payment terms, credit lines, vendors insurance…) and new investors; **2.** Difficulty to raise new debts at reasonable conditions (most new debt issuance is not permitted under existing debt documentation); **3.** Weakening of the Group's financial situation due to low performance; **4.** Difficulty in making strategic acquisitions and taking advantage of business; opportunities; **5.** Competitive disadvantage compared to competitors with less debt and more agility; **6.** Difficulty in retaining key employees; **7.** Risk of not respecting covenants; **8.** Difficulty in obtaining new contracts with customers and finding new suppliers for production; **9.** Difficulty in contract negotiation and ability to fulfill obligations; **10.** Reduced financial ability to replace, recover, restore operating systems.	The risks related to Financial structuring and indebtedness are and will be managed by a close monitoring of the level of the Group's source of funding, debt and debt maturity schedule, and the compliance with all covenants and restrictions, etc. Financial Structure monitoring is part of the Group's financial risk management. Failure to comply with these covenants and restrictions would trigger an event of default as described in section 7.5 and such event of default enable the relevant creditors to declare whole or part of the financing made available to the Company immediately due and payable and then to enforce the security interests they benefit from. In addition, certain events of default enable the Company's creditors (i) to exercise (through the trustee (fiduciaire)) the rights attached to Tech 6 shares and Mikros Image SAS shares subject to the fiducies-sûretés and/or (ii) to enforce the fiducies-sûretés granted in their favour on Tech 6 shares and Mikros Image SAS shares (i.e. to request the sale of those shares and apply the sale proceeds to the repayment of the Company's debt owned by the relevant creditors or to request the transfer of ownership of those shares to the benefit of the relevant creditors). The fiducies-sûretés are further described in section 7.5 and in particular in the section "Guarantee and security interests (sûretés réelles). The result of this regular monitoring is reported regularly to the Chief Financial Officer, the Audit Committee and the Board of Directors and may lead the Group to take action such as reducing debt levels, refinancing or renegotiating its debt, or raising equity. See also Note 9.5.5 to the Group's Annual Financial Statements for information about this risk and its management.

FINANCING STRUCTURE - INDEBTEDNESS - DILUTION

In addition, the critical financial situation and credit position of the Group may result in greater needs for guarantees to convince 3rd parties, further cost cutting measures and increased insurance premiums.

While On March, 7 2023, the Company has reached an agreement in principle on the Refinancing, which was followed as described above by the signature of a conciliation agreement, the issue of 30 million notes and the drawing of a credit facility in an amount of c. 55 million euros, no assurance can be given that the Refinancing will be fully implemented to the extent that it remains subject to approval by the shareholders' meeting.

In addition, in the event of approval by the shareholders' meeting, such Refinancing will be implemented via (i) a capital increase reserved to the benefit of the lenders of the Initial Term Loan Facility (as such term is defined in section 7.5), (ii) the issuance of certain warrants entitling to 11% of the Company's fully diluted capital to be granted to the lenders of the New Money Credit Facility Agreement (as such term is defined in section 7.5) and (iii) the issuance of Convertible Notes (as such term is defined in section 7.5) for 60 million euros (net of OID), by way of issuances reserved to Angelo Gordon, Bpifrance Participations, Briarwood, Barclays and Vantiva. Conversion of 100% of the convertible notes will give holders of those notes an aggregate amount of 33% of the share capital of the Company on a fully diluted basis pro forma for such conversion and the issuance of the above-mentioned warrants.

As a result of those operations, (i) the existing shareholders' economic and voting rights will be significantly diluted(ii) in spite of the lock up arrangements, the sale of a substantial number of Company's shares by these holders post-lock-up or the perception that these sales may occur, may depress the market price of the Company's shares and (iii) any such sales could impair the Group's ability to raise capital through the issuance of equity securities in the future.

In order to reduce its debt levels and improve its balance sheet, the Company reached an agreement in principle on March, 7 2023, on the Refinancing including (i) the issuance of 60 million euros of Convertible Notes and (ii) the provision of the New Super Senior Credit Facility. In addition to the Refinancing the agreement in principle provides for the reduction the Group's financial burden by (i) reducing the interest burden on all financial instruments, (ii) rescheduling the maturity of existing financial debt to the third quarter of 2026, (iii) converting 170 million euros of existing loans into subordinated debt and (iv) converting 30 million euros of debt into equity. This agreement in principle led to the signature on March 27, 2023 of a conciliation agreement (protocole de conciliation) which was approved by the Paris commercial court by a judgement rendered on March 29, 2023 (jugement d'homologation). This conciliation agreement, provides, in accordance with the agreement in principle, inter alia, (i) the issue of the Bridge Notes and (ii) a 50 million euros drawdown plus 5 million american dollars drawdown under the New Super Senior Credit Facility, in each case, net of OID and underwriting fees. Such issue and drawdowns took place on April 4, 2024. The conciliation agreement also provides for (i) the issue of the Convertible Notes (which will entirely refinance the Bridge Notes) and (ii) a second 50 million euros drawdown plus a second 5 million american dollars drawdown under the New Super Senior Credit Facility, in each case, net of OID, scheduled to take place before the end of the second quarter 2023 subject to certain conditions, in particular, the provision of a security package covering the Refinancing pursuant to the conciliation agreement and the approval of part of the operations described above by a general meeting of the Company. The terms of the Refinancing, of the conditions thereto and of the conciliation agreement are described in the press releases released by the Company dated April 3, 2023 and in section 7.5 of this Universal Registration Document.

INTEREST RATE AND EXCHANGE RATE FLUCTUATIONS

Risk identification	Risk monitoring and management
The Group faces both exchange rate translation and transaction risks. Translation risk occurs as the Group's Combined Financial Statements are presented in euros. Thus, assets, liabilities, revenues and expenses denominated in currencies other than the euro must be translated into euros at the applicable exchange rate to be included in the Group's Combined Financial Statements. The fluctuation of exchange rates can have an impact on the value of the assets, liabilities, revenues and expenses in Group's Combined Financial Statements, even if the value of these items has not changed in their original currency. Transaction risk occurs when purchases and sales are made by Group entities in currencies other than their functional currencies. The Group's main transaction risk is its sales in U.S. dollar versus Canadian dollar, versus British pound and versus Indian rupee. The Group's main transaction risks are its net purchases in U.S. dollars versus Canadian dollars and its net sales of U.S. dollars versus the Indian rupee. In 2022 the net purchases of U.S. dollars versus Canadian dollars amounted to USD 61 million (USD 13 million in 2021) and the net sales of U.S. dollars versus Indian rupee were USD 101 million (USD 83 million in 2021). Foreign currency: the Group's main exposure is the fluctuation of the U.S. dollar against the Canadian dollar, the British pound and the Indian rupee.	Translation risk The Group's general policy is to examine and hedge on a case by case basis the currency risk on its investments in foreign subsidiaries (Net Investment Hedge). At December 31, 2022 no hedges of this type were outstanding. Translation risk is measured by doing sensitivity analyses on the exposures in the subsidiaries where the functional currency is the euro. Transaction risk The policy of the Group is to have its subsidiaries: • to the extent possible, denominate their costs in the same currencies as their sales; • regularly report their projected foreign currency needs and receipts to the Group treasury department which puts in place intercompany hedges with the subsidiaries of the Group and in turn hedges the net exposures with banks using foreign currency forward contracts. For products with a short business cycle, the Group's policy is to hedge on a short-term basis up to six months. For products and services which are sold on a longer-term basis, hedges may be put in place for periods greater than six months. See note 9.5.3 of the consolidated financial statements

3.2 LITIGATION

To the best of the Group's knowledge, there is no exceptional event or litigation which may have or have had, in the past 12 months, significant impacts on the Group's financial situation or profitability.

3.3 INTERNAL CONTROL

The internal control procedures mentioned in the present Chapter apply to the Company and to all its subsidiaries and are under the responsibility of each Technicolor Creative Studios employee.

The major components underlying the preparation of this report are:

(i) the French *Loi de sécurité financière* (Law regarding Financial Security);

(ii) the Ordinance No. 2008-1278 of December 8, 2008;

(iii) the AMF guidelines on risk management and internal control; and

(iv) Article R. 225-105-1 of the French Commercial Code about disclosure of non-financial information related to Corporate Social Responsibility.

Following the delisting of Technicolor from the New York Stock Exchange (NYSE) in 2011, the Group decided to maintain high standards of financial reporting discipline, capitalizing on the work undertaken previously. The internal control program, called 8TIC'S, was launched at the beginning of 2011 with the objective to maintain and expand the internal control scope beyond financial reporting through a risk-based approach. It is the same internal control program that applies to Technicolor Creative Studios. The 2022 annual campaign has been successfully performed and completed.

3.3.1 OBJECTIVES OF INTERNAL CONTROL PROCEDURES AND IMPLEMENTATION

OBJECTIVES OF INTERNAL CONTROL PROCEDURES

The Group's internal control framework is designed to achieve the following main objectives:

- application of the instructions and directional guidelines fixed by the Group's management bodies in line with the Group's overall objectives and the inherent risks;
- correct functioning of internal control procedures, such as the ones pertaining to the security of its assets, as well as the operational, industrial, commercial and financial processes;
- compliance with applicable laws and regulations;
- reliability of financial and non-financial information obtained through the implementation of internal control procedures.

The internal control framework aims at preventing and mitigating risks arising from the Group's management of business along with the risks of error or fraud, in particular, in areas of accounting, finance and social responsibility. As for every control system, it cannot provide an absolute guarantee that these risks are completely eliminated.

INTERNAL CONTROL METHODOLOGY

The internal control methodology is based on three pillars:

- a risk-based approach which starts from the Group Risk Management program (see paragraph below "Risk Management") and allows internal control to deploy its methodology on the main Group risks. In 2022, the risk and control referential was revisited and updated together with the evolution of risks; along with a clear classification distinction on Tier 1 and Tier 2 risks;
- a self-assessment on controls implementation by the most significant entities, totaling the vast majority of the Group scope according to the relevant indicators (Revenue, contribution to Adjusted EBITDA after lease and other financial and non-financial indicators function of each nature of risk). In 2022, the scoping methodology has been adjusted ; scoped at the legal entity level and introduced a 5 year rotation plan for self-assessment scoping through a Tier 1 (financial / ERM / Compliance) and Tier 2 (operational) approach. In 2022, about 81 control owners were designated to perform a self-assessment on 772 controls over 85 financial and non-financial processes;
- an independent testing managed by Internal Audit covering close to 20% of the self-assessed controls. This testing aims at providing assurance that the Technicolor Creative Studios internal control framework is effective. Independent testers are composed of Internal Auditors and internally trained guest testers on the testing exercise.

The internal control team ensures a continuous monitoring of the internal control campaign, through key performance indicators such as self-assessment and independent testing completion rates, deficiency rates (i.e., by division and by process), and risk severity classification of reported deficiencies. The internal control team communicates frequently with the internal control communities, ensuring training on the approach and the tools to be used. Quarterly updates on the program are made to the Audit Committee.

The management community is involved in the deficiency remediation and takes an active role in the implementation of corrective actions raised during the internal control campaign. Deficiencies with high, medium, and low severity are monitored and followed-up by Internal Auditors until their full remediation.

3.3.2 GENERAL CONTROL ENVIRONMENT

THE ETHICAL VALUES AND PRINCIPLES OF CONDUCT FOR THE GROUP'S MANAGERS AND EMPLOYEES

The values and principles of conduct for the Group's managers and employees are defined in the Group's Code of Ethics and the Anti-bribery and Anti-corruption Policy. An additional document called the Financial Ethics Charter specific to employees working in the finance area provides principles to which financial employees are expected to comply and advocate.

Code of Ethics

Inherited from Technicolor and updated in 2022, the Code of Ethics establishes the foundation of the Group's core values and requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Code of Ethics details the specific rules to guide employees in their day-to-day activities. It is available internally in 5 languages (English, French, Spanish, Porthguese and Polish). All employees were required to individually acknowledge the Code of Ethics during 2022. Technicolor Creative Studios has also updated several additional key policies including a Whistleblower Policy, Anticorruption Policy and Manual, and Ethical Sourcing Policy. Indeed, Technicolor Creative Studios is committed to uncompromising integrity in all of it's actions. A reputation for integrity benefits Technicolor Creative Studios in countless large and small ways – i.e a trusted advisor and service provider to customers, a dependable collaborator for business partners, a valuable member of communities, and a reliable long-term investment for shareholders. Ethical behavior and observance of laws are two main ingredients in building our reputation for uncompromising integrity.

The Group also inherited from Technicolor an Ethics Compliance Committee, which reports to the Audit Committee and is currently composed of five members representing different functions such as People, CSR, Legal and Compliance. This Committee is governed by its own charter (last updated in 2023). The Ethics Compliance Committee is responsible for all ethical issues related to Technicolor Creative Studios's activities. This includes implementing any new policies if needed, training on existing policies, and investigating any and all reports of unethical behavior. It meets at least four times per year and more frequently when required.

Anti-bribery and Anti-corruption Policy and manual

This policy contains standards of conduct and practices followed in dealing directly or indirectly with Government Officials and with any private individual or entity. The compliance manual contained in the policy provides practical guidelines to support Technicolor Creative Studio employees and Technicolor Creative Studio third parties to comply with our rules and policies.

Financial Ethics Charter

To reinforce awareness of the ethical dimension of finance activities, Technicolor Creative Studios has published an Ethics Charter specific to Finance personnel and activities. It is an extension of the Company's Code of Ethics, which applies to all employees.

Inherited from Technicolor and first published in December 2022, the Financial Ethics Charter is sponsored by the Chief Financial Officer and sent out annually to the full Finance organization for review and personal acceptance.

This policy promotes the following rules: acting honestly and with integrity and avoiding conflicts of interest, providing accurate, complete and objective information, compliance with all rules and regulations, public and private, to which the Group is subject, acting in good faith without misrepresenting material facts or allowing one's judgment to be unduly influenced, respecting confidentiality of information, sharing and maintaining appropriate knowledge and skills, promoting ethical behavior in one's environment, using and controlling responsibly assets under one's supervisions and reporting known or suspected violations of the charter.

A copy of the Code of Ethics and the Financial Ethics Charter, as well as the other policies are available on the Company intranet and website.

GROUP MANAGEMENT AND DECISION-MAKING PROCESSES

The Group Management is organized around 1 principal body:

- the Executive Committee

Placed under the authority of the Group's Chief Executive Officer, the Executive Committee currently comprises 12 members consisting of Senior Executive Vice-Presidents and Executive Vice-Presidents in charge of Technicolor Creative Studios's major businesses and of the principal corporate functions (Finance, People & Talent, Legal). The Executive Committee meets to analyse and evaluate the financial performance (sales, operating income, and cash flow) of the Group's various businesses compared with the budget, strategic developments, and major events affecting the Group (sales contracts, partnerships, investments, etc.).

The senior management body helps ensure rapid, responsive decision-making as well as smooth, efficient implementation of such decisions.

The Group holds quarterly Business Reviews for each business, during which the management reviews the performance of the business, the progress of the key programs in each business, key performance indicators, and any specific operational topic which requires management attention. These programs cover mainly key customer issues, operational performance, transformation programs, cost reduction, and HR-related programs.

Inherited from Technicolor, the Group established an Engagement Committee in 2022 to drive prioritization and optimization of resource allocation across the Company's organization. The Engagement Committee is composed of the CEO, the Deputy CEO, the CFO, the COO and the Group Controller. The Engagement Committee reviews all significant investment decisions, including material customer opportunities, capital expenditures, restructuring, M&A and joint ventures, asset disposals, pension contributions, large procurement contracts, leases, and financing commitments. The Engagement Committee ensures compliance with the Board Internal Regulations and debt agreement obligations and is a key part of the Group's internal control procedures.

RISK MANAGEMENT

Technicolor Creative Studios inherited from Technicolor Risk Management System, with the Enterprise Risk Assessment (ERA) program. The risk management process evolved in 2010 to follow the strategic evolution of the Group. It is now under the Executive Committee responsibility and is called Technicolor Risk Management (TRM).

The purpose of this annual four-step-process, supported by the Internal Audit Department, is to identify, assess, manage and monitor risks that may impact the Group's ability to achieve its near and long-term objectives.

The risk identification and analysis process were revamped in 2020 to consist of a bottom up and top-down structured approach, summarized as follows:

- risk identification by risk advisory leads and their subcommittee including stakeholders of different areas and incorporated (with the support of Internal Audit) into the consolidated questionnaire completed by each member of the Executive Committee and the Management Committee, and Key Subject Experts;
- synthesis of main risk areas into a Risk Universe;
- ranking of risks according to criteria including potential impact and vulnerability, performed by the Executive Committee, Management Committee members, and other relevant stakeholders.

Each year, the Risk Mapping is reviewed and reassessed with any potential new risk(s).

Subsequently to the risk ranking step, the CEO appoints risk owner(s) for each of the top 10 risks, among members of the Executive Committee. These risk owners further assess the risk assigned to them, monitor, and mitigate them. Status reports on each top risk are presented to the Audit Committee.

In 2022, Internal Audit has implemented a new Governance, Risk and Compliance (GRC) tool, which will streamline the risk management process, allowing further efficiency in capturing, assessing, and monitoring Technicolor Creative Studios risks.

3.3.3 INTERNAL AUDIT

As defined in the "Internal Audit Charter" inherited from Technicolor, Internal Audit performs independent and objective assurance, and advisory audits that are dedicated to adding value and improving Technicolor Creative Studios's performance. It conducts risk assessments at all levels within the Group, identifies and proposes improvements in financial and operational processes, and helps the organization define action plans to mitigate risks and reinforce the control environment and governance principles.

The Internal Audit Department reports its results to the Group's management. The Audit Committee reviews and approves the annual Internal Audit Plan based on the pluri-annual Internal Audit plan and is informed of the main audit results. The Internal Audit Department also provides oversight support in the Technicolor Risk Management process.

Under the responsibility of the Chief Audit Executive, Internal Audit, Internal Control, and Enterprise Risk Management allows for an effective integrated framework with coordination and efficiencies surrounding the risk identification/mitigation and maturing of the internal control environment. It enables Internal Audit recommendations to be better embedded in the Internal Control framework, and deficiencies reported during the 8TIC'S Internal Control campaign to be closely followed up by Internal Audit all while ensuring the key risks across the Group are effectively monitored and remediated if needed.

Throughout the year, the Internal Audit Department presents the audit schedule to the External Auditors, provides updates, and shares the conclusion of the reports resulting from audit reviews. In addition, the Internal Audit Department coordinates control process/site reviews with the External Auditors to ensure coverage of various areas.

The Internal Audit Department consists of approximately 4 auditors who have associated professional certifications (i.e., CIA, CIMA, etc.) and prior experience in a large range of domains like finance, accounting, operations, engineering, quality, IT/Security, etc. The team is located in several key sites for the Group: Paris (France) and London (United Kingdom). The Chief Audit Executive administratively reports to the General Counsel and Corporate Secretary, and functionally to the Audit Committee. As from the Spin off, the Audit activities were served throught the Transition Services Agreement with VAntiva and completed with an external firm.

The Internal Audit Department conducts audits in various domains, covering operational and financial processes, specific contracts or projects, compliance, fraud prevention, security, and follow-up audits at global and local levels.

In 2022, 4 audit engagements were performed and completed (both assurance and advisory) regarding Technicolor Creative Studios scope.

These audits were carried out in accordance with the methodology and procedures set by the Internal Audit Department (aligned with the International Standards for the Professional Practice of Internal Auditing), including in particular:

- performance of tests (walkthroughs and detailed testing) and interviews with the control owners and reviewed on a risk-based approach;
- the issuance of a report after the audit, which lists agreed management actions and deadlines for any internal control needed remediations. The Internal Audit Department report is an excellent communication tool and plays an important role in the continuous improvement of controls within the Group.

In 2023, the Internal Audit Department will continue to focus on processes and efficiency improvements, testing of operational effectiveness of key controls and enhancing the overall review process.

3.3.4 INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

The internal control related to the preparation and treatment of accounting and financial information relies on the Controlling organization with its processes and controls (budgetary process, monthly reporting and forecasting, quarterly reporting of financial and operational performance review) as well as on the Group's Accounting Department (regrouping accounting standards and methods and share services centers teams) and the Internal Audit Department.

Under the authority of the Group's Chief Financial Officer, the dedicated teams are responsible for:

- the establishment of the Group's consolidated financial statements and Technicolor Creative Studios's statutory accounts;
- the preparation of the budget and the analysis of its execution through monthly management and performance reporting; and
- the implementation of the Group's accounting and Controlling methods, procedures and standards and their adaptation in accordance with changes.

The Group's financial organization follows its operational organization, organized in several activities. Each one of these businesses and activities is under the responsibility of a Controller and is assisted by a controlling support team, in charge of budget, reporting follow-up, performance analysis and estimates. Accounting operations within the legal entities are for the most part managed through two internal shared services centers. The accounting teams work according to Group accounting standards and methods and liaise with the Controlling organization through Services Level Agreements.

BUDGETARY PROCESS

The budgetary process is mandatory for all of the Group's segments and businesses. It includes a multi-steps bottom-up thorough review process including:

- in October discussion of macro-assumptions between Group CEO and Group CFO: market analysis and projections, analyses trends, costs base structure, customers and suppliers base analysis, and capex needs. It includes also key strategic initiatives and their financial impact;
- in November preparation of bottom up 3-year Budget by business and presentation to Group CEO and Group CFO;
- in December additional review meetings between Group CEO, Group CFO & business's CEOs to focus on specific issues if necessary;
- at the beginning of the year, approval by Senior Executive management and corporate finance teams of proposed Action Plans and budgets prepared at the business level;
- approval of the budget by the Board of Directors; at the latest, at the beginning of the following year;
- split of the budget into monthly periods and by legal entities to serve as a reference for the Group's monthly reporting.

In the context of the budgetary procedure, Key Performance Indicators (KPIs) are presented by each business and analysed and monitored on a monthly basis.

PERIODIC PERFORMANCE REVIEW

The Controlling organization reviews the Group financial performance periodically:

- on a monthly basis:
  - the reporting on actual performance is managed by the Controlling organization and a detailed review, performed during the closing period of the financial accounts (analysis of variance vs. budget, previous forecast and last year), is presented to management including a review of risks and opportunities of each business vs. Budget;
- on a quarterly basis:
  - reporting of operational performance through a business review with management (review of major KPIs, risks and opportunities, market trend and competition, customer portfolio analysis, strategic programs and key initiatives) and closing of financial statements,
  - the forecasting of the current and next three quarters is regularly performed at minimum twice a year by the business including income statement indicators such as revenue, Adjusted EBITDA after lease, as well as Free Cash Flow items and reviewed at Group level.

ACCOUNTING, MANAGEMENT REPORTING AND CLOSING PERIOD WORK AT THE GROUP LEVEL

The Group accounting and financial data are consolidated into one Group reporting system.

At the end of each month, the Group's entities report their financial data into this system. The Group reporting system uses a common chart of accounts, which is regularly updated. The main accounting and financial figures of the operational and functional departments consolidated at the Group level are analysed by the Group's financial controlling team and reviewed by the Group's Executive Committee.

The closing process for the half-year and annual consolidated financial statements occurs in two steps. The first step consists of a "hard close" completed for the May and October closings. This review is initiated by the circulation of instructions prepared by the Group's Accounting Department. Procedures define the controls and actions which must be undertaken at the entity level (entries in accounting books, reconciliations, *etc.*) and the persons authorized to implement them.

This step leads to a first review by the Statutory Auditors, completed initially at the subsidiary level within a majority of the Group's legal entities, then at the Group level. This "hard close" aims at identifying the most complex issues, which may be reported to the Senior Management Team.

The second step occurs in July and in January/February and involves the finalization of half-year and annual consolidated financial statements under International Financial Reporting Standards ("IFRS").

After each monthly closing, the Group's financial results for month and the current quarter are presented to the Executive Committee. After each quarterly closing, the quarterly financial results (including half-year and annual results) are presented to the Audit Committee. These results are also presented to the Board of Directors.

The Group's accounting principles are defined in a set of documents entitled "Technicolor Creatives Studios Accounting Principles and Methods", which are available on the Company's Intranet site and provided to all the Group's Finance Departments. These documents outline the accounting treatment of such items as tangible and intangible assets, provisions, intercompany transactions, revenues and hedges.

In addition, the Group publishes and distributes procedures that accountants and financial controllers must respect in terms of purchasing, management of inventories, sales, payments, cash flow, or taxes.

PREPARATION OF FINANCIAL INFORMATION

The Group's financial information is prepared by the Finance Department. It is based on information reported through the Annual Reporting and consolidation processes and on operational and market information, which is specifically centralized for the preparation of the Company's Universal Registration Document. The latter is prepared jointly by the Finance Department and the General Secretary of the Company.

The quarterly, half-yearly and annual financial information is reviewed by the Audit Committee and the Board of Directors.

Prior to being published, the above financial information is also reviewed by members of the management team and senior managers within the Corporate Finance and Legal Departments, each for their respective fields.

3.3.5 OTHER INTERNAL CONTROL PROCEDURES

INFORMATION TECHNOLOGY SECURITY PROCEDURES

The Chief Information Officer (hereafter the "CIO") (1) leads the Groups IT organization and is supported by a leadership team composed of senior IT managers and business managers. The IT managers either directly support each of the Technicolor Creative Studios businesses or support shared service IT functions and applications used worldwide by the entire organization (Global Infrastructure & Risk Management, Information Security, Enterprise Applications and Corporate Functions). IT organizations collaborate closely with other internal security entities, such as the Technicolor Security Office (TSO), to align IT solutions, services and products with established security policies, procedures, and best practices.

These individuals are experienced IT professionals with a broad background and are well versed with the businesses and technologies they support. They ensure that the IT tools, services, and applications used by all Technicolor Creative Studios sites and businesses (*e.g.*, e-mail, networks, phone systems, cloud platform evolution and operation, collaboration tools, video conferencing, web technologies, business intelligence tools, business and risk management tools and processes, the Technicolor Creative Studios Production Network) are operated and managed in an efficient, cost-effective, safe and secure manner. In addition, the IT organization provides Enterprise Architecture for new technologies, IT Vendor Management and Enterprise Project & Portfolio Management used to govern, regulate, and manage the IT organization (regulatory compliance, internal IT standards and best practices, project and program portfolio management processes) ensuring that IT is properly aligned with Technicolor's strategic objectives. This IT organization leverages the IT 3-year Plan to ensure that proposed new technology and applications are planned and executed in a rational and holistic manner; the plan encompasses both technical and business process impacts and encourages use across the corporation.

SECURITY OF PEOPLE AND ASSETS, INCLUDING CYBERSECURITY

Security is a key priority and an overall enterprise topic that affects the Business. Studios assign their projects only to companies that meet their content security standards. Technicolor Creative Studios's facilities and digital networks must pass customer initiated, security audits to win new contracts and to maintain client relationships. The TSO (Technicolor Security Office) and Technicolor Creative Studios Global Content Security Team play a strong role in preparing and assisting in such audits.

As such, the TSO was established in 2011 to define the Security Strategy. Led by the Chief Security Officer, the TSO establishes priorities, defines best practices, monitors current implementations, develops common metrics, and promotes the security tools for Technicolor Creative Studios.

The key areas of focus for the TSO are physical, digital, and business security, which are all covered as part of a Security 3YP that is organized around four main pillars: Foundation; Protect; Detect; Respond & Recover. Each pillar contains categories of initiatives (42 in total) that highlight the key areas of focus and progress. A cross functional security team is in place being the main contributor in executing the 3YP. This team is comprised of: TSO-Assessment Team (AT), Physical Security, Content Security, Security Operating Center (SOC), and Security Governance, Risk and Compliance (GRC).

The TSO-AT act as internal security assessors and advisors. The Physical Security team establish standards, conduct assessments, and manage the global incident management processes The Content Security team provides assistance and guidance across all Technicolor Creative Studios sites for all security initiatives. The Security Operating Center (SOC) manage day to day security elements (tools, process, and data). The GRC team manages policies, global awareness program, tools, vendor assessments, and the design of new processes and/or policies, as needed.

(1) Managed through a Transitional Services Agreement with Vantiva SA.

The Group Security program is governed through a dedicated Security Steering Committee including Business Heads, Head of HR, IT and TSO representatives. The Security Steering Committee meets at least twice during a twelve (12) month period. Program security reviews take place on a quarterly basis.

In 2022, over 207 site security audits were conducted across the global perimeter. These audits were performed by using a combination of internal TSO Assessment team and external audits conducted by customers, studios, MPAA, and other security organizations. All audit findings have been incorporated into the 3YP which are prioritized based upon risk. In addition, following the Schrems decision by European Court of Justice, the TSO has acted as the central coordination point for the remediation of the internal legal framework to reinforce the Security clauses applicable to our providers related to EU data privacy and ensure GDPR compliance. The TSO also ensures other relevant privacy laws and regulations are complied with.

Employee Awareness & Safety: For all employees, security conscious behavior is key. As such, the GRC team developed a formal awareness program hosted within Technicolor Creative Studios online training platform(MyDevelopment) with courses selected by the security working teams annually with compliance tracking metrics, Security videos and communications sent globally on key relevant topics (such as phishing, password management, *etc*.). These programs are regularly reviewed as part of external audits conducted by customers.

Regarding travel and employee safety, updates to the process were made and administrative responsibilities were expanded to better respond to critical incidents. A supplemental procedure exists for travel to high-risk countries. An employee safety program has been established with an industry leader that enables alerts and communication to employees who are traveling or are situated near or at a location where an incident such as earthquake, fire, social disturbance, *etc*. has been reported.

3.4 INSURANCE

ORGANIZATION AND POLICY

The Group, in conjunction with its global insurance brokers, places global insurance programs covering the major risks related to the Company's activities. These programs, underwritten by well-established insurers, are implemented through "master" insurance policies that strengthen the coverage provided by "local integrated" policies by providing coverage on a "difference in conditions" and "difference in limits" basis. The Company's Liability policies provide broad coverage for the Company and its subsidiaries. The Property coverage is written on an "all risk" basis and includes substantial Business Interruption coverage. Deductible levels are determined by risk appetite and insurance market conditions and are applied according to the assets and operational risks of the business units. In addition, in partnership with its insurers, the Group has developed a loss prevention program to reduce exposure to its assets and operating losses that may occur in the event of a loss. As a result, several key sites have obtained the "Highly Protected Risk" status, which is the best grade in the assessment implemented by the insurer. The Corporate Legal Department has established internal procedures and rules to manage contractual risk. It ensures, in conjunction with the Corporate Insurance team, that these rules are applied consistently. The Group intends to continue its policy of comprehensive coverage for all its exposure to major risks, to expand its coverage when necessary, and to reduce costs through self-insurance when it is deemed appropriate.

CORE INSURANCE PROGRAMS

The main insurance policies of the Group are:

- Liability Insurance: This program provides coverage for General and Professional liability arising out of the Group's business operations. Additionally, the company subscribes to Directors & Officers liability coverage and Environmental Impairment Liability coverage for losses associated with pollution damage and remediation.
- Property Insurance: This program provides coverage for risks of fire, water damage, natural events, terrorism (depending on the legal restrictions in each country or state) and business interruption resulting from these events. Business interruption coverage applies to the financial consequences of a covered loss, such as operating losses and/or additional costs and generally extends until such time as recovery is complete. The Group carries exposures in high-risk natural hazard areas (e.g., flood or earthquake) and has purchased adequate specific insurance coverage in this regard.
- Workplace Accident: Insurance policies are purchased where required by law or when activities or circumstances render them necessary (e.g., Employer's Liability in the United Kingdom, Workers' Compensation insurance in the United States).

To prevent certain information being used to the detriment of the Group and its shareholders, the amount of premiums and terms of cover are kept strictly confidential.

4. CORPORATE GOVERNANCE AND COMPENSATION

A highly committed, independent, and well-balanced Board of Directors in terms of skills and diversity:

- **7** DIRECTORS
- **50%** WOMEN
- **83%** INDEPENDENTS

PLease note "Adjusted indicators used in this chapter are defined in section 2.2.9 – Adjusted indicators"

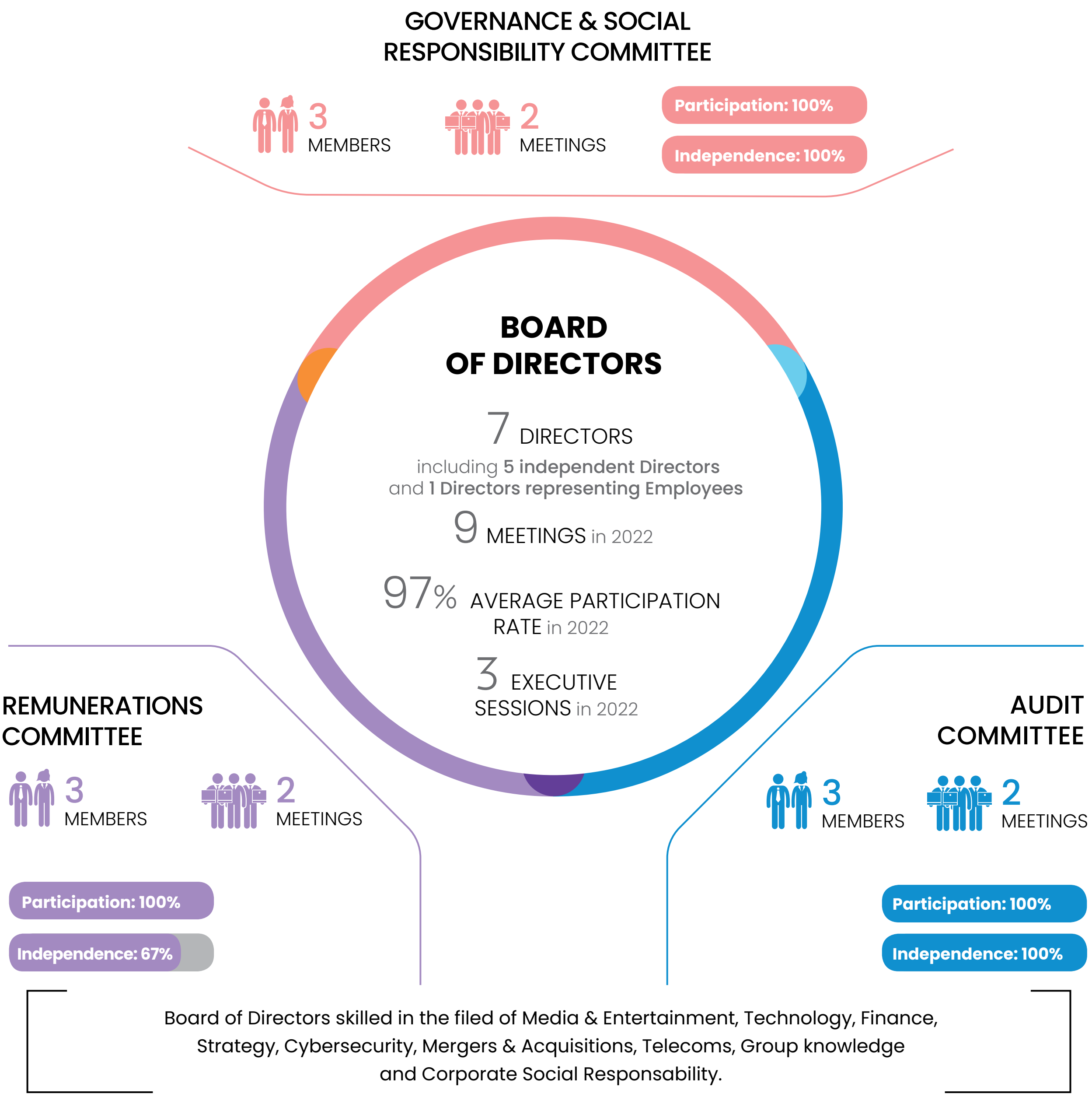
4.1 CORPORATE GOVERNANCE

The Company's Board of Directors is highly committed in following the best standards and recommendations in corporate governance.

The governance structure, rules and processes are regularly reviewed as to ensure that they contribute to the quality of the decision-making and are appropriate to meet the Company's main challenges while balancing the interests of its stakeholders.

As the company was created this year following a spin-off, the composition of the Board of Directors and its committees is entirely new for 2022. On December 31, 2022, the Board of Directors was composed of 8 Directors and 1 Board observer. A Director representing employees was appointed by the Company's Works Council in January 2023 and Christian Roberton as well as Olivier Courson resigned from their duties as directors in February 2023.

The Executive Committee was initially and still is composed of 12 members. However, the Chief Financial Officer, Laurent Carozzi, has been replaced by an interim Chief Financial Officer, Hugues de Nicolay. Nathan Wappet and Mark Hardy have both resigned as Chief Operating Officer and Chief Marketing Officer, respectively. Simon Presswell has stepped into the role of Interim Chief Operating and Transformation Officer while Caroline Parot has replaced Christian Roberton as Chief Executive Officer, taking over as Interim Chief Executive Officer. However, she has not been appointed as director of the Company. Christian Roberton now serves as Deputy Chief Executive Officer.



COMPOSITION OF THE BOARD OF DIRECTORS AS OF THE DATE OF PUBLICATION OF THIS UNIVERSAL REGISTRATION DOCUMENT

Rajan Kohli
Independent Director

Anne Bouverot
P
Independent Chairperson of the Board of Directors

Christine Laurens
P
Independent Director

Guillaume Maucomble
Director representing employees

50% OF WOMEN

& 50% OF MEN

83% OF INDEPENDENT DIRECTORS(1)

52 years AVERAGE AGE OF DIRECTORS

Bpifrance Participations
Represented by Thierry Sommelet Independent Director

Katherine Hays
Independent Director

Xavier Cauchois
P
Lead Independent Director

Angelo, Gordon & Co., L.P.
Represented by Julien Farre Board Observer

P COMMITTEE'S CHAIR

GOVERNANCE & SOCIAL RESPONSIBILITY COMMITTEE
REMUNARATION AND TALENT COMMITEE
AUDIT COMMITTEE

(1) Pursuant to the French Commercial Code and the AFEP-MEDEF Corporate Governance Code, the Director representing employees is not included in the percentage.

4.

4.1.1 BOARD OF DIRECTORS

4.1.1.1 CORPORATE GOVERNANCE STRUCTURE

The Company is governed by a Board of Directors and a Chief Executive Officer. Caroline Parot currently holds the role of Interim Chief Executive Officer without being director of the Company.

The choice to separate the offices of Chairperson of the Board and Chief Executive Officer was made as soon as the Board was created in order to ensure the best balance of powers between the Board of Directors and the executive management.

4.1.1.2 COMPOSITION AND EXPERTISE OF THE BOARD OF DIRECTORS

As of the date of publication of this Universal Registration Document, the Board of Directors is composed of 7 Directors, including the Chairperson of the Board of Directors, and 1 Board observer who attends the Board's meetings in an advisory capacity.

2022's highlights are:

- the appointment of 8 members of the Board of Directors; and
- the appointment of all members of the committees of the Board of Directors.

In addition, Guillaume Maucomble was appointed by the Company's Works Council as a Director representing employees on January 9, 2023. Christian Roberton and Olivier Courson resigned from their duties as directors on February 6, 2023 and February 19, 2023., respectively.

Finaly, Angelo, Gordon & Co., L.P. represented by Mr. Julien Farre, was appointed as Board observer in December 20, 2022, with effect from January 2023.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2022 AND UNTIL THE DATE OF PUBLICATION OF THIS UNIVERSAL REGISTRATION DOCUMENT

	Name	Gender	Nationality	Date on which term of office began	Date on which term of office ends
Directors who joined the Board of Directors in year 2022	Anne Bouverot	F	French	July 2022	AGM 2025 (1)
	Bpifrance Participation SA represented by Thierry Sommelet	M	French	July 2022	AGM 2025 (1)
	Katherine Hays	F	American	July 2022	AGM 2025 (1)
	Christian Roberton	M	English	September 2022	February 2023(2)
	Xavier Cauchois	M	French	September 2022	AGM 2025 (1)
	Rajan Kohli	M	American	September 2022	AGM 2025 (1)
	Christine Laurens	F	French	September 2022	AGM 2025 (1)
	Olivier Courson	M	French	November 2022	February 2023(2)
	Guillaume Maucomble as employees representative	M	French	January 2023	January 2026

(1) Annual General Shareholders' Meeting.
(2) Resignation from his duties as director.

	Name	Gender	Nationality	Date on which term of office ended
Directors who left the Board of Directors since January 1, 2023	Christian Roberton	M	English	February 2023
	Olivier Courson	M	French	February 2023

CHANGES IN THE COMPOSITION OF THE COMMITTEES OF THE BOARD OF DIRECTORS IN 2022, AND UNTIL THE DATE OF PUBLICATION OF THIS UNIVERSAL REGISTRATION DOCUMENT

	Name	Date of appointment to the Committee	Date of departure from the Committee
Audit Committee	Xavier Cauchois	September 2022	NA
	Katherine Hays	September 2022	NA
	Christine Laurens	September 2022	NA
Governance & Social Responsibility Committee	Anne Bouverot	September 2022	NA
	Katherine Hays	September 2022	November 2022
	Xavier Cauchois	September 2022	NA
	Olivier Courson	November 2022	February 2023
	Katherine Hays	March 2023	N/A
Remunerations and Talent Committee	Christine Laurens	September 2022	NA
	Bpifrance Participations SA, represented by Thierry Sommelet	September 2022	NA
	Rajan Kohli	September 2022	NA
	Guillaume Maucomble as a employees representative	February 2023	NA

The duration of the Directors' term of office is defined by the Company's by-laws and is set as a principal at three years. The Company's by-laws allow however the Board of Directors, to favor its seamless renewal and by exception, to propose to the Annual Shareholders' Meeting to appoint Directors for a term of either one or two years.

Directors may be re-elected and can be dismissed at any time by the Ordinary Shareholders' Meeting.

INFORMATION ON DIRECTORS PRESENT IN 2022

Age	Gender	Nationality	Start of term of office	Expiration of term of service of office	Length *(in years)*	Number of terms in public companies (*including Technicolor Creative Studios*)	Technicolor Creative Studios Shareholding	Attendance rate at Board meetings	Attendance rate at committees' meetings	Audit Committee	Governance & Social Responsibility Committee	Remuneration and Talent Committee
						AS OF DECEMBER 31, 2022						
Anne Bouverot, Independent Chairperson of the Board of Directors												
58	F	French	July 2022	AGM 2025	0.5	2	49,533	100%	100%		Chairperson	
Christian Roberton, Chief Executive Officer and Director												
50	M	English	September 2022	February 2023	0.3	1	71,570	100%	NA			
Bpifrance Participations SA, represented by Thierry Sommelet, Director												
53	M	French	July 2022	AGM 2025	0.5	5	**42,682,417**	100%	100%			Member
Xavier Cauchois, lead independent Director												
65	M	French	September 2022	AGM 2025	0.3	2	6,030	100%	100%	Chair-person	Member	
Katherine Hays, independent Director												
47	F	American	July 2022	AGM 2025	0.5	1	10.000	75%	100%	Member		
Rajan Kohli, independant Director												
52	M	American	September 2022	AGM 2025	0.3	1	100	100%	100%			Member
Christine Laurens, independant Director												
52	F	French	September 2022	AGM 2025	0.3	1	555	100%	100%	Member		Chairperson
Olivier Courson, independant Director[(1)]												
57	M	French	November 2022	February 2023	0.3	1	0	100%	100%		Member	

(1) Mr. Olivier Courson had been appointed as a Director with effect on November 18, 2022 and has not been able to purchase any TCS shares in light of the blackout periods.. In addition, he resigned from its duties as director in February 2023. He was replaced by Katherine Hays in the Governance and Social Responsibility Committee.

Independence of Directors

In the absence of any controlling shareholder, the independence of the Board of Directors is essential for the Company in order to ensure that the Board, as a body, represents not only the whole community of shareholders, but also the interests of the Company and of other stakeholders, employees and partners.

The independence of the Board of Directors members is set according to the definition and criteria set forth in the Corporate Governance Code of Listed Corporations published by the Association française des entreprises privées (AFEP) and the Mouvement des entreprises de France (MEDEF) (the "AFEP-MEDEF Corporate Governance Code"), to which the Company adheres to (see paragraph 4.1.2.1 below). According to this Code, "a Director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or its management that may interfere with his or her freedom of judgment".

Should a "business relationship" exist between the Company and the Group in which the Director is an employee or an executive, the Board of Directors shall conduct, where appropriate, a quantitative and qualitative review of such relationship to determine whether, from the perspective of the two parties, they are significant enough to be an obstacle to the Director's independence.

The specific criteria taken into consideration by the Board are:

1. the percentage of each party's total revenue accounted for by the flow of business in question;
2. whether this is a strategic relationship for the Company;
3. the financial terms of the business relationship;
4. any calls for tender;
5. the length of the relationship;
6. the organization of the business relationship (decision-making powers of the Director with regard to the contract, whether the Director receives compensation, etc.).

As of the date of publication of this Universal Registration Document, 5 of the 6 Directors (exclusing the director representing employees) were deemed to be independent.:

Name	Discussion								Independent
Anne Bouverot	Ms. Anne Bouverot was a Director of Vantiva until December 2022. Since, she now meets all requisite criteria to be considered as an independent Director.								Yes
	Not an employee corporate officer in the last five years[1]	No cross -appoint-ments	No significant business relationships	No Family ties	No Statutory Auditor	No term of office of more than 12 years	Not a non-executive corporate officer	Not a representative of the major shareholder	
	✓[2]	✓	✓	✓	✓	✓	✓	✓	
Bpifrance Participations, represented by Thierry Sommelet	pifrance Participations is a Director of Vantiva, a company that consolidated Technicolor Creative Studios until 2022.								No
	Not an employee corporate officer in the last five years[1]	No cross -appoint-ments	No significant business relationships	No Family ties	No Statutory Auditor	No term of office of more than 12 years	Not a non-executive corporate officer	Not a representative of the major shareholder	
	x	✓	✓	✓	✓	✓	✓	✓	
Xavier Cauchois	Mr. Xavier Cauchois meets all requisite criteria to be considered as an independent Director.								Yes
		No cross -appoint-ments	No significant business relationships	No Family ties	No Statutory Auditor	No term of office of more than 12 years	Not a non-executive corporate officer	Not a representative of the major shareholder	
	✓[3]	✓	✓	✓	✓	✓	✓	✓	
Katherine Hays	Ms. Katherine Hays meets all requisite criteria to be considered as an independent Director.								Yes
	Not an employee corporate officer in the last five years[1]	No cross -appoint-ments	No significant business relationships	No Family ties	No Statutory Auditor	No term of office of more than 12 years	Not a non-executive corporate officer	Not a representative of the major shareholder	
	✓[3]	✓	✓	✓	✓	✓	✓	✓	
Rajan Kohli	Mr. Rajan Kohli meets all requisite criteria to be considered as an independent Director.								Yes
	Not an employee corporate officer in the last five years[1]	No cross -appoint-ments	No significant business relationships	No Family ties	No Statutory Auditor	No term of office of more than 12 years	Not a non-executive corporate officer	Not a representative of the major shareholder	
	✓	✓	✓	✓	✓	✓	✓	✓	
Christine Laurens	Ms. Christine Laurens meets all requisite criteria to be considered as an independent Director.								Yes
	Not an employee corporate officer in the last five years[1]	No cross -appoint-ments	No significant business relationships	No Family ties	No Statutory Auditor	No term of office of more than 12 years	Not a non-executive corporate officer	Not a representative of the major shareholder	
	✓[3]	✓	✓	✓	✓	✓	✓	✓	

(1) This condition also includes being an employee or an executive officer or member of the board of directors or of the supervisory board of any company which consolidates it, or of a company which is consolidated by it, and must not have held such position within the five previous years.

(2) Ms. Anne Bouverot met this condition since her resignation as a director of Vantiva. Indeed, after having taken into account the particular situation of the Company, the conditions of its spin-off from Technicolor SA (now Vantiva) and the resignation of Ms. Anne Bouverot from her duties as a director of Vantiva, the Board of Directors has considered that having been an independent director of Vantiva before the spin-off does not prevent her from acquiring the quality of independent director of the Company to the extent that her term of office in Vantiva has been terminated, as was mentioned in the prospectus related to the admission of the Company's shares on the stock market. Before the spin-off the Company was not an independent Company from Technicolor SA (now Vantiva). As of today, the Company is not consolidated by Vantiva, and was neither consolidated by Technicolor SA (now Vantiva) during the period between the listing of the Company on September 27, 2022 and the resignation of Ms. Anne Bouverot in early December 2022 from her office as director of Vantiva. In addition, the Board of directors has noted that Ms. Anne Bouverot has always shown qualities (objectivity, ability to formulate a balanced judgment in all circumstances, particularly with regard to executive team) at Board meetings and has a knowledge of the Group that is indispensable in a context of the spin-off from Technicolor SA (now Vantiva).

(3) After having taken into account the particular situation of the Company and the conditions of its spin-off from Technicolor SA (now Vantiva), the Board of Directors has considered that having been an independent director of Vantiva before the spin-off does not prevent a director from acquiring the quality of independent director of the Company to the extent that his/her term of office in Vantiva has been terminated, as was mentioned in the prospectus related to the admission of the Company's shares on the stock market. Before the spin-off the Company was not an independent Company from Technicolor SA (now Vantiva). As of today and since the spin-off, the Company is not consolidated by Vantiva.

✓ Condition met.

x Condition not met.

The members of the Board of Directors have no family relationship with one another.

4.

Expertise of Board Members

Members of the Board of Directors were selected by the Governance & Social Responsibility Committee and by the Board of Directors taking into account not only their own expertise but also the complementary nature of the skills of each member with those of other members, so that the combined expertise of the Board Members spans at all times all activity sectors of the Company and required skills. The table below lists the expertise of the Directors which are relevant to Technicolor Creative Studios businesses, its environment and current economic situation:

Name	Skills
Anne Bouverot	Strong background in the Technology and Telecom sectors In-depth experience with the US and UK markets Wealth of experience as Director of listed companies, both in France and abroad Recognized strategic and leadership skills
Thierry Sommelet	Significant experience in the Technology and Media industries Financial background accentuated by private-equity experience Good strategic skills
Xavier Cauchois	Highly qualified in audit matters through his 37-year experience at PwC* Extensive knowledge of the Technology, Telecommunication and Media sectors Compensation expertise
Katherine Hays	Financial skills, particularly in mergers and acquisitions* Good strategic skills Extensive experience in the Media & Entertainment sector Thorough knowledge of the Technology sectors
Rajan Kohli	Financial skillls Extensive experience in the Technology sector Recogniized strategic and leadership skills
Christine Laurens	International financial profile* High competence in mergers and acquisitions Strong leadership skills Good knowledge and understanding of Cybersecurity matters
Guillaume Maucomble	Extensive experience in the Technology and Media & Entertainment sectors In-depth Group Knowledge

* Specific financial or accounting expertise as required by Article L. 823-19 of the French Commercial Code related to the composition of the Audit committees.

FIELDS OF EXPERTISE OF THE BOARD OF DIRECTORS AS OF THE DATE OF PUBLICATION OF THIS UNIVERSAL REGISTRATION DOCUMENT

The nomination of the Directors in 2022 was undertaken with the mindset to create a skillful, complementary and committed Board.

The recent nomination of a Director representing employees is designed to achieve the same objective.

The complementarity of the Directors' expertise, and the right balance between their different skills and their level of experience, demonstrate the Board's ability to address key issues and to support the Company's strategy.

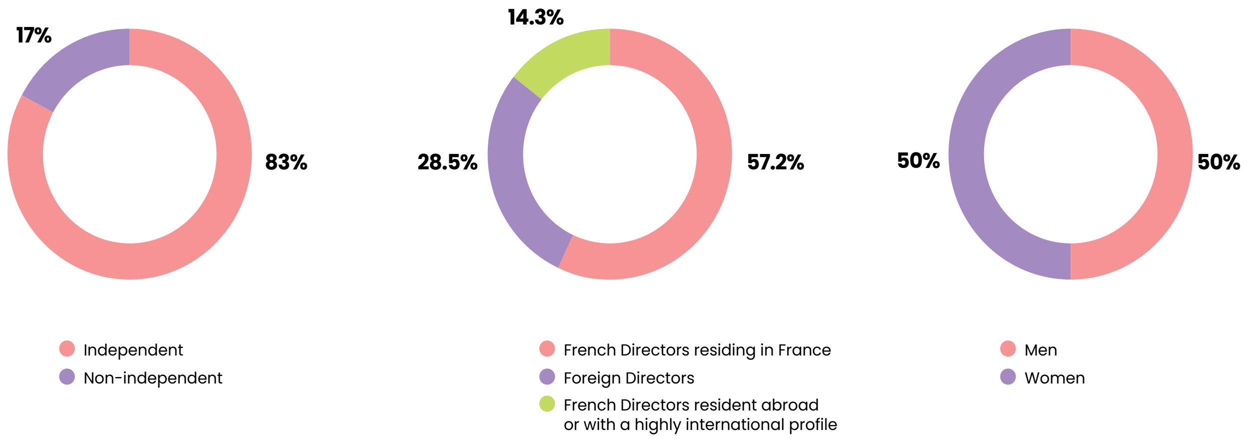
The involvement of the Board Members in the Board's activity (see section 4.1.2.3 below the individual Board meeting attendance rates) is also an indication of the effective functioning of the Board.

The biographies of the members of the Board of Directors are detailed in section 4.1.1.3 below.

* As Board Observer.

4.

DIVERSITY POLICY WITHIN THE BOARD OF DIRECTORS AND ITS COMMITTEES



* Pursuant to the French Commercial Code and the AFEP-MEDEF Corporate Governance Code. the Director representing employees is not included in the percentage

The Board of Directors is committed to promote diversity in its composition, with the understanding it will ensure both a good quality and creativity of discussions and decisions.

In this regard, the Board of Directors has outlined a policy to achieve and maintain a balanced composition and to promote diversity in all its aspects.

Each year, the Board of Directors will examine its composition and the one of its committees to ensure that such balance is satisfactory, particularly in terms of diversity. Also, when examining the appointment of new Directors or the renewal of terms of office coming to expiration and the succession plan of its members, the Board will seek to maintain and, if needed, improve the diversity in its composition (including gender balance, nationalities and international dimension, experience, mix of skills). The Board of Directors was formed very recently, in conjunction with the demerger and IPO of Technicolor Creative Studios on 27 September 2022. The composition of the Board has been carefully reviewed to ensure a balance between professional expertise relevant to the company's profile (media and services, technology), technical skills required (finance, personnel) and geographical representation (Anglo-Saxon, Indian). The company regularly hires recruitment companies to assist in the search for new candidates, taking into account the different criteria above described.

In order to continue to increase female representation in the top management of the Group, reaching 40% of women in the combined Executive Committee and Management Committee has been set as a target for 2023.

Regarding Diversity, Equity & Inclusion, 2023 will be a re-set and re-build of Group-level initiatives. A first phase has been launched with qualitative analysis, three regional focus groups (Europe, North America and Asia Pacific) and Senior Leadership team interviews. A global survey has been launched during the first quarter of 2023 to assess the expectations and set the priorities.

The Board of Directors is composed of 7 Directors, from which:

- 6 are independent;
- 3 are women;
- 2 are foreign Directors;
- 5 are French Directors including 1 based in the US and another, the Chairperson of the Board of Directors, with a highly international profile.

The Board of Directors also includes 1 Board observer which is also shareholder of Technicolor Creative Studios, and which attend the Board's meetings in an advisory capacity.

The Board of Directors is therefore composed of:

- members whose skills cover a large panel of expertise in line with the different businesses, challenges and long-term strategy of the Group;
- 57% of foreign Directors or highly international profiles are present which reflects the geographic mix of the Group's business;
- the Board and its committees are well-balanced between women and men (50% of the Directors are women, including the Chairperson of the Board).

Gender promotion and diversity within the other management bodies

The non-discrimination and equal employment opportunity policies, based upon the Ethics Charter and locally augmented according to specific legal requirements if needed, including the anti-harassment policy, are implemented at all Technicolor Creative Studios sites.

In addition to the role of management, detection of discrimination cases also relies on the whistleblower policy allowing any employee to confidentially disclose their situation or the situation of a co-worker, without fear of publicity or adverse reaction. Such cases are reported to the Ethics Committee and investigated. Some countries implement in addition an official trust person or advocate for employees if there is a discrimination issue. Overall, 11 cases of harassment and 1 case of discrimination were reported in 2022.

In order to prevent and fight discrimination and harassment in the frame of our zero tolerance policy, all employees were assigned to complete a mandatory online training course throughout the Group. To ensure a better understanding, this 1 to 2 hours training course was delivered prior to the spin off and in 6 languages: English, French, Spanish, Polish, Portuguese and Chinese. 2,744 employees completed this online training representing 2,912 hours.

Subsequently, employees were asked to read and acknowledge the Code of Ethics, including sections about the fight against discrimination and harassment and the whistleblowing procedure.

In several countries, managers and supervisors are providing legal awareness training sessions about anti-harassment and non-discrimination:

- in India, as part of the PoSH (Prevention, Prohibition and redressal of Sexual Harassment at workplace) actions, all employees joining Technicolor Creative Studios attend an awareness session as part of their induction.
- in the UK, during MPC induction and onboarding process, the employee engagement committees are highlighted, and employees are encouraged to join or attend up-coming events.

1. Number of employees and % of women

At the end of December 2022, the Group employed 2,644 women representing 22.3% of Technicolor Creative Studios headcount, and 9,195 men (representing 77.7% of Group headcount), intermittents included. The breakdown per age is as follows:

Age	Women	Men	Total
<20	3	9	12
20 to 29	1,252	3,591	4,843
30 to 39	1,041	3,840	4,881
40 to 49	253	1,407	1,660
50 to 59	79	305	384
60+	16	43	59
TOTAL	**2,644**	**9,195**	**11,839**

2. Number of members of the Management Committees and % of women

On December 31, 2022, four women were members of the EXCOM, representing 33% of the total number of members. With 33 members, women represented 37% of the Management Committee. Within the combined Executive Committee and Management Committee, there were 37 women representing 36.6% of the membership. With the change of the governance that occurred in February 2023, these figures become five women of whom one is the CEO, at the EXCOM level (38.5%), 35 women in the Management Committee (38.5%) and 40 women in the combined EXCOM and Management Committee (38.5%).

4.1.1.3 OTHER INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS

Biographies, positions and directorships of Directors

This section contains the biographies and information about the directorships held by Directors in office during fiscal year 2022

Directors who are members of the Board of Directors as of the date of publication of this Universal Registration Document

Anne BOUVEROT

Main business address: Technicolor Creative Studios 8-10, rue du Renard 75004 Paris

Nationality: French

Born: March 21, 1966 Start of term of office: July 2022

Expiration of term of office: 2025 AGM

Number of shares held as of the date of publication of this URD: **49,533**

Length of service: **0.5 years**

Attendance rate at the Board of Directors' meetings: **100%**

Independent Chairperson of the Board of Directors

Main position: Chairperson of the Board of Directors of Technicolor Creative Studios and Company Director.

Skills:

- Corporate Social Responsibilities
- Cybersecurity
- Strategy
- Technology
- Telecoms

Committees' memberships:

- Governance & Social Responsibility Committee (Chairperson)

Biography

Ms. Anne Bouverot graduate of École Normale Supérieure and of Télécom Paris, holds a PhD in Artificial Intelligence (1991). She is the co-founder and Chair of Fondation Abeona (Championing Responsible AI). She has received the awards of Chevalier de l'Ordre National du Mérite and Chevalier de la Légion d'Honneur (France). She has a strong background in the Technology and Telecom sectors and extensive experience with the US and UK markets. Besides, she has a wealth of experience as Director of listed companies (both in France and abroad) and recognized strategic and leadership skills.

She is currently Chairperson of the Board of Directors of Technicolor Creative Studios, Cellnex Telecom in Spain and Board member of Ledger, and a Senior Advisor for TowerBrook Capital Partners. She previously was Chair and Chief Executive Officer of Morpho (then Safran Identity & Security), a global leader in security and identity solutions, employing more than 8,600 people in 55 countries and generating revenues of €2 billion. Prior to Morpho, she spent 4 years as Director General of GSMA, the international association of mobile network operators. She began her career as IT project manager with Telmex in Mexico before spending 19 years with Orange in various positions.

Current Directorships

Company	Office and directorship held
In France	
Fondation Abeona *(Championing a Responsible AI)*	Co-founder and Chair
Bruneau	Chairperson of the Supervisory Board
Ledger	Director
Abroad	
Cellnex Telecom[(1)]	Non-executive Chairperson
TowerBrook Capital Partners	Senior Advisor
Thomson Reuters Founders Share Company	Trustee

(1) Listed Companies

Directorships held during the past five years

Company	Office and directorship held
In France	
Vantiva [(1)]	Director
Capgemini SE [(1)]	Director
Edenred SA [(1)]	Director
Safran Identity & Security (Morpho)	Chair and Chief Executive Officer
Abroad	
MorphoTrak, LLC	President
Morpho Detection International, LLC	President
Morpho Cards GmbH	Member of the Supervisory Board
Morpho USA, Inc.	President

(1) Listed Companies

Bpifrance Participations, represented by Thierry SOMMELET

Main business address: Bpifrance Investissement SA 6-8, Boulevard Haussmann 75009 Paris
Nationality: French

Born: December 10, 1969

Start of term of office: July 2022

Expiration of term of office: 2025 AGM

Number of shares held as of the date of publication of this URD: Bpifrance Participations SA holds **42,682,417**

Length of service: **0.5 years**

Attendance rate at the Board of Directors' meetings: **100%**

Independent Director

Main position: Managing Director Capital Development – Head of technology, media, telecom at Bpifrance Investissement

Skills:

- Corporate Social Responsibility
- Finance
- Media & Entertainment
- Strategy
- Technology

Committees' memberships:

- Remuneration & Talent Committee

Biography

Mr. Thierry Sommelet graduated from ENPC civil engineering school in Paris and holds an M.B.A. from INSEAD.

He is Managing Director within the Capital Development Department of Bpifrance Investissement, in charge of the technology, media and telecom sector. Mr. Thierry Sommelet has 20 years of private and public equity investment experience in the telecom and technology sectors, with Caisse des Dépots et Consignations where he was responsible for investment in telecom networks, and with Fonds Stratégique d'Investissement where he realized several transactions in the semi-conductor, technology and Internet sectors. Before that, Mr. Thierry Sommelet held several positions in capital markets with Crédit Commercial de France, in Paris and New York, with Los Altos based Renaissance Software (now part of SunGard) and with media company InfosCE.

Directorships held as Permanent representative of Bpifrance Participations

Company	Office and directorship held
Current Directorships	
In France	
Vantiva (1)	Director
Orange SA (1)	Director
Idemia SAS	Director
Directorships held during the past five years	
In France	
Mersen SA (1)	Director

(1) Listed companies.

Directorships held in his own name

Company	Office and directorship held
Current Directorships	
In France	
Worldline SA (1)	Director
Soitec SA (1)	Director
Directorships held during the past five years	
In France	
Greenbureau SA	
Talend SA (1)	Director
Ingenico SA (1)	Director
Bleckwen SAS	Member of the Supervisory Board
Tiger NewCo SAS	

(1) Listed companies.

4.

Xavier CAUCHOIS

Main business address: Technicolor Creative Studios
8-10, rue du Renard
75004 Paris

Nationality: French

Born: August 4, 1957

Start of term of office: September 2022

Expiration of term of office: 2025 AGM

Number of shares held as of the date of publication of this URD: **6,030**

Length of service: **0.3 years**

Attendance rate at the Board of Directors' meetings: **100%**

Lead Independent Director

Main position: Company Director

Skills:

- Finance
- Media & Entertainment
- Mergers & Acquisitions
- Technology
- Telecoms

Committees' memberships:

- Audit Committee (Chairman)
- Governance & Social Responsibility Committee

Biography

Mr. Xavier Cauchois started his career at PwC where he spent over 37 years, combining auditing and advisory activities. There, he supported French and international clients, startups, mid-sized companies and large groups in their growth, specializing in the technology sector. He was head of PwC Europe and France in the Technology, Telecom and Media practice until 2009, member of the Global Strategic Committee for the Audit from 2005 to 2008 and a member of PwC France Executive Committee from 2013 to 2016. Mr. Xavier Cauchois is currently a director at Dassault Systèmes SE.

Current Directorships	
Company	**Office and directorship held**
In France	
Dassault Systèmes SE(1)	Director

(1) Listed company.

Directorships held during the past five years	
Company	**Office and directorship held**
In France	
Vantiva(1)	Director
PwC Business Services	Manager
GIE PricewaterhouseCooper	Director
PwC Audit	Partner

Katherine HAYS

Main business address: Technicolor Creative Studio
8-10, rue du Renard
75004 Paris

Nationality: American

Born: September 23, 1975

Start of term of office: July 2022

Expiration of term of office: 2025 AGM

Number of shares held as of the date of publication of this URD: 10,000

Length of service: **0.5 years**

Attendance rate at the Board of Directors' meetings: **75%**

Independent Director

Main position: Company Director

Skills:

- Finance
- Media & Entertainment
- Mergers & Acquisitions
- Strategy
- Technology

Committees' memberships:

- Audit Committee (Chairman)

Biography

Ms. Katherine Hays (*Katherine Anne Miller*) graduated from Princeton University and The Harvard Business School. She has financial skills (particularly in mergers and acquisitions), good strategic skills, extensive experience in the Media & Entertainment sector and knowledge of the Technology sectors. She is currently a member of the Board of Directors of Technicolor Creative Studios.

She has over 20 years of experience in the digital media and entertainment sector. In 2003 she co-founded and then served as COO and CFO of in-game advertising platform Massive Inc., where she created and executed the company's overall strategy with specific accountability for worldwide operations, technology and product development, strategic planning, and finance. She ultimately led the company's sale to Microsoft in 2006 where she then served as Senior Director with both the Microsoft Startup Labs and MSN through 2008. Ms. Katherine Hays became Chief Executive Officer of visual effects software creator GenArts where she served as CEO and Board Member from private equity firm Insight Partners' original investment in 2008 through the company's sale to Boris FX in 2016 while growing the company to be the number one provider of special effects software for the professional market worldwide. She was most recently founder and CEO of peer-to-peer marketing platform Vivoom Inc. and began her career at Goldman Sachs where she was an equity research analyst covering the media sector. The Harvard Business School published a case study on her journey starting and building Massive Inc. and she has served as a guest speaker at The Harvard Business School, Columbia Business School, and Stanford University.

Current Directorships
None

Directorships held during the past five years	
Company	**Office and directorship held**
In France	
Vantiva(1)	Director
Abroad	
Vivoom, Inc.	Chief Executive Officer

(1) Listed companies.

Rajan KOHLI

Main business address:
Technicolor Creative Studios
8-10, rue du Renard
75004 Paris

Nationality: American

Born: January 10, 1972

Start of term of office: September 2022

Expiration of term of office: 2025 AGM

Number of shares held as of the date of publication of this URD: **100**

Length of service: **0.3 years**

Attendance rate at the Board of Directors' meetings: **100%**

Independent Director

Main position: President of Wipro's iDEAS

Skills:

- Strategy
- Finance
- Technology

Committees' memberships:

- Remuneration & Talent Committee

Biography

Mr. Kohli is President of Wipro's iDEAS (Integrated Digital, Engineering and Application Services) business. Wipro is an Indian multinational corporation that provides information technology, consulting and business process services. Wipro is headquartered in Bangalore and listed on Bombay Stock Exchange and the NYSE. Mr. Kohli leads a global business line with over 110,000 people committed to helping clients across the world accelerate their transformation and shift how they build and deliver digital products, services and experiences. iDEAS (Integrated Digital, Engineering and Application Services) brings together strategic design, domain and consulting capabilities along with cloud applications, AI, data, engineering and next generation technologies. Starting with a design-led approach, iDEAS is uniquely positioned to deliver business solutions required by companies to create what matters to their business.

Mr. Kohli is also a member of the Wipro Executive Board (WEB) and the Group Executive Council (GEC).

Prior to his current role, Mr. Kohli was President of Wipro Digital, Wipro's digital transformation business which he incubated and scaled to become one of the largest and most recognized businesses of Wipro. During his Wipro tenure, Mr. Kohli has also led the Banking and Financial Services (BFS) vertical. He headed this business globally, with responsibility for client satisfaction, revenue, profitability, and capability development. He also has served as Wipro's Chief Marketing Officer.

Mr. Kohli graduated from Indian Institute of Management (IIM), Bangalore, with a specialization in marketing and finance. He also holds an Engineering degree in electronics and communications from Punjab Engineering College (PEC), Chandigarh.

Mr. Kohli resides in the New York metropolitan area and does not have any Board seat apart from Wipro subsidiaries mainly based in the USA.

Current Directorships	
Company	**Office and directorship held**
Abroad	
Wipro's iDEAS	President

Directorships held during the past five years
None

Christine LAURENS

Main business address: Technicolor Creative Studios
8-10, rue du Renard
75004 Paris

Nationality: French

Born: August 8, 1970

Start of term of office: September 2022

Expiration of term of office: 2025 AGM

Number of shares held as of the date of publication of this URD: **555**

Length of service: **0.3 years**

Attendance rate at the Board of Directors' meetings: **100%**

Independent Director

Main position: Global CFO and Partner at Spencer Stuart

Skills:

- Cybersecurity
- Finance
- Mergers & Acquisitions
- Strategy
- Technology

Committees' membership

- Remuneration & Talent Committee (Chairman)
- Audit Committee

Biography

Ms. Christine Laurens, based in Chicago since 2014, is currently Global CFO and Partner of the leadership advisory and executive search firm Spencer Stuart. Until January 2022, she was Chief Financial Officer and Partner at A.T. Kearney.

Ms. Christine Laurens started as a manager for the Telecommunications and Media practice within the Audit and Transaction Services Departments of Ernst & Young (EY) in Paris from 1994 to 1998. Ms. Christine Laurens then continued her career as Managing Director of the French subsidiary of Agency.com, in Paris up to 2001, before joining Keyrus as Chief Financial Officer. In 2002, she joined AT Kearney in Paris as the Southwest European Finance Director until 2005. Within the same company, she held various finance positions as Finance and Administration Director of France from 2006 to 2008, EMEA Finance Director from 2009 to 2012 and VP of Global Finance in 2013.

Current Directorships

Company	Office and directorship held
Abroad	
Spencer Stuart	Director ex officio

Directorships held during the past five years

Company	Office and directorship held
In France	
Vantiva(1)	Director
Abroad	
A.T. Kearney – Abu Dhabi (UAE)	Director
A.T. Kearney K.K. (Japan)	Director
A.T. Kearney FZ LLC (UAE)	Director
A.T. Kearney Finance Limited (UK)	Director
PT A.T. Kearney (Indonesia)	Director
A.T. Kearney New Zealand Limited (New Zealand)	Director
ATK U.S., Inc. (U.S.)	Director

(1) *Listed companies.*

4.

Guillaume MAUCOMBLE

Main business address: Technicolor Creative Studios
8-10, rue du Renard
75004 Paris

Nationality: French

Born: May 2, 1985

Start of term of office: January 2023

Expiration of term of office: January 2026

Number of shares held as of the date of publication of this URD: **0**

Length of service: **0 years**

Attendance rate at the Board of Directors' meetings: NA as Ms. Guillaume Maucomble nomination was effective as of January 2023.

Director representing employees

Main position: Studio Director - Mikros Animation

Skills:

- Media & Entertainment
- Technology
- In-depth Group Knowledge

Committees' memberships:

- Remuneration & Talent Committee

Biography

Mr. Guillaume Maucomble is the Head of Studio Paris of Mikros Animation in charge of studio operations management, including crew management, studio coordination & promotion since 2022.

He joined the Group in 2011. During his 11-year career with the Group, he has held numerous roles in the areas of management, development of tools to improve production, forecasting and budgeting.

As part of his long-standing commitment to the Group, Mr. Guillaume Maucomble was a member of the Works Council and the secretary of the CHSCT (Health, Safety and Working Conditions Committee) for Mikros Image SAS and MPC Creative SAS UES. He is also a member of DEI LGBTQ+ group which promotes diversity within the Group and a member of the Global Engagement Network which helps defining and promoting the Company culture across the studios.

Mr. Guillaume Maucomble is a graduate of the University of Paris Est from which he got an Engineering degree in Image, Multimedia, Audiovisual and Communication.

Current Directorships	Directorships held during the past five years
None	*None*

Board Observers as of the date of this Universal Registration Document

Angelo, Gordon & Co., L.P., represented by Julien FARRE

Main business address: Angelo, Gordon Europe LLP
23 Savile Row
London W1S 2ET

Nationalities: Canadian and French

Born: April 13, 1978

Start of term of office: January 2023

Expiration of term of office: AGM 2025

Number of shares held as of the date of publication of this URD: Angelo, Gordon & Co., L.P. held **79,671,524 shares**

Length of service: **0 year**

Board Observer

Main position: Managing Director, Distressed & Corporate Special Situations at Angelo, Gordon & Co., L.P.

Skills:

- Finance
- Media & Entertainment
- Mergers & Acquisitions

Biography

Mr. Julien Farre joined Angelo, Gordon & Co., L.P. in 2012 and is a Managing Director focusing on European distressed & corporate special situations group. Prior to joining Angelo, Gordon & Co., L.P., he was an Executive Director at Goldman Sachs and previously worked at Bain & Company as an Associate.

Mr. Julien Farre holds a Bachelor of Commerce degree from McGill University and an M.B.A. degree from the Wharton School at the University of Pennsylvania.

Directorships held as Permanent representative of Angelo, Gordon & Co., L.P.	
Company	**Office and directorship held**
Current Directorships	
Vantiva(1)	
Directorships held during the past five years	
In France	
FB Lux Holdings GP, SA	Advisory Board Member
Frans Bonhomme SAS	Advisory Board Member
Saur SAS	Advisory Board Member

(1) *Listed companies.*

Directorships held in his own name
Current Directorships
None
Directorships held during the past five years
None

Directors who have left the Board of Directors as of the date of publication of this Universal Registration Document

Christian ROBERTON

Main business address: Technicolor Creative Studios
8-10, rue du Renard
75004 Paris

Nationality: English

Born: November 19, 1972

Start of term of office: September 2022

Expiration of term of office: February 2023

Number of shares held as of the date of publication of this URD: **71,570**

Length of service: **0.3 years**

Attendance rate at the Board of Directors' meetings: **100%**

Deputy Chief Executive Officer

Main position: Former Chief Executive Officer and Director of Technicolor Creative Studios.

Skills:

- Media & Entertainment
- Technology
- Strategy
- In-depth Group Knowledge

Committees' memberships:

- None

Biography

Christian Roberton joined MPC in 2003, where he started as a VFX Production Manager and within 5 years became Managing Director of Film. During his time as Managing Director, MPC Film have opened studios in Vancouver, Los Angeles, Bangalore and Montreal and now have more than 2000 artists and production crew working with them. He was appointed to the Executive Committee in April 2019.

Christian Roberton started his career in the traditional drawn animation business in the mid-90's, working for a number of London based companies on commercial and television series production. This led him to the animation production company Uli Meyer Studios where he became company manager running all aspects of the business from commercial through to feature production.

Current Directorships	Directorships held during the past five years
None	*None*

Olivier COURSON

Main business address:
Technicolor Creative Studios
8-10, rue du Renard
75004 Paris

Nationality: French

Born: December 21, 1965

Start of term of office: November 2022

Expiration of term of office: February 2023

Number of shares held as of the date of publication of this URD: **0**

Length of service: **0.3 years**

Attendance rate at the Board of Directors' meetings: **100%**

Former Independent Director

Main position: Former Conseiller Maître (Master adviser) at the French Cour des comptes

Skills:

- Media & Entertainment
- Merger & Acquisitions
- Strategy

Committees' memberships:

- Governance & Social Responsibility Committee

Biography

Currently Conseiller Maître (Master Adviser) at the French Cour des comptes, Olivier Courson has 30 years of expertise in the field of communications and media, acquired half in the public sector and half in the private sector. He was from 2007 to 2015 CEO of Studiocanal, the Vivendi group entity which became in 10 years the leading European studio for the production and distribution of films and series. He was advisor on culture, communication and digital regulation (head of department) in the cabinet of French Prime Minister Edouard Philippe, and was a member of several other ministerial cabinets, notably with Lionel Jospin, when he was Prime Minister. He is a former student of the Ecole nationale d'administration (ENA), holds a master's degree in private law and a diploma from the Institut d'études politiques (IEP) in Paris.

Current Directorships
None

Directorships held during the past five years	
Company	**Office and directorship held**
In France	
StudioCanal	President

4.

4.1.1.4 ARRANGEMENTS OR AGREEMENTS MADE WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS PURSUANT TO WHICH THE CORPORATE OFFICERS AND EXECUTIVE COMMITTEE MEMBERS WERE SELECTED

There is no arrangement or agreement with major shareholders, customers, suppliers or other parties, by virtue of which a Corporate Officer (Director, Chairperson of the Board of Directors or Chief Executive Officer) or a member of the Executive Committee has been selected.

4.1.1.5 CORPORATE OFFICERS' HOLDINGS IN THE COMPANY'S SHARE CAPITAL

In accordance with the Internal Rules of the Board of Directors, as modified on February 17, 2023, the Board considers that for the purpose of aligning board directors' interests with those of shareholders, it is desirable that each board director personally holds a significant number of shares of the Company. Consequently, each board director must acquire Technicolor Creative Studios shares in an amount (acquisition price) equivalent to at least half of the fixed annual remuneration due to him or her as board director. This acquisition can be carried out gradually. However, a minimum of 100 shares must be acquired and registered within six months from the date of his or her appointment, and the total minimum number of shares must be acquired no later than 24 months after that date. Should a board director fail to comply with this holding requirement, 50% of his or her fixed remuneration as board director will be forfeited. This obligation does not apply to board members representing the Group's employees.

Except for the above obligations, the Corporate Officers are not subject to any contractual restriction regarding the shares they hold in the Company's share capital.

The memorandum entitled "Corporate Policy on the Purchase and Sale of Company Shares, Insider Trading and Protection of Inside Information" reiterates, however, the rules applicable to trading in Technicolor Creative Studios securities and provides for blackout periods during which such trading is prohibited. This policy also provides that Corporate Officers holding stock options and/or performance shares

- are not authorized to carry out risk hedging transactions in accordance with the AFEP-MEDEF Corporate Governance Code; and
- are subject to blackout periods for the exercise of options.

To the Company's knowledge, the Directors' shareholdings in the Company's registered capital as of the date of publication of this Universal Registration Document are as follows:

Directors	Technicolor Creative Studios shares
Anne Bouverot	49,533
Thierry Sommelet	**42,682,417**
Xavier Cauchois	6,030
Katherine Hays	10,000
Rajan Koh	100
Christine Laurens	555
TOTAL	**42,748,635**

The table below shows the transactions in Technicolor Creative Studios securities carried out during fiscal year 2022 and until the date of the publication of this Universal Registration Document, and notified to the AMF *(Autorité des marchés financiers)* in accordance with Article 19 of Regulation (EU) No 596/2014 of April 16, 2014 on Market Abuse and Article L. 621-18-2 of the French Monetary and Financial Code :

First name and last name	Transaction date	Transaction type	Description of the financial instrument	Number of securities/ instruments	Unit price *(in euros)*	Amount of the transaction *(in euros)*
Bpifrance Participations SA	September 27, 2022	Acquisition	Share	87,894	1.4728	129,450.2832
Bpifrance Participations SA	September 28, 2022	Acquisition	Share	25,000	1.7270	43,175
Bpifrance Participations SA	September 29, 2022	Acquisition	Share	92,937	1.8548	172,379.5476
Bpifrance Participations SA	September 30, 2022	Acquisition	Share	29,427	1.8192	53,533.5984
Bpifrance Participations SA	October 3, 2022	Acquisition	Share	11,536	1.8473	21,310.4528
Bpifrance Participations SA	October 5, 2022	Acquisition	Share	40,000	1.8617	74,468
Bpifrance Participations SA	October 6, 2022	Acquisition	Share	74,897	1.8542	138,874.0174
Bpifrance Participations SA	October 7, 2022	Acquisition	Share	10,035	1.8299	18,363.0465
Bpifrance Participations SA	October 10, 2022	Acquisition	Share	3,345	1.7800	5,954.1
Bpifrance Participations SA	October 11, 2022	Acquisition	Share	25,003	1.7662	44,160.2986
Bpifrance Participations SA	October 12, 2022	Acquisition	Share	338	1.7800	601.64
Bpifrance Participations SA	October 13, 2022	Acquisition	Share	72,861	1.7543	127,820.0523
Bpifrance Participations SA	October 14, 2022	Acquisition	Share	129,020	1.7211	222,056.322
Bpifrance Participations SA	October 17, 2022	Acquisition	Share	19,736	1.7120	33,788.032
Bpifrance Participations SA	October 18, 2022	Acquisition	Share	123,000	1.6963	208,644.9
Bpifrance Participations SA	October 19, 2022	Acquisition	Share	228,923	1.6558	379,050.7034
Bpifrance Participations SA	October 20, 2022	Acquisition	Share	131,605	1.6725	220,109.3625
Bpifrance Participations SA	October 21, 2022	Acquisition	Share	1,106,384	1.6389	1,813,252.7376
Bpifrance Participations SA	October 24, 2022	Acquisition	Share	660,000	1.6200	1,069,200
Bpifrance Participations SA	October 25, 2022	Acquisition	Share	38,187	1.6183	61,798.0221
Bpifrance Participations SA	October 26, 2022	Acquisition	Share	501,187	1.6103	807,061.4261
Bpifrance Participations SA	October 27, 2022	Acquisition	Share	55,061	1.5893	87,508.4473
Bpifrance Participations SA	October 28, 2022	Acquisition	Share	41,861	1.5768	66,006.4248
Bpifrance Participations SA	October 31, 2022	Acquisition	Share	36,140	1.5693	56,714.502
Bpifrance Participations SA	November 1, 2022	Acquisition	Share	5,717	1.5660	8,952.822
Bpifrance Participations SA	November 2, 2022	Acquisition	Share	120,000	1.5619	187,428
Bpifrance Participations SA	November 3, 2022	Acquisition	Share	88,972	1.5230	135,504.356
Bpifrance Participations SA	November 4, 2022	Acquisition	Share	339,492	1.4665	497,865.018
Bpifrance Participations SA	November 7, 2022	Acquisition	Share	94,573	1.4728	139,287.1144
Bpifrance Participations SA	November 9, 2022	Acquisition	Share	39,535	1.4042	55,515.047
Bpifrance Participations SA	November 10, 2022	Acquisition	Share	12,254	1.4008	17,165.4032

Details regarding stock options and performance shares granted to the Corporate Officers are set forth below in sub-section 4.2.4: “Stock Option Plans and Performance or Restricted Share Plans” of this Universal Registration Document

4.1.1.6 STATEMENT ON THE ABSENCE OF CONVICTIONS FOR FRAUD, BANKRUPTCY AND INCRIMINATION DURING THE PAST FIVE YEARS

To the Company's knowledge, no Corporate Officer has been (i) convicted of fraud, (ii) associated with a bankruptcy, receivership or liquidation, (iii) sanctioned by any statutory or regulatory authorities (including professional organizations), or (iv) disqualified by a court decision from (a) acting as a member of the administrative, management or supervisory bodies of a public company or (b) acting in the management or conduct of the affairs of a public company during the past five years.

4.1.1.7 SERVICES CONTRACTS AND OTHER CONTRACTS BETWEEN CORPORATE OFFICERS AND THE GROUP

To the Company's knowledge, there are no current service contracts between Corporate Officers (Directors, Chairperson of the Board of Directors or Chief Executive Officer) and the Group or any of its subsidiaries that provide for benefits upon termination of such contracts.

However, prior to her nomination as Chief Executive Officer, Ms. Caroline has entered into a service agreement with the Company as decided by the Board of Directors of the Company on November 24, 2022. She was therefore hired as senior advisor for a three months period (i.e until February 24, 2022), according to which she was assisting the CEO on corporate matters (including liaison between Board and Management as needed) and definition of the Transformation Plan and its priorities (including but not limited to key commercial, operational and optimization actions…).

4.1.1.8 LOANS AND GUARANTEES GRANTED TO BOARD MEMBERS

None.

4.1.2 PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK

4.1.2.1 COMPLIANCE WITH THE AFEP-MEDEF CORPORATE GOVERNANCE CODE

The Company refers to the AFEP-MEDEF Corporate Governance Code, last updated on December 2022 and available on the website of both the AFEP (www.afep.com) and the MEDEF (www.medef.com), for the preparation of the report required by Article L. 225-37 of the French Commercial Code.

The Company complies with all recommendations of the AFEP-MEDEF Corporate Governance Code.

4.1.2.2 ORGANIZATION – INTERNAL BOARD REGULATIONS

The preparation and organization of the Board of Directors' work are described in the Board of Directors' Internal Rules, the main provisions of which are summarized below (for the full Board of Directors' Internal Rules, see sub-section 4.1.4 "Internal Board Rules" of this Universal Registration Document).

4.1.2.2.1 powers vested to the board of directors

The Board of Directors
Powers vested by law
determines the Group's strategic directions and ensures their implementation. In doing so, the Board shall act in accordance with the corporate interest and shall take into account social and environmental matters;
examines all matters relating to the proper functioning of the Company and decides on all issues that impact it;
carries out all audits and controls that it deems necessary;
deliberates on an annual basis on Company policy regarding equal employment and wages;
authorizes any regulated agreements on a preliminary basis;
appoints the Chairperson of the Board of Directors and sets his/her compensation;
appoints the Chief Executive Officer and sets his/her compensation.
Additional powers arising from the Internal Rules of the Board of Directors
can elect one or two Vice-Chairpersons;
may select up to two Board Observers (*Censeurs*);

The Board of Directors
approves the Strategic Plan prepared and presented by the Chief Executive Officer and supervises its implementation;
oversees the quality of the information supplied to shareholders and to the markets, in particular through the financial statements and in connection with major transactions;
performs regular reviews of opportunities and risks, including risks of a financial, legal, operational, social or environmental nature, and assess their impact on the strategy determined by the Board and the measures taken as a consequence, and receive, to that end, notably from the members of the Executive Committee, all information necessary to carry out its role;
ensure that the Company complies with all regulations relating to the prevention of corruption and influence peddling and to any other compliance matter;
ensure that the Management is applying a policy of non-discrimination and diversity, especially in terms of gender balance on executive bodies;
ensure that the cybersecurity risk management program is adequate, that it reduces the risk of cyber-attacks and that it will detect, respond and react, when necessary, to attacks that may occur;
authorizes the Chief Executive Officer to carry out the following strategic transactions: any material transaction outside the scope of Technicolor Creative Studios's announced strategy or that is likely to materially affect the operational or financial situation of the Company and/or the Group; the conclusion of any material strategic partnership; any transaction (contribution, acquisition, disposal, merger, transfer of any entity, activity or assets) by any member of the Company and/or the Group for an amount of more than €25 million, assessed either per transaction or per series of related transactions; the conclusion of new financing agreements resulting in increasing the level of indebtedness of the Company and/or the Group by more than €25 million; the appointment of a statutory auditor who is not part of a network of international repute; any decision, by any member of the Company and/or the Group, to settle a dispute where such settlement would result in the said member making a payment of more than €10 million to its opposing party; and any significant changes to the accounting principles applied by Technicolor Creative Studios or by a company of the Group, other than changes decided pursuant to applicable law or required by the statutory auditors of Technicolor Creative Studios or of the relevant company.
For any of the above decisions that require the Board's approval, the Chairperson shall ensure that the Board is informed sufficiently in advance of the project and on a regular basis throughout it (financial, legal, appointment of advisers and other relevant information) so as to be able to make an informed decision in full knowledge of the facts at the appropriate time.

Chairperson of the Board of Directors Ms. Anne Bouverot
Powers vested by law
organizes and directs the work of the Board, reporting thereon to the Annual General Meeting;
ensures the proper functioning of the Company's management bodies; and
ensures Directors are capable of performing their duties.
Additional powers arising from the Internal Rules of the Board of Directors
be regularly consulted by the Chief Executive Officer on all significant events relating to the strategy of the Company and the Group and on external growth plans or financial transactions;
monitors exceptional transactions (external and internal) impacting the scope or structure of the Company and/or the Group;
organizes his or her activity in such a way so as to remain available and shares his or her knowledge of the market and experience with the Chief Executive Officer (at the invitation of the Chief Executive Officer, the Chairperson can attend internal meetings with the Company's managers and teams, so as to express his or her opinion and experience on strategic issues);
meets the key executives of the Company and/or the Group;
promotes Technicolor Creative Studios's values and image, both internally and externally;
coordinates the work of the Board of Directors with its committees;
has sole authority, among the board directors, to meet investors on behalf of the Company at roadshows and one-to-one meetings, so as to discuss the Company's long-term strategy, governance and remuneration matters, it being understood that any such discussions must take place in the presence of a representative of the Company (Head of Investor Relations, the Secretary of the Board, etc.) and that the Chairperson shall report back to Board on any such discussions; and
The Chair's duty is to chair the Board of Directors and this is a non-executive role.

4.

4.1.2.2.2 Powers vested to the Chief Executive Officer

Chief Executive Officer
Ms. Caroline Parot

Powers vested by law
empowered with the broadest powers to act in any circumstances on behalf of the Company, subject to limitations imposed by the corporate purpose and those matters expressly reserved by law to the General Shareholders' Meeting or the Board of Directors.
prior authorization by the Board for certain strategic decisions (see above).
Additional powers
specific annual authorization from the Board to issue warranties and guarantees in the name of the Company up to a certain amount.

4.1.2.2.3 Powers vested to the Board Observer

Board Observer
Angelo Gordon LLP, represented by Mr. Julien Farre

Powers arising from the Internal Rules of the Board of Directors
participation in meetings of the Board in an advisory capacity.
access to all the information communicated to the board directors in accordance with articles 10.1 to 10.3 of the Internal Rules, i.e: **(i)** receiving all the necessary documents and information to perform his duties and requesting any documents he considers he may need.; **(ii)** being provided in advance with the documents necessary to take an informed decision in full knowledge of the facts regarding the items on the agenda; and **(iii)** being kept informed, on a regular basis and by any means, of the Company's financial and cash flow situation, its commitments, as well as of any significant events and transactions relating to the Company.

Board committees

As per the Internal Rules of the Board of Directors, the Board of Directors is assisted in the performance of its tasks by three committees: the Audit Committee, the Governance & Social Responsibility Committee and the Remunerations & Talent Committee.

Each Committee formulates proposals, recommendations and opinions in its area of expertise, which is defined by its charter. To this end, it may decide to conduct any study that could assist the Board of Directors in its deliberations.

Proposals, recommendations and opinions produced by committees are compiled in a report to the Board of Directors.

Furthermore, it should be noted that the Board of Directors held on November 24, 2022 decided, given the circumstances that the Company is facing and the action plan that the Company is considering to implement, to create an ad hoc committee to assist the Board in inter alia supervising and making recommendation in respect of the work streams that relate to the Company current situation. This committee is composed of a majority of independent Directors, being Ms. Anne Bouverot (Chairperson), Mr. Xavier Cauchois, Mr. Olivier Courson (who resigned from its duties as Director as of February 2023 and therefore from the ad hoc committee), Ms. Katherine Hays and Bpifrance Participations, represented by Mr. Thierry Sommelet.

The missions of the Ad Hoc Committee notably include:

- Audit
  - making recommendations to the Board in respect of the supervision of the audit review;
  - examining the conclusions of the audit review and formulating proposals in respect of the areas of improvement identified by the independent audit firm.
- Transformation Plan
  - making recommendations to the Board in respect of the implementation of a transformation plan (the "Transformation Plan") and supervising discussions that may be held in this context;
  - assessing any other solution that the Board could envisage to adopt in addition to the Transformation Plan.
- Strategy
  - making recommendations regarding the equity story, key competitive differentiators, strategic potential and business development areas for the Company;
  - making recommendations in respect to, and supervising the discussions that the Company could conduct with any shareholder, financial provider (including with respect to liquidity and covenant analysis) and any other stakeholder, as well as with any potential investors;
  - monitoring the evolution of the Company's shareholders and lenders and making recommendations to the Board in that respect as part of potential interests of certain shareholders for a disposal of all or part of their holding; and
  - reviewing strategic options and making recommendations to the Board.

The members of the ad hoc committee do not receive any specific remuneration for the exercise of their duties.

Board meetings

Each year, the Board of Directors draws up a schedule of its meetings for the coming year, based on a proposal from the Chairperson.

This schedule sets the dates for the Board of Directors' regular meetings (in conjunction with the release of quarterly financial information, previous year's annual results, half year results, meeting preceding the Ordinary Shareholders' Meeting, etc.). In addition to the meetings included in the schedule, the Board of Directors holds meetings whenever required by the Company's circumstances. If necessary, the Directors meet in working sessions. In addition, the Directors may meet in executive sessions, in which the Chief Executive Officer does not participate.

Directors' right to information

The Chairperson is required to communicate to each Director all documents and information necessary to carry out his or her work. The Internal Rules of the Board of Directors stipulates that "other than in connection with Board meetings, Directors shall be kept informed, on a regular basis and by any means, of the Company's financial and cash flow situation, its commitments, as well as of any significant events and transactions relating to the Company".

During its meetings, the Board of Directors may consult with the Company's outside financial and legal advisors.

Directors' duties

Members of the Board of Directors are bound by a general duty of confidentiality with respect to information which is not publicly available acquired in carrying out their duties, content of the discussions and deliberations, the resolutions of the Board and its Committees, and generally, with respect to any information disclosed in connection with Board meetings.

The Internal Rules of the Board of Directors stipulate that each Director is required to inform the Lead Independent Director or, in the absence of a Lead Independent Director, the Chairperson, of any situation that is likely to create a conflict of interest with the Company or any of the Group's companies.

Directors' training

Members of the Board benefit from regular business sessions that are organized with all Board Members and business unit managers in order to update them on the Company's activities and to inform them on the organization and functioning of each business unit as well as on its strategy and future development.

As an example, business sessions were organised in October 2022, as part of an induction program, to familiarise the new Board with the activities of the group, benefit of real time discovery of the services production and be presented with each president of the Business..

In addition, each new member of the Board benefits from an induction session in corporate governance and is provided with the Technicolor Creative Studios's Vademecum. This document allows each new Director to be up to date with the list of members and their coordinates, the internal rules and charters, the planning of Board meetings but also a reminder of AFE MEDEF governance and the insider trading policy.

4.1.2.3 BOARD OF DIRECTORS' ACTIVITIES IN 2022

ATTENDANCE RATES TO BOARD MEETINGS HELD IN 2022

Name	Attendance rate
Anne Bouverot (since July 2022)	100%
Christian Roberton (since September 2022)	100%
Thierry Sommelet (since July 2022)	100%
Xavier Cauchois (since September 2022)	100%
Katherine Hays (since July 2022)	75%
Rajan Koh (since September 2022)	100%
Christine Laurens (since September 2022)	100%
Olivier Courson (since November 2022)	100%
Average	97%

Board activities in 2022 and since the Company's listing

8 MEETINGS IN 2022	7 THEN 8 MEMBERS	97% AVERAGE PARTICIPATION RATE	75% INDEPENDENCE RATE*

Activities in 2022 (recurring issues)

Financial issues: approved the launch of an audit review, reviewed the Company's Q3 results and reviewed press releases to be issued after Board meetings.

Strategy of the Group: monitored the listing of the Company and the spin-off from Technicolor, supervised the recovery plan (Re*Imagined program) and corresponding actions (appointment of Caroline Parot as Senior Advisor), was regularly updated and involved in business and strategic overviews.

Compensation and governance: acknowledged the new composition of the Board of Directors, approved the Board's Internal Charter, created an Audit Committee, a Remuneration & Talent Committee and a Governance & Social Responsibility Committee, decided on the creation of an *ad hoc* committee, appointed the members and the Chairperson of the specialized committees, approved the modification of the CEO variable compensation, appointed Angelo Gordon LLP, represented by Mr. Julien Farre, as Board Observer, with effect from Januray 2023.

* This percentage does not include Directors representing employees.

MAIN BOARD DECISIONS FOR 2022 (IN ADDITION TO RECURRING ISSUES DESCRIBED ABOVE)

BOARD MEETING HELD ON SEPTEMBER 27, 2022	ATTENDANCE OF 100%

acknowledged the admission of the Company's shares to trading on the regulated market of Euronext Paris;
acknowledged the new composition of the Board, assessed the independence of the last director appointed (Mr. Olivier Courson) and appointed the Lead Independent Director;
approved the Internal Regulations and the Internal Charters of the Committees (including the delegation of powers to the Chief Executive Officer);
approved the composition of the committees of the Board;
acknowledged the publication of the press release relating to the admission of the Company's shares to trading on the regulated market of Euronext Paris;
delegated powers to the Chief Executive Officer to grant sureties, endorsements and guarantees; and
acknowledged the Draft 2022 - 2023 Governance Schedule.

BOARD MEETING HELD ON OCTOBER 26, 2022	ATTENDANCE OF 100%

approved the CEO Q4 variable compensation and the related public communication;
made an update on the shareholding perspective;
approved the principles of a confidentiality procedure related to Vantiva; and
acknowledged the Board meetings agenda update.

BOARD MEETING HELD ON NOVEMBER 15, 2022	ATTENDANCE OF 100%

discuss on the latest financial information arising from the business.

BOARD MEETING HELD ON NOVEMBER 21, 2022	ATTENDANCE OF 100%

discuss on general topics such as the creation of an *ad hoc* committee and market update.

BOARD MEETING HELD ON NOVEMBER 24, 2022	ATTENDANCE OF 87.5%

discuss on profit warning;
discuss on the business update provided by Christian Roberton;
discuss on the presentation of the evolution of liquidity since end of September and preliminary liquidity forecasts for 2023;
set up an *ad hoc* committee;
appointed two senior advisors;
approved the launch of an audit review;
decided to prepared and communicated after the Q3 announcement written answers addressing the points raised by some shareholders;
approved the new composition of the Governance and Corporate Social Responsibility Committee.

BOARD MEETING HELD ON NOVEMBER 28, 2022	ATTENDANCE OF 100%

listened to the first feedbacks and discuss on the earlier Audit Committee session and dry run of Q3 draft results communication; and
discuss on the capital structure, liquidity and perspectives related to Q3 results.

BOARD MEETING HELD ON NOVEMBER 30, 2022	ATTENDANCE OF 100%

reviewed and approved the Q3 consolidated and statutory Financial Statements.

BOARD MEETING HELD ON DECEMBER 20, 2022	ATTENDANCE OF 87.5%

listened to the CEO business update;
listened to the *ad hoc* committee feedbacks;
listened to the audit committee feedbacks;
approved of the Related-Party Agreements Charter;
appointed Angelo Gordon Europe LLP as Board observer, with effect from January 2023;
amended the Board's internal rules;
discussed on a statutory auditors' procedure;
commented on the opportunity and feasibility of the Cash Retention Plan presented by the Talent & Remuneration Committee;
authorized a related-party agreement to be entered into with the CEO in connection with the CEO Q4 2022 long term variable compensation and acknowledged the content and the form of the communication that will be posted on the website of the Company.

Executive sessions

3 executive sessions were held in 2022, from which some were devoted to the Chief Executive Officer's performance and his compensation. The executive sessions are held without the Chief Executive Officer.

4.1.2.4 CHAIRPERSON OF THE BOARD'S MISSIONS AND ACHIEVEMENTS IN 2022

As Chairperson of the Board of Directors, Ms. Anne Bouverot was vested with additional powers, in addition to those vested by law. These powers are defined in the Internal Rules of the Board of Directors (see section 4.1.2.2: "Organization of the Board of Directors' work – Internal Rules of the Board of Directors" of this Universal Registration Document).

In 2022, in accordance with the powers vested to her by the law and by the Internal Rules of the Board of Directors, the Chairperson of the Board especially:

- coordinated the work of the Board and its different committees;
- engaged in meetings or discussions with main investors and shareholders on behalf of the Company and discussed difficulties that arose mid November, mid and long-term strategy accordingly, governance and compensation matters, and updated the Board of such meetings and discussions;
- engaged regularly in discussions with general management and main executives of the Group on various subjects (governance, growth, strategy, finance, communication, etc.);
- organized and participated in three meetings of the independent members of the Board of Directors in the difficult post profit warning context and in light of the choices to be made in terms of refinancing the Company and governance review.

4.

4.1.2.5 COMPOSITION AND ACTIVITIES OF THE BOARD COMMITTEES

The composition of the Board committees was approved by the Board of Directors on September 27, 2022.

The composition of the Governance & Social Responsibility Committee was slightly amended by the Board of Directors on November 24, 2022 with the replacement of Ms. Katherine Hays by Mr. Olivier Courson as Ms. Katherine Hays already seats at the Audit and Risks Committee and the Ad Hoc Committee. Following Olivier Courson's resignation from his position as director, Katherine Hays resumed her position on the Governance & Social Responsibility Committee as of March 2023.

The Audit Committee

AMF's report on Audit committees

The Company refers to the AMF's report on Audit committees issued on July 22, 2010 to prepare this report.

2 MEETINGS IN 2022	3 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Composition

Mr. Xavier Cauchois (Chairperson, Independent) Ms. Katherine Hays (Independent) Ms. Christine Laurens (Independent)	Meets the requirements of Article L. 823-19 of the French Commercial Code as all members have specific skills in finance or accounting and are independent under AFEP-MEDEF Corporate Governance Code.

Individual attendance rates to Audit Committee meetings held in 2022

Current members: Mr. Xavier Cauchois :100% Ms. Katherine Hays :100% Ms. Christine Laurens : 100%	**Previous members who left in 2022:** None

Mission	Organization of the Audit Committee's activities
Defined by the applicable law, its charter, and the Internal Rules of the Board of Directors: assists the Board of Directors in fulfilling its responsibilities regarding financial information and its publication, internal control procedures and risk management, internal audit, and internal procedures to check compliance with applicable laws and regulations; in particular, examines the company financial statements prior to their presentation to the Board of Directors; examines material off-balance sheet commitments; checks the procedures adopted to ensure the accounts provide a true and fair view of the Company's financial position and are in compliance with applicable accounting standards; expresses its opinion and makes proposals to the Board of Directors regarding the nomination, missions, activities, compensation and dismissal of the Statutory Auditors; gives its authorization, or adopts procedures for authorization of non-audit services by the Statutory Auditors; assesses the effectiveness of internal control and risk management systems; reviews the work of the Ethics Committee; and recommend any proposed changes to the Board for approval.	The Committee shall meet at least four times per year upon being convened with reasonable notice by its Chairperson, by the Chairperson of the Board or the Secretary, in any case prior to any meeting of the Board the agenda of which contains an item falling under the authority of the Committee. **The Committee can:** meet the members of the Management, as well as the Company's internal and external auditors, if they consider it useful for preparing their work; conference privately with internal or external auditors, without the presence of senior management or persons participating in the preparation of the Company's financial statements; and call upon the services of internal or external experts, in particular special or independent counsel, accountants or other advisors or experts. The Statutory Auditors participate in each Audit Committee meeting. **Review process for annual and interim financial statements:** Meetings will be organized to review the full year and interim consolidated financial statements and earnings releases. Special meetings may be convened as required for the Committee to fulfil its duties and responsibilities.

Main activities in 2022

The Audit company reviewed
- the financial statements for Q3 and Year End 2022 and related press releases
- the liquidity

The committee ensured periodical exchanges with the external auditors.

The Governance & Social Responsibility Committee

2 MEETINGS IN 2022	3 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Composition	
Ms. Anne Bouverot (Chairperson, Independent) Ms. Katherine Hays (Independent) Mr. Xavier Cauchois (Independent)	All of the members of the Committee are independent under the AFEP-MEDEF Corporate Governance Code. The Chief Executive Officer is involved in the work of this Committee

Individual attendance rates to Governance & Social Responsibility Committee meetings held in 2022	
Current members: Ms. Anne Bouverot: 100% Mr. Katherine Hays: 100% Mr. Xavier Cauchois: 100%	**Previous members who left in 2022:** Mr. Olivier Courson: 100%

Mission	Main activities in 2022
Corporate governance and appointments of corporate officers: submits proposals relating to the Company's governance, in particular, in respect of the organization and operation of the Board of Directors; makes proposals to the Board of Directors for the appointment of the Board Members, the Chairperson, the Chief Executive Officer and Board Committee members; sets up succession plans. **Corporate Social Responsibility:** in charge of reviewing the strategic orientations, initiatives and commitments relating to CSR matters and especially diversity, equity, inclusion, social, environmental matters (including climate change), ethical, consumer and human rights concerns arising from the Group's activities and/or to be integrated into the business strategy.	The committee analysed and proposed the evolution related to the governance, following the 15th November Announcements (ie designation of an interim CEO and designation of a deputy CEO, with complementary skills and knowledge on corporate and business/ clients part). The committee studied and recommended the entry of a new member as observer linked to its position in terms of shareholding (Angelo Gordon, 2nd largest shareholder) and its skills and competences; and recommended the entry of the Board representative of employees at the remuneration and talent committee, incompliance with the best governance rules. The committee also reviewed and recommended the evolution of the internal tools linked to the appointed of a new CEO (delegation of authority). Finally the committee reviewed the non-financial information to be disclosed and the audited report related to it (including the matrix of materiality, climate changes highlights, diversity, equity and inclusion policy).

The Remunerations & Talent Committee

2 MEETINGS IN 2022	4 MEMBERS	100% AVERAGE PARTICIPATION RATE	67% INDEPENDENCE RATE

Composition	
Ms. Christine Laurens (Chairperson, Independent) Bpifrance Participations, represented by Mr. Thierry Sommelet (Non-Independent) Mr. Rajan Kohli (Independent) Mr. Guillaume Maucomble (Non-Independent - director representing employees)	Two-third of the members of the Committee, *the Director representing employees not being included for the calculation of the independence rate*, are independent under the AFEP-MEDEF Corporate Governance Code.

Individual attendance rates to Remunerations & Talent Committee meetings held in 2022	
Current members: Ms. Christine Laurens: 100% Bpifrance Participations, represented by Mr. Thierry Sommelet: 100% Mr. Rajan Kohli: 100% Mr. Guillaume Maucomble: non-applicable as he was appointed in 2023	**Previous members who left in 2022:** None

Mission	Main activities in 2022
issues recommendations to the Board of Directors regarding the compensation of (i) the Chief Executive Officer (and other Executive Directors if any), (ii) the Chairperson of the Board, and (iii) the other Directors to be submitted to the Shareholders' Meeting; makes proposals regarding share options and equity incentive programs, and in general any equity-linked incentive and employee shareholding program; issues recommendations on the consistency of the compensation of the Chief Executive Officer (and other Executive Directors if any) as compared with that of the other managers and employees.	The Committee worked and studied: • The remuneration of the CEO and its evolution consecutively to the 15th November 2022 announcement; • The pay out 2022, the CEO compensation plan (including interim CEO) for 2023; • The talent policy and the retention plan to be set up so that the company faces the attrition concern.

(1) Mr. Guillaume Maucomble was appointed as new member of the Remunerations Committee on February 17, 2023.

4.1.2.6 PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

In accordance with AFEP-MEDEF Corporate Governance Code and section 17 of the Internal Rules of the Board of Directors, the Board conducts an evaluation of its composition, organization and that of its committees on a regular basis, the objective being once a year. The Internal Regulations specify that the Board dedicates one of the points on its agenda to a debate concerning its operation once a year and performs a formal evaluation at least once every three years.

The purpose of the formal evaluation is notably to assess the way the Board and its committees operates, to check that the important matters are addressed and efficiently prepared and discussed, and to assess the contribution of Directors to the Board's activities. The Board may require the assistance of an external company for the conduction of such evaluation.

Given its recent appointment, the Board believed that its members did not have the necessary perspective to assess in an informed manner, its composition, organization and operation and did not carry out this assessment in 2022. The Board will assess its operations in accordance with the procedure provided for in the Internal Rules during the last quarter of 2023.

4.1.3 RELATED-PARTY AGREEMENTS

4.1.3.1 RELATED-PARTY AGREEMENTS – CONFLICTS OF INTEREST

French law provides specific rules for all "related-party agreements", i.e., all agreements which are entered into directly or through an intermediary between the Company and its Chief Executive Officer, or one of its Directors or certain shareholders (shareholders holding more than 10% of the voting rights or, in the case of a corporate shareholder, its parent company) and which do not relate to ordinary transactions concluded under normal conditions.

In accordance with Article L. 225-38 et seq. of the French Commercial Code, these agreements must be submitted to the Board of Directors for prior authorization, which must be substantiated. The agreements must also be examined in a special report by the Statutory Auditors and the Shareholders' Meeting must be consulted. See section 4.1.3.2: "Statutory Auditors' special report on Related-party Agreements and Commitments" below.

Related-party agreements and commitments authorized by the Board of Directors during the fiscal year 2022

Christian Roberton, Chief Executive Officer and member of the Board of Directors of the Company untill February 2023, entered into an agreement with the Company dated July 22, 2022, as amended on December 20, 2022 with respect to its compensation policy as Chief Executive Officer. In particular, in light of the current exceptional circumstances the Company is facing, the Company and the Chief Executive Officer have agreed to defer to 2023 the process relating to the implementation of a grant of performance shares to the Chief Executive Officer initially planned for 2022 and as provided by the Chief Executive Officer compensation policy. This agreement has been approved by the Board of Directors of December 20, 2022.

Further to the Commitment Letter dated July 28, 2022, pursuant to which (i) Goldman Sachs Bank Europe SE agreed to make available to the Company and Technicolor Creative Services USA, Inc, a term loan in the principal amount of €623,345,991 (the "Term Loan") to be used, among other things, to finance the Tech 6 Share Acquisition and (ii) Goldman Sachs Bank Europe SE and Credit Suisse (Deutschland) Aktiengesellschaft agreed to make available to the Company and certain of its subsidiaries a revolving credit facility in the principal amount of €40. 40,000,000 (the "RCF", together with the Term Loan, the "Loans"), a credit agreement governed by New York law has been entered into between, among others, the Company as borrower, Technicolor Creative Services USA, Inc, as co-borrower, Goldman Sachs Bank Europe SE as administrative agent, collateral agent, arranger and bookrunner and the entities listed therein as lenders (the "Credit Agreement") to determine the terms and conditions under which the Term Loan and the RCF will be granted to the Company and its subsidiaries (including, without limitation, Technicolor Creative Services USA, Inc.)

Finally, an intercreditor agreement governed by the laws of the State of New York was signed on September 15 between, among others, (i) the Company as parent borrower, (ii) Technicolor Creative Services USA, Inc, as co-borrower, (iii) Goldman Sachs Bank Europe SE as initial first lien representative, initial first lien collateral agent and international security agent, (iv) the Company and the Guarantor Subsidiaries and (v) the Company and certain of its subsidiaries as intra-group lenders (the "Intercreditor Agreement") in order to (v) the Company and certain of its subsidiaries as intra-group lenders (the "Intercreditor Agreement") in order to, among other things, determine the order of priority for the payment of the Company's and its subsidiaries' obligations under the Credit Agreement, certain hedging agreements, certain cash management agreements and certain intra-group loans, as well as the terms and conditions for the realization of the securities granted under the Credit Agreement.

The purpose of these regulated agreements was to allow the financing of the acquisition of Tech 6 S.A.S. and its subsidiaries and the granting of a revolving loan to the Company and certain of its subsidiaries.

The Board of Directors, meeting on September 6, 2022, approved these regulated agreements, in accordance with Article L.225-38 of the French Commercial Code, and Bpifrance Participations SA did not take part in the discussion or vote on them.

Related-party agreements and commitments authorized since the end of the fiscal year 2022

As a reminder, on March 27, 2023, the Company entered into a conciliation agreement (the "Conciliation Agreement") approved by the Paris Commercial Court on March 29, 2023 and including several ancillary agreements signed at the end of March - beginning of April 2023 and described below:

<u>Bridge Notes Subscription Agreement</u>

The purpose of this subscription agreement for the bridge bonds was for the Company to issue dry bonds denominated in euros for a total principal amount of 30 million euros and subscribed by certain funds affiliated with Angelo Gordon, Bpifrance Participations, Briarwood Chase Management LLC and Barclays Bank Ireland PLC.

<u>Convertible Notes Subscription Agreement</u>

60 million net of OID to be subscribed by certain funds affiliated with Angelo Gordon, Bpifrance Participations, Briarwood Chase Management LLC, Barclays Bank Ireland PLC and Vantiva S.A.

<u>Term Loan Agreement</u>

The purpose of this term loan agreement, to which several of the Company's French and foreign subsidiaries are also parties, was to provide new money to the Company in the form of a term loan (consisting of two tranches denominated in euros for a total principal amount of approximately 109 million euros and two tranches denominated in dollars for a total principal amount of approximately 12 million dollars), in consideration of which warrants will be granted free of charge, subject to approval of their issuance by the Shareholders' Meeting.

<u>Master agreement for the restructuring of the Company's debt</u>

The purpose of this framework agreement, to which several of the Company's French and foreign subsidiaries were also party, was to restructure the Company's debt and set out some of the terms of the agreement, in particular the conditions under which the Company would act as a delegated debtor to certain of the term lenders and the order of priority for payment of the obligations of the Company and its subsidiaries.

<u>Master Security Agreement and agreement for the assignment of receivables</u>

This Master Security Agreement and the agreement for the assignment of receivables by way of security on all intra-group receivables held by the Company were supplemented by the entering into by certain subsidiaries of the Company of (i) security agreements relating to security interests granted by certain U.S., Canadian and U.K. subsidiaries of the Company to be entered into by mid-May 2023 and (ii) a trust agreement relating to a senior security interest in Mikros Image shares held by Tech 7. These agreements constitute security interests in all amounts of new money.

4.

Guarantee Agreement for the bridge bonds and convertible bonds

The purpose of this guarantee agreement, granted in connection with the bridge bonds and convertible notes, was to provide guarantees to the creditors participating in the new term loan and the restructured loans by certain French and foreign subsidiaries of the Company.

These related-party agreements were entered into as part of the implementation of the restructuring of the Company with the objective of reducing the Group's financial debt, by reducing cash interest across all instruments as well as by subordinating €170 million and converting debt into equity through capital increases reserved to the benefit of certain lenders, to be subscribed by way of set-off of receivables including a portion in principal of a first lien facility up to €30 million. This new structure would enable the Group to meet its liquidity needs from Q2 2023 and allows operating cash flow to be focused on operational needs.

It is specified that the Board of Directors authorized (i) the conclusion of the Reconciliation Protocol at its meeting of March 22, 2023 and (ii) the conclusion of the related agreements at its meeting of March 29, 2023, pursuant to article L. 225-38 of the French Commercial Code.

Regulated agreements and commitments approved by the shareholders in the previous years and that remained in force during the fiscal year 2022

None.

Procedure for the review of agreements entered into in the ordinary course of business and on arms' length terms

In accordance with Article L. 22-10-12 of the French Commercial Code, an Internal Charter on related-party agreements and on the procedure for the review of agreements entered into the ordinary course of business and on arms' length terms (the "Charter") has been approved by the Board of Directors of Technicolor Creative Studios of December 20, 2022.

The Charter is available on the Company's website.

This Charter formalizes the process implemented to identify the related-party agreements, reminds the regulatory framework that applies to these, and sets a procedure within Technicolor Creative Studios for the proper assessment of agreements entered into in the ordinary course of business and on arms' length terms.

The Charter provides for an annual review by the Audit Committee of agreements entered into the ordinary course of business and on arms' length terms. The persons who have a direct or indirect interest in the agreement do not take part in the review of the agreement.

In the event of doubt as to the characterization of an agreement, the Audit Committee submits it to the Board of Directors' review. The opinion of the Statutory Auditors may be requested. Each year, the Audit Committee presents a report on the implementation of this evaluation procedure to the Board of Directors.

The review of these agreements for the fiscal year 2022 was performed by the Audit Committee on November 28, 2022 before being presented to the Board of Directors.

Conflicts of interest

The Company is not aware of potential conflicts of interest between the obligations of Directors and Company managers towards Technicolor Creative Studios and their private interests and/or other obligations, subject to the composition of the Board of Directors, which includes shareholder representatives.

4.1.3.2 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the statutory auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (code de commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Technicolor Creative Studios Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (code de commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

A. AGREEMENTS AUTHORIZED AND ENTERED INTO DURING THE YEAR

Pursuant to Article L.225-40 of the French Commercial Code, we have been notified of the following agreements entered into during the year which were previously authorized by your Board of Directors.

1. Letter of commitment relating to the refinancing of the Company and its subsidiaries

Person involved

Bpifrance Participations SA, Company Director, represented by Mr. Thierry Sommelet, effective July 22, 2022.

Nature and purpose

A letter of commitment (the "Letter of Commitment") relating to the refinancing of the Company and its subsidiaries (the "Refinancing") was authorized by your Board of Directors on July 28, 2022 and entered into on the same day between Goldman Sachs Bank Europe SE ("Goldman Sachs") and Credit Suisse (Deutschland) Aktiengesellschaft ("Credit Suisse"), as banks authorized to make the funds available to the Company in September 2022, it being understood that Goldman Sachs entered into letters of commitment at the same time with a number of financial institutions, including Bpifrance Participations SA, by virtue of which it was agreed that these financial institutions would purchase from Goldman Sachs a portion of its interest in the Term Loan once it was made available to the Company.

Insofar as the financial institutions, including Bpifrance Participations SA, participated in the negotiation of the terms and conditions of the Term Loan and the RCF, the Refinancing Letter of Commitment was compared to a regulated agreement with Bpifrance Participations SA, which is indirectly involved in the credit facilities covered by the Letter of Commitment and assumes the position of Company director.

Terms and conditions

The Refinancing Letter of Commitment covers the following two credit facilities: (i) a senior secured term credit facility of a principal amount equal to €625,000,000 which would be granted to the Company as a French borrower and Technicolor Creative Services USA as a borrower in the United States (the "Term Loan"), and (ii) a super senior secured revolving credit facility of €40,000,000 which would be granted to the Company and some of its subsidiaries (the "RCF"). Both credit facilities shall be made available to the Company and the Group on the day of Refinancing;

- The main features of the Term Loan set forth in the Letter of Commitment and the accompanying term sheet are described below:
  - **Amount**: €623,345,991, divided up into a US dollar tranche of a principal amount equal to US$60,000,000 and a euro tranche of a principal amount equal to €564,248,500.80;
  - **Borrowers**: the Company and Technicolor Creative Services USA;
  - **Maturity**: 4 years, amortizable at an annual amount equal to 1% of the initial principal amount of the Term Loan;
  - **Ranking**: senior;

- **Collateral**:
  - Guarantee from each substantial subsidiary wholly owned (directly or indirectly) by the Company (other than the French and Indian subsidiaries) (the "Guarantor Subsidiaries"), subject to the usual guarantee exceptions and limitations, it being specified that all Guarantor Subsidiaries must represent at least 80% of the Group's consolidated EBITDA.
  - Senior pledge on the shares of each Guarantor Subsidiary and each substantial subsidiary wholly owned directly by a Borrower or Guarantor Subsidiary insofar as these substantial subsidiaries are registered in France, the United States, the United Kingdom, Canada, Australia, the Netherlands or Germany.
  - Senior pledge on all the other assets of the Borrowers and Guarantor Subsidiaries, including, without limitation, their bank accounts, the receivables they hold with other members of the Group and intellectual property rights.
- **Fees and interest**:
  - In the event of the early repayment of the Term Loan, whether voluntary or mandatory, between the Term Loan availability date (i.e. the date on which the acquisition of Tech 6 shares is completed, the "Closing Date") and the first anniversary of the Closing Date (inclusive) (other than a mandatory early repayment made using excess cash flow, proceeds of asset disposals or insurance compensation): payment of an early repayment premium equal to the present value of the interest that should have been paid on the amount repaid between the repayment date and the first anniversary of Term Loan availability date (inclusive). This interest is then calculated on the basis of the annual rate applicable to the Term Loan after a discount equal to the U.S. Treasury Rate plus 50 basis points.
  - In the event of the early repayment of the Term Loan, whether voluntary or mandatory, repayment on the Term Loan maturity date and in the event the Term Loan becomes payable in advance due to the occurrence of a default (but excluding any repayment relating to the payment of amortization): payment of an Exit Fee equal to (I) 2% of the principal amount repaid or payable in advance if the repayment or early repayment occurs between the first anniversary of the Closing Date (exclusive) and the second anniversary of Closing Date (inclusive), 3% of the principal amount repaid or payable in advance if the repayment or early repayment occurs between the second anniversary of the Closing Date (exclusive) and the third anniversary of the Closing Date (inclusive) and 5% of the principal amount repaid or payable in advance if the repayment or early repayment occurs between the third anniversary of the Closing Date (exclusive) and the fourth anniversary of the Closing Date (inclusive).
  - Interest:
    - For the euro tranche: an annual rate equal to (i) Euribor (0% floor) + 6.00% or (ii) Alternate Base Rate (0% floor) + 5.00%;
    - For the US dollar tranche: an annual rate equal to (i) Term SOFR (0% floor) + 7.50% or (ii) Alternate Base Rate (0% floor) + 6.50%;
  - OID (Original Issue Discount): 7.00% of the Term Loan principal amount; and
- **Applicable law**: law of the State of New York.

- The main features of the RCF set forth in the Letter of Commitment and the accompanying term sheet are described below:
  - **Amount**: €40,000,000;
  - **Borrowers**: The Company and Technicolor Creative Services USA with the possibility for the Company to subscribe certain subsidiaries as additional borrowers;
  - **Maturity**: 3 years;
  - **Ranking**: super senior;
  - **Collateral**:
    - Guarantee from each substantial subsidiary wholly owned (directly or indirectly) by the Company (other than the French and Indian subsidiaries) (the "Guarantor Subsidiaries"), subject to the usual guarantee exceptions and limitations, it being specified that all Guarantor Subsidiaries must represent at least 80% of the Group's consolidated EBITDA.
    - Senior pledge on the shares of each Guarantor Subsidiary and each substantial subsidiary wholly owned directly by a Borrower or Guarantor Subsidiary insofar as these substantial subsidiaries are registered in France, the United States, the United Kingdom, Canada, Australia, the Netherlands or Germany.
    - Senior pledge on all the other assets of the Borrowers and Guarantor Subsidiaries, including, without limitation, their bank accounts, the receivables they hold with other members of the Group and intellectual property rights.
  - **Utilization**: The RCF may be utilized in the form of advances (including swingline loans) denominated in US dollars, euros, Canadian dollars or pounds sterling or in the form of letters of credit denominated in US dollars, euros, Canadian dollars or pounds sterling;

- **Fees and interest**:
  - Interest: an annual rate equal to (i) Applicable Benchmark Rate (0% floor) + 4.50% or (ii) Alternate Base Rate + 3.50%, it being specified that the Applicable Benchmark Rate is:
    - Term SOFR and Daily simple SOFR for RCF utilizations in US dollars;
    - EURIBOR for use in Euros;
    - CDOR for RCF utilizations in Canadian dollars;
    - Daily Simple Sonia for utilizations in pounds sterling;
  - Non-utilization fee: 35% of the applicable RCF margin;
  - Letter of credit issuance fee: 0.125% per year applied to the letter of credit amount;
  - Upfront fee: 2.00% of the RCF principal amount; and
- **Applicable law**: law of the State of New York.

The commitment of lenders to participate in the financing is subject to the set-up of the final documentation, in accordance with the detailed term sheet, appended to the Refinancing Letter of Commitment, and a limited number of conditions precedent, which are common for this type of financing.

The fulfillment of the commitments made in the Letter of Commitment resulted in the signing of the agreements on July 15, 2022, as mentioned in paragraph 2 below.

Reasons justifying that the agreements was in the Company's interest:

Your Board of Directors considered that it was in the interest of the Company to sign the Letter of Commitment, enabling it to finance the acquisition of Tech 6 S.A.S. and its subsidiaries (together "Tech 6"), and enabling it and some of its subsidiaries to obtain a revolving credit facility.

2. Loan Agreement, Guarantee Agreement, Collateral Agreement and Intercreditor Agreement relating to the refinancing of the Company and its subsidiaries

Person involved

Bpifrance Participations SA, Company Director, represented by Mr. Thierry Sommelet, effective July 22, 2022.

As indicated in paragraph 1 above of this report, insofar as (I) the Loan Agreement (as defined below) was signed by the Company with Goldman Sachs and Credit Suisse as banks authorized to make the funds available to the Company on the Closing Date and it being understood that Goldman Sachs entered into letters of commitment with a number of financial institutions, including Bpifrance Participations SA, by virtue of which it was agreed that these financial institutions would purchase from Goldman Sachs a portion of its interest in the Term Loan once it was made available to the Company and (ii) Bpifrance Participations SA participated in the negotiation of the terms and conditions of the Loan Agreement and the Intercreditor Agreement (as defined below), your Board of Directors has compared the Loan Agreement and the Intercreditor Agreement to regulated agreements with Bpifrance Participations SA which is indirectly involved in the credit facilities.

Similarly, as the Guarantee and TCS Collateral (as defined below) represent, respectively, personal collateral and security interests guaranteeing the commitments of third parties and shall benefit Bpifrance Participations SA as lender under the Loan Agreement, they were subject to the Board of Directors' authorization (i) under the provisions of Article L.225-35 of the French Commercial Code, insofar as they were to benefit Bpifrance Participations SA and Bpifrance Participations SA participated in the negotiation of their terms and conditions and (ii) under the provisions of Article L.225-38 of the French Commercial Code.

On September 6 and 15, 2022, your Board of Directors authorized these agreements that were signed on September 15, 2022.

Nature, purpose and terms and conditions

Loan Agreement

Further to the Refinancing Letter of Commitment, under which (I) Goldman Sachs pledged to make available to the Company and Technicolor Creative Services USA, Inc., a term loan in the principal amount of €623,345,991 (the "Term Loan") namely to enable the Company to finance the acquisition of Tech 6 shares and (ii) Goldman Sachs and Credit Suisse pledged to make available to the Company and some of its subsidiaries a revolving credit facility in the principal amount of €40,000,000 (the "RCF", together with the Term Loan, the "Loans"), a loan agreement governed by the law of the State of New York was entered into on September 15, 2022 between the Company as Borrower, Technicolor Creative Services USA, Inc. as a co-Borrower, Goldman Sachs as Administrative Agent, Collateral Agent, Lead Arranger and Bookrunner and the entities listed as lenders (the "Loan Agreement") to determine the terms and conditions under which the Term Loan and the RCF will be granted to the Company and its subsidiaries (including Technicolor Creative Services USA, Inc.).

The final features of the Loans are identical to those set forth in the Letter of Commitment, as described in paragraph 1 above of this report.

Guarantee Agreement

The guarantee granted by the Company (the "Guarantee") and the guarantees granted by each of the Company's subsidiaries, i.e. Tech 6, Tech 7 S.A.S. ("Tech 7"), Mikros Image S.A.S. ("Mikros Image"), Technicolor Animation Productions S.A.S. ("TAP"), Technicolor Creative Services USA, Inc., Technicolor Canada, Inc., The Mill Group Inc., The Mill (Facility) LTD and Technicolor Creative Studios UK Ltd (together the "Guarantor Subsidiaries") were granted pursuant to a Guaranty drafted in English and governed by the law of the State of New York, which was entered into on the Closing Date, i.e. September 15, 2022, by the Company and each Guarantor Subsidiary as guarantors, with Goldman Sachs as Collateral Agent (The "Guarantee Agreement").

Collateral Agreement

The collateral granted on September 15, 2022 by the Company and each of the Guarantor Subsidiaries, in particular for the benefit of Bpifrance Participations SA (the "Collateral") was as follows:

- Collateral granted by the Company:
  - Senior pledge on the Tech 6 financial securities held by the Company (the "TCS/Tech 6 Security Account Pledge");
  - Senior pledge on Tech 7 financial securities held by the Company (the "TCS/Tech 7 Security Account Pledge");
  - Senior pledge on the Company's header accounts opened in France (the "TCS French Bank Accounts Pledge"); and
  - Senior pledge on the intra-group receivables held by the Company with any of its subsidiaries in respect of an intra-group loan, advance or cash pooling agreement (the "TCS Debt Pledge", together with the TCS/Tech 6 Security Account Pledge, the TCS/Tech 7 Security Account Pledge and the TCS French Bank Accounts Pledge, the "TCS Collateral"), it being specified that:
    - This TCS Collateral will be granted by the Company in accordance with the terms of a French Master Security Agreement drafted in English that was entered into on the Closing Date (September 15, 2022) by the Company, Tech 6, Tech 7, Mikros Image and TAP as original pledgors with Goldman Sachs as Security Agent (FR Security Agreement), in order to guarantee Its obligations as borrower and guarantor under the Loan Agreement and the Guarantee (including, in each of these cases, under potential additional credit facilities), its obligations under certain hedging agreements defined in the Loan Agreement and its obligations under certain cash management agreements defined in the Loan Agreement, and
    - The FR Security Agreement provides that the amount guaranteed by the TCS Collateral is equal to the amount of the Loans (i.e. on the Closing Date, a principal amount equal to €604,248,500, plus a principal amount of US$60,000,000), the amount of hedging agreements entered into by the Company (i.e. on the Closing Date, a notional amount equal to €604,248,500, plus a notional amount of US$60,000,000), plus an additional principal amount of €135,000,000 for any additional credit facilities (incremental liabilities) which may be subscribed by the Company or some of its subsidiaries pursuant to the terms of the Loan Agreement, and plus, in each case, interest, late payment interest, fees, allowances, costs and incidental expenses;
- Collateral granted by Tech 6 pursuant to the FR Security Agreement:
  - Senior pledge on the Tech 7 financial securities held by Tech 6;
  - Senior pledge on the intra-group receivables held by Tech 6 with the Company or any of its subsidiaries in respect of an intra-group loan, advance or cash pooling agreement;
- Collateral granted by Tech 7:
  - Pursuant to the FR Security Agreement:
    - Senior pledge on the Technicolor Animation Productions financial securities held by Tech 7;
    - Senior pledge of the Technicolor Trademark Management financial securities held by Tech 7;
    - Senior pledge on the Mikros Image financial securities held by Tech 7;
    - Senior pledge on the intra-group receivables held by Tech 7 with the Company or any of its subsidiaries in respect of an intra-group loan, advance or cash pooling agreement;
  - Pursuant to a Canadian Security Agreement drafted in English that was entered into on the Closing Date by Tech 7 as Initial Grantor with Goldman Sachs as Collateral Agent, a senior pledge on the Technicolor Canada, Inc. securities held by Tech 7;
  - Pursuant to a Security Agreement, governed by the law of the State of New York, that was entered into on the Closing Date by Technicolor Creative Services USA, Inc., The Mill Group Inc. and Tech 7 as Initial Grantors with Goldman Sachs Bank Europe SE as Collateral Agent (the "US Security Agreement"), a senior pledge on the Technicolor Creative Services USA, Inc. securities held by Tech 7;
  - Pursuant to a UK Debenture drafted in English that was entered into on the Closing Date by Tech 7, Technicolor Creative Studios UK Limited and The Mill (Facility) Limited as Initial Chargors with Goldman Sachs as Collateral Agent, a senior pledge on the Technicolor Creative Studios UK Limited securities held by Tech 7 (the "UK Security Agreement"); and
  - Subsequent to the Closing Date, a senior pledge on the Thomson Multimedia Distribution BV securities held by Tech 7;
- Collateral granted by Mikros Image SAS pursuant to the FR Security Agreement:
  - Senior pledge on the MPC Creative financial securities held by Mikros Image; and
  - Senior pledge on the intra-group receivables held by Mikros Image with the Company or any of its subsidiaries in respect of an intra-group loan, advance or cash pooling agreement; and

- Collateral granted by Technicolor Animation Productions pursuant to the FR Security Agreement:
  - Senior pledge on the intra-group receivables held by Technicolor Animation Productions with the Company or any of its subsidiaries in respect of an intra-group loan, advance or cash pooling agreement;
- Collateral granted by Technicolor Creative Services USA, Inc. pursuant to the US Security Agreement:
  - Senior pledge on the Mill Group Inc. financial securities held by Technicolor Creative Services USA, Inc.; and
  - Senior pledge on all the other assets of Technicolor Creative Services USA, Inc. located in the United States subject to certain exclusions set forth in the Loan Agreement (including certain intellectual property rights under a Copyright Security Agreement and Trademark Security Agreement entered into under the US Security Agreement);
- Collateral granted by Technicolor Canada, Inc.:
  - Senior mortgage on all the current and future tangible and intangible moveable property of Technicolor Canada, Inc., regardless of its type and location, under a Quebec mortgage assignment agreement;
  - Senior pledge on trademarks owned by Technicolor Canada, Inc. in Canada pursuant to a Trademark Security Agreement governed by Ontario Law that was entered into on the Closing Date by Technicolor Canada, Inc. with Goldman Sachs as Collateral Agent;
  - Senior pledge on Technicolor Canada, Inc. assets (including the intellectual property rights held by Technicolor Canada, Inc. in Canada) pursuant to a Canadian Security Agreement drafted in English that will be entered into on the Closing Date by Technicolor Canada, Inc. as Initial Grantor with Goldman Sachs as Collateral Agent;
- Collateral granted by The Mill Group Inc.: a senior pledge on all of its assets located in the United States pursuant to the US Security Agreement;
- Collateral granted by Technicolor Creative Studios UK Ltd:
  - Pursuant to the UK Security Agreement, a senior pledge on all of its assets located in the United Kingdom and in particular the receivables it holds with the Company and its subsidiaries, its bank accounts and the securities of the Mill (Facility) LTD held by Technicolor Creative Studios UK Ltd;
  - Subsequent to the Closing Date, a senior pledge on the Technicolor Creative Studios Australia Pty Ltd securities held by Technicolor Creative Studios UK Ltd;
- Collateral granted by The Mill (facility) LTD:
  - Senior pledge on all of its assets located in the United Kingdom and in particular the receivables it holds with the Company and its subsidiaries and its bank accounts pursuant to the UK Security Agreement;
  - Subsequent to the Closing Date: a senior pledge on the Mill Berlin securities held by the Mill (Facility) LTD.

Intercreditor Agreement

Finally, an Intercreditor Agreement governed by the law of the State of New York was signed on September 15, 2022 between (i) the Company as Parent Borrower, (ii) Technicolor Creative Services USA, Inc. as co-Borrower, (iii) Goldman Sachs as Initial First Lien Representative, Initial First Lien Collateral Agent and the International Security Agent, (iv) the Company and the Guarantor Subsidiaries and (v) the Company and some of its subsidiaries as Intra-group Lenders (the "Intercreditor Agreement"), to determine the order of priority for the payment of the obligations of the Company and its subsidiaries under the Loan Agreement, certain hedging agreements, certain cash management agreements and intra-group loans, as well as the terms and conditions for the enforcement of the security rights granted under the Loan Agreement.

Reasons justifying that the agreements was in the Company’s interest:

Your Board of Directors considered that it was in the interest of the Company to enter into these agreements, enabling it to finance the acquisition of Tech 6 and enabling it and some of its subsidiaries to obtain a revolving credit facility.

3. Amendment to the initial engagement letter entered into with Mr. Christian Roberton concerning the determination of remuneration in his capacity as Chief Executive Officer

Person involved

Mr. Christian Roberton, Chief Executive Officer of the Company (July 22, 2022 to February 6, 2023) and Company Director (September 27, 2022 to February 6, 2023).

Nature and purpose

The purpose of this agreement, authorized by your Board of Directors on December 20, 2022 and signed on the same day, was to adjust the remuneration of Mr. Christian Roberton in his capacity as Chief Executive Officer and to amend accordingly the initial engagement letter entered into with Mr. Christian Roberton on August 22, 2022, as mentioned below in section B "Agreements not previously authorized" of this report. Due to the current exceptional circumstances, the Company and the Chief Executive Officer have decided to postpone to 2023 the process of implementing a performance share grant for the Chief Executive Officer for an amount equivalent to €2,000,000 initially planned for 2022, in accordance with the remuneration determined for Mr. Christian Roberton in his capacity as Chief Executive Officer.

Terms and conditions

It has been agreed, in accordance with this Agreement, that:

(i) the nature of the 2023 deferred plan (cash plan or performance share plan) shall be determined by the Board of Directors, as well as the performance conditions, following a process of consultation conducted in good faith with the Chief Executive Officer and that

(ii) these performance conditions shall be adapted to the strategy set by the Board of Directors and established in order to align the interests of the Chief Executive Officer with the long-term interests of shareholders.

Reasons justifying that the agreements was in the Company's interest:

Your Board of Directors considered that it was in the interest of the Company to enter into this agreement, which enables it to grant the Board of Directors additional time to define the performance criteria and the Chief Executive Officer's plan objectives for the coming years so that they can be best aligned with the Company's current situation and the long-term interests of the shareholders.

B. AGREEMENTS NOT PREVIOUSLY AUTHORIZED

Pursuant to Articles L.225-42 and L.823-12 of the French Commercial Code, we inform you that the following agreement was not previously authorized by your Board of Directors as a regulated agreement.

It is our responsibility to inform you of the circumstances due to which the authorization procedure was not followed.

INITIAL ENGAGEMENT LETTER ENTERED INTO WITH MR. CHRISTIAN ROBERTON CONCERNING THE DETERMINATION OF REMUNERATION IN HIS CAPACITY AS CHIEF EXECUTIVE OFFICER

Person involved

Mr. Christian Roberton, Chief Executive Officer of the Company (July 22, 2022 to February 6, 2023) and Company Director (September 27, 2022 to February 6, 2023).

Nature and purpose

An engagement letter was concluded on August 22, 2022, between the Company and Mr. Christian Roberton to validate the terms of remuneration in his capacity as Chief Executive Officer of the Company that was decided by your Board of Directors on July 22, 2022.

Terms and conditions

As from and subject to the condition precedent involving the admission of the Company's shares for trading on the Euronext Paris market, the remuneration of Mr. Christian Roberton in his capacity as Chief Executive Officer of the Company, was determined as follows:

- An annual fixed remuneration of £580,000;
- A gross annual variable remuneration subject to the achievement of performance objectives (financial and non-financial) for the year under review, which would be determined annually by the Company's Board of Directors, following a consultation conducted in good faith with Mr. Christian Roberton. The objectives would include quantitative and qualitative criteria relating to the group's financial objectives, the Company's corporate social responsibility issues and individual objectives. The gross annual variable remuneration would amount to £696,000 for a 100% achievement with a cap of £1,160,000. Each year, following a consultation conducted in good faith with Mr. Christian Roberton, the Board of Directors would set a threshold for each financial performance criteria above which Mr. Christian Roberton would be entitled to a portion of the variable remuneration, on a pro rata basis. The payment of the annual variable remuneration would be subject to the prior approval by the Company's Annual Shareholders' Meeting in accordance with Article L.22-10-34 of the French Commercial Code;
- Long-term incentive plans: Mr. Christian Roberton would benefit from a 3-year cash remuneration plan (covering 2023, 2024 and 2025) under the following conditions:
  - payment of a maximum amount in pounds sterling (£) equivalent to €2,200,000 over 3 years (i.e. a maximum of €733,333 per year) according to the performance criteria;
  - annual advance payment and adjustment process at the end of the plan;
  - condition of presence: be an active employee at the time of payment.

This 3-year cash plan should not be renewed unless otherwise recommended by the Remuneration and Talent Committee, approved by the Board of Directors and submitted to the vote of the Company's Shareholders' Meeting.

- Performance Shares:
  - A long-term incentive plan would be subject to the approval by the Company's Shareholders' Meeting at a later date (subject to the completion of the IPO), under which Mr. Christian Roberton would benefit from a grant of free shares of the Company (the "Performance Shares") in the fourth quarter of 2022, for a number of Performance Shares equivalent in value to €2,000,000 on the grant date of such Shares.
  - The vesting of the Performance shares would be subject to:
    - performance conditions that would be determined by the Board of Directors following a consultation conducted in good faith with Mr. Christian Roberton, to be assessed over a minimum period of three years; and
    - a condition of presence over the three-year vesting period (except in the event of death or disability) with limited exceptions to be established by the Board of Directors;
    - Mr. Christian Roberton should retain at least 20% of the Performance Shares vested until the end of his term as Chief Executive Officer.

Finally, it was specified that Mr. Christian Roberton would be entitled to the reimbursement of (i) certain expenses relating to legal advice and (ii) his professional expenses incurred to perform his duties as Chief Executive Officer. Moreover, he would not receive any remuneration for his duties as Director.

Circumstances due to which the authorization procedure was not followed:

The interest of this agreement for the Company is to establish Christian Roberton's remuneration policy while granting the Board of Directors additional time to define the Chief Executive Officer's performance and variable remuneration criteria so that they can be best aligned with the long-term interests of shareholders.

The remuneration of Mr. Christian Roberton was decided by the Board of Directors on July 22, 2022, but the agreement entered into on August 22, 2022 was not authorized by the Board of Directors as a regulated agreement, by omission.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS APPROVED DURING PREVIOUS YEARS

We inform you that we have not been advised of any agreement previously approved by the Shareholders' Meeting in prior years with continuing effect during the year.

Paris-La Défense, April 18, 2023

The Statutory Auditors
French original signed by

Mazars

Jean Luc Barlet
Partner

Charlotte Grisard
Partner

Deloitte & Associés

Bertrand Boisselier
Partner

4.1.4 INTERNAL BOARD REGULATIONS

The Internal Rules of the Board of Directors explain the functioning of the Board of Directors, the powers of the different bodies in the Company and the duties of each Director. They are regularly reviewed by the Board of Directors and were last amended on February 17, 2023.

ARTICLE 1 – COMPOSITION OF THE BOARD OF DIRECTORS

1.1 The Board is composed of at least three (3) members. With the exception of the board member representing the employees, the board directors are appointed by the general meeting of the shareholders further to a recommendation from the Board.

1.2 In the event of vacancies on the Board as a result of the death, loss of legal capacity or resignation of one or more directors, the Board may, between two general meetings of the shareholders, provisionally co-opt directors. These provisional appointments are subject to ratification by the followed general meeting of the shareholders. A board director appointed to replace another remains in office for the remaining duration of the term of office of the board director he or she is replacing.

1.3 The board directors are appointed for a renewable term of three (3) years and are subject to the provisions of applicable laws relating to age limits. With the exception of the board member representing the employees, the term of office as board director expires at the close of the meeting considering the accounts of the financial year ended and which is held in the year in which the term of office expires. Notwithstanding the foregoing, and to facilitate a seamless renewal of the Board, the Board may, by way of exception, propose to the general meeting that board directors be appointed for a term of either one (1) year or two (2) years.

1.4 The Board ensures that there is an appropriate balance in the number of women and men on the Board, and in particular, that the proportion of members of either sex is no less than 40% when the Board is composed of more than eight (8) members, or that the difference between the number of members of either sex is no more than two (2) when the Board is composed of eight (8) members at the most.

1.5 The Board reflects on the most appropriate balance as regards its composition and that of its committees, particularly in terms of diversity (representation of women and men, nationalities, age, qualifications and professional experience). The Board publishes in the report on corporate governance a description of the diversity policy applied to the members of the Board as well as a description of the policy's objectives, of how it is implemented and of the results achieved in the course of the financial year ended.

ARTICLE 2 - CHAIRPERSON OF THE BOARD

2.1 The Board elects from among its members a chairman, a private individual (hereinafter referred to as the "Chairperson"), and, as the case may be, one or two vice-chairmen (hereinafter individually referred to as a "Vice-Chairperson"). The Vice-Chairperson can be appointed as "Lead Independent Director" as provided for in article 5 below.

2.2 The Board determines the duration of the term of office of the Chairperson and Vice-Chairperson, which may not under any circumstances exceed their respective terms of office as board director. They may be re-elected.

2.3 Notwithstanding the provisions of the preceding paragraph, the Chairperson's term of office shall automatically expire when the Chairperson reaches the age of seventy-five (75) years.

2.4 In case of absence or unavailability of both the Chairperson and the Vice-Chairperson for a particular meeting, the Board will nominate a board director to chair the meeting.

2.5 In addition to the powers entrusted to the Chairperson by applicable laws and the other terms of these Internal Rules, the Chairperson:

- can be regularly consulted by the chief executive officer (hereinafter referred to as the "Chief Executive Officer") on all significant events relating to the strategy of the Company and the Group (the "Group" including the Company and its consolidated subsidiaries) and on external growth plans or financial transactions;
- monitors exceptional transactions (external and internal) impacting the scope or structure of the Company and/or the Group;
- organises his or her activity in such a way so as to remain available and shares his or her knowledge of the market and experience with the Chief Executive Officer (at the invitation of the Chief Executive Officer, the Chairperson can attend internal meetings with the Company's managers and teams, so as to express his or her opinion and experience on strategic issues);
- meets the key executives of the Company and/or the Group;
- promotes Technicolor Creative Studios's values and image, both internally and externally;
- coordinates the Board's work with it Committees; and
- has sole authority, among the board directors, to meet investors on behalf of the Company at roadshows and one-to-one meetings, so as to discuss the Company's long-term strategy, governance and remuneration matters, it being understood that any such discussions must take place in the presence of a representative of the Company (Head of Investor Relations, the Secretary of the Board, etc.) and that the Chairperson shall report back to Board on any such discussions.

ARTICLE 3 - CHAIRPERSON AND CHIEF EXECUTIVE OFFICER – OFFICES HELD BY THE SAME PERSON OR BY TWO DIFFERENT PEOPLE

When the Chairperson of the Board or the Chief Executive Officer is appointed or reappointed, the Governance & Social Responsibility Committee shall submit to the Board an opinion on whether the Company is best served by the offices of Chairperson and Chief Executive Officer being held by one person or by two different people.

ARTICLE 4 - BOARD OBSERVERS (CENSEURS)

4.1 The Board may appoint up to two board observers (censeurs). The term of office of the board observers shall be determined by the Board of Directors at the time of their appointment, but may not exceed three (3) years, in accordance with article 12.7 of the articles of association. Board observers may be reappointed.

4.2 Board observers are given notice of meetings in the same way as the board directors and participate in meetings of the Board in an advisory capacity.

4.3 Board observers have access to all the information communicated to the board directors in accordance with articles 10.1 to 10.3 of these Internal Rules.

ARTICLE 5 - LEAD INDEPENDENT DIRECTOR

The Board can decide to appoint a Lead Independent Director if it considers this would be useful or necessary in order to offer additional assurances regarding the proper functioning of the Board and the balance of the powers within it, in accordance with the provisions of this article. The appointment of a Lead Independent Director may be necessary in order to optimise the balance of powers and the management of possible conflicts of interest (i) in the event the Chairperson is also the Chief Executive Officer (ii) in the event of separation of the two functions, when the Chairperson of the Board is not considered to be independent.

5.1 Appointment of the Lead Independent Director

Further to a proposal from the Governance & Social Responsibility Committee, the Vice-Chairperson may be appointed as "Lead Independent Director".

5.2 Role and powers of the Lead Independent Director

(i) Organisation of the Board's work and relations with the board directors

The Lead Independent Director is consulted regarding the agenda, as well as the timetable of dates for Board meetings, and may propose to the Chairperson additional items to be included in the agenda. He or she can require that the Chairperson convene a meeting of the Board to consider a specific agenda.

The Lead Independent Director chairs the meetings of the Board if the Chairperson is absent and acts as Chairperson if the Chairperson is unable to carry out his or her role.

The Lead Independent Director participates in the recruitment of Board members.

He or she ensures that the board directors are able to carry out their duties in the best conditions possible, and notably, that they receive a high level of information prior to the meetings of the Board.

The Lead Independent Director acts as a liaison between the independent directors and the other members of the Board and the Management. He or she maintains a regular and open dialogue with each of the board members, particularly the independent directors. He or she organises at least once a year a meeting of the external board directors.

The Lead Independent Director seeks to prevent the occurrence of situations of conflict of interest, notably by promoting awareness of the issue. He or she brings to the Board's attention any conflicts of interest that he or she may have identified concerning the executive corporate officers (dirigeants mandataires sociaux) and the other members of the Board.

The Lead independent director ensures that these Internal Rules are complied with.

He or she is also involved in the Board's assessment process.

(ii) iRelations with the shareholders

The Lead Independent Director takes note of requests from the shareholders concerning corporate governance and ensures that responses are provided.

He or she assists the Chairperson or the Chief Executive Officer in providing responses to the shareholders' requests, makes him or herself available to meet certain of the shareholders, even without the Chairperson or the Chief Executive Officer, and informs the Board of the shareholders' concerns concerning corporate governance.

(iii) Board Committees

The Lead Independent Director can be appointed by the Board as chairman or member of one or more Board Committees. In all cases, he or she can attend the meetings and has access to the work of all the Committees.

(iv) Means

The Lead Independent Director:

- has access to all documents and information that he or she may consider necessary to carry out his or her role;
- can, in carrying out his or her duties, seek expert opinions from external advisers, at the Company's expense;
- is regularly informed of the Company's activity;
- can, at his or her request, and after having informed the Chairperson and the Chief Executive Officer, meet the executives in operating or functional roles; and
- can require the assistance of the secretary of the Board to carry out his or her role.

(v) Report

The Lead Independent Director reports to the Board once a year on the performance of his or her assignment. At general meetings of the shareholders, he or she can be asked by the Chairperson to report on his or her work.

ARTICLE 6 - MINUTES – ATTENDANCE REGISTER AND SECRETARY OF THE BOARD

6.1 Minutes

Minutes of the deliberations at each meeting of the Board are drawn up, in accordance with the provisions of applicable laws.

The Chairperson ensures that the opinions expressed by the board members are duly recorded in the minutes of the meeting.

The minutes mention the means by which the meeting of the Board was held and the name of each person attending the meeting by these means. The minutes also mention any unforeseeable and urgent issue that arose if it disrupted the proceedings

6.2 Attendance register

An attendance register is kept at the registered office and signed by the members of the Board physically attending the meeting. The powers of attorney, given in writing, are annexed to the attendance register. The attendance register must mention, as the case may be, the board directors attending the meeting by videoconference or by any other means of telecommunication.

6.3 Secretary of the Board

The Board appoints, further to a proposal of the Chairperson, a secretary of the Board (hereinafter referred to as the "Secretary of the Board"), from within its members or not.

The Secretary of the Board remains in office for the duration decided by the Board.

If the Secretary of the Board is absent, the Board appoints one or its members or a third party to replace him or her.

Each Board member can consult the secretary of the Board and use his or her services.

The secretary ensures the procedures relating to operation of the Board are complied with and draws up the minutes of each meeting.

The Secretary of the Board is empowered to certify the copies or extracts of the minutes of meetings of the Board.

ARTICLE 7 - ROLE OF THE BOARD

7.1 The Board deliberates on the matters and assumes the tasks within its remit by virtue of the law, the articles of association or these Internal Rules. It shall in all circumstances act in the corporate interests of the Company and endeavour to promote the creation of long-term value in all aspects of the Company's operations. Subject to the powers expressly allocated to the general meetings of the shareholders and within the limits of the corporate purpose, the Board may, at its own initiative, decide to examine any matter concerning the proper operation of the Company and, through its deliberations, it settles matters concerning the Company.

7.2 The Board determines the strategic orientations of the Company and/or the Group and ensures implementation thereof.

To this end, the Board shall act in accordance with the corporate interest and shall take corporate social responsibility and environmental factors into account. The Board gives its opinion on all decisions relating to the Company's policies concerning strategic, financial and technological matters and supervises implementation of these policies by the management team. The strategic orientations of the Company are defined in a strategic plan. The draft of the strategic plan is prepared and presented by the Chief Executive Officer and approved by the Board. The Chief Executive Officer presents an annual budget proposal in line with the strategic plan. The Chief Executive Officer implements the strategic plan. The Chief Executive Officer informs the Board of any problem or, more generally, any matter affecting or that could affect implementation of an element of the strategic plan. Implementation of the plan is supervised by the Board.

7.3 In addition to the powers mentioned in articles 6.1 and 6.2 above and the decisions listed in article 8 below requiring the Board's approval, the Board shall have, inter alia, the following powers:

- appoint and dismiss the corporate officers, determine their remuneration, select the form of organization and governance (Chairperson and Chief Executive Officer being held by two different people or by the same person);
- oversee the quality of the information supplied to shareholders and to the market, in particular through the financial statements and in connection with major transactions;
- perform regular reviews of opportunities and risks, including risks of a financial, legal, operational, social or environmental nature, and assess their impact on the strategy defined by the Board and the measures taken as a consequence, and receive, to that end, notably from the members of the Executive Committee, all information necessary to carry out its role;
- ensure that the Company complies with all regulations relating to the prevention of corruption and influence peddling and to any other compliance matte;
- ensure that the Management is applying a policy of non-discrimination and diversity, especially in terms of gender balance on executive bodies;
- ensure that the cybersecurity risk management program is adequate, that it reduces the risk of cyber-attacks and that it will detect, respond and react, when necessary, to attacks that may occur.

ARTICLE 8 - MEETINGS OF THE BOARD – MEETING AGENDA

8.1 The Board meets as often as the interests of the Company may require, particularly in order to meet the requirements prescribed by applicable laws and regulations. The Board meets at least four (4) times a year. The meetings must be sufficiently frequent and last long enough to allow an in-depth review and discussion of the matters within the scope of its

remit.

8.2 The Board shall only be able to validly conduct business if at least one half of its members are present or represented.

8.3 Each year, further to a proposal from the Chairperson, the Board sets the dates for its meeting for the coming year. In addition to the scheduled board meetings, other specific meetings may be organised as needed.

8.4 Meetings of the Board are convened by the Chairperson, or if the Chairperson is prevented from performing his or her duties, by the Vice-Chairperson or if the Vice-Chairperson is prevented from performing his or her duties, by the Chairperson of the Governance & Social Responsibility Committee.

8.5 In all circumstances, a meeting of the Board may be validly convened by a third of the board directors

8.6 Meetings of the Board are held at the Company's registered office or at any other venue specified in the convening notice. Notice of Board meetings may be given by any means, including by letter, facsimile, email or orally.

8.7 After consulting the Chairmen of the Committees of the Board and the Chief Executive Officer, the Chairperson sets the agenda for each meeting of the Board, and communicates the agenda to the board directors in a timely manner by any appropriate means. Upon recommendation by the Chairperson, the Board may deliberate on issues not set out on the agenda.

8.8 At the Chairperson's request and if appropriate in light of the agenda, members of the management, internal and external auditors and outside advisers, may attend meetings of the Board.

8.9 At the Chairperson's request, the board directors may meet for 'executive sessions', which are not attended by the Chief Executive Officer. An 'executive session' is scheduled at least once a year for the Chairperson's and Chief Executive Officer's performance review.

8.10 The meetings of the Board shall last a sufficient length of time to allow an in-depth review and discussion of the items on the agenda by the Board. The Chairperson is responsible for conducting the discussions.

8.11 Meetings of the Board may be held by videoconference or other means of telecommunication. In such case, the Board ensures that the videoconference or telecommunication facilities are compliant with applicable legal requirements and standards. First, the necessary measures must be taken to ensure the identification of each participant and verify the quorum; failing which, the meeting will be adjourned. Second, the means used must allow continuous and simultaneous transmission of the discussions. Members of the Board participating in a meeting by videoconference or other means of telecommunication shall be deemed to be present for the calculation of the quorum and majority, except for meetings during which matters referred to in articles L. 232-1 and L. 233-16 of the French Commercial Code (preparation of the Company's individual accounts and management report and preparation of the Company's consolidated accounts and management report) are addressed.

ARTICLE 9 – LIMITATION OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In addition to decisions that require Board approval by virtue of applicable laws, the Chief Executive Officer must obtain prior Board approval for:

- any material transaction outside the scope of TCS' announced strategy or that is likely to materially affect the operational or financial situation of the Company and/or the Group (i.e., including significant pluriannual contracts);
- the conclusion of any material strategic partnership;
- any transaction (contribution, acquisition, disposal, merger, transfer of any entity, activity or assets) by any member of the Company and/or the Group for an amount of more than €15 million, assessed either per transaction or per series of related transactions;
- the conclusion of financing agreements resulting in increasing the level of indebtedness of the Company and/or the Group by more than €5 million, as well as any significant modification or restructuring of the capital and debt structure of the company;
- the conclusion and/or amendment of any agreement relating to capital expenditures (including leases) exceeding €5 million;
- the appointment of a statutory auditor who is not part of a network of international repute;
- any decision, by any member of the Company and/or the Group, to settle a dispute where such settlement would result in the said member making a payment or waiver of payment of more than €5 million to the opposing party;
- any significant changes to the accounting principles applied by Technicolor Creative Studios or by a company of the Group, other than changes decided pursuant to applicable law or required by the statutory auditors of Technicolor Creative Studios or of the relevant company;
- the hiring and/or departure (including compensation package) for any Deputy Chief Executive Officer (Directeur Général Délégué and/or Directeur Général Adjoint) and/or Executive Committee position;
- the compensation package (incl. amendments) for any position within the Company or the Group with a total compensation exceeding €1.5 million.

For any of the above decisions that require the Board's approval, the Chairperson shall ensure that the Board is informed sufficiently in advance of the project and on a regular basis throughout it (financial, legal, appointment of advisers and other relevant information) so as to be able to make an informed decision in full knowledge of the facts at the appropriate time.

ARTICLE 10 – BOARD DIRECTORS' RIGHT TO INFORMATION

10.1 Each board director shall receive all the necessary documents and information to perform his or her duties and may request any documents he or she considers he or she may need. The Chairperson may deny such requests for additional documents when such request does not appear reasonably warranted by the Company's corporate interest or useful for the performance of the directors' duties. The Chairperson shall inform the Board regarding the response to each such request.

10.2 Besides the agenda for each meeting of the Board, board directors shall be provided in advance with the documents necessary to take an informed decision in full knowledge of the facts regarding the items on the agenda. Any board director who has not been put in a position to be able to deliberate in full knowledge of the facts has a duty to inform the Board of this and demand the information which is necessary for him or her to carry out his or her role.

10.3 Other than in connection with Board meetings, board directors shall be kept informed, on a regular basis and by any means, of the Company's financial and cash flow situation, its commitments, as well as of any significant events and transactions relating to the Company.

10.4 All board directors may receive, when they are appointed, additional training on the specificities of the Company and the companies that it controls, their businesses, their sector of activity and corporate social responsibility and environmental matters relevant to them.

10.5 The board directors may request to visit any sites of the Company and/or the Group to the extent that such visit appears necessary for them to carry out their role as board director. These requests are sent to the Chairperson and to the Chief Executive Officer. The visit must be organised so as to minimise disruption to operations at the site.

10.6 Any board director is entitled, after having informed the Chairperson and the Chief Executive Office, to meet with the management team of the Company and/or the Group without the Company's executive corporate officers (dirigeants mandataires sociaux) being present.

ARTICLE 11 – BOARD COMMITTEES

11.1 The Board may put in place one or more specialised committees and shall define their composition and their remit. The members of the Committees shall be chosen from among the members of the Board. The role of the Committees is to examine matters submitted to the Board and to assist the Board in its work. They present opinions, proposals and recommendations to the Board.

11.2 The following matters shall be subject to preparatory work carried out by a specialized Board Committee: (i) examination of the accounts and monitoring of internal procedures to verify compliance with applicable laws and regulations, (ii) monitoring of the internal audit procedures, (iii) monitoring of the internal control and risk management procedures, (iv) selection of the statutory auditors, checking their independence and monitoring their work, (v) corporate governance, (vi) nomination of the members of the Board and of its Committees, (vii) remuneration, and (vii) reviewing and monitoring of implementation of strategic directions, initiatives and commitments related to corporate social responsibility.

11.3 As at the date of these Internal Rules, there are three Board Committees: (i) the Audit Committee, (ii) the Governance & Social Responsibility Committee, and (iii) the Remuneration & Talent Committee. The number of Committees may change as decided by the Board, but the areas mentioned in article 11.2 must be covered in all cases.

11.4 The internal rules of each Committee as well as any subsequent modification that the relevant Committee may propose shall be submitted to the Board for approval. The terms of reference of each Committee shall, among other things, define the number of independent directors who shall serve on each Committee.

11.5 After informing the Chairperson of the Board, each Committee may carry out or have a third party carry out, at the Company's expense, any studies or investigations within the areas of its remit and that it may consider necessary to carry out its role. The Committees shall report to the Board on the results of these studies or investigations. The Committees may request, under the conditions described above, the assistance of external advisers.

4.

11.6 The Committees may meet the members of the Management, as well as the Company's internal and external auditors, if they consider it useful for preparing their work.

11.7 The chairman of each Committee shall report to the Board on the Committee's work. The opinions, proposals and recommendations issued by each Committee shall, if necessary, be recorded in reports.

ARTICLE 12 – DUTY OF CONFIDENTIALITY OF BOARD DIRECTORS AND BOARD OBSERVERS

12.1 Board directors and board observers are bound by a general duty of confidentiality with respect to information which is not publicly available acquired in carrying out their duties, content of the discussions and deliberations, the resolutions of the Board and its Committees, and generally, with respect to any information disclosed in connection with Board meetings.

12.2 Each board director must comply with applicable regulations concerning market abuse and inside information.

12.3 The Chief Executive Officer informs the board directors of the information to be disclosed to the markets as well as the draft wording of statements or releases that the Company intends to disclose.

12.4 The Chief Executive Officer shall take the appropriate measures to ensure that the employees of the Company and/or the Group having access, by virtue of their functions, to inside information keep such information confidential.

12.5 The Board ensures that non-Board members who attend meetings or participate in the work of the Board or the Committees are also bound by a confidentiality undertaking relating to the information to which they have access.

ARTICLE 13 – DUTY OF INDEPENDENCE OF THE BOARD DIRECTORS AND CONFLICTS OF INTEREST

13.1 In performing their duties, each board director must take decisions solely in consideration of the Company's interests.

13.2 Each board director is required to inform the Lead Independent Director, or in the absence of a Lead Independent Director, the Chairperson of any situation that could create a conflict of interests with the Company or one of the Company's companies and must refrain from taking part in discussions and voting on any related resolutions. In the event of a permanent conflict of interests, the relevant board director must resign. This confidentiality undertaking also applies to the board observers appointed, as the case may be, by the Board pursuant to article 12.7 of the Company's articles of association.

13.3 In accordance with the provisions of the AFEP-MEDEF Code, a member of the Board is considered to be independent when he or she has no relationship whatsoever with the Company, its group or its management, which could compromise the exercise of his or her freedom of judgement.

13.4 The Lead Independent Director, or in his or her absence the Chairperson, must disclose to the Board any situation of conflict of interest for which he or she has been informed.

13.5 The Board shall review the related-party agreements falling within the scope of article L. 225-38 of the French Commercial Code, and in the event of a possible conflict of interest between the Company and relevant persons, will ensure that the interests of the Company are protected. If there is any doubt regarding the application of article L. 225-39 of the French Commercial Code to a particular transaction, the Board shall assume that such provision applies.

13.6 The Board ensures that the proportion of independent members of the Board and of its committees complies with the provisions of the AFEP-MEDEF Code. Thus, the Board ensures that the proportion of independent members of the Board is at least half for as long as the Company is without a controlling shareholder, and at least a third if the Company is controlled (within the meaning of article L. 233-3 of the French Commercial Code). In addition, the Board shall ensure that at least two-thirds of the members of the Audit Committee, and at least half of the members of the Governance & Social Responsibility Committee and the Remuneration & Talent Committee, are independent members.

13.7 Whenever a member of the Board is appointed or reappointed and at least once a year before the Board prepares the corporate governance report, the Board reviews the independence of each of its members (or candidates). During that review, the Board, after having obtained the opinion of the Governance & Social Responsibility Committee, examines on a case-by-case basis the status of each of its members (or candidates) with regard to the criteria listed below, the specific circumstances and the situation of the relevant member (or candidate) vis-à-vis the Company. The conclusions of this review are disclosed to the shareholders in the corporate governance report and, as the case may be, to the general meeting of the shareholders when the members of the Board are elected.

13.8 The independence of each Board member is assessed by notably taking the following

criteria into account:

- not be, and not to have been in the past five years, an employee or executive corporate officer (dirigeant mandataire social exécutif) of the Company, or an employee, executive corporate officer (dirigeant mandataire social exécutif) or member of the board of directors or supervisory board of any company which includes the Company in its consolidated group, or of a company which is included in the Company's consolidated group;
- not be an executive corporate officer (dirigeant mandataire social exécutif) of a company in which the Company directly or indirectly is a member of the board of directors or supervisory board or in which an employee appointed as such or an executive
- corporate officer of the Company (currently or having been so in the past five years) is a member of the board of directors;
- not be a client, supplier, commercial banker, investment banker or consultant that is significant for the Company or its Group or for which the Company or its Group represents a significant portion of its business (or be linked directly or indirectly to such person); the assessment of whether the relationship with the Company or the Group is significant or not is debated by the Board and the criteria leading to this assessment is explained in the report in the universal registration document;
  - not have close family ties with a corporate officer of the Company;
  - not have been a statutory auditor of the Company during the past five years;
  - not have been a member of the Board for more than twelve years.

For the members of the Board owning ten per cent (10%) or more of the Company's share capital or voting rights, or representing a legal entity owning such a percentage, the Board, further to a report prepared by the Governance & Social Responsibility Committee, shall review the qualification of independence particularly by taking into account the Company's shareholding structure and any potential conflict of interests.

The Board may consider that although a member of the Board meets the above criteria, such member should not be qualified as independent in view of his or her specific situation or of that of the Company, with regard to its shareholding structure or for any other reason.

Each member qualified as independent must inform the Chairperson of any change in his or her personal situation with regard to these criteria, as soon as he or she becomes aware of such change.

13.9 Board members representing the employees, as the case may be, are not taken into account when determining the percentage of independent board members.

ARTICLE 14 – BOARD DIRECTORS' DUTY OF DILIGENCE

14.1 The Board represents the shareholders collectively and must act in the interests of the Company in all circumstances.

14.2 Any board director having accepted his or her appointment to the Board of the Company must familiarise himself or herself with the laws and regulations applicable to that role, and must have read the Company's articles of association, these Internal Rules and the terms of reference of any Committee on which the board director is to serve.

14.3 By accepting the office to which he or she is appointed, each board director undertakes to discharge fully the duties and responsibilities of his or her office, including:

- Devoting the necessary time to study the issues dealt with by the Board, and as the case may be, any Committee on which such board director serves; in particular, each member of the Board undertakes not to accept to hold more than four (4) other offices as member of the board of directors or supervisory board of listed companies outside the Group, including foreign companies, and must keep the Board informed of offices held in other companies, including participation in board committees of these French or foreign companies;
- ensuring that these Internal Rules are meticulously complied with;
- attending all meetings of the Board and of Committees on which such board member serves, and all general meetings of the shareholders;
- obtaining information and requesting any additional information he or she may deem necessary to perform his or her duties and to form an opinion on the items on the agenda of any meeting of the Board or any Committee on which he or she serves;
- working continually to improve the effectiveness of the Board and any Committees on which such board director serves and to advance the interests of the Company and the shareholders.

13.4 Each board director undertakes to resign from his or her office on the Board if he or she believes in good faith that he or she is no longer able to duly carry out the role.

ARTICLE 15 – COMPANY SHARES OWNED BY BOARD DIRECTORS

15.1 The Board considers that for the purpose of aligning board directors' interests with those of shareholders, it is desirable that each board director personally holds a significant number of shares of the Company. Consequently, each board director must acquire Technicolor Creative Studios shares in an amount (acquisition price) equivalent to at least half of the fixed annual remuneration due to him or her as board director. This acquisition can be carried out gradually. However, a minimum of 100 shares must be acquired and registered within six months from the date of his or her appointment, and the total minimum number of shares must be acquired no later than 24 months after that date. Should a board director fail to comply with this holding requirement, 50% of his or her fixed remuneration as board director will be forfeited.

15.2 This obligation does not apply to board members representing the Group's employees, as the case may be, or, further to a decision of the Board, to board members representing shareholders whose internal rules of procedure prohibit direct ownership of shares by their representatives. Loans of shares as fungible assets (prêts de consommation) by the Company to members of the Board are not allowed.

15.3 The shares owned by the board directors must be in the form of registered shares.

15.4 Board directors must declare to the French financial markets authority, the Autorité des Marchés Financiers, and to the Board all transactions in the Company's securities in accordance with the provisions of article L. 621-18-2 of the French Monetary and FinancialCode and the General Regulations of the Autorité des Marchés Financiers. The Company may, upon request, declare those transactions for and on behalf of the board directors.

15.5 The members of the Board shall refrain from:

- engaging in any transaction in the Company's securities, when they are in possession of insider information;
- directly or indirectly conducting short sales in the Company's shares.

As a general rule, the board directors undertake to comply with the provisions of the Insider Trading Policy drawn up by the Company.

ARTICLE 16 – REMUNERATION OF BOARD MEMBERS AND BOARD OBSERVERS

16.1 In respect of their role, board directors receive an annual remuneration, the global amount of which is determined by the general meeting of the shareholders. The Remuneration & Talent Committee proposes to the Board the global amount of remuneration to be submitted for approval to the general meeting of the shareholders, as well as the allocation of such amount between the board directors.

16.2 The annual allocation of board directors' remuneration is determined by the Board according to the effective attendance of board directors at meetings of the Board and its Committees.

16.3 As permitted by law, board directors may also receive remuneration for the execution of a mandate or a specific assignment. The amount of this remuneration is determined by the Board further to a proposal from the Remuneration & Talent Committee, it being specified that the said remuneration will be subject to the provisions governing related-party agreements.

16.4 Board observers may receive remuneration. The amount of this remuneration is determined by the Board, after the Remuneration & Talent Committee has issued its opinion, using the same principles as those applicable to board directors remuneration.

16.5 Board directors and board observers are also entitled to reimbursement of any reasonable expenses incurred in connection with their attendance at Board or Committee meetings.

16.6 The Board examines whether the level of the directors' fees is appropriate by taking into account the duties and the responsibilities incumbent upon each director. As a general matter, the remuneration of board directors must be determined in such a manner that their independence is not compromised.

ARTICLE 17 – SELF-ASSESSMENT OF THE COMPOSITION, ORGANISATION

AND PERFORMANCE OF THE BOARD AND ITS COMMITTEES

17.1 The Board shall carry out an assessment of its composition, organisation and performance on a regular basis, and shall carry out the same assessment for its Committees. The Board dedicates one of the points on its agenda to a discussion concerning its operation at least once a year and carries out a formal assessment at least once every three years. The purposes of the formal assessment shall be notably to study how the Board and Committees operate, to check that the important matters are properly prepared and discussed, and to assess the actual contribution of each board director to the activities of the Board and Committees.

17.2 The Board may be assisted by an external consultant for the assessment.

17.3 The Board may have to amend these Internal Rules to take the results of the assessment into account.

17.4 The shareholders are informed of the results of the assessment and consequences in the Company's annual report.

4.1.5 EXECUTIVE COMMITTEE

4.1.5.1 MEMBERS OF THE EXECUTIVE COMMITTEE

As of the date of publication of this Universal Registration Document, the Executive Committee comprises of 11 members. The following table shows their responsibilities and year of appointment.

Name of Executive Committee member	Age	Responsibility	Appointed
Caroline Parot	51	Chief Executive Officer (interim)	2023
Christian Roberton	50	Deputy Chief Executive Officer	2023
Hugues de Nicolay	59	Chief Financial Officer (interim)	2023
Stéphanie Fougou	*48*	General Counsel and Corporate Secretary	2022
Jean-Paul Burge	*50*	President, MPC	2022
Andrea Miloro	*59*	President, Mikros Animation	2022
Andy Emery	*51*	President, the Games	2023
Josh Mandel	*55*	President, The Mill	2022
Biren Ghose	*66*	SVP Technicolor Country Head India	2022
Simon Preswell	*52*	Head of Operations and Transformation (interim)	2023
Niki Steel	*42*	Chief People Officer	2022

Following the announcements of November 15th and November 30th, 2022, the Board of Directors of Technicolor Creative Studios appointed external advisors to perform an independent review of the Company's businesses to identify areas for improvements from an operational, organizational and financial perspective. This review has allowed the Company to define a further set of improvement actions in the continuity of the Re*imagined plan announced in November.

As a result, in order to accelerate the Company's transformation whilst continuing to deliver high quality projects to clients, the Board of Directors of Technicolor Creative Studios appointed Caroline Parot as Interim Chief Executive Officer to take the lead on the acceleration of the Company's global transformation and the implementation of a broad operational improvement program. Caroline Parot works closely with Christian Roberton who, as Deputy Chief Executive Office, is fully dedicated to clients and project execution as well as talents.

Caroline Parot lead the overall Company and have the Chief Financial Officer, Group General Counsel and Chief Operating Officer (COO) reporting to her; it being noted that Human Resources (HR) are dotted line into Caroline Parot.

Christian Roberton is in charge of Business and Customers, with the Presidents of each line of Business as well as India Operations and HR reporting to him; and COO dotted line into him.

4.1.5.2 BIOGRAPHIES OF EXECUTIVE COMMITTEE MEMBERS

Ms Caroline Parot joined Technicolor Creative Studios as senior advisor for a three months period (i.e from November 24, 2022 until February 24, 2022), according to which she was assisting the Chief Executive Officer on corporate matters (including liaison between Board and Management as needed) and definition of the Transformation Plan and its priorities (including but not limited to key commercial, operational and optimization actions…). In February 2023, she was appointed Chief Executive Officer (by interim). . Previously, she was Chief Executive Officer of Europcar Mobility Group, since November 2016. She held this position until July 2022, when the group was sold to a consortium led by the German car manufacturer Volkswagen. During her tenure, Caroline Parot was a member of the Board of Directors. She had joined the group in 2011 where she had held various positions, including CFO, and Deputy CEO in charge of finance functions. Previously, she held the positions of Group Management Controller (2009-2011) and member of the Management Committee (2010-2011) within the Technicolor Group and was notably in charge of the debt restructuring of Thomson Technicolor. She was also Financial Director of the Technology sector (2008-2009) and Controller of the Intellectual Property and Licensing Management department (2005-2008) within the same group. Until 2005, she was an auditor at Ernst & Young where she started her career in 1995.
Caroline Parot holds a DEA in Mathematical Economics from Panthéon-Sorbonne University and a Master's degree in Finance from the École Supérieure de Commerce de Paris (ESCP). Caroline Parot also holds a Diplôme d'Etudes Supérieures Comptables et Financières (DESCF).

Mr. Christian Roberton was appointed to the position of Deputy Chief Executive Officer in January 2022. For more information about his biography, please refer to section 4.1.1.3 above.

Mr. Hugues de Nicolay began his career with the Arthur Andersen group as an auditor before joining the Alcatel group in 1995 where he became CFO for several Alcatel-Lucent entities, both in France and internationally. He piloted the integration of Nokia's teams and financial management systems following the latter's acquisition of the Alcatel-Lucent group in 2016. He joined the SNCF group in the spring of 2017 to become Deputy Executive Director of Finance and Purchasing for SNCF Réseau and then joined the Technicolor Creative Studio Group in February 2023 as interim Chief Financial Officer.

Ms. Stéphanie Fougou joined Technicolor Creative Studios as General Counsel and Corporate Secretary in July 2022.
Prior to joining Technicolor Creative Studios, Stéphanie Fougou was General Counsel and Secretary to the Board of Directors of Ingenico SA and the European Payments Initiative (EPI), a private company launched by the major European banks to create a unified pan-European payment solution. She has 25 years of experience as General Counsel and then Corporate Secretary of major international CAC 40 and SBF 120 companies such as Ingenico, Accor, Vallourec and Club Méditerranée, where she managed various functions such as legal, M&A, compliance, ESG, risk and insurance. Stéphanie Fougou is an independant Director of La Compagnie des Alpes and Vice-Chair of the Board of Directors of Institut Pasteur. Stéphanie Fougou is an independant very committed to helping young people build successful and meaningful career paths: she teaches in several institutions (EGE, EDHEC) and mentors many profiles. She is Honorary President of the AFJE (Association Française des Juristes d'Entreprise) and "Doyenne" of the ENM (Ecole Nationale de la Magistrature) on economic, social and ESG issues.

Mr. Jean-Paul Burge, is, as Global President, responsible for the business performance and creative success of the Moving Picture Company (MPC), the largest suite of creative and VFX studios serving the feature film and episodic market globally. MPC has decades of storytelling experience across the feature film and episodic industries, with highlights including The Lion King, The Mandalorian and WandaVision. In recent years the studio has produced Academy Award Winning work for films such as 1917, The Jungle Book and The Life of Pi. MPC's global network of artists constantly innovate to bring unimaginable ideas to life through cutting-edge technology and boundless creativity. Part of the Technicolor Creative Studios network, MPC leads the visual arts industry, building authentic and long-lasting connections with audiences across the silver screen. The company is headquartered in London with facilities located in Los Angeles, NYC, Montreal, Bangalore, Paris, Adelaide and Seoul. Jean-Paul joined MPC in November 2022.. Prior to that, in a 20+ year career Jean-Paul has worked in London, Bangkok, Amsterdam, Hong Kong and Singapore. Most recently Jean-Paul was Chairman and CEO of BBDO Asia. BBDO Asia part of BBDO Worldwide and a member of Omnicom Group, is a global advertising, marketing and corporate communications company. During his time there BBDO Asia was the most awarded network for creativity and for effectiveness in the region. In 2016 and 2017, BBDO was named Network of the Year at the APAC Effie Awards. From 2014 to 2017, and again in 2019, BBDO was named the most awarded Network in Asia Pacific at Cannes. Network of the Year at Spikes in 2012, 2014, 2015, 2016, 2017, 2018 and 2019. For 13 years in a row, BBDO has been ranked the most creative agency network in the world by WARC 100, formerly known as the Gunn Report. Ranked as the most awarded agency network across all marketing communications in The Directory Big Won 14 times in the last 15 years.

Ms. Andrea Miloro joined TCS in February 2021 and heads up the global animation studio with bases in Montreal, London, Paris and Bangalore. The work of the studio covers a range of genres from episodic to long-form series, from feature films to IP. Andrea's career in the entertainment industry spans 20+ years and she has held creative and production leadership positions at most of the biggest players on the Animation stage. As Vice President, Head of Production at Sony Pictures Animation, Andrea oversaw the making of renowned shows including Cloudy with a Chance of Meatballs, Hotel Transylvania and the Academy Award®-nominated Surf's Up (2007). In 2017 Andrea was named Co-President of Fox Animation overseeing all of Blue Sky Studios and Locksmith Animation. She was then appointed as President of Fox Animation where she was responsible for productions such as Spies in Disguise, Ron's Gone Wrong and Nemona.

Mr. Andy Emery has 25 years of global operational and commercial leadership experience in the creative and technical outsource sector, in start-up and corporate environments. Before being appointed President of Technicolor Games, Andy founded specialist voice production firm SIDE in 1997 and led it to receive ten Industry Excellence Awards, before selling to Pole To Win Holdings Inc in 2015. He then held numerous executive roles at PTW International Holdings Ltd, most recently serving as Chief Operating Officer and spearheading the transformation and growth strategy of this boutique games services company.

Mr. Josh Mandel is a renowned leader in the advertising industry, having initially joined The Mill's studio in Los Angeles as Managing Director in 2019. After being at the helm of The Mill's transformation into an interconnected global network, he took on the role of CEO in early 2021.
Josh became President of The Mill in January 2022, leading the advertising business at TCS which provides a full-service visual arts global offering, focusing on VFX, Design, Creative Direction, Directorial and Experience. Josh brings two decades of experience with the world's best marketers to the global President role, having held senior leadership roles at Nike, Wieden+Kennedy, R/GA, 72andSunny, and 180 Amsterdam. Josh's commitment to growth and diversity of experience has seen him work across Europe, Mexico, and the USA.

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Mr. Biren Ghose has been the Country Head for Technicolor India for over 13 years.. He has taken the studio up the value chain from 400 employees in 2009 to its present strength of over 6500 artists. This makes the India studio the largest single studio for Animation, VFX, and Games art in the world. Biren is a thought leader and has been an industry evangelist. He is recognised by the Government and Industry as a mentor and visionary. He has helped build global recognition for the Indian AVGC (Animation, VFX, Games and Comics) industry. He believes the visual arts industry will create socio-economic development for India. Biren is the Chairman for CII's National AVGC Committee – India's oldest trade body. At a personal level, Biren has received the National Order of Merit - a knighthood conferred on him by the President of France. Biren is multi-faceted and has a passion for art, music, photography, wines and spirits.

Mr. Simon Presswell is a highly experienced professional who has spent 30 years leading and transforming significant businesses across the TMT industry in multiple countries. Initial as a digital entrepreneur helping to create and exiting various initiative businesses, then as an Officer operating within private equity assets including numerous production and studios businesses and recently as a public market CEO. He has led 19 acquisitions, 3 disposals and participated in 3 IPO's across different exchanges. Simon is focussed on transformation, operations, growth and scale in public and private markets for established brands looking to scale.
Simon holds an MBA from Hult Ashridge Business School and multiple qualifications from INSEAD and Loughborough University. Simons philanthropic interests have seen him serve the Board of the British Phonographic Industry, the BRIT School and the BRIT Trust.

Ms. Niki Steel joined Technicolor Creative Studios as Chief People Officer in April 2022. Her role is to lead the strategy, processes and employee communications that lead to building and retaining an exceptional team of talent. Niki is a culture advocate and brand builder, focused on developing an environment where the best and brightest creative minds can bring their full selves to work, build their careers and thrive. Niki shares Technicolor Creative Studios' passion for creativity and identifies with the importance of recognizing we are a talent-based business that relies on the diversity, energy, and motivation of our people. One of her first priorities has been to reimagine the HR function for Technicolor Creative Studios, which embraces these areas.
With a rich history in HR-related leadership roles, Niki began her career in HR at Orange, the French telecommunications company. Niki then went on to spend 11.5 years at Dyson, building strong a collaborative and trusted department and managing a high-performing global team located in the UK, EU, US and Asia.
Prior to Technicolor Creative Studios, Niki worked at Pearson, where she was Senior Vice President, HR Business Partner. There, she led a global people agenda which spanned thousands of employees in multiple countries, driving strategic and cultural transformation across the organization.

4.1.5.3 ROLE OF THE EXECUTIVE COMMITTEE

The Executive Committee meets every week under the direction of the Chief Executive Officer, with an agenda determined collectively by its members.

It examines questions relating to the activities of the Group. In this regard, it deals primarily with business activities, specific projects, following up on transactions and financial results, and the identification and assessment of risks.

Please refer to section 3.2.2: "General control environment" of this Universal Registration Document.

4.2 COMPENSATION

4.2.1 COMPENSATION AND BENEFITS OF CORPORATE OFFICERS

4.2.1.1 COMPENSATION POLICY FOR CORPORATE OFFICERS

This report on the compensation policy for Corporate Officers *(mandataires sociaux)* was adopted on March 22, 2023 and on March 29, 2023 regarding the Interim Chief Executive Officer, by the Board of Directors upon recommendation of the Remunerations Committee. It describes, in accordance with Article L. 22-10-8 of the French Commercial Code, the principles and criteria for the determination, allocation and distribution of the fixed, variable and exceptional items of the total remuneration and the benefits of all kinds that may be granted to Corporate Officers.

The Corporate Officers to whom this compensation policy is applicable are the Directors, the Chairperson of the Board of Directors, the Chief Executive Officer and Interim Chief Executive Officer.

The compensation policy will apply from January 1, 2023 to all persons who hold a Corporate Officer position within the Company.

However, in exceptional circumstances and in accordance with Article L. 22-10-8 III paragraph 2 of the French Commercial Code, the Board of Directors, upon recommendation of the Remunerations Committee, may derogate from the application of this compensation policy provided that such derogation is temporary, aligned with the Company's interest, and necessary to ensure the Company's future and sustainability.

Exceptional circumstances may include an unforeseen change or event impacting the Group's markets and/or competitive environment (market downturn, pandemic, etc.), a major change in the Group's scope of consolidation following a merger, an acquisition, a spin-off or a disposal, a significant financial restructuring, the creation or termination of a significant business activity or a change in accounting principles, this list being non exhaustive. In this case, the Board of Directors may in particular grant a variable remuneration (including equity linked incentive plan) to attract and retain non-executive directors with appropriate and complementary experience and expertise in such exceptional circumstances. The reasons for this decision (in particular with regard to the exceptional circumstances and alignment of the derogation with the Company's interest), as well as the compensation elements granted by derogation (notably their nature, quantum and precise applicable performance criteria), shall be detailed with regard to the specific situation of TCS and made public in due time.

This report will be submitted to shareholders' approval at the Annual General Meeting to be held to approve the financial statements for the fiscal year ended December 31, 2022.

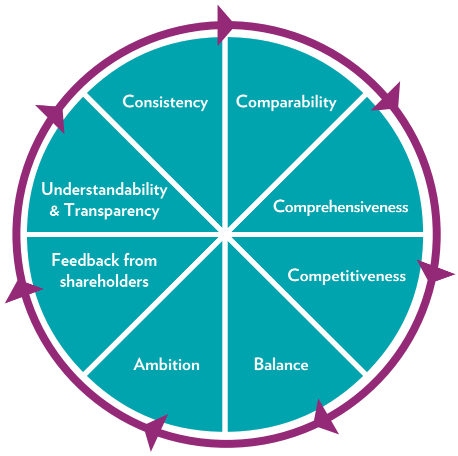
4.2.1.1.1 General principles for Corporate Officers' compensation

The compensation policy applicable to Corporate Officers is determined by the Board of Directors on the basis of recommendations made by the Remunerations Committee and is reviewed annually. The Remunerations Committee is composed of 67% of independent Directors, the Director representing employees not beinf included in the pourcentage in accordance with the AFEP-MEDEF recommendations. The Remunerations Committee may use the services of external advisors specialized in Corporate Officers' compensation.

It also takes into account feedback from shareholders as mentioned below.

The compensation policy is determined in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code under conditions of specific adaptations in the case of an interim position of the CEO.

The Board of Directors ensures that the compensation policy is adapted to the Company's strategy and context and that its purpose is to enhance Technicolor Creative Studio's medium and long-term performance and competitiveness. This policy respects Technicolor Creative Studio's corporate interest (intérêt social) by aligning the Corporate Officers' interests with those of its shareholders and make sure that the compensation plan rewards executive management for good financial performance. When setting this policy, the Board of Directors bases its decisions on the following principles:



- **Consistency:** the policy applicable to the compensation of the Chief Executive Officer is consistent with the general compensation policy that applies to the Group senior executives:
  - the components of the compensation package are the same as those provided to senior executives (fixed compensation, variable compensation and long-term plans),
  - with respect to the variable and long-term compensation, the same financial performance criteria apply to the Chief Executive Officer (Interim Chief Executive Officer) and other executives. In addition, the Chief Executive Officer (Interim Chief Executive Officer), Deputy Chief Executive Officer and Chief Financial Officer are bound by another variable target (see section 4.2.1.1.4 below).
- **Comparability:** the general policy for the compensation of the Corporate Officers has been developed in light of market practices. To that effect, the Remunerations Committee established with the assistance of outside advisors a peer group of listed companies which are comparable to Technicolor by size, industry and geographical presence. The peer group's composition is reviewed every year by the Remunerations Committee. It reflects in particular:
  - the Group's strong presence in the US: the Group generates majority of its revenues in the US, two members of the Executive Committee and the Group's main competitors are US based,

- the business diversity of the Group: Technicolor Creative Studios being a worldwide creative technology leader, operating in the Media & Entertainment industry, the peer group is made up of numerous direct competitors or clients in its key operating segments and of other companies in the broader Technology, Media & Entertainment space (i.e. such as ITV Plc, Playtech, Axel Springer, CRITEO, ProSiebenSat 1 Media, TF1 amongst others).

- **Competitiveness:** competitiveness of the compensation attributed to Corporate Officers is key in attracting, retaining and motivating the talents necessary to the Group's success and the protection of shareholders' interest. As such, it is considered by the Board of Directors when setting the compensation.
- **Balance:** the Board of Directors and the Remunerations Committee ensure that there is a proper balance between (i) fixed and variable components of the compensation, (ii) short and long-term components and (iii) cash and equity-based components. The Chief Executive Officer's (Interim Chief Executive Officer's) compensation is made up of 3 main components: fixed, short-term variable and long-term variable compensation. These components aim to remunerate the work done by the Chief Executive Officer (Interim Chief Executive Officer), tie compensation to the results achieved, and partly align the Chief Executive Officer's (Interim Chief Executive Officer's) interest with that of shareholders'.
- **Ambition:** the purpose of the annual variable compensation is to incentivize Corporate Officers to achieve the annual performance objectives set for them by the Board of Directors, consistent with the Company's strategy. All variable compensation plans are thus subject to challenging performance objectives for all beneficiaries who are around 680 worldwide. The financial objectives used are performance indicators set out by the Group in its financial communication. These quantifiable objectives are also the objectives used for determining the variable compensation of all Group employees who receive such variable compensation.
- Moreover, the Performance Shares awarded to the management are subject to a continued presence condition in the Group and, as laid down in the Corporate Policy on the Purchase and Sale of Company Shares, Insider Trading and Protection of Inside Information, Corporate Officers who have been awarded stock options and/or performance shares (i) are not allowed to carry out risk hedging transactions pursuant to the AFEP-MEDEF Corporate Governance Code and (ii) are subject to black-out periods during which they must not exercise their options not sell their vested shares.
- **Understandability of the rules and Transparency:** the variable compensation and long-term compensation plans are linked to stringent and transparent criteria of quantifiable and qualitative performance for which targets are clearly defined and set out in advance.
- **Comprehensiveness:** the Board of Directors and the Remunerations Committee take into consideration all components of the Corporate Officer's compensation in their overall appraisal of the compensation.
- **Feedback from shareholders:** in addition to the dialogue with shareholders in the area of compensation and governance and when reviewing the compensation policy for Corporate Officers, the Board of Directors pays specific attention to the feedback provided by the shareholders through the votes given to the say on pay resolutions at the General Meeting.

Due to the financial situation of Technicolor Creative Studio (profit warning announced on 15th November 2022), a specific governance was adopted consisting of the appointment of an interim Chief Executive Officer and, as a result, certain adjustments were made in terms of remuneration to ensure compliance with the company's interests.

4.2.1.1.2 Compensation policy for the Directors

The compensation policy for the Directors aims to attract Directors with a variety of profiles and skills and contribute to the proper operation of the Board.

Global annual envelope

The compensation policy for Technicolor Creative Studios' Directors was established by the Board of Directors on March 22, 2023, based on a recommendation from the Remuneration & Talent Committee, which conducted detailed analyses and reported to the Board of Directors. The decision-making process followed for the determination of the policy is also applicable to its review and implementation.

Rules of allocation

The overall compensation awarded to the Directors is made up of a fixed compensation, a variable compensation based on the attendance of the members, and, where appropriate, a travel allowance.

The levels of compensation, defined in the compensation policy, shall remain reasonable and competitive.

The Directors representing employees are not entitled to receive any compensation in their capacity as Director and the share retention obligation does not apply to them.

The variable compensation depends exclusively on the level of attendance of Directors in the meetings of the Board of Directors and its committees.

Additional fixed compensation is paid to the Chairpersons of the Board Committees, to take account of the level of responsibility incurred and the work involved in these functions.

The rules governing the allocation of the Directors' compensation for 2023 remain unchanged from 2022, as follows:

- a fixed compensation of 30,000 euros for each director (prorated in the event of the beginning or end of the term of office during the year);
- a variable compensation of 3,000 euros for each meeting of the Board of Directors;
- fixed compensation for each Committee Chairperson, as follows:
  - 15,000 euros for the Chairperson of the Audit Committee, and
  - 10,000 euros for the other Committee Chairpersons;
- variable compensation for each committee meeting, namely:
  - 2,500 euros for the Audit Committee, and
  - 1,500 euros for the other committees,
- a travel allowance of 2,500 euros per Board meeting involving travel by a director from one country to another in Europe or within the same continent, and 4,000 euros per Board meeting involving travel by a director from outside the continent, in particular to or from the United States;
- a fixed compensation of 15,000 euros to the Lead Independant Director;

- a maximum of 15,000 euros may be allocated to directors who have undertaken a specific mission during the year, in accordance with the rules governing regulated agreements.

Directors may not receive any other compensation than that mentioned above and are in particular not eligible for the grant of stock options, performance shares or any other long-term compensation, nor will they benefit from any commitment in the event of termination of their duties.

It is also specified that:

- no variable compensation will be paid for meetings lasting less than one hour;
- no compensation will be paid to the CEO for its duties as directors;
- all of the above compensation elements may be reduced by the Board of Directors in the event of a very high number of meetings in order to comply with the annual compensation package granted by the annual general meeting,
- directors representing employees are not entitled to any compensation as directors and the share retention obligation does not apply to them, and
- pursuant to the Board of Directors' internal regulation, each member of the Board of Directors shall acquire at least one hundred (100) Company's Shares within six (6) months of his or her appointment. In addition, each member of the Board of Directors shall acquire Company's Shares for an amount (acquisition price) at least equal to 50% of his or her annual fixed compensation due in his or her capacity as director, within twenty-four (24) months of his or her appointment (see section 4.1.2.5 above). Should a board director fail to comply with this holding requirement, 50% of his or her fixed compensation as board director will be forfeited.

According to section 15.4 of the Internal Board Regulations, Board Observers may be entitled to compensation, the amount of this compensation being determined by the Board upon recommendation of the Remunerations Committee, using the same principles as those applicable to Directors' compensation[1].

4.2.1.1.3 Compensation policy for the Chairperson of the Board of Directors

The office of Chairperson being separated from that of Chief Executive Officer, the compensation of the Chairperson will consist of the following items:

Fixed compensation	Director's compensation	Benefits in kind
(as Chairperson)	(the Chairperson of the Board of Directors does not receive any compensation for his/her duties as a director)	

The Company's compensation policy for the Chairperson described below has been set by the Board of Directors' meeting held on March 22, 2023 in compliance with the recommendations of the AFEP-MEDEF Code and is based on a comparative study of the systems in place in comparable entities detailed above in sub-section 4.2.1.1.1: "General principles for Corporate Officers' compensation" that have adopted the same mode of governance as the Company and opted for the separation of functions.

Compensation structure

The compensation structure of the non-executive Chairperson of the Board of Directors consists exclusively of a fixed annual cash compensation, it being specified that the Chairperson of the Board of Directors does not receive any compensation for his duties as a director.

He/she does not receive any variable annual or multi-year compensation, nor any stock options or performance shares. In addition, he/she is not eligible for any severance pay or other commitment in the event of termination of his/her duties and may not be awarded exceptional compensation. The Chairperson of the Board of Directors is not bound to the Company or to any other Group company by an employment contract.

Fixed annual compensation

The fixed annual compensation of the Chairperson of the Board of Directors is intended to remunerate him/her for the extensive responsibilities attached to this corporate office as set out in the law, the by-laws and the internal rules of the Board of Directors, including specific assignments entrusted to him/her by the Board of Directors, such as those that he/she may carry out in consultation with General Management.

This compensation also takes into account the background of the person concerned and in particular his or her skills, aptitudes and experience in carrying out this function.

As indicated above, this compensation is in line with market practices observed for the compensation of non-executive chairmen in comparable companies.

The fixed annual compensation can in principle only be reviewed at relatively long intervals such as the end of the mandate. However, it may be reviewed at an earlier interval and, if necessary, during the term of office, if particular circumstances such as a significant change in the scope of responsibilities or in the positioning of the Company so justify. Any review during the term of office will be made public.

The Chairperson's fixed annual compensation is set at 250,000 euros, payable in twelve equal monthly instalments.

Benefits in kind

The Chairperson of the Board of Directors is treated as an employee for social security purposes and is entitled to benefits in kind that are customary for all Group executives and employees (i.e., compulsory pension scheme, health insurance and disability cover, excluding unemployment cover.)

The Board of Directors may also decide to grant the Chairperson of the Board of Directors a benefit in kind, which may for example consist of an allowance for the vehicle he/she uses for business purposes or any other equivalent form.

4.2.1.1.4 Compensation policy for the Chief Executive Officer (including the Interim Chief Executive Officer)

The compensation policy for the Chief Executive Officer is substantially similar to the one related to 2022 and presented in the prospectus document in August 2022 (and completed in the public information dated 26th October 2022 on Chief Executive Officer remuneration), and includes specific adjustments related to the specific situation of a designation of an interim Chief Executive Officer.

The Board of Directors thus believe that this compensation policy is aligned with the expectations of the shareholders. At the Board meeting in March 29th, 2023 and the Renumeration Committee held on March 24th, 2023 decision has been taken in relation to the fix and variable compensation as well as related conditions of the Chief Executive Officer (Interim Chief Executive Officer) compensation.

Compensation items of the Chief Executive Officer (including the Interim Chief Executive Officer during term in office

Fixed compensation

The Chief Executive Officer (Interim Chief Executive Officer) benefits from a fixed annual compensation which is determined by taking into account the level and complexity of his/her responsibilities, his/her experience in similar positions and market practices for comparable companies.

The specific case of the Interim Chief Executive Officer, the fixed annual compensation will be €610,000 payable in 12 monthly instalments.

Annual variable compensation

The Chief Executive Officer (Interim Chief Executive Officer) is entitled to an annual variable compensation for which the Board of Directors, upon recommendation of the Remuneration Committee, defines each year performance objectives that are diverse and challenging, precise and pre-set, allowing for a comprehensive performance analysis, aligned with shareholders' interests.

The variable compensation is subject to the achievement of minimum targets with respect to the financial objectives set by the Board each year.

The financial objectives are performance indicators used by the Group in its financial communication. They are also those used, with the same targets, for determining the variable compensation of all Group employees who receive such compensation.

Subject to the achievement of the performance objectives, the annual variable compensation will amount to:

- €0 in case of non-achievement of the objectives;
- a target bonus of €610,000 in case of achievement of 100% of the objectives (representing 100% of the fixed compensation);
- up to 150% of the target bonus in case of overachievement of the objectives (*i.e.* €915,000 representing 150% of the fixed compensation).

The Board of Directors defined the performance objectives for the Chief Executive Officer's (Interim Chief Executive Officer's) 2023 variable compensation as follows:

- **financial objectives** (accounting for 60% of the amount of the target bonus):
  - a consolidated adjusted REVENUE objective accounting for 20% of the target bonus:
    - if the consolidated adjusted REVENUE does not amount to a minimum objective set by the Board of Directors, no compensation will be paid in respect of that objective,
    - if the consolidated adjusted REVENUE amounts to a target objective set by the Board of Directors, 100% of the target bonus will be paid in respect of that objective,
    - if the consolidated adjusted REVENUE exceeds this target objective, the compensation paid in respect of that objective could be up to 150% of the target bonus;
  - a consolidated adjusted EBITDA after Lease objective accounting for 20% of the target bonus:
    - if the consolidated adjusted EBITDA after Lease does not amount to a minimum objective set by the Board of Directors, no compensation will be paid in respect of that objective,
    - if the consolidated adjusted EBITDA after Lease amounts to a target objective set by the Board of Directors, 100% of the target bonus will be paid in respect of that objective,
    - if the consolidated adjusted EBITDA after Lease exceeds this target objective, the compensation paid in respect of that objective could be up to 150% of the target bonus;
  - a consolidated Free Cash Flow after Leases objective accounting for 20% of the amount of the target bonus:
    - if the consolidated Free Cash Flow after Leases does not amount to a minimum objective set by the Board of Director, no compensation will be paid in respect of that objective,
    - if the consolidated Free Cash Flow after Leases amounts to a target objective set by the Board of Directors, 100% of the target bonus will be paid in respect of that objective,
    - if the consolidated Free Cash Flow after Leases exceeds this target objective, the compensation paid in respect of that objective could be up to 150% of the target bonus;
- **individual objectives** (the fulfilment of each of the three individual objectives accounting together for 40% of the amount of the target bonus will be assessed by the Board of Directors and, in case of overachievement, an amount of up to 150% of the target bonus will be paid in respect of these objectives):
  - 20% of the target bonus will depend upon a **strategic** objective based on the successful completion of the Re*Imagined recovery program, which was publicly announced on November 30th, 2022 as well as the development and implement of the Technicolor Creative Studios turnaround plan in 2023,
  - 10% of the target bonus will depend upon **organization** related objectives based on the establishment of an efficient governance structure as well as operating model within the company and ensure management engagement on the group Strategic Framework, Re*Imagined TCS transformation, Turnaround program
  - 10% of the target bonus will depend upon a **CSR** objective ensuring further progress on the pillars of Diversity Equity and Inclusion (for 50%) with focus on gender parity and limitation of the environmental impact (for 50%).

Methods for assessing achievement of the performance criteria set for annual variable compensation

The **financial objectives** for the quantitative portion of the annual variable are based on the Company's forecast and objectives set by the Board. The achievements are explained ex post and measurables. The threshold of the financial performance criteria is attained at 90% of each of these criteria and triggers a 50% of the financial component of his/her annual variable compensation, on a prorata basis. Below the threashold of 90%, the pay out of the financial component is 0.

The **individual objectives** for the qualitative portion of the annual variable are assessed by the Board of Directors based on the recommendation of the Remunerations Committee, which forms its assessment using information provided by management. Precise contents and methods of assessment for each individual objective may not be fully disclosed in advance for confidentiality purpose. However such information shall be given *ex post* once these objectives have been assessed by the Board.

It should be noted that if consolidated adjusted EBITDA is below 80% of the budgeted amount, the Board of Directors will have the possibility of limiting the percentage of individual performance.

Payment to the Chief Executive Officer (including Interim Chief Executive Officer) of his/her variable compensation will be subject to approval of his/her compensation package by the shareholders at the Annual General Meeting, in accordance with Article L. 22-10-34 II of the French Commercial Code.

Benefits in kind

The Chief Executive Officer will enjoy benefits in kind which are usual (mandatory pension scheme benefiting all Group personnel, health insurance and disability coverage, Director' s and officers' liability insurance). In the specific case of the Interim Chief Executive Officer, she will enjoy benefits in kind which are: health insurance, health annual check-up, social security for company directors (GSC), and disability coverage as well Director's and officers' liability insurance.

Long-term incentive compensation

As other senior executives of the Group, the Chief Executive Officer will be entitled to benefit from a Long-Term Management Incentive Plan aimed at involving employees in the Group's performance and development, within the framework of the Group Strategic Plan. Such plan allows to ensure the competitiveness of the compensation offered by the Group, in dynamic and competitive international markets, and in sectors where the ability to attract talents is a key factor to success.

This Long-Term Management Incentive Plan could be based on the grant of performance shares or stock options or other equity instruments.

Such plan would be subject to challenging internal and/or external vesting conditions that will have to be pre-set by the Board of Directors upon grant.

It is specified that:

- the Board of Directors shall review whether the performance conditions determined upon grant are achieved;
- these performance conditions should be assessed over a minimum period of three years;
- the vesting of such instrument should be subject to the Chief Executive Officer's continued employment in the Group (the Chief Executive Officer must not leave the Group before the expiration of the vesting period, except in certain early exit situations provided for by law and other customary exceptions approved by the Board):
- the Board of Directors may decide to include a holding period.

In addition to these principles, the Board of Directors decided that:

- the long-term instruments which could be granted under a Long-Term Incentive Plan, valued in accordance with IFRS standards, should not represent a disproportionate percentage of the Chief Executive Officer's overall compensation (not more than 150% of his fixed and targeted variable compensations);
- the award to the Chief Executive Officer should also not represent an excessive portion of the total Plan (maximum 15% of the total allocation);
- the Chief Executive Officer should formally undertake not to use hedging instruments for the duration of the lock-up period. The sale of the shares definitively vested to the Chief Executive Officer is not possible during black-out periods, in accordance with applicable legal and regulatory provisions and Group procedures;
- in accordance with applicable law and Group procedures, the Chief Executive Officer must hold a significant and increasing number of shares and is required to hold in registered form and for as long as he remains in office, 20% of the shares that he acquires under such plans at the end of the vesting period.

Since the current CEO is in interim position, the Board has decided not to apply LTI to that position.

Directors' compensation

The Chief Executive Officer does not receive compensation in her/his capacity as a Director.

Exceptional compensation

In the case of an Interim Chief Executive Officer, she shall be entitled to receive an exceptional compensation in form of an extraordinary bonus amounting to maximum 50% of her annual base salary i.e EUR 305, 000..

The exceptional compensation will be awarded upon the achievement of the following two performance conditions, each representing 50%:

- Upon finalization of the new money transaction supported by the Board of directors, to be completed by mid-2023;
- In case, after the finalization of the new money transaction to be completed by mid-2023, a strategic review with the objective to secure a long-term solution for the group supported by the Board of directors is effectively ongoing and is progressing in a satisfactory manner at the end of 2023.

The objectives for the extraordinary bonus will be assessed by the Board of Directors based on the recommendation of the Remuneration Committee, which forms its assessment using information provided by management. Precise contents and methods of assessment for each objective may not be fully disclosed in advance for confidentiality purpose. However such information shall be given ex post once these objectives have been assessed by the Board.

In case of an external recruitment as CEO, a special welcome bonus may be granted destinated to compensate the advantages of the CEO leaving his/her former function. Its characteristics and amount would be made public once determined.

Payment to the Chief Executive Officer (Interim Chief Executive Officer) for the exceptional part of the compensation will be subject to approval of the compensation package by the shareholders at the Annual General Meeting, in accordance with Article L. 22-10-34 II of the French Commercial Code.

Supplementary pension plan

The Interim Chief Executive Officer does not benefit from any supplementary pension plan.

Compensation items of the Chief Executive Officer (including the Interim Chief Executive Officer) upon leaving office upon leaving office

Severance indemnity and non-compete indemnity

Should the Interim Chief Executive Officer depart upon the Company's initiative before October 2023, a severance package of net EUR 17,000 per completed month of service between the time of termination of her duties as CEO of Technicolor Creative Studios and end of October 2023 (time she would have been able to benefit of her previous GSC insurance) would be due by the Company to the Interim Chief Executive Officer. The severance package is subject to performance conditions which are assessed by the Board of Directors based on the recommendation of the Remunerations Committee. The performance condition is the achievement of 80% of her annual variable compensation.

The Chief Executive Officer (Interim Chief Executive Officer) will not benefit from a non-compete indemnity.

In general, should the Chief Executive Officer depart, the performance conditions set out by the Board for these benefits will be assessed over at least two financial years (if the life span of the company is superior to 2 years). They will be demanding and linked to the interests of the company. The termination payment will not exceed, where applicable, two years of (annual fixed and variable) compensation.

Impact of the Chief Executive Officer's (including the Interim Chief Executive Officer's) departure on compensation

In the event of the departure of the Chief Executive Officer (including the Interim Chief Executive Officer), the fixed portion of the remuneration will be paid on a pro-rata basis; the annual variable portion will also be paid on a pro-rata basis and based on the achievement of the objectives set by the compensation policy.

In addition and where applicable, if the Chief Executive Officer (Interim Chief Executive Officer) left the Group before the expiration of the vesting period, he/she would forfeit his/her rights to the long-term compensation.

By exception and where applicable, the Chief Executive Officer (Interim Chief Executive Officer) will keep his/her rights to part of the shares granted in the event of death, disability, leaving on retirement and termination of office at the initiative of the Company without cause and other customary exceptions approved by the Board. In these events, subject to the achievement of the performance conditions, the number of shares to be delivered will be pro-rated by the number of days elapsed from the date of the plan to the date of such event, as compared to the total duration of the plan, unless the Board decides otherwise, at its discretion and, where relevant and necessary subject to the Shareholders General Meeting's approval.

Compensation items of new corporate officers on taking up office (Chief Executive Officer including Interim Chief Executive Officer and/or Deputy CEO "Directeur General Délégué")

In the event of the appointment of a new corporate officer (CEO, interim CEO and/or Deputy CEO), the Board of Directors, on the recommendation of the Remunerations Committee, will determine the fixed and variable components in consistency with the individual's situation and the general compensation policy that applies to the Group senior executives. If necessary, any important changes to the remuneration policy will be submitted to the General Meeting for approval.

4.2.1.2 COMPENSATION AND BENEFITS OF CORPORATE OFFICERS FOR 2022

4.2.1.2.1 Compensation and benefits of Ms. Anne Bouverot, Chairperson of the Board of Directors

Ms. Anne Bouverot's compensation as Chairperson of the Board of Directors was composed in 2022 of a fixed compensation.

In accordance with Article L. 22-10-34 II of the French Commercial Code, the Company will submit to the shareholders' vote the following compensation items paid during or granted to Ms. Anne Bouverot for the last fiscal year (resolution to be approved by the shareholders at the Annual General Meeting to be held to approve the financial statements for the fiscal year ending December 31, 2022).

Compensation items paid or granted to Ms. Anne Bouverot for fiscal year 2022

	Gross amounts	Comments
FIXED COMPENSATION	**€66,667**	Ms. Anne Bouverot's fixed compensation, set at €250,000 for 2022 and proratized from september 27, 2022 to December 31, 2022, aims to adequately remunerate her involvement as Chairperson of the Board, taking into consideration the extended scope of her responsibilities.

For 2022 Ms. Anne Bouverot was not awarded and did not benefit from the following: annual or multi-annual variable compensation, exceptional compensation, stock options, performance shares or other long-term instrument, welcome bonus, severance pay, non-compete indemnity, or supplemental retirement plan.

Assimilated to an employee for social security purposes under French Law, she enjoyed certain benefits in kind which are usual for all Group managers and employees (mandatory pension scheme, health insurance and disability coverage), excluding unemployment insurance.

TABLE SUMMARIZING THE COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO MS. ANNE BOUVEROT (TABLE NO. 1 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

(in euros)	2021	2022
Compensation due	N/A	66,667(1)
Value of options granted	N/A	N/A
Value of performance shares granted	N/A	N/A
Value of other long-term compensation plans	N/A	N/A
TOTAL	**0**	**66,667**

(1) In compliance with the compensation policy applicable to the Chairperson of the Board, Ms. Anne Bouverot receives a fixed compensation of €66,667, which corresponds to the proratization from September 27, 2022 to December 31, 2022 of her annual salary of €250,000.

TABLE SUMMARIZING THE COMPENSATION OF MS. ANNE BOUVEROT (TABLE NO. 2 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	2021		2022	
(in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed	N/A	N/A	66,667(2)	66,667
Variable	N/A	N/A	N/A	N/A
Directors' fees(1)	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**N/A**	**N/A**	**66,667**	**66,667**

(1) In compliance with the compensation policy applicable to the Chairperson of the Board, Ms. Anne Bouverot receives a fixed compensation of €66,667, which corresponds to the proratization from September 27, 2022 to December 31, 2022 of her annual salary of €250,000.
(2) Amounts of Directors' fees due for year N are paid in year N+1.

TABLE SUMMARIZING THE BENEFITS AWARDED TO MS. ANNE BOUVEROT (TABLE 11 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

Employment Contract		Supplementary pension plan		Indemnifications or benefits due or likely to be due as a result of termination or change of position		Indemnifications relating to a non-compete clause	
Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X

4.2.1.2.2 Compensation and benefits of Mr. Christian Roberton, Chief Executive Officer

In accordance with Article L. 22-10-34 II of the French Commercial Code, the Company will submit to the shareholders' vote the following compensation items paid during or granted to Mr. Christian Roberton for the last fiscal year (resolution to be approved by the shareholders at the Annual General Meeting to be held to approve the financial statements for the fiscal year ending December 31, 2022).

Compensation items paid or granted to Mr. Christian Roberton as CEO from 27 september 2022 to 31 december 2022

	Gross amounts	Comments
FIXED COMPENSATION	**€180,299***	Mr. Roberton's total fixed compensation for his position as Chief Executive Officer, from September 27, 2022 to December 31, 2022, is set at EUR 679,388 payable in 12 monthly instalments and prorated as from his date of office. * For information purposes, Mr. Christian Roberton was in the roles of a Divisional President prior to the spin-off on September 27, 2022 so his annual salary is comprised by his fix compensation in both roles and amounted to EUR 645,779 in 2022.
ANNUAL VARIABLE COMPENSATION	**€24,438.20***	The variable compensation of Mr. Roberton depends upon the achievement of specific objectives approved by the Board of Directors. Reminder of the performance objectives set by the Board of Directors for 2022: The variable portion of Mr. Roberton's compensation for 2022 was subject to the following performance objectives: Financial objectives (accounting for 60% of the amount of the target bonus): a consolidated adjusted EBITA objective accounting for 30% of the target bonus: • if the consolidated adjusted EBITA does not amount to more than €21 million, no compensation will be paid in respect of that objective, • if the consolidated adjusted EBITA amounts to €26 million, 100% of the target bonus will be paid in respect of that objective, • if the consolidated adjusted EBITA exceeds €37 million, the compensation paid in respect of that objective could be up to 150% of the target bonus; a consolidated Operating Cash Flow objective accounting for 30% of the amount of the target bonus: • if the consolidated Operating Cash Flow does not amount to more than €42 million, no compensation will be paid in respect of that objective, • if the consolidated Operating Cash Flow amounts to €53 million, 100% of the target bonus will be paid in respect of that objective, • if the consolidated Operating Cash Flow exceeds €74 million, the compensation paid in respect of that objective could be up to 150% of the target bonus. The financial performances were assessed against Technicolor SA (now Vantiva) pro forma budget for the first 9 months pre spin off and against guidance for the last 3 months at TCS level rather than Technicolor SA (now Vantiva) pro forma budget for the 12 months period. Individual objectives (accounting together for 40% of the amount of the target bonus): • Strategy objectives were (accounting for 10%) to: – to develop a strategic vision for Technicolor Creative Studios, and in particular a growth strategy for the organisation including steps to get there. – in addition to secure a long-term commercial contract with major customers and agree on terms by end 2022, as well as – to launch a project to proactively manage Technicolor Creative Studios shareholding and get one new shareholder by end 2022 / early Q1 2023; • Objective related to talent management (accounting for 20%) entailed: – to ensure a talent refresh and implement a strong leadership at the senior levels of the organisation as well as – recruitment of various important roles and retaining key talent across the business – to implement a talent assessment and a robust succession plan – to actively focus on engagement and launch an employee survey – to define and put in place an action plan, operational measurements and tracking to improve project efficiency and the fulfilment of set KPIs • Objective related to CSR (accounting for 10%) were aimed at diversity, equity and inclusion across the organization with the – development of a Diversity, Equity &Inclusion (DE&I) framework, focused on the qualitative and quantitative data and insights to lay the foundations for the strategy build out in Q1 2023 – improvement of female representation at the senior leadership level across the Executive Committee and the Management Committee

	Gross amounts	Comments

ANNUAL VARIABLE COMPENSATION		Achievement of the 2022 performance objectives:
		• Upon the Remunerations Committee's recommendation, the Board of Directors held on March 22nd, 2023, reviewed as follows the performance of Mr. Christian Roberton for 2022.
		• Financial objectives (accounting for 60% of the amount of the target bonus):
		  • as the consolidated adjusted EBITA amounted to €-41 million and the consolidated adjusted EBITA objective set at €26 million, the objective was not achieved;
		  • as the consolidated Operating Cash Flow amounted to €-25 million and the consolidated Free Cash Flow objective set at €53 million, the objective was not achieved;
		
		Individual objectives (accounting together for 40% of the amount of the target bonus): With regard to the individual objectives, it is to be noted that in its meeting held on March 22nd, 2023, the Board of Directors set precise contents and/or deliverables and assessment for each none-financial objective.
		In March 2023, the Board acknowledged and assessed, inter alia, the following deliverables:
		• for the first objective related to strategy (accounting for 10%):
		• Providing a growth strategy for Technicolor Creative Studios and acquiring a new shareholder as well as a long-term commercial contract with a major customer. The Board has considered the above and came to the decision that the strategic objective have not been achieved.
		• for the second objective related to talent management (accounting for 20%):
		• a talent refresh, has been implemented whereby 20% of the Executive Committee membership has been adapted to ensure a high calibre composition is achieved as well was various identified key positions across the business were filled with top talent. A newly composed Management Committee has been launched in October 2022. A global employee survey has been implemented. A talent assessment as well as a succession planning has been conducted and shared with the Board. The Board considered the above and has decided that the second objective was partially achieved.
		• for the third individual objective based on CSR (accounting for 10%):
		• DE&I related qualitative survey entailing regional focus groups and leadership interviews have been conducted. Female representation at the senior management levels reached 38.5% in 2022. The Board of Directors considered the above and decided targets were partially met.
		
		Given the severity of the company's financial situation Mr. Christian Roberton offered to forgo all individual bonus for 2022.
		However, upon recommendation of the Remuneration & Talent Committee, the Board of Directors decided that there would be a pay-out of 15% of his bonus, i.e., € 24,438.20 versus €162,921.34 on target.
		Payment to the CEO of the variable compensation is subject to approval by the shareholders at the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2022 of his compensation package, in accordance with Article L. 22-10-34 II of the French Commercial Code.

4.

<table>
<tr><th></th><th>Gross amounts</th><th>Comments</th></tr>
<tr><td>ANNUAL VARIABLE COMPENSATION</td><td></td><td>
Annual variable compensation of Mr. Christina Roberton during his time as CEO in the 2022 fiscal year
<table>
<tr><th></th><th colspan="2">Target amount</th><th colspan="2">Maximum amount</th><th colspan="2">Appraisal by the Board</th></tr>
<tr><th></th><th>As % of fixed compensation</th><th>Target amount (in euros)</th><th>As % of fixed compensation</th><th>Maximum amount (in euros)</th><th>Achieved</th><th>Corres-ponding amount (in euros)</th></tr>
<tr><td>EBITA objective</td><td>30%</td><td>€48,876.4</td><td>60%</td><td>€97,752.8</td><td>0%</td><td>€-</td></tr>
<tr><td>Operating Cash Flow objective</td><td>30%</td><td>€48,876.4</td><td>60%</td><td>€97,752.8</td><td>0%</td><td>€-</td></tr>
<tr><td>Individual objectives</td><td>40%</td><td>€65,168.54</td><td>80%</td><td>€130,337.08</td><td>15%</td><td>€24,438.2</td></tr>
<tr><td>TOTAL VARIABLE</td><td>100%</td><td>€162,921.34</td><td>200%</td><td>€325,842.68</td><td>15%</td><td>€24,438.2</td></tr>
<tr><td colspan="6">ANNUAL VARIABLE COMPENSATION (IN EUROS)
*. Mr. Christian Roberton was in the role of a Divisional President prior to the spin-off on September 27, 2022 and in this role his variable compensation based on 5% achievement of his None-Financial Objectives amounts to € 23,890.45.</td><td>€24,438.2</td></tr>
</table>
</td></tr>
<tr><td>LONG-TERM INCENTIVE PLAN</td><td>€ -</td><td>Mr. Christian Roberton was granted a long-term incentive compensation in the amount of € 4,200,000.00 in his position as CEO which comprises of two elements, a cash plan and performance shares.
Cash Plan
Mr. Roberton has been allocated a 3-year cash plan (covering 2023, 2024 and 2025) under following conditions:
• A target pay-out of € 2,200,000.00 over a 3-year period (€ 733,333 on target pay-out per year)
• Performance conditions aligned with the LTI performance share criteria
• Presence conditions over the 3-year period to be applied
• Performance Shares
Mr. Christian Roberton was to benefit from a grant of performance shares for a number of shares equivalent to € 2,000,000.00. The vesting of the performance shares is subject to:
Performance conditions determined by the Board of Directors and subject to annual assessment over a minimum of a 3-year period. The conditions are to be adapted to the strategy set by the Board of Directors and established to best align with shareholder interest as well as ensure consistency with conditions set for the organisation broader incentive plans.
• A presence conditions applies over the 3-year vesting period with limited exceptions subject to Board Approval.
Following the profit warning on November 15th 2022, Technicolor Creative Studios and Mr. Christian Roberton had agreed to postpone until 2023 all elements of the long-term incentive plans (cash plan and performance shares) provided for in the CEO compensation policy as per communication published on 8th of February 2023.
Given the termination of his office as CEO, no long-term incentive plan will be granted to Christian Roberton with respect to that office.</td></tr>
<tr><td></td><td>N/A</td><td>Should Mr. Christian Roberton depart upon the Company's initiative a severance package based on one year salary entailing fixed and variable compensation will be paid out subject to 80% achievement of the objectives governing the variable annual compensation for the year preceding the departure.

For information purpose, Mr. Christian Roberton mandate as CEO was terminated on 6th of February 2023 and no severance package was granted.</td></tr>
<tr><td>NON-COMPETE INDEMNITY</td><td>N/A</td><td>Mr. Christian Roberton does not benefit from a non-compete package.</td></tr>
<tr><td>BENEFITS IN KIND</td><td>€11,997</td><td>Pension allowance and health care.</td></tr>
</table>

For 2022, Mr. Christian Roberton was not awarded, nor did he benefit from exceptional compensation, stock options, welcome bonus, or supplemental retirement plan or Directors' compensation.

TABLE SUMMARIZING THE COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO MR. CHRISTIAN ROBERTON (TABLE NO. 1 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

Gross amounts (in euros)	**2022**
Compensation due	N/A
Value of options granted	N/A
Value of performance shares granted	N/A
Value of other long-term compensation plans	N/A
TOTAL	**N/A**

PLEASE NOTE: Christian Roberton was granted with 71,570 free shares as a result of the distribution of shares related to the spin off on September 27th, 2022.

TABLE SUMMARIZING THE COMPENSATION OF MR. CHRISTIAN ROBERTON (TABLE NO. 2 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	2022	
Gross amounts (in euros)	**Amounts due**	**Amounts paid**
Fixed	180,299	180,299
Annual variable	24,438.20	-
Multi-annual variable	N/A	N/A
Directors' fees	N/A	N/A
Benefits in kind	11,997	11.997
TOTAL	**216,734.2**	**192,296**

SUMMARY OF THE COMPENSATION OF MR. CHRISTIAN ROBERTON

	2022
	Amounts due
Fixed	180,299
Variable	24,438.20
Directors' fees	N/A
Benefits in kind	11.997
Multi-annual variable	N/A
TOTAL	**216,734.2**
Performance shares (LTIP): number of performance shares granted	N/A
Value of the shares on the grant date	N/A

STOCK OPTIONS GRANTED TO MR. CHRISTIAN ROBERTON DURING 2022 (TABLE NO. 4 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

No. and date of the plan	Nature of options	Valuation of the options	Number of options	Exercise price	Exercise period
None	None	None	None	None	None

STOCK OPTIONS EXERCISED BY MR. CHRISTIAN ROBERTON DURING 2022 (TABLE NO. 4 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

No. and date of the Plan	Number of options exercised during the fiscal year	Exercise price
None	None	None

PERFORMANCE SHARES GRANTED TO MR. CHRISTIAN ROBERTON DURING 2022 (TABLE NO. 6 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

No. and date of the Plan	Number of shares granted during the year	Valuation of the shares	Acquisition date	Availability date	Performance conditions
N/A	N/A	N/A	N/A		N/A

PERFORMANCE SHARES GRANTED TO MR. CHRISTIAN ROBERTON THAT HAVE BECOME AVAILABLE IN 2022 (TABLE NO. 7 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

Performance shares that became available in 2022	Number of performance shares
None	None

Tables 8 and 9 of the Annex 4 to the AFEP-MEDEF Corporate Governance Code are included in sub-section 4.2.4: "Stock Option Plans and Performance or Restricted Share Plans" of this Universal Registration Document.

SUMMARY OF THE BENEFITS AWARDED TO MR. CHRISTIAN ROBERTON (TABLE NO. 11 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

Employment Contract		Supplementary pension plan		Indemnifications or benefits due or likely to be due as a result of termination or change of position		Indemnifications relating to a non-compete clause	
Yes	No	Yes	No	Yes	No	Yes	No
	X		X		X		X

4.2.1.3 DIRECTORS' COMPENSATION

The Remunerations Committee recommends to the Board of Directors the total amount of Directors' compensation to be submitted for shareholders' approval at the Annual General Meeting, and their allocation among the Directors. The maximum annual amount of Directors' compensation that can be paid to the Directors was set at €750,000 by the Annual General Meeting held on April 29, 2022

The rules governing the allotment of the Directors' compensation payable for 2021 are defined in the Compensation policy for the Directors approved by the Shareholders at the Annual General Meeting held on May 12, 2021 (see 2020 Universal Registration Document, section 4.2.1.1.2, page 124).

DIRECTORS' COMPENSATION AND OTHER COMPENSATION PAID TO DIRECTORS (TABLE NO. 3 OF THE ANNEX 4 OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	Gross amounts due in respect of fiscal year 2021 and paid in 2022 (in euros)(1)			Gross amounts due in respect of fiscal year 2022 and paid in 2023 (in euros)		
Name	Directors' compensation	Including a variable amount of	Other compensation items	Directors' compensation	Including a variable amount of	Other compensation items
Anne Bouverot	-	-	-	0	0	66,667(2)
Bpifrance Participations represented by Thierry Sommelet(3)	-	-	-	0	0	-
Katherine Hays	-	-	-	32.500	24.500	-
Christian Roberton(4)	-	-	-	0	0	0
Xavier Cauchois	-	-	-	59.000	32.000	-
Rajan Kohli	-	-	-	35.000	27.000	-
Christine Laurens	-	-	-	50.000	32.000	-
Olivier Courson	-	-	-	20.167	16.500	-
Guillaume Maucomble as employees representative(4)	-	-	-	0	0	0
TOTAL	**0**	**0**	**0**	**196,667**	**132,000**	**66,667**

(1) As all the directors were appointed in 2022, due to the transformation of the Company into a French société anonyme, no compensation was due in respect of fiscal year 2021.
(2) In compliance with the compensation policy applicable to the Chairperson of the Board, Ms. Anne Bouverot receives a fixed compensation of €66,667, which corresponds to the proratization from September 27, 2022 to December 31, 2022 of her annual salary of €250,000.
(3) No compensation is paid to BPI, represented by Thierry Sommelet as a result of BPI's internal policy
(4) No compensation will be paid to the CEo or to director representing employees for their duties as directors.

Angelo, Gordon & Co., L.P. represented by Mr. Julien Farre, did not receive any compensation as Board observer.

4.

4.2.2 PAY EQUITY RATIO

The following information, provided pursuant to Article L. 22-10-9 of the French Commercial Code and the AFEP guidelines updated in February 2021, includes:

- the ratios between each corporate executive officer (respectively the Chairperson of the Board of Directors and the Chief Executive Officer)'s compensation and the average and median compensation of full-time equivalent employees of the Company (Technicolor Creative Studios SA); and
- the ratios between each corporate executive officer (respectively the Chairperson of the Board of Directors and the Chief Executive Officer)' s compensation and the average and median compensation of full-time equivalent employees of all the French entities of the Group, such perimeter being considered as more representative as the one of Technicolor Creative Studios SA.

As the Company was newly created and listed as of September 2022, the Company is not able to provide the evolution of the above mentioned ratios over the last 5 financial years as well as the comparison of such evolution with the one of the financial performances of Technicolor Creative Studios over the same period.

The compensation items taken into account for the calculation of the pay equity ratios below include:

- for the employees: fixed compensation, fixed premiums, exceptional payments, benefits in kind, profit sharing (French intéressement scheme), and the performance or restricted shares granted during the year assessed at their fair value (IFRS standard) at grant date;
- for the Chairperson of the Board: fixed compensation as Chairperson of the Board of Directors, benefits in kind;
- for the Chief Executive Officer: fixed compensation,, exceptional payments, benefits in kind, and the performance or restricted shares granted during the year assessed at their fair value (IFRS standard) at grant date.

CHAIRPERSON OF THE BOARD OF DIRECTORS

Financial year	2018	2019	2020	2021	2022
Evolution (%) of the compensation of the Chairperson of the Board	N/A	N/A	N/A	N/A	N/A
Perimeter: Technicolor Creative Studios SA *(full-time equivalent employees)*					
Evolution (%) of the average compensation	N/A	N/A	N/A	N/A	N/A
Ratio - average compensation	N/A	N/A	N/A	N/A	1.4
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A
Ratio - median compensation	N/A	N/A	N/A	N/A	3.1
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A
Perimeter: France *(full-time equivalent employees)*					
Evolution (%) of the average compensation	N/A	N/A	N/A	N/A	N/A
Ratio - average compensation	N/A	N/A	N/A	N/A	3.4
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A
Ratio - median compensation	N/A	N/A	N/A	N/A	4.3
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A

CHIEF EXECUTIVE OFFICER

Financial year	2017	2018	2019	2020	2021
Evolution (%) of the compensation of the CEO(1)	N/A	N/A	N/A	N/A	N/A
Perimeter: Technicolor creative Studios SA *(full-time equivalent employees)*					
Evolution (%) of the average compensation	N/A	N/A	N/A	N/A	N/A
Ratio - average compensation	N/A	N/A	N/A	N/A	3.8
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A
Ratio - median compensation	N/A	N/A	N/A	N/A	8.4
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A
Perimeter: France *(full-time equivalent employees)*					
Evolution (%) of the average compensation	N/A	N/A	N/A	N/A	N/A
Ratio - average compensation	N/A	N/A	N/A	N/A	9.3
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A
Ratio - median compensation	N/A	N/A	N/A	N/A	11.7
N/N-1 change in %	N/A	N/A	N/A	N/A	N/A

TECHNICOLOR CREATIVE STUDIOS' PERFORMANCE

Fiscal year	2017	2018	2019	2020	2021
Adjusted EBITDA(2) *(in million euros)*	341	266	246		
N/N-1 change in %	(40)%	(22)%	(8)%		
Adjusted EBITDA(3) *(in million euros)*			324	167	268
N/N-1 change in %				(48)%	60%
Net result (Group share) *(in million euros)*	(173)	(67)	(230)	(211)	(140)
N/N-1 change in %	(562)%	60%	(238)%	8%	33%

(1) Evolution 2021 is due to 2 main factors:
- 2021 is the first year of payment of annual variable compensation due to the CEO on a full year basis (vs. 2020),
- the number of additional performance shares granted to the CEO under ASP 2020 according to the Board of Directors' decision.

(2) Adjusted EBITDA is before IFRS 16. For 2016, it still includes Patent Licensing and Research & Innovation activities.
(3) Adjusted EBITDA including IFRS 16.

4.2.3 STOCK OPTIONS PLANS AND PERFORMANCE OR RESTRICTED SHARES PLANS

This section constitutes the Board of Directors' report to shareholders made in accordance:

- with Article L. 225-184 of the French Commercial Code, describing the allocation by the Board of Directors of share subscription or purchase options under Articles L. 225-177 to L. 225-186 and L. 22-10-56 to L. 22-10-58 of the French Commercial Code during fiscal year 2022;
- with Article L. 225-197-4 of the French Commercial Code, describing the allocations by the Board of Directors of performance and restricted shares under Articles L. 225-197-1 to L. 225-197-3 and L. 22-10-59 to L. 22-10-60 of the French Commercial Code during fiscal year 2022.

4.2.3.1 STOCK OPTION PLANS

The Shareholders' Meeting of July 8, 2022, in its 18th resolution, authorized the Board of Directors to proceed with the allocation, in one or several times, in favor of eligible employees and officers of the Group, of stock options. This authorization is valid until September 8, 2025. Options granted under this authorization would not give right to a total number of shares greater than 820,022,872.5 representing 3% of the share capital at the date of the Company's listing.

The Board of Directors did not allocate any stock options in 2022.

Therefore, in accordance with Article L. 225-184 of the French Commercial Code, it is noted that no option was granted nor exercised in 2022.

4.2.3.2 PERFORMANCE OR RESTRICTED SHARE PLANS

The Shareholders' Meeting of July 8, 2022, in its 17th resolutions, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of certain employees and corporate officers of the company and its related companies. This authorization has been given for a 38-month period and is valid until September 8, 2025. The shares to be issued pursuant to this authorization shall not represent more than 3% of the share capital at the date of the Shareholders' Meeting held on July 8, 2022.

The Board of Directors did not make use of this authorization yet.

Long-Term Incentive Plan

None.

Additional Performance Shares Plan

None.


Braves
SWOOSH
CHING BAND
Never
Done

5. DISCLOSURE ON EXTRA-FINANCIAL PERFORMANCE

Ambitious **TALENT ACQUISITION** *and* **DEVELOPMENT** *programs*

73% of decarbonated electricity and 66% of renewable electricity
A commitment to reduce drastically the Group's carbon emissions by adopting guidelines of
SCIENCE BASED TARGETS INITIATIVE

RECOGNITION OF CSR PERFORMANCE
by rating agencies (Platinum rating by EcoVadis, Top 10% rank by S&P Global, C+ Prime rating by ISS ESG, Platinum rating by Gaia-Ethifinance)

Please note, "Adjusted indicators used in this chapter are defined in section 2.2.9 – Adjusted indicators"

This Chapter aims at presenting the set of Corporate Social Responsibility initiatives of the Group. It includes the Declaration on Extra-Financial Performance (DPEF) pursuing Article L. 225-102-1 of the French Commercial Code and the Vigilance Plan, pursuing Article L. 225-102-4 of the French Commercial Code.

PRELIMINARY METHODOLOGY NOTE ABOUT SPIN-OFF OF TECHNICOLOR CREATIVE STUDIOS AND EXTRA-FINANCIAL DISCLOSURES

Technicolor Creative Studios legal entities and activities were part of the Technicolor Group until September 27, 2022, and the respective extra-financial performances of these activities were reported under the Technicolor Group during the past years.

As part of the separation process of the Technicolor Group between Technicolor Creative Studios, and Vantiva and during a transition and temporary period that should end during 2023, a few employees working for Technicolor Creative Studios activities have a working contract with a legal entity of the Vantiva group and vice versa.

According to the article 225-102-1 of the French Commercial Code, the scope of the report on the disclosure of extra-financial performance must be done according to the legal entities. Tables and figures will be primarily presented according to this legal requirement, based on the legal entities that were part of the Technicolor Creative Studios Group, during the full 2022 year.

However, in order to provide a consistent view about the scope of activities and with the Prospectus, additional tables will be provided based on the scope of activities related to Technicolor Creative Studios, *i.e.*, including employees working exclusively for Technicolor Creative Studios but who are part of Vantiva legal entities, and excluding employees working exclusively for Vantiva group.

The same approach will be applied for environmental, health and safety data, as very few sites that are part of Vantiva legal entities work exclusively for Technicolor Creative Studios activities.

With the purpose of allowing comparison with past years, estimates for 2022 and 2021 will be provided but based on the related activity scope based on the split of past disclosure between the different businesses of Technicolor Group, if the split by legal entity is not possible or relevant.

Social reporting covers all Group's employees and environmental reporting covers 16 sites (section 5.5.4) corresponding to more than 99% of Group's employees. Period of reporting for all indicators are from January 1st, 2022 to December 31st, 2022. The processes for collecting and verifying extra-financial information are specified in specific guidelines for definition, methodology, use of reporting and calculation tools, on the one hand for social indicators, and on the other hand for environmental indicators (section 5.5.4).

5.1 CORPORATE SOCIAL RESPONSIBILITY'S CHALLENGES OF THE GROUP

Within the Group, the Corporate Social Responsibility Department supervises the CSR (Corporate Social Responsibility) processes in cooperation with the business divisions. CSR is backed by the Human Resources network and the Environment Health and Safety network, each network having responsible local members located in the main sites. CSR reports to the Group General Counsel and Board Secretary EVP, who is a member of the Executive Committee of the Group, and who defines CSR strategic priorities in-line with Technicolor Creative Studios' Strategic Plan, and drives initiatives across the Group's activities.

5.1.1 BUSINESS MODELS

Technicolor Creative Studios' activities, as well as the associated business models, are presented in sections 1.1: "Overview and historical background", 1.2: "Business overview", and 1.3: "Strategy".

5.1.2 THE CSR RISKS

Beyond the global risk factors of the Group's businesses presented in section 3.1, and regarding the implementation of Articles L. 225-102-1 and L. 225-102-4 of the French Commercial Code, the Group has identified 6 macro risks resulting in 17 CSR issues. Policies and results regarding these issues are detailed throughout this Chapter.

Macro risk		CSR Challenges
Human capital In a context of ongoing and rapid transformation of our business, and while the profile of talents may vary according to each business's needs, in all cases, the diversity, availability, and development of talent are at the core of our production and competitive capabilities.	1	**Talent attraction and retention*** (see section 5.2.1)
	2	Management of business cycles – fixed-term/temporary staff (see section 5.2.2)
	3	**Diversity and inclusiveness, gender equality and access for women to positions of responsibility*** (see section 5.2.3)
	4	**Employee engagement*** (see section 5.2.1.3)
	5	**Talent management and development*** (see section 5.2.1.4)
	6	Community impact and regional development (see section 5.2.7)
	7	Absenteeism (see section 5.2.6)
Human Rights and working conditions We must ensure a safe environment for the diverse talent in our studios as well as within our suppliers	8	Human Rights and working conditions, including suppliers and sub-contractors (see section 5.3.1)
	9	**Fight against discriminations*** (see section 5.3.2)
	10	Safety at work (see section 5.2.5)
Climate change Climate change requires improvement of energy efficiency and reduction of carbon emissions at every step of our services across the value chain.	11	**Carbon emissions generated by production and data centers / decarbonized energy** (see section 5.4)
Circular economy Depletion of raw material and of water resources creates a risk for both our business and the communities in which we operate. Resources must be saved or reused or recycled.	12	Waste management (see section 5.5.1)
	13	Responsible procurement (see section 5.3.1)
	14	Sustainable water management (see section 5.5.2)
Fairness of practices In an internationalized and competitive business environment with increasing business ethics requirements, any non-compliance generates major risks.	15	Compliance with competition rules – business ethics and anti-bribery (see section 5.8.1)
	16	Fight against tax evasion (see section 5.8.2)
Content protection Intellectual Property rights of our customers are critical assets and must be highly protected in content production Prevention of Cyber risks and protection of content and networks is key.	17	**Cyber risks – protection of networks and of data/ Content security and respect of Intellectual Property*** (see section 5.7 and 3.3.5)

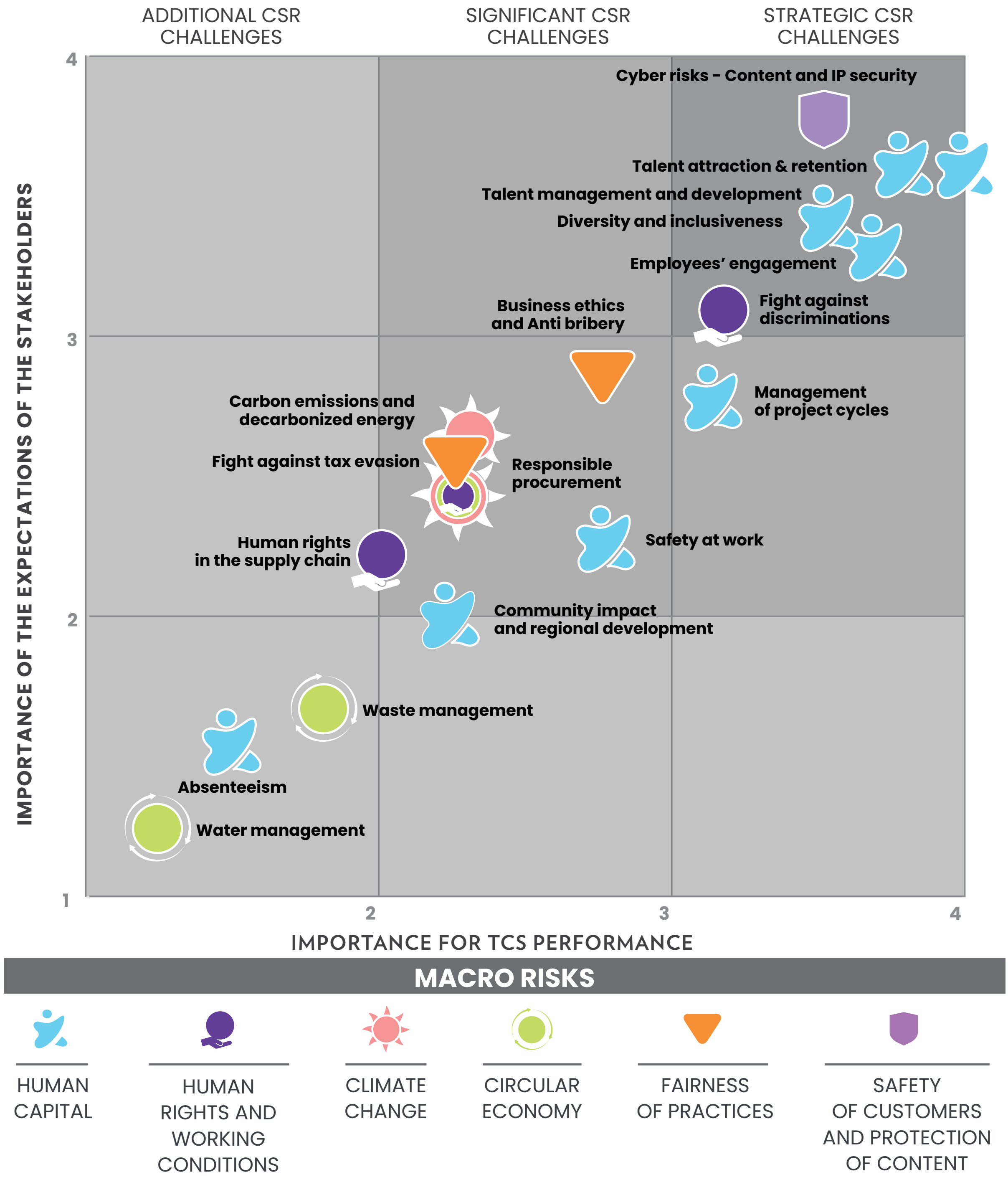
* Strategic CSR challenges.

The challenges list is derived from the materiality matrix which prioritizes the 17 CSR challenges.

Identification of the CSR challenges is based on ExCom assessment, on the CSR requests from customers and rating agencies, on peer evaluation, and on internal analysis of key levers to anticipate evolution of customers, markets and regulations. It was reassessed in 2022 following the spin-off of Technicolor Creative Studios to reflect its intrinsic priorities focused on human capital, climate change and safe place to work.

In addition to these challenges, the Covid-19 pandemic had a transversal impact. In this context, Safety at work, from a prevention perspective, is more strategic compared to a normal situation.

5.1.3 THE MATERIALITY MATRIX



The importance of each CSR challenge for the Group was determined by and based on:

- the operational, the business, and the reputational impacts on the Group (the most important across the 3 business divisions, as the impact of any single CSR challenge on a business division may differ widely from one issue to the next);
- the likelihood of occurrence;
- the likelihood of generation of risk by the Supply Chain (suppliers and subcontractors).

The importance for the Stakeholders was determined based on:

- the focus of customers' requests per CSR issue;
- the feedback from employees;
- the focus of questions and alignment with subjects judged important by CSR rating agencies.

5.1.4 THE APPROACH TO SUSTAINABILITY

Technicolor Creative Studios' approach to sustainability relies on 3 pillars:

- **attracting and developing a diverse talent pool of creative individuals**

  Creative industries require significant diversity of imagination, experience, culture, and profiles to stimulate innovative ideas and visual creations in order to bring to life the ideas of project directors (film, series, games…) or advertising agencies. Developing the skills of talented creatives on a continuous basis to keep them at the state of the art is another permanent challenge. The implementation of a Diversity, Equity and Inclusion framework and meaningful initiatives is therefore essential, as well as the promotion of employee health and well-being for both attraction and retention;
- **enabling sustainable content creation**

  Content creation requires energy in all cases. Image resolution and advanced visual creation techniques increase regularly and require additional computation, leading to increased volumes of data and increased energy consumption.

  Innovation in processes, production pipelines and in real time or artificial intelligence video technologies must align with and support the energy efficiency improvement process.

  This pillar includes climate change mitigation, reduction of carbon emissions and reduction of e-waste;
- **ensuring a safe and healthy work environment throughout the supply chain**

  All workers, our employees but also the employees of our suppliers, must be able to work freely in a safe, secure, and healthy environment, free of discrimination and harassment, with decent wages and working hours, without discrimination and harassment. Recurrent activity cycles and project management principles in our business require significant flexibility from employees but also recruitment of short and medium term skilled talent to adapt to the production cycles while maintaining quality. In a competitive labor market, long-term relationships and commitment from employees are key to worker retention and satisfaction, and a safe and healthy work environment is a driver.

5.1.5 COVID-19

Early in 2020, during the beginning of the pandemic and continuing throughout 2021, the former Technicolor Group reacted strongly to protect the health and safety of all workers as a first and primary step, and then launched multiple programs and working groups in order to adapt safely to the new and changing pandemic conditions while continuing to support all customers and business lines. Many aspects such as the evolution and tracking of requirements and conditions at sites and within countries, global management issues, care of employees, families and communities, and continuity of business and operations, were supervised and monitored by a "Covid-19 Global Crisis Committee" chaired by the Chief Executive Officer. This Committee comprised all business division Chief Operating Officers and representatives of transversal functions. T

Based on prior experience with employees in close proximity to areas of the world experiencing outbreaks of SARS and H1N1, the company was able to quickly adapt policy and practice to enable healthy and safe working conditions for all essential workers operating on site, while creating the ability to work remotely for almost all other members of staff.

When on-location services were essential to project completion for a film, advertising, or episodic project, initiatives such as the SafeSets™ initiative (https://practicesafesets.co/), in alignment with the work requirements of SAG-AFTRA labor union (https://www.sagaftra.org/), were implemented in order to protect the health and safety of all persons working together during each session.

Ultimately, some travel was permitted based on case-by-case justification and executive approval, and in the same way, remote workers were permitted to return to the workplace based on business needs and approval of their site management and depending on local public authorities' regulations.

Technicolor Creative Studios continued to strictly follow for all its locations the applicable health and safety regulations and restrictions enforced by the public authorities to fight the Covid-19 pandemic such as prevention, detection and reporting of cases, quarantine, remote working.

During 2022, we returned progressively to a more normal way to operate in our locations, but with a calendar depending on the respective releases of remaining restrictive public policies in a few countries, such as China or Canada during part of 2022, and in general operations were back to pre-covid at year end.

5.2 HUMAN CAPITAL

5.2.1 MANAGEMENT AND DEVELOPMENT OF TALENT

5.2.1.1 A GLOBAL ORGANIZATION

The core of Technicolor Creative Studios' employees are creative digital talent combining media and technology skills with artistic skills for visual effects, animation for film, episodic, advertising and games, including artists, supervisors and producers. This activity, as in any creative industry, is project driven, with a large majority of artists hired using a fixed-term contract tied to the project. The diversity of employees is a critical success factor for this creative industry. Therefore, the on-going and high-volume recruitment is significant, and is managed on a worldwide basis, rendering Technicolor Creative Studios' attraction and retention policies critical.

The management and the development of talent requires an agile organization to cater for the business need and market demands. In light the 2022 Separation, the Human Resources operating model has been adapted to better serve the business requirements of Technicolor Creative Studios. The Chief People Officer, a Member of Technicolor Creatives Studios' Executive Committee, sets the Human Resources strategic priorities to ensure delivery against Technicolor Creative Studios' vision and strategy. The function has three key areas of focus:

- **Five Global Centers of Excellence (CoE)**:
  - *Transformation and Programmes* focusing on the key global initiatives to launch, execute and enable the transformation of Human Resources,
  - *Communications & Engagement* focusing on the global employee communication agenda, infusing and embedding the company culture, while informing, inspiring and engaging employees on the organization's Purpose, Vision and Values. The sentiment and engagement are continuously measured with ongoing surveys to ensure sustainable, systemic changes,
  - *Rewards* establishing compensation & benefits, rewards, incentive programs, performance management, pension schemes, medical care and other benefits, payroll and wellness framework,
  - *Talent & Learning* ensuring the development of employees' skills to ensure both personal growth and contribution to the performance of the business. It does include the internal Academy to bring young talent (employees and future employees) to the technical state of the art for our industry,
  - *Talent Acquisition* to attract and recruit the right talent at the right time, ensuring we remain competitive in the market;
- **Four Business Partners** who define the operational talent requirements and objectives, working in lockstep partnership with their respective business/functional divisions or geographic area. Business Partners work closely with each business leader to analyze and plan the evolution of Technicolor Creative Studios' workforce skills and competencies, in line with their business strategy. Business Partners play a key role in organizational design, career paths design and development strategies aligned with business priorities. On an annual basis, the Business Partners define and lead a HR strategy based on 4 pillars: Talent Acquisition and Development, People and Teams Performance, Recognition, Retention;
- **HR Operations** includes:
  - **People Partners** delivering regional and local the Human Resources services to the businesses such as: talent identification and development, employee relations, payroll, time & attendance, employment compliance and employee relations, local DE&I or Wellness initiatives. People Partners can be shared between businesses and functions or dedicated to a single business unit,
  - **Global People Services** deliver data management, transactional and hiring services as a global tiered operating and service delivery model for all countries,
  - **Engineering and transformation of HR information systems** to implement WorkDay as the HR IS system.

*The **Diversity, Equity & Inclusion** strategic initiative is directly dirven by the Chief People Officer to better serve our employees, clients and investors, enhancing business performance, social equity and cultural evolution.*

5.2.1.2 TALENT ACQUISITION

At Technicolor Creative Studios, the project-driven nature of the activities requires the undertaking of massive recruitment campaigns throughout the year – recruiting for several hundred highly skilled jobs – at times multi-country campaigns to accompany the swift launching of large projects (film, series, games…). In the past, each business had individual Talent Acquisition Departments, which included Talent Acquisition managers and Recruitment Coordinators, that worked in silo to one another, while attracting the profiles and skills needed to ensure the success of current and future projects.

In 2018 "The Focus" was created as our in-house recruitment agency to enhance our recruitment efforts, hiring for Technicolor Creative Studios' award-winning VFX studios and the Technicolor Academy. Due to the success of The Focus, in 2021, its scope was expanded across Technicolor Creative Studios, including the Academy, and rebranded as Technicolor Creative Studios Talent (TCS Talent).

The Group has invested heavily in developing TCS Talent's centralized recruitment organization to break down our silos, remove internal competition, improve internal talent mobility, and assure adherence to general data protection regulations. Integrating recruitment tools such as a centralized applicant tracking system and standardizing practices to address transparency, fairness, and inclusion throughout the recruitment workflow, internally and externally, with one centralized recruitment team has streamlined year-over-year growth.

Leveraging trained regional recruiters to represent our activities, Brands, and their proposition/values, TCS Talent creates harmonization in hiring practices and efficiency, managing the price point for the most economical values across the businesses and the brands. Integrating a centralized sourciing model to accompany recruitment efforts allows the team to pivot where resources are needed most. In 2022, the team achieved 5,700 direct hires, compared to 6,500 people in 2021 and 722 in 2020 and conducted more than 15,000 interviews. With the demand for the world's best VFX artists being more significant than ever, an average of 80 recruiters and resourcers currently make up the global TCS Talent team.

In 2020, the Group developed TCS Talent online platform further by creating virtual academies and masterclasses. We always look to pioneer how talent is engaged, managed, and acquired within the VFX industry. The pandemic created pressure to accelerate this move. In 2022, about 1,180 Artists were enrolled through TCS Talent to the Academy (see section 5.2.7.1 about the Academy).

Due to the important number of projects and the requisite skills of those who must be in different studios around the world, strategic workforce planning has been introduced with the support of people analytics. It is an effective way to build a comprehensive view of our current workforce and scope out short and medium-term headcount hiring plans. Within the divisions of Technicolor Creative Studios, headcount requirements are driven by revenue and project targets. The TCS Strategic workforce planning unit works with business lines to build headcount forecasts to establish hiring requirements, attrition forecasts, location strategy & real estate requirements, software licensing and any other headcount related insights.

Beyond VFX and animation skilled talent attraction, managers and HR identify the types of profiles and skills needed to ensure the success of the business's current and future projects and initiatives. When internal profiles or skills identified are not internally available, the People team externally recruits the best talents for our businesses, projects, and culture. In the case of individual recruitments (replacements, job creations, creation of teams), a vacancy request is published by the manager with the help of the local HR, triggering recruitment of the required position(s).

Lastly, the Group has been locally developing for many years, in countries like India, an attractive Employer branding that allows candidates to better recognize Technicolor Creative Studios as an employer of choice due to its culture and values.

5.2.1.3 PERFORMANCE, RECOGNITION, AND RETENTION

In a competitive environment, the compensation, and benefits policies, including the total remuneration policy, are a key pillar of retention of acquired talent.

The remuneration policy is tailored to acknowledge and fairly recognize an employee's contribution to the short and longer-term success of the Group.

Technicolor Creative Studios used a classification structure based upon Willis Towers Watson methodology, with grades and bands that emphasize and reinforce the strong link between contribution and remuneration. Technicolor Creative Studios is steadily reviewing its job definitions and levels and adjusting them in a way that reflects the evolutions of the Group. Such classification allows the Group to ensure the internal equity of remuneration packages. The Group uses relevant salary surveys to assess the competitiveness of remuneration in the proper marketplaces. This provides Technicolor Creative Studios with sustainable, objective, and equitable means of remunerating employees while tightly controlling its wage bill.

In 2018, this job architecture has been rebuilt for Technicolor Creative Studios jobs, to cope with the evolution of this domain, of its work organization and its skills. It has been rolled out in 2019, and fully implemented during 2020. Again, as this business evolves rapidly, a new update was prepared during 2022 to be rolled-out with the implementation of the new HR information system based on WorkDay during 2023.

The remuneration policy is structured around flexible and competitive fixed and variable compensation elements driven by market best practices and the Group's objectives for long-term value creation appropriate to circumstances and goals:

- **Competitiveness:** appropriate market benchmarks of total compensation against comparable companies allow Technicolor Creative Studios to offer competitive compensation packages to employees in accordance with competitive pressures in the marketplace. This ensures that Technicolor Creative Studios continues to attract, motivate, and retain high potentials and key contributors for which Technicolor Creative Studios competes in an international marketplace, while controlling cost structures;
- **Equitable approach/internal fairness:** Technicolor Creative Studios remunerates its employees faily and in line with market standards. The remuneration policy is set according to the Group's "broadbanding policy" which allows consistent assessment of responsibility, contribution, and levels of expertise on an international business basis across all businesses and functions. In addition, the remuneration policy of top executives is managed by Corporate Human Resources to facilitate consistency of various remuneration components and ease international and cross-business mobility;
- **Business and skills focus:** the remuneration of talent on one hand and professionals and managers on the other hand, is a sound, market-driven policy and administered to drive business performance. A substantial part of the total remuneration package is composed of variable elements which sustain high-performance culture and support the Company's strategy. These variable elements recognize, and reward collective success on show productions for Talent, and individual contribution together with Group and division performances for professionals and managers.

In accordance with the principles and rules established by the Group, any division entity is entitled to recognize the potential and to encourage the development of its employees by using the different compensation elements in force within the Group.

The evolution of remuneration is measured at constant currency rate exchange (end of year) and at constant population of employees (all employees present both in the reporting year and the past year in Technicolor Creative Studios legal entities), and on the evolution of the base salary payroll mass (without variable elements and social contributions paid by the employer).

	2022	2021	2020
Evolution of remuneration	11.48%	8.15%	1.62%

Figure for 2022 is based on employees of Technicolor Creative Studios legal entities only, while for the past years, it is based on the former Technicolor Group (Technicolor Creative Studios and Vantiva) employees.

Technicolor Creative Studios benefits policy is part of this total remuneration policy, and the Group continually expands its benefits policy with the objective of fairness and equity across its various geographical locations to ensure attraction and retention of talent. However, following the post pandemic recovery, the Separation project launched in February 2022 delayed additional commitments for both future separated companies in several countries, except the USA and Canada :

Area of action	Type of action	Description of the extension	Country
All Benefit Plans	Benefits Harmonization	The Mill employees moved to the former Technicolor benefits plans, eligibility rules and admin platform (MyADP)	US
All Benefit Plans	Benefits Eligibility Enhancement	Temporary Full-Time employees (ACA eligible) are eligible for benefits 90 days from original date of hire	US
Health & Financial	Benefits Enhancement	Employer annual contribution to Health Savings Account (HSA) increased from $700 to **$750** for individual coverage and from $1,400 to **$1,500** for family	US
Health	Flat Premium Costs	No increase to employee health care premium costs	US
Health	Benefits Eligibility Enhancement	Eligibility geo location and re-mapping of the medical programs to assign the appropriate provider network by the employee's zip code (and not by pay group)	US
Dental	Benefits Enhancement	New Dental provider & 3 plan enhancements: **1.** orthodontia lifetime maximum increase to $3,000; **2.** diagnostic & Preventive In-Network services (*e.g.* cleanings, routine exams and x-rays) do NOT count toward the annual maximum of $2,000; **3.** composite (white) fillings for all teeth are the standard care and are NOT subject to surcharge.	US
Health	Benefits Enhancement	New Lifetime Max for Infertility Benefits (for Traditional PPO and PPO plus HSA plan members): Anthem & Cigna members with infertility diagnosis are eligible for additional fertility solutions up to a NEW lifetime maximum of **$25,000**	
Health, Retirement & Social	Wellbeing	Extend Wellbeing & Lifestyle Rewards program to The Mill employees. Wellbeing program is a series of 20 activities targeted towards medical & dental prevention, telemedicine, financial webinars & consultations, social, mind and community involvement to engage employees and their families. Medical premium discount incentive applies to employees who complete 4 of the Lifestyle activities	US
All Benefit Plans	Benefits Enhancement & Communications	Development and implementation of targeted benefits guides (3 versions), personalized live webinars, flyers, various email campaigns & countdown, and videos during the Open Enrollment period to inform employees, about the benefits enhancements effective Jan. 1, 2023	US
All Benefit Plans	Communications & Digitalization	Customization of benefits website www.MyTechnicolorBenefits.com for employees	US
All Benefit Plans	Benefits Enhancement	Change in cost sharing resulting in savings in employees' premium deductions	Canada
All Benefit Plans	Benefits Enhancement	New hires who are benefits eligible may enroll in Group benefits as of their FIRST DAY of employment	Canada
Medical	Benefits Enhancement & Communications	Change of carrier for the Inpat plan from SSQ to SunLife	Canada
Retirement Savings Plan	Communications & Digitalization	Implemented the interface for the Group Retirement Services	Canada
Medical	Benefits Enhancement	Extended list of mental health practitioners	Canada

The severity of impact and consequences of the pandemic in India were of particular concern and several more specific initiatives were implemented in 2021 and pursued in 2022 to support our employees and their families:

- Corona Kavach for employees who tested Covid positive until April 2022 covering employee, spouse, children;
- Vaccination drive (first and second shot);
- Monthly allowance for working from home until June 2022;
- Days of Covid leaves for recovery over and above the standard sick leaves until August 2022;
- Support to bereaved Families of employees.

Employees' Engagement

Beyond the processes and initiatives described above, we strive to detect any significant trend that may hamper the retention of our talent as this objective is key.

In the past years, Technicolor Creative Studios conducted yearly employee satisfaction and engagement surveys on selected businesses and sites. Due to the Covid-19 pandemic and the switch for a large part of our employees to work from home on the one hand, and the Black Live Matters movement surge on the other hand, these surveys have been redirected in 2020 to match with the expectations arising from these events and situations with two worldwide surveys:

- Check employees' morale and mindset for those employees who were working from home for extended periods, because of the different lockdowns and restrictions;
- Survey the diversity of our employees and understand their perception about the way diversity is managed by the Company and their expectations. As diversity was understood in an overly broad sense, this survey could not be conducted in a few countries where national legislations prevent the collection of such information (data privacy and some personal information).

In September 2021, with the return to the workplace in most locations, all employees were invited to answer an on-line global engagement survey, covering: Strategic alignment, Career (Growth and Development), Compensation, Communications, Job Enablement, Performance Management, Belonging and Wellbeing, DE&I and Managing change.

Since the separation in September 2022, short and focused dedicated "Pulse" surveys were organized to measure the engagement of the employees, while a broader and deeper employee engagement and DE&I survey will be launched during the first quarter of 2023.

Technicolor Creative Studios is committed to receiving and acting on employee feedback – utilizing an internal communications' strategy of "You Said, We Did". This ensures that employee feedback is integrated with our internal Talent Management strategies. Survey findings are shared with all employees, demonstrating that we are taking their feedback seriously.

Throughout the year, we also continuously we engage with our employee committee, otherwise knows as the Global Engagement Network (GEN) who are the employee ambassadors close to the business and passionate about employee satisfaction.

5.2.1.4 TRAINING AND DEVELOPMENT

In order to guarantee a constant match between the expectations of our customers and the skills of our employees, the Group has set up a training program and pragmatic development approach that is aligned as much as possible to the business challenges.

5.2.1.4.1 Training

Training priorities are set, based on the evolution of existing jobs and technologies, on the identification of new capabilities to develop and on the individual needs of employees in terms of job performance and/or of professional evolution. The creation of specific learning tracks per job has been encouraged, resulting in an optimization of training resources and in an increased number of training opportunities. To ensure the same quality level as well as alignment and consistency, development programs regarding Leadership, Management and Technical or Functional skills are coordinated at the Corporate level.

General learning & development

In addition, the talent development center of excellence advises operational managers and talent & business partners on all aspects of training and development, particularly on leadership and management aspects. Specific trainings are organized at the local level by the people partners who are responsible for ensuring that training initiatives are optimized across divisions and that they comply with local regulations. The Covid-19 crisis shifted learning & development initiatives to virtual spaces and focused on to foundational soft skills development and personal well-being. That focus remained throughout 2022.

Training in 2022 happened more often and in quicker iterations. The focus on soft-skills and well-being, resulted in sessions focused on behavior and stress management. Throughout 2021 and 2022, there was a focus on both Remote Working and Returning to the Office, helping employees adapt to the ambiguity of the modern workplace and the ability to collaborate effectively. There was a heavy reliance on rolling out e-learnings *via* the Learning Management System, MyDevelopment. MyDevelopment gave all employees access to a robust soft skills learning library and compliance training. This platform allowed for easier access to voluntary learning, assigned learning, and progress monitoring.

Learning & development and global artist development

- In 2018 Technicolor Creative Studios launched "The Focus" to consolidate talent recruitment across all Film & Episodic VFX business units, ensuring an efficient global recruiting process, while identifying new talent pools, and facilitating international mobility. The Focus has continued its integration into Technicolor Creative Studios' other service lines: advertising, animation, and games.
- In 2020, The Focus was repositioned "TCS Talent" as a career hub under a combined talent management and a lifelong learning model, utilizing real-time data to support the growth of the business effectively and efficiently. Furthermore, Technicolor Academy has adapted to virtual learning under Academy @ The Focus, allowing the division to increase its global reach, particularly during this pandemic environment and to link recruitment and development.

- In 2021, Technicolor Creative Studios rebranded The Focus as Technicolor Creative Studios Talent and renamed Academy @ The Focus to **Technicolor Creative Studios Academy** to deliver high quality artist training academies to graduates. In 2021 the Academy expanded virtual course delivery to support artist development globally to ensure a consistent show-ready skill set. Also during 2021, Technicolor Creative Studios Talent activity expanded across all Technicolor Creative Studios' businesses: visual effects, animation, advertising and games (see section 5.2.7.1).
- In 2022, about 1,727 junior artists (employees and non-employees) were trained globally in the Academy, representing 636,600 hours.
- Two specific programs were also set up to develop specific skills:
  1. **Production training for producers:** the training for production focuses on onboarding, skill maintenance and promotional material across the global production team. This provides educational support for all members of production throughout their career with Technicolor Creative Studios;
  2. **VFX Creative artist training:** the objective of the MPC Creative Training and Development Department is to train artists to work more productively and to progress their careers at the Company as well as to help ensure the latest techniques are rapidly deployed.

Overall, training initiatives offered in 2022 encompassed 729,844 hours of training delivered to 10,365 Technicolor Creative Studios' employees. This represents 70.4 hours of training per employee trained on an annualized basis. The training hour gender gap per trained employee is monitored to ensure training is delivered on an equal basis to women and men, as part of our strategy to prevent a structural gender pay gap.

2022 TCS Academy	Women	Men	Total
Number of hours of training delivered	55,748	423,912	479,660
Number of employees trained	143	1,065	1,208
Number of hours of training per employee trained	389.8	398.0	397.1

The evolution of Technicolor Creative Studios Academy business model focuses on training employees in India, where the proportion of women among our workforce (12.7%) is drastically different from the average in the rest of world of the Group (34.9%) while the worldwide general average proportion of women is 22.3%. As the duration of the Technicolor Creative Studios Academy is much longer than any other training and is entirely in India, it does introduce an important distortion when comparing global training figures between women and men. To measure the global training effort of the Group and its gender balance, it should be also considered and added the training initiatives delivered by the Technicolor Creative Studios Academy to non-employees and more to the talent who were subsequently hired (see section 5.2.7.1). The Technicolor Creative Studios Academy in India also saw a new focus on soft skills development so those new to the industry can learn the basics onhow to behave in a collaborative, fast-paced work environment.

2022 All other training (Non TCS Academy training)	Women	Men	Total
Number of hours of training delivered	36,430	213,754	250,184
Number of employees trained	2,302	7,708	10,010
Number of hours of training per employee trained	15.8	27.7	25.0

Non Technicolor Creative Studios Academy training focused on the following main categories:

- Technical and functional training with 213,086 hours for 2,852 employees of which:
  1. Production training: 554 hours for 186 employees,
  2. VFX Creative artist training: 212,803 hours for 2,342 employees;
- Environment Health and Safety with 4,404 hours for employees and supervised non-employees (see section 5.2.5 for more details);
- Prevention of discrimination and harassment with 2,912 hours for 2,744 employees (see section 5.3.2 for more details);
- Security of IT use with 3,941 hours for 7,386 employees;
- Leadership and management with 1,289 hours for 1,210 employees;
- Anti-bribery with 629 hours for 838 employees.

5.2.1.4.2 Talent review and leadership development

Regular leadership talent review process is conducted in all divisions. The process involves managers at all levels of the organization as well as the members of the Executive Committee and of the Management Committee. All these stakeholders participate in the identification of employees with the right level of potential and performance to feed the pool of future managers at the division or Group level. The members of this talent pool are eligible to benefit from dedicated leadership development trainings, activities, and events as part of the leadership development program.

Each business has unique learning and development needs, and all need foundational management behavior development. The Talent and Development Center of Excellence is designed to be an internal full-service consultancy to support and offer both Group and custom solutions for these diverse businesses.

The Talent & Development Center works with businesses to provide foundational e-learning and virtual instructor-led *curriculum* in such areas as DEI, well-being, remote work, presentation skills, change management, and foundational behavior expectations for managers. The Center tailors content and delivery modalities to fit the business culture.

The mission is to shift our culture and improve effectiveness through cultivating awareness, common language, interpersonal skills, and connection in our talent across the globe while creating a "habit of learning" across the organization.

The 2022 development initiatives were virtually delivered, for shorter periods of time, this allowed for more participation and increased exposure across the globe with more focus on well-being, DEI and foundational people manager behaviors. This "Blended learnings" approach, combining e-learning and virtual instructor-led sessions continued in 2022. Talent & Development (T & D) Center sponsored individual training hours focused on creating a best-in-class baseline for employee soft skills. Talent & Business Partners kept the T & D Center informed of changes as they happened and T & D adapted, managed, and facilitated programs to support the changes.

With an increased focus on soft skills development of managers one foundational *curriculum* was launched: Catalyst. It aimed at developing manager self-awareness, definition/appreciation of management style differences, and skill building on delegation and motivation. Catalyst had also an additional focus on building resilience, grit, and agility. This initiative will continue in 2023.

2022 was a year of transformation, and a new L&D framework was designed and implemented including: L&D Quarterly Roadshows for all businesses, L&D request process, automated e-learning assignments/tracking, and a responsibility matrix. This framework is being used as a reference for the post-spin-off L&D structures

5.2.1.5 EMPLOYEE PROFIT-SHARING

As Technicolor Creative Studios as the Holding Company had no employees until 2022 and was spun off on September 27, 2022 there was no Incentive Plan regarding this entity. However, its French subsidiaries of the Company offer employees Incentive Plans based on the related subsidiary's results.

The total annual bonuses distributed to employees in connection with these Incentive Plans over the three most recent years amount to the following:

- amounts distributed in 2020 for year 2019 : €573,653;
- amounts distributed in 2021 for year 2020 : €1,044,393;
- amounts distributed in 2022 for year 2021: €1,693,616.

In addition, several of our locations offer their employees profit-sharing plans based on Company results and/or achievement of objectives.

5.2.1.6 SHARES HELD BY EMPLOYEES

As of December 31, 2022, the number of Technicolor Creative Studios share units held by Technicolor Creative Studios 's employees in the former Technicolor Group Saving Plan *(Plan d'Épargne Entreprise)*, by Technicolor Creative Studios employees and former employees through Technicolor's Mutual Funds *(Fonds Communs de Placement d'Entreprise)* was 18,769 Technicolor Creative Studios shares. This does not take into account the Company's shares held directly in registered form by employees or former employees.

5.2.1.7 EMPLOYMENT FIGURES

On December 31, 2022, the Group employed 11,839 employees (77.7% male and 22.3% female), of which 623 were *intermittents*, compared to 10,653 employees on December 31, 2021.

The highly competitive and rapidly changing Media & Entertainment sector in which the Group provides its services requires continuing adjustment to the workforce. In 2020, the Covid-19 pandemic stopped film shooting and generated a drastic reduction of projects, while the recovery in 2021 generated an acceleration of the projects and a significant rebound that continued during 2022.

The table below (with and without *intermittents* who are all located in France) shows Technicolor Creative Studios' total workforce as of December 31, 2022, 2021 and 2020, as well as the distribution of personnel across geographical regions.

	2022 with *intermittents*	2022 without *intermittents*	2021	2020
Europe	2,129	1,506	2,036	1,206
North America	2,710	2,710	2,585	2,086
Asia(1)	7,000	7,000	6,032	3,963
TOTAL NUMBER OF EMPLOYEES	**11,839**	**11,216**	**10,653**	**7,255**
Number of employees in entities accounted for under the equity method	-	-		
Permanent contracts	*7,970*	*7,970*	*6,447*	*5,519*
Fixed-term contracts	*3,869*	*3,246*	*4,206*	*1,736*
(1) Including India:	*6,712*	*6,712*	*5,856*	*3,910*

Total workforce figures above account for executives, non-executives, and workers. Agency workers, trainees and apprentices are excluded from all tables of this report except if specified otherwise.

As part of the spin off operation of Technicolor Creative Studios, a certain number of employees working in Vantiva legal entities for Technicolor Creative Studios were transferred before and after the spin off during 2022 to Technicolor Creative Studios legal entities, and vice versa. These transfers are reported in specific categories (see hiring and termination table below).

On December 31, 2022, there are still employees in Vantiva legal entities working for Technicolor Creative Studios activities, and who are entitled to be potentially transferred to Technicolor Creative Studios during the 2023 year.

The reconciliation with the headcount information presented in the Prospectus for the introduction on the stock market, is presented in the table below with the evolution of employees working for Technicolor Creative Studios activities, regardless of the legal entities (Technicolor Creative Studios or Vantiva). It does exclude Technicolor Creative Studios employees working for Vantiva activities or part of the Transition Service Agreement that is managed separately.

	2022	2021	2020
Europe	2,127	2,043	1,309
North America	2,784	2,624	2,085
Asia	7,003	6,028	3,954
TOTAL NUMBER OF EMPLOYEES	**11,914**	**10,695**	**7,348**

French *Intermittent* contracts are part of the above tables. They represent the equivalent of 466 full time jobs over 2022. Over the year, 939 *intermittent* persons have worked for Technicolor Creative Studios. At the year-end, women represented 38% of *intermittent* employees, an increase of 2.2 points.

	2022	2021	2020
Full time equivalent of *intermittent* employees over the year	466	341	179

The following table indicates the number of Group employees by line of business of Technicolor Creative Studios as of December 31, 2022. French *Intermittent* contracts are part of the table.

Line of Business	Number of employees	Percentage
MPC	5,463	46.2%
The Mill	1,539	13.0%
Mikros Animation	2,476	20.9%
Technicolor Games	701	5.9%
Management and Central functions	1,656	14.0%
TOTAL	**11,835**	**100%**

The comparable figures with the presentation made in the Prospectus for the introduction on the stock market (employees working for Technicolor Creative Studios activities regardless of the legal entities) are presented below:

Line of Business	Number of employees	Percentage
MPC	5,472	45.9%
The Mill	1,574	13.2%
Mikros Animation	2,478	20.8%
Technicolor Games	703	5.9%
Corporate and Other	1,687	14.2%
TOTAL	**11,914**	**100%**

Split by gender and age

At the end of December 2022, the Group employed 2,644 women representing 22.3% of Technicolor Creative Studios headcount, and 9,195 men (representing 77.7% of Group headcount), *intermittents* included. The breakdown per age is as follows:

Age	Women	Men	Total
<20	3	9	12
20 to 29	1,252	3,591	4,843
30 to 39	1,041	3,840	4,881
40 to 49	253	1,407	1,660
50 to 59	79	305	384
60+	16	43	59
TOTAL	**2,644**	**9,195**	**11,839**

Hiring and termination

During 2022, 6,609 employees have been hired of which 3,123 were retained as permanent employees. 847 employees were made redundant. *Intermittents* are not part of this table.

	2022	2021	2020
Hiring of permanent employees	3,123	2,262	384
Hiring of fixed-term contracts	3,486	4,482	1,488
Transfer from Vantiva legal entities to Technicolor Creative Studios legal entities	109	105	2
Transfer from Technicolor Creative Studios legal entities to Vantiva legal entities	20	18	23
Acquisitions	-	-	-
Divestitures	7	471	-
End of fixed-term contracts	797	771	1131
Resignations of fixed-term contracts	1,139	759	374
Dismissals	847	252	2099
Resignations of permanent employees	2,848	1,402	913
Other (retirement…)	6	9	7

2022 figures show an increasing demand on the talent market that is more dynamic compared to 2021, confirming the rebound of activity, but also reflecting the stabilization of Technicolor Creative Studios headcount after the 2021 post Covid pandemic growth recovery.

As part of the spin off operation of Technicolor Creative Studios, a certain number of employees working in Vantiva legal entities for Technicolor Creative Studios were transferred before and after the spin off during 2022 to Technicolor Creative Studios legal entities, and vice versa. Such transfers are reported in a specific in the above table.

On December 31, 2022 there are still employees in Vantiva legal entities working for Technicolor Creative Studios activities; they are entitled to be transferred to Technicolor Creative Studios during the 2023 year.

Methodology

Employees and workforce figures are extracted from the worldwide HR repository system currently implemented in all Technicolor Creative Studios.

5.2.2 MANAGEMENT OF BUSINESS CYCLES

Working time is managed according to the needs of the various business activities of the Group in both the parent company and its subsidiaries. The Group complies with regulatory obligations and contractual commitments in terms of working time in each country in which it operates. Through various working time management tools, the Group ensures employees do not exceed legal thresholds and are appropriately compensated for any overtime according to their employment agreement. However, a large part of Technicolor Creative Studios' workforce is exempt and paid a flat rate for a number of days worked per year: worked days are then monitored.

Part-time and remote working are authorized on a case-by-case basis according to the Group policies and depending on the occupational requirements. During 2022, Technicolor Creative Studios had 105 employees working less than 5 days per week. Over the year, part time employees working at least half time represent 92% of part time employees and part time employees working at least the equivalent of 4 days per week (80% of a full-time worker's time) represent 46% of part time employees. French *intermittent* contracts are not considered as part time employees.

Since the pandemic, hybrid working is more common, authorized and used in most places and can be up to two days of remote working per week depending on the role and the projects.

Technicolor Creative Studios activities are mainly project-driven activities and project staffing relies for a significant part on fixed-term contracts (including *Intermittents* contracts) to be able to adapt team skills mix, experience and size to the requirement and the timeline of the productions, as this is the common rule in this industry. Although we are fully dependent on the timeline of our customers, we strive to reduce the percentage of the fixed-term contracts in our workforce and to increase proportionally the percentage of permanent employees.

Fixed-term contracts and *intermittents* and *zero hours contracts* represent about 4,217 full time equivalent jobs across the Group activities.

Unlimited contracts employees represent about 7,849 full time equivalent jobs across the Group activities.

Across Technicolor Creative Studios, total overtime represents about 138 full time equivalent jobs.

Working time is managed in the Group's various sites *via* software such as ProTime, ADP, Punchout, Kronos, Solus, Sisnom and Casnet. There are also some additional manufacturing related tools that track working time such as Proscope, Laserbase and CETA.

	2022	2021	2020
Number of part time employees	105	119	175
% of part time employees working at least half time	92%	95%	97%
% of part time employees working at least 4 days per week	46%	49%	71%

2021 and 2020 figures are for the former Technicolor scope (Technicolor Creative Studios and Vantiva).

	2022	2021	2020
Full time equivalent number of fixed term contract (including *intermittents*)	4,219	2,801	1,813
Full time equivalent number of unlimited contract employees	7,850	6,436	not available
Full time equivalent of overtime (including *intermittents*)	138	65	76

2021 and 2020 figures are for the Technicolor Creative Studios legal entities scope.

5.2.3 DIVERSITY, EQUITY, AND INCLUSION

DIVERSITY, EQUITY & INCLUSION IN THE WORKPLACE

The former Technicolor Group established a global and Company-wide DEI taskforce in June 2020. Using the cyclic process of Listen-Learn-Lead, the company developed specific stakeholder groups and networks, gathered data and assessments, and established critical KPIs at all levels of the Company. The structure that developed began with a top-level task force that supports several topical working groups, all of them making sure to balance shared areas of focus: KPIs; programs, Policies, and Initiatives; Learning and Development; and Communication. At the same time, the first wave of working groups was launched concerning: Gender Parity; LGBTQ+; Black Employee Network; and Ethnicity and Race – all of those working groups aligned with consistent guiding principles while embracing important variations at business level, at local level, and in each of the specific working group topical themes.

The first Group-wide employee DEI survey collected initial data used to support decisions in these groups in 2020, this data was further supported by the 2021 employee engagement survey.

Several key actions were derived from the survey analysis: update the current recruiting model, create career development and greater transparency, re-onboard existing employees so all employees know where to go for resources, policies, and tools that are in place.

DEI in 2021 involved continued definition of KPIs for DEI, expanded external speaker series, working groups, monthly "Share Our Stories" podcasts, continuous updates to Intranet resources, a global DEI calendar to celebrate key events, continued adoption of the my.technicolor.com Intranet resource center and a DEI-focused training *curriculum* open to all employees on the MyDevelopment Learning Management System. Overall, the Group's DEI focus was on identifying opportunities to be of service and to step in when gaps were identified. In 2021-2022 the company also partnered with Seramount, a leader in the definition of Diversity Best Practices. They provide research and guidance to navigate and improve DEI in organizations.

As with all parts of the organization, the announcement of the intent to spin-off Technicolor Creative Studios in February 2022 brought about changes to the DEI framework. Parallel paths of continuing existing initiatives and allowing business-specific DEI to grow were initiated, resulting in a more de-centralized model. 2023 will be a re-set and re-build of Group-level initiatives on both sides of the spin-off. A first phase has been launched with qualitative analysis, three regional focus groups (Europe, North America and Asia Pacific) and Senior Leadership team interviews. A global survey will be launched during the first quarter of 2023.

2022 DEI Highlights were:

- Global Women's Mentor program;
- The Mill India Women One2One Mentor program;
- The Mill-London Two-Way Mentoring;
- "Let's Talk LGBTQ+" guest speaker: Abhina Aher (India);
- DEI & "Power of She" eLearning Curricula;
- Gender neutral bathroom progress;
- Pronoun selection available on the HR information system;
- WEPs progress within Technicolor Creative Studios;
- Global Anti-Discrimination/Harassment Campaign in six languages (English, French, Polish, Spanish, Portuguese and Chinese);
- Partnership with Seramount-Diversity Best Practices;
- Black History Month: guest speaker Dr. Emma Dabiri;
- Community outreach with Venice Arts;
- TBEN Virtual Movie Club: Summer of Soul;
- IWD: #BreakTheBias celebrations;
- Pride-India LGBTQ Toolkit;
- #21DaysofDEIJ Challenge *via* Yammer;
- Overcoming Adversity: guest speaker Dr. Malavika Iyer (India);
- What's Next group at The Mill for BIPOC employees;
- The Mill-London: Level 1 Disability Confident Employer;
- The Mill Pitch Day with Ghetto Film School;
- DEI at The Mill https://www.themill.com/people-and-culture/;
- New Technicolor Creative Studios DEI mission https://www.technicolorcreative.com/people-culture/inside-technicolor/.

5.

GENDER PARITY

A first program was launched in 2014 by the former Technicolor Group to improve gender parity, and increase the ratio of women in business roles, management levels and leadership pipeline. Recognizing that, as a business, Technicolor Creative Studios has a stake in, and a responsibility for, gender equality and women's empowerment, and so the current mission is to advocate, to promote, and to implement gender parity and women's empowerment in the business, the brands, the workplaces and the surrounding business communities. Past gender parity goals and initiatives were based on the United Nations (UN) Women's Empowerment Principles (WEPs) from UN Women. These goals include equal pay for work of equal value, gender-responsive supply chain practices, and zero tolerance against sexual harassment in the workplace.

On December 31, 2022, four women were members of the EXCOM, representing 33% of the total number of members. With 33 members, women represented 37% of the Management Committee. Within the combined Executive Committee and Management Committee, there were 37 women representing 36.6% of the membership. With the change of the governance that occured in February 2023, these figures become five women of whom one is the CEO, at the EXCOM level (38.5%), 35 women in the Management Committee (38.5%) and 40 women in the combined EXCOM and Management Committee (38.5%).

Beyond specific national or local regulations requiring the public reporting of gender pay gap indexes in highly variable and non-comparable ways, a global gender pay equity index was implemented internally to measure and monitor the global consolidated percentage pay gap between women and men for similar local job occupations and to identify gaps and shifts between remunerations.

Gender pay gap measures the lack of parity for women across the different quartiles of remuneration, reflecting, among other things, the distortion of representation of women across the various levels of responsibility, because unequal pay may amplify the distortion. Gender pay gap is very dependent on business and geography, as the remuneration profile may vary significantly from one business to another and from one country to another, thus, this indicator can only be monitored by business and by geography. The Group aims to increase the representation of women in the higher quartile, through promotion and hiring.

In addition, initiatives to promote gender parity are encouraged locally:

- Globally employees had access to a curated "Power of She" *curriculum* curated to focus on accelerating self-awareness to confidently, effectively advocate for oneself and promotability;
- Technicolor Creative Studios sites held #BreakTheBias events for International Women's Day;
- In the UK, The Mill continued to roll out equal opportunity training including unconscious bias awareness for hiring managers and staff, as well as events that champion women, these actions originating as recommendations from The Mill's internal inclusion network. Periodic webinars were developed and hosted such as "Protecting your personal safety", "Intersectional Feminism", and "Ending FGM" where FGM means female genital mutilation, usually performed at a young age.

BLACK EMPLOYEE NETWORK

Technicolor's Black Employee Network (TBEN) is a working group within the DEI Taskforce open to everyone allied with the cause of improving Black people's lives. The working group purpose is to raise awareness and to support the resolution of issues that affect people who are the descendants of indigenous Africans within our workplace because Black Lives Matter. TBEN will provide guidance and contributions to achieve goal of fostering a workplace that is diverse, inclusive, equitable, and welcoming to all. TBEN supports colleagues and community by providing a voice, resources to enrich, by providing a safe space, and by celebrating Black people.

The first programs launched in 2021 included education of colleagues about the heritage, struggles and needs of Black people by training, thought leadership, and celebrations of culture and heritage, development of a mentorship and sponsorship program to provide professional development for Black people, partnering with existing organizations to offer scholarship opportunities, and active recruitment of Black people.

This year the two TBEN chairs received a DEI Certification from Cornell University.

In 2022, TBEN:

- Created my.technicolor spotlight page for Martin Luther King Day;
- Sponsored guest speaker, Dr Emma Dabiri, during US Black History Month;
- Continued Virtual Movie Club: Summer of Soul;
- Initiated community outreach with Venice Arts in Los Angeles.

LGBTQ+

All Film and Episodic VFX locations continued to work with their local Balance DEI committees during 2022, which have expanded to include different representations of diversity, such as the LGBTQ+ community, religion, and ethnicity. Committees meet on a bi-monthly basis to discuss initiatives, with regular interviews, video updates and events promoted on branded studio Intranets to help reinforce messaging and celebrate diversity. There is now a stream called Pride, open to everyone, focusing on creating a welcoming space for all LGBTQ+ employees.

Worldwide staff profiles are now facilitated in a way that allows each member of staff to designate their preferred pronouns.

In June 2022, guest speaker, Abhina Aher, a trans activist in India was part of the "Let's Talk LGBTQ+" aimed at giving Indian employees a safe space to learn and talk about the issues that the community faces and what resources are available in India.

EMPLOYMENT AND INTEGRATION OF DISABLED PEOPLE

Depending on national legislation, legal requirements to integrate disabled persons or to hire a specified number or percentage of disabled employees, and thus the definition of a disabled employee, may strongly vary, or may not even exist. Also, labelling, categorizing, or making a record of an employee as disabled may be legally prevented in certain countries or subject to the individual authorization by each concerned employee who may refuse. Therefore, statistics cannot reflect the reality with accuracy. In an effort to create the safe space to speak about ability, a "Share Our Stories" podcast where employees discussed their mental health and well-being was recorded.

However, beyond the legal requirements when they exist, Technicolor Creative Studios strives to adapt our working places to provide equal employment opportunities with no discrimination against disabled people regarding hiring, training, allocation of work, promotion, or reward, and seeks to eliminate employment barriers and to accommodate disabled employees. In that regard, employment of people who have a disability is part of our non-discrimination policy, and Technicolor Creative Studios has been and continues to be willing to integrate diverse needs including modified duties, adapted hours, and adapted workspaces:

- In France, an agreement was signed in 2019 with labor representatives in support of Technicolor's *Mission Handicap – France* program and including French legal entities now part of Technicolor Creative Studios. This agreement was in force for these French legal entities until December 31, 2022. Since, Technicolor Creative Studios Group in France affirmed its intention to promote the integration of people with disabilities through the signing of a Group Agreement on the integration and job retention of people with disabilities. This agreement mainly concerns recruitment, employees with disabilities retention and training/internal communication. To support the deployment of its policy, Technicolor Creative Studios Group has set up a "Mission Handicap" to support, manage and deploy the action plan planned for the next three years. This agreement was signed on February 14, 2023. In 2022, Technicolor Creative Studios Group had 6 employees with disabilities in France;
- In Canada, Technicolor Creative Studios policy recognizes and promotes the hiring of persons with disability, and all staff participate in awareness sessions or periodic refresher training;
- In the UK, a joint industry network continued under the name of Access: VFX, which is a global, industry-led, non-profit network comprised of 40 leading companies, industry bodies and educational establishments in the VFX, animation and games industries. It focuses on actively pursuing and encouraging inclusion, diversity, awareness and opportunity under its four pillars of Inspiration, Education, Mentoring and Recruitment. Its ethos is that anyone can actively pursue a career in VFX. https://www.accessvfx.org/about-us. The Mill, MPC, are all key correspondents in the Access: VFX initiative, including hosting seminars and workshops on-site for small groups of targeted individuals and membership within the Board of Directors.

  The Mill continues to run an established internal inclusion network with a roving spotlight across protected characteristics, including several events promoting difference. The 'One Mill Forum' is a global DEI group who seek to promote, raise awareness and educate employees on matters concerning diversity, equity, and inclusion. Expert speakers are invited to monthly sessions on subjects which have included autism and mental health. Human Resources staff have attended mental health first aider training and support staff with managing mental health illness. Unconscious bias training remains available for all hiring managers and staff. All managers are trained in core management and people skills under The Mill Masters leadership program. The Mill continues to drive creative industry diversity movement, promoting VFX careers globally, targeting school-age and entry level talent. The Mill have signed up to 'Disability Confident'. Through Disability Confident, we are working to ensure that disabled people and those with long-term health conditions can work with The Mill and fulfil their potential and realize their aspirations. The Mill conducted a Diversity Questionnaire which included questions regarding disability.

5.2.4 BUSINESS TRANSFORMATION AND SOCIAL DIALOGUE

TRANSFORMATION PLANS

Due to the continuous changes in the Media & Entertainment industry, Technicolor Creative Studios divested several domains in recent years to external parties. When such sale of the impacted activities was not achievable, the Group committed significant resources and support, according to its existing policies, to mitigate the impact for the concerned stakeholders. No new divestiture took place during 2022.

Activities of the Group are subject to fast-changing competitive environments requiring regular adaptation of their organization, in particular following the impact of the Covid pandemic generated significant variations for volume of certain activities.

The main 2022 transformation event is the spin-off of the Technicolor Creative Studios out of Vantiva, together with the implementation of a transition service agreement of transversal and support functions serving both Vantiva and Technicolor Creative Studios. These services are mainly provided by Vantiva employees but also by a few Technicolor Creative Studios employees.

LABOR RELATIONS

Local labor relations with Technicolor Creative Studios' employees are the responsibility of site managers in each country, by legal entity, with the support of local Human Resources.

Before September 2022, Technicolor Creative Studios SA had no employees as a legal entity. Technicolor Creative Studios was spun off on September 27, 2022 from Technicolor and had to set up its own labor relation body after employees were transferred into this legal entity. The work council (CSE) of Technicolor Creative Studios was elected in December 2022. According to the principles defined by law, this work council designated in January 2023 the *Administrateur salarié* at the Board of Technicolor Creative Studios SA.

The Company agreements that were in force in Technicolor SA have been taken over to Technicolor Creative Studios SA when it was legally feasible in a context of spin off, after a positive vote of the newly Technicolor Creative Studios SA employees in September 2022.

For the previous Group collective agreements in force under Technicolor SA and including French legal entities that are now part of Technicolor Creative Studios Group, and that could not be automatically transferred to the new group, Group negotiations with all Technicolor Creative Studios French legal entities are initiated to achieve them during the first half of 2023 with the objectives of having Group collective agreements on profit sharing, on handicap, and on health insurance.

Recognizing business division specifics, market conditions and country regulations, there is no unified approach at the Group Level but a central guidance and monitoring to ensure a peaceful social climate. An annual review is done at the Group Level to ensure all newly signed agreements are captured and registered.

Within the European Union (EU) countries, the number of Technicolor Creative Studios' employees exceed 150 persons only in France. Therefore, until now there is no Technicolor Creative Studios' European Works Council.

In accordance with applicable law in the European Union, Technicolor Creative Studios' managers of each European country meet annually with labor organizations to discuss remuneration and working conditions.

In accordance with domestic laws, data regarding the level of unionization is not available in most European countries (the laws in these countries do not allow this type of statistics to be published). In 2022, Technicolor Creative Studios entered into 6 collective bargaining agreements in France.

In several countries, collective bargaining agreements are negotiated on a multiannual basis (three years or more), and therefore agreements may not have to be renewed in 2022 in certain countries, due to this calendar.

5.2.5 HEALTH & SAFETY AT WORK

An effective occupational Health and Safety (H&S) program, as initially defined by the former Technicolor Group, looks beyond the specific requirements of applicable laws to address all hazards. The aim of the occupational health and safety program is to prevent injuries and illnesses, irrespective of compliance. The Group believes that the necessary elements of an effective program include, at a minimum, provisions for systematic identification, evaluation, and prevention or control of general workplace hazards, specific job hazards, and potential hazards that may arise from foreseeable conditions.

Technicolor Creative Studios' health and safety programs are designed to identify potential risks and take appropriate prevention and severity reduction measures. Accident and injury prevention programs include active local Safety Committees and specialized task forces, job safety analysis, written plans and procedures, employee training, monitoring for potential chemical, physical, biological, and ergonomic risks, inspections and audits, incident investigations and the implementation of appropriate corrective actions.

CHARTER, POLICIES AND GUIDELINES

Standards and direction begin with Technicolor Creative Studios' Code of Ethics, and then flow to the HSE Charter, authorized by top management. After that comes a library of more than 50 HSE Policies and Guidelines, beginning with the Health and Safety policy, supported by numerous topical guidelines such as hazard communication, personal protective equipment, or emergency preparedness.

The HSE Charter is available in nine languages and has been posted on the Group's Intranet, along with all the HSE policies and guidelines.

TRAINING

Technicolor Creative Studios understands that each employee can impact Health, Safety, and the Environment (HSE) efforts and performance, thus it is critical that they are provided with the appropriate tools, resources and knowledge. HSE training programs develop awareness and skills that allow employees and contractors to perform their jobs in such a manner that will not only ensure compliance with appropriate laws, regulations and policies, but also so that they may prevent accidents which may lead to injuries or harm to the environment. Training programs are evaluated during the HSE Audit process and are a core requirement in the HSE performance measurement process. In 2022, 4,404 hours of HSE training reported through the HSE reporting system *(Enablon)* on a wide variety of environmental and safety compliance and protection, injury prevention, emergency preparation and response, and occupational health topics were provided to employees and contractors throughout Technicolor Creative Studios.

EMERGENCY PREPAREDNESS AND RESPONSE

Please refer to section 5.5 for its description.

GOALS AND OBJECTIVES 2019-2022

Related to safety at work, the former Technicolor Group established the following HSE goals and objectives for the Group, to be met by its worldwide operations by the end of 2022:

- 5% annual reduction in incident rate.

Following the very low number of injuries and occupational ilness incidents occurred specifically in Technicolor Creative Studios during 2022 (table below) and as this issue is no more material as CSR risk, this objective will not be pursued.

SAFETY PERFORMANCE

What follows are results of key safety metrics that were tracked in 2022.

In 2022, Technicolor Creative Studios experienced a work-related injury and illness incident rate [(1)] of 0.008. The work-related lost workday incident rate [(2)], remained at zero, consistent with 2021.

Technicolor Creative Studios records all days lost due to work-related injuries or illnesses as calendar days, beginning on the day after the injury or illness occurs. Severity is viewed using a variety of definitions, from French regulatory definition which equals average number of days lost per 1,000 hours worked (0.0), to average lost days per incident (0.0), to average lost days per equivalent full-time worker (0.0).

WORK-RELATED INCIDENT RATES FOR 200,000 HOURS WORKED

	Injury and Occupational Illness		Lost workday incidents for Injury and Occupational Illness	
	Number of incidents	Rate(1)	Number of incidents	Rate(2)
2020	5	0.06	1	0.01
2021	2	0.02	-	-
2022	1	0.008	-	-

(1) Work-related injury and illness incident rate is calculated as number of injuries and occupational illnesses per 200,000 hours worked.
(2) Work-related lost workday incident rate is calculated as number of lost workday injuries and occupational illnesses per 200,000 hours worked.

LOCAL INITIATIVES

There were many notable H&S achievements during 2022, and several of them are summarized below. Many initiatives and programs were implemented to improve working conditions, and to develop well-being while ensuring the safety of the workplace.

As the Covid pandemic continued unevenly across the globe, with some relapses and some improvements, all sites adapted, maintaining cleaning procedures, social distancing protocols, and provision of personal protective equipment like masks where needed, while in better circumstances, organized return to work. Sites continued to develop work from home and return to work strategies where possible. Before the pandemic hit, some sites had already put in place mental health programs, but in 2022, to address post-Covid and return to work related stress many such programs were put in place with more employees trained as on-site Mental health First Aiders, in addition to supporting programs with supporting consultations (clinic in Montreal or onsite specialist in London). A few locations (Adelaide and Montreal) also initiated a dog in office program to alleviate stress on the premises after due consultation with employees and the setting of rules for common acceptance.

Some sites worked to improve working conditions, though expansion of floor space, or though refurbishment (Shanghai), also finding space to fit in proper break/rest/wellness rooms equipped with First Aid boxes and information (More ergonomic tables and screens were purchased (screenrisers and varidesks) as well at some locations). In Paris, some CO_2 monitors were purchased to assess air quality on a continuous base on dense floors and adjust ventilation settings when alarms are triggered.

Team building operations took place, including hosting Charity fundraising events (Culver City), or organizing toy collections for children or collection of coats for the homeless (London).

PROMOTION OF SPORT AND HEALTHY LIFE STYLE ACTIVITIES FOR EMPLOYEES

The promotion of sport or healthy life style activities for employees take many forms and most of them are managed at the site level. Below are a few examples:

- Sport activities:
  - Encourage and support teams to participate in running competitions in Adelaide (Australia), *La Parisienne* in Paris (France), "Chill Run" every two weeks running along the Seine banks (Paris – France),
  - Badminton tournament in Bangalore (India),
  - Weekly volleyball in Paris (France),
  - Dance fitness sessions inside the studio in Bangalore,
  - Yoga sessions in Bangalore and Paris,
  - Grant/discount to subscribe to fitness center (France),
  - Promotion of bike to work (Paris – France, Liège – Belgium);
- Health risk prevention:
  - Onsite prevention of cardiovascular diseases day with the onsite nurse (France),
  - Benefits incentive program in the USA: employees who choose to participate in the wellness and lifestyle reward program may be eligible to receive a $ 400 annual medical premium discount for completing a series of health & financial activities. This is a voluntary program.

5.

(1) Work-related injury and illness incident rate is calculated as number of injuries and occupational illnesses per 200,000 hours worked.
(2) Work-related lost workday incident rate is calculated as number of lost workday injuries and occupational illnesses per 200,000 hours worked.

5.2.6 ABSENTEEISM

Absences are generally defined on an annual basis in terms of holidays, vacations, personal and family medical leave or other possible unplanned absence such as jury service, or as may be specifically described by bargaining unit contract, employment contract, or regulation. Throughout the year, each employee categorizes any absence according to its definition, and all absences are subsequently reviewed and approved inside the applicable working time tracking software solution.

The average rate of employee absenteeism for sickness and unauthorized absence at the Group level in 2022 was 1.7%.

	2022	2021	2020
Absenteeism rate (in %)	1.7	1.7	1.8

Figures for 2021 and 2020 for Technicolor Creative Studios legal entities scope.

The absenteeism rate calculation does not include non-medical direct absences due to the Covid-19 pandemic: furlough, sites shut down at the request of public authorities, consequences of the health protocol implemented by the Group (potential contamination contact cases sent back to home at the initiative of the Group) were not considered. It is also more difficult to track as a significant number of employees worked for a long period from home.

The separation between Vantiva and Technicolor Creative Studios modifies drastically the profile of jobs occupations, with now exclusively located in non-industrial facilities, that are less exposed to absenteeism.

ABSENTEEISM METHODOLOGY

Population coverage: 99% of the employees are covered for the calculation. All employees with an active and not terminated working contract with Technicolor Creative Studios are included in the scope (interns, apprentices, contracted workers, employees under a notice period are excluded).

Absence reported: paid and unpaid medical leave up to 12 continuous weeks of absence, work-related injury absence, short-term and long-term disability if employment working contract is not suspended, unauthorized absences – Unpaid leave/absence – other unjustified unpaid absence. All other categories of absence, including maternity leave, are not included.

Absenteeism rate divides volume of recorded absence (days) by the product of theoretical number of days worked during the year and the full-time equivalent average headcount of the covered population.

5.2.7 COMMUNITY IMPACT AND REGIONAL DEVELOPMENT

Technicolor Creative Studios strives to hire most of its employees locally in order to sustain local employment. Technicolor Creative Studios' locations are usually in very large cities and surrounding metropolitan areas and, as a result, Technicolor Creative Studios holds a minority employer position in most employment areas where it is located and has limited direct local economic influence. However, Technicolor Creative Studios employment may sometimes represent, at the regional level, a significant percentage of its related industry, due to its leadership position and the specific skills required for its business.

Therefore, where there is a local talent shortage requiring the hiring of employees from abroad, in addition to its internal Academy training initiative, Technicolor Creative Studios supports the regional development or expansion of education bodies targeting the required skills. Technicolor Creative Studios also contributes actively and dedicates time and resources to industry associations and to cooperative initiatives aiming at developing education and employment at the regional level (Canada, France, UK, India). As part of these cooperative actions, Technicolor Creative Studios representatives chair France, Québec and India film technical industry associations.

As in the past years, Technicolor Creative Studios sites were quite active within their communities. In Bangalore, India, the project "Crush Covid Fighting 2nd wave and preparing for the 3rd" by ChildFund was financially supported after that India members of staff campaigned in 2022 for the Universal Vaccination Project against Covid-19 by ChildFund through social media. The site engaged with the NDTV network on a campaign to support the cause of ChildFund. The project involves (a) provision of essential medical equipment at urban health care centres, (b) child friendly facilities at urban pediatric treatment centres, (c) prepare existing community system to manage and safeguard well-being of Covid-19 affected children, and (d) vaccination along with campaigns and Covid appropriate behaviour. Similarly, Oxfam India received donations from individuals across the globe towards the Covid-19 relief project named Mission Sanjeevani, due to the online campaign organized by the Technicolor Creative Studios communication team and Technicolor Creative Studios matched the amount of the donation.

The Montreal site has donated to the Native Women's Shelter of Montreal, and to *Dans La Rue* for Christmas. The London site helped the toy collection for the Salvation Army and organized a Christmas jumper day to raise money for Save the Children.

Overall Technicolor Creative Studios sites donated together some €128 thousand in cash and 75 hours of volunteer time, plus usual donations in kind.

5.2.7.1 THE TECHNICOLOR CREATIVE STUDIOS ACADEMY

Academy History and Validation

Our first Creative Academy in our Canadian studios was established in the autumn of 2014, and in our Indian studio mid-2015, with Adelaide & London starting in 2018. The departments for which we have training are Compositing, Lighting, FX, Digital Matte Painting (DMP), Animation, Roto Prep, Assets, Tech Anim and Match-move. Since this project began, the training team has trained over 5,300 artists globally. The project has been a success and continues to be a central part of our talent strategy. It represents an excellent opportunity for young people in the communities in which we operate to break into the film Visual Effects business.

It is challenging to get a chance to work in Visual Effects and the Creative Academies opens the door and provides this opportunity. It is an investment not only in our own future talent, but in the communities where we operate. Access is not limited to the national citizens, but open to talent around the world, wherever they come from. We have welcomed Academy students from Mexico, Brazil, Thailand, Columbia, Indonesia, China, Japan, Korea, together with India, North America and Europe. Hundreds of young people, who may not have otherwise been given a chance, have been provided an opportunity to join our creative community. They have the support of a full-time trainer in the department they are preparing for, and they are given detailed feedback along the way, so they understand what they need to do to succeed.

A large proportion of those hired into the Academy have graduated and continued employment within our Visual Effects studios. Many have received subsequent contracts and others have gone on to work for our competitors fueling the talent pool of the ecosystem; we see that as a validation of the success of the Creative Academies. Since, the scope of the Academy has expanded to animation and games. As Visual Effects, like Animation and Games is a show-based cyclical business, artists tend to be contract based and move between a variety of companies on different projects.

The pandemic accelerated the shift to online training and in 2021 the business model of the Academy was modified to ensure recruitment, despite the restrictions to travel, and to allow more candidates from broader and diverse origins to participate, enabling attendance without being forced to relocate and incur significant personal expenses:

- In India, trainees are enrolled as employees and paid during the Academy session. After their graduation it is proposed to extend their work contract to work on a production. Courses could be on site or online;
- Outside India, the Academy is virtual and free of charge for non-employees. Trainees may freely apply to a dedicated session. Once selected, they attend the online and virtual session to which they are assigned. This participation does not require any financial investment from the trainees, except their own computer and an Internet connection, as all courses and computation work are in the cloud. It does allow trainees to attend for free from where they are located, in overseas countries, without having to pay for expensive equipment. After graduation, they will have the opportunity to join one of the physical studios of Technicolor Creative Studios to work on a production. But they are free to refuse and to leave for another company;
- This renewed business model contributes more broadly and in a more diverse way to the development of the talent ecosystem and to the development of the broader business community by attracting and developing talent who may otherwise have less chance to work in this business.

Since we invested in emerging talent and created an excellent experience for their entry to the business, it is likely that they will return to one of our studios because of the loyalty inspired. Overall, this program allows us to contribute to local economies and employment and can help grow a larger available talent pool for the industry cluster.

In 2022 Technicolor Creative Studios Academy sessions were delivered to 1,727 artist trainees (employees and non-employees) who went through the onsite and online Academy. They received a total of 636,596 hours of training:

- 1,208 employees attended a training session of the TCS Academy in India, representing 479,660 hours of training for 143 women and 1065 men;
- 519 creative talents (37% of them women) attended freely the virtual TCS Academy on-line (156,936 hours of training), of which 71 were subsequently hired (22,552 hours of training for 28 women, representing 40%, and 43 men).

University Partnerships & Outreach

The Technicolor Creative Studios Talent team continues to build university partnerships to provide *curriculum* guidance ensuring skill alignment with market needs.

Our trainers, creative department heads and the wider Talent team contributes to this and other outreach programs.

We aim to source a significant proportion of our future junior talent in several disciplines with Academy graduates. Our heads of department have expressed satisfaction with their performance, and we have many cases of Creative Academies graduates performing well above expectations.

We see this as a partnership between the Group and local education establishments which help make the countries we work in attractive for creative talent.

Our creative Academies represent both a central strategic talent initiative and a way for the Group to give back to the community. It helps bring social and economic benefits to the cities we work in, as every Academy student will need to work, live, play and learn in their communities. As these communities become recognized as great places for creative talent, it will benefit the economy thus positioning the business as a force for good.

5.2.8 RELATIONS WITH EXTERNAL STAKEHOLDERS

Technicolor Creative Studios' main activities require creative talents for innovation of technologies and services. This leads Technicolor Creative Studios to maintain relationships with a variety of key stakeholder groups to ensure growth and sustainability of its businesses, primarily:

- Clients and customers;
- Investors and shareholders;
- Education bodies;
- Communities;
- Suppliers and subcontractors;
- Public authorities.

Within these general categories, specific stakeholders are identified as engagement opportunities based on their nearness to or connection with critical aspects of the Group (people or services). Dialog may take place in a variety of ways, such as face-to-face meetings, memberships, surveys, contracts, or public event/forum/webinar/panel, as detailed in the below descriptive examples.

Customer satisfaction was monitored and managed through regular communication and executive review of any customer complaints. Findings of these meetings are used to correct processes and improve relationships and quality of services.

Technicolor Creative Studios was listed on September 27, 2022 on Euronext Paris., and the Group is working on maintaining strong relationships with its shareholders and investment community. As part of the spin off process and the listing of Technicolor Creative Studios, former Technicolor and Technicolor Creative Studios organized one Capital Market Day in London, roadshows in Paris and London, and participated to one conference and several meetings with investors and analysts.

Long-term partnership with education bodies are key for fast growing and/or changing businesses, to ensure access to an emerging young talent pool whose skills fit with our requirements. See section 5.2.7.

Relations with suppliers and subcontractors are described in section 5.3.1 as well as in the Vigilance Plan (section 5.11).

Technicolor Creative Studios continues to develop trusted relations with public authorities where it operates to secure a favorable business and social environment. These relations are managed either directly or indirectly through industry associations, and follow strictly our business ethics rules, especially regarding competition and anti-bribery regulations as well as transparency through the national registration processes of declaration of interest.

CSR questionnaires from customers and clients, from rating agencies and investors and subsequent exchanges were used to establish the expectations and priorites from our external stakholders for the matrix of materiality, as explained in section 5.1.2.

5.3 HUMAN RIGHTS AND WORKING CONDITIONS

Technicolor Creative Studios closely follows the international principles laid out in the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work in its approach to Ethics and Social Responsibility, a standard reinforced in the Group's Ethics policy and in its membership with the United Nations (UN) Global Compact. In this way, the Company pledges to ensure freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor and elimination of discrimination in respect of employment and occupation. These principles carry through into the supply chain, and supplier compliance with the Company's policies and principles relating to ethics and human rights is monitored through a Supplier Responsibility program.

The former Technicolor Group has been a Member of the UN Global Compact since 2003. The Global Compact is a United Nations initiative which challenges Member companies to align their operations and strategies around 10 universally accepted principles in the areas of human rights, labor standards, environmental practices and anti-corruption and to develop best practices in these fields. Technicolor Creative Studios seeks to comply with the highest ethical standards, to take into account the legitimate and ethical interests of all its stakeholders as well as the United Nations founding principles and each year submits a Communication on Progress as part of its support and engagement in favor of the Global Compact. The latest Communication on Progress of the former Technicolor Group is available as part of the Sustainability report on the Group's website at the following location under the Corporate Social Responsibility section:

www.technicolorcreative.com/csr.

5.3.1 HUMAN RIGHTS AND WORKING CONDITIONS IN THE SUPPLY CHAIN

Through meetings, contracts, and other methods of formal communication, the Group shares its expectations that suppliers and their subcontractors provide safe and healthy working conditions for their employees, abide by Human Rights laws and standards, and strives for continual improvement in their environmental management systems, processes and products.

Technicolor Creative Studios requires its suppliers and sub-contractors to actively support its CSR Principles. Suppliers are required to comply with the legal requirements and standards of their service or industry as applicable under the national law of the countries in which they operate. Technicolor Creative Studios suppliers and sub-contractors also ensure the compliance of their components and products with specific legal requirements applicable in the countries where their products are being sold.

To ensure that suppliers respect established principles, and as part of Technicolor Creative Studios' Supplier Responsibility program, since 2003 as initiated by the former Technicolor Group, sourcing management:

- requires all suppliers to sign the General Rules of Conduct Compliance Certificate;
- periodically reviews all suppliers according to the Technicolor Suppliers Responsibility program requirements.

The Technicolor Creative Studios Supplier Responsibility program:

- ensures that Technicolor Creative Studios suppliers respect our policies and program requirements;
- promotes economic and social welfare through the improvement of living standards and support for non-discriminatory employment practices. Technicolor Creative Studios actively seeks suppliers with similar interests and ethics commitments.

Suppliers are expected to adhere to these basic principles:

- tolerate no discrimination and encourage diversity;
- promote best working conditions;
- use no child labor or forced labor or involuntary labor;
- protect worker health and safety;
- respect the environment;
- support worker development;
- respect fair market competition;
- strive to be a good corporate citizen wherever Technicolor Creative Studios operates;
- prevent and avoid all forms of bribery, corruption, or other unfair and unlawful action;
- respect consumer and personal privacy;
- avoid potential conflicts of interests.

Technicolor Creative Studios uses the EcoVadis assessment platform (EcoVadis Rating Framework) to engage and to monitor the supply chain for suppliers above a yearly spending threshold of more than €750 thousand. In 2022, these covered suppliers represented 58.9% of the total spending of the Group, and about 48.5% of suppliers above the spending threshold were assessed by EcoVadis.

5.3.2 FIGHT AGAINST HARASSMENT AND DISCRIMINATION

A diverse workforce is a business imperative for Technicolor Creative Studios in its competitive environment. It must be able to recruit and retain the most talented candidates from a broad range of disciplines and experiences. Technicolor Creative Studios' policy is not only to provide equal employment opportunity without regard to race, sex, religion, national origin, age or disability status, but also to fight actively against harassment and discrimination, which are illegal, and also hampers its ability to perform and to retain talented employees.

Beyond existing legislation, we strive to track pay discrimination cases between women and men and to reduce such gaps. An improved gender pay gap analysis process based on current and revamped business' job architectures was developed to identify and help to prevent pay gap creation at every step of women's career.

The non-discrimination and equal employment opportunity policies, based upon the Ethics Charter and locally augmented according to specific legal requirements if needed, including the anti-harassment policy, are implemented at all Technicolor Creative Studios sites.

In addition to the role of management, detection of discrimination cases also relies on the whistleblower policy allowing any employee to confidentially disclose their situation or the situation of a co-worker, without fear of publicity or adverse reaction. Such cases are reported to the Ethics Compliance Committee and investigated. Some countries implement in addition an official trust person or advocate for employees if there is a discrimination issue. Overall, 11 cases of harassment and 1 case of discrimination were reported in 2022.

In order to prevent and fight discrimination and harassment in the frame of our zero tolerance policy, all employees were assigned to complete a mandatory online training course throughout the Group. To ensure a better understanding, this 1 to 2 hours training course was delivered prior to the spin off and in 6 languages: English, French, Spanish, Polish, Portuguese and Chinese. 2,744 employees completed this online training representing 2,912 hours.

Subsequently, employees were asked to read and acknowledge the Code of Ethics, including sections about the fight against discrimination and harassment and the whistleblowing procedure.

In several countries, managers and supervisors are providing legal awareness training sessions about anti-harassment and non-discrimination:

- in India, as part of the PoSH (Prevention, Prohibition and redressal of Sexual Harassment at workplace) actions, all employees joining Technicolor Creative Studios attend an awareness session as part of their induction. We also continued to make provision for mutually agreeable extensions of employment for senior workers, past the national retirement age of 58. The Bangalore operation also provides a written document concerning local community conditions and advice for new workers moving in from other areas;
- in the UK, during MPC induction and onboarding process, the employee engagement committees are highlighted, and employees are encouraged to join or attend up-coming events.

Throughout the VFX brands in the Balance committees, there is a stream called Pride, open to everyone, focusing on creating a welcoming space for all LGBTQ+ employees, as well as Women Steering groups.

5.4 CLIMATE CHANGE

This report provides an overview of the activities that Technicolor Creative Studios is taking to fulfil its responsibilities as a global corporate citizen with respect to Climate Change. As such, Technicolor Creative Studios is reporting on what it has determined to be the most significant aspects and impacts, for the fiscal year 2022.

Climate change is integrated into Technicolor Creative Studios' business strategy along two primary axes: development of eco-friendly services and infrastructure improvements to reduce emissions, or to maintain performance when faced with climate impacts. The infrastructure strategy is to seek out improved efficiencies in technology or human process/behavior.

SCIENCE-BASED TARGETS AND NET-ZERO STANDARD

The former Technicolor Group committed to Science-Based Targets (SBT) and the Net Zero Standard at the end of 2021, and the former Technicolor Group submitted its targets for validation during 2022. Technicolor Creative Studios will need to recommit and resubmit as Technicolor Creative Studios Group during 2023. Technicolor Creative Studios is developing its full Scope 3 emissions profile to better understand the climate change levers and in order to fully support the commitment to an ambitious short-term outcome below 1.5 °C by 2027 as well as the longer-term Net Zero by 2050.

This work was well-aligned with the material CSR risks of Technicolor Creative Studios and given that the business community plays a crucial role in minimizing the impacts of climate change and that climate science is now well-established, the Group decided to move forward in alignment with other leading businesses by aligning with the SBT and Net-Zero initiatives in order to be fully transparent and committed to doing its part. This means that beyond controlling and minimizing the climate change impacts of its own operations through increased use of decarbonized energy, Technicolor Creative Studios will focus on the climate change impacts of the full supply chain, including data centers. The last step of development concerns emissions related to the purchase of goods and services.

CHARTER, POLICIES AND GUIDELINES

Standards and direction begin with Technicolor Creative Studios' Code of Ethics and then flow to the Group's HSE Charter, authorized by top management. After that comes a library of more than 50 HSE Policies and Guidelines, beginning with the Environmental Policy, supported by numerous topical guidelines such as resource conservation and pollution prevention.

The HSE Charter is available in nine languages and has been posted on the Group's Intranet, along with all the policies and guidelines.

ORGANIZATION

HSE is managed transversally and by extension becomes the duty of each Executive Committee Member, business manager, and Site manager. The former Technicolor Group established a Corporate HSE group in 1993 to develop, direct and oversee the development of global policies, guidelines, programs and initiatives. The Corporate HSE organization reports now to Corporate Social Responsibility, headed by the Group General Counsel and Board Secretary EVP, who is a Member of the Executive Committee. Overseeing HSE is a Corporate manager, who directs the efforts of HSE personnel throughout the business. Legal support and counsel for issues such as environmental protection and workplace safety is provided by in-house attorneys.

It is the responsibility of the Corporate HSE Organization to develop policies, programs, processes and initiatives to help the business meet the principles and commitments outlined within the HSE Charter. Each location identifies personnel who, along with the support of local HSE Committees, are responsible for reviewing and localizing Corporate Policies and Guidelines and applicable governmental laws and regulations, and for implementing site-specific programs and procedures which will ensure compliance and minimize the potential for their operation to cause harm to human health or the environment.

REPORTING PERIMETER AND RISK PROFILE

This report contains data from 16 operating locations. Prior year data are reported for the same locations when available, although some newly acquired sites may not have data values for years prior to acquisition or sites may have been closed or sold.

Given the diversity of the Group's operations, the environmental aspects and potential impacts vary by location, thus not every location is required to report on each of the established metrics. Environmental aspects reviewed in this report include waste management (total waste generated, landfilled, and recycled), energy consumption (electricity, fossil fuels, steam, and chilled water), water consumption, air emissions (greenhouse gas emissions). The 16 sites included in this report may be reviewed in the subsection: "Data collection method and rationale" (5.5.4) herein.

The Corporate HSE Organization has identified key information that is tracked and reported on either a monthly, quarterly, or annual basis. This information includes utility consumption, waste generation, recycling and disposal, air emissions.

Technicolor Creative Studios is firmly committed to continually assessing the impacts of its facilities and services. The Group's goal is to continually evaluate information needs and collection processes to ensure that it remains consistent, with a focus on present activities and issues as well as anticipated future requirements.

GOALS AND OBJECTIVES 2019-2022

The former Technicolor Group established the following climate change goals and objectives for the Group, to be met by its worldwide operations by the end of 2022:

- 30% minimum proportion of electricity coming from renewable sources.

For 2023, an objective of 75% proportion of electricity coming from decarbonated sources is set for Technicolor Creative Studios.

5.

5.4.1 CARBON EMISSIONS

ENERGY CONSUMPTION

In 2022, worldwide energy use was approximately 141.7 terajoules, an increase of about 12.6% compared with 2021. Of the total energy consumed, 98.5% was in the form of electricity (of which 73.2% was from decarbonated sources and 66.2% was from renewable sources), 0.2% was in the form of fossil fuels, and 1.3% was in the form of purchased steam or chilled water. When compared to total revenue, average energy intensity was 0.181 TJ/M€ across the business in 2022.

ENERGY CONSUMPTION

	Total (in terajoules)	**Electricity** (in terajoules)	**Fuel sources** (in terajoules)	**Total per revenue** (in terajoules per million euros)
2020	208.0(1)	202.1	4.4	0.475
2021	125.8(2)	123.3	0.6	0.209
2022	141.7(3)	139.6	0.25	0.181

(1) Total energy includes about 1.5 TJ steam or chilled water purchase.
(2) Total energy includes about 1.8 TJ steam or chilled water purchase.
(3) Total energy includes about 1.8 TJ steam or chilled water purchase.

GREENHOUSE GAS EMISSIONS

Having evaluated its operations, Technicolor Creative Studios determined the most significant but limited air emission contaminant resulting from the Group's operations (Scope 1) to be equivalent carbon dioxide (CO_{2eq}) associated with on-site combustion of fuels for heating and cooling, back-up power generation, fire-suppression equipment, or other typical engine-driven equipment. Reporting is based on the GHG Protocol.

In 2022, a total of 18.7 metric tons of CO_{2eq} were emitted from combustion sources within Technicolor Creative Studios' locations.

AIR EMISSION

Scope 1 emissions	**CO_{2eq}** (in metric tons)
2020	281(1)
2021	49(2)
2022	18.7(2)

(1) These figures calculated using the 1996 Intergovernmental Panel on Climate Change (IPCC) emissions factors.
(2) These figures calculated using the 2006 Intergovernmental Panel on Climate Change (IPCC) emissions factors.

Indirect emissions from consumption of electricity, steam, and chilled water (Scope 2) were 17,661 metric tons CO_{2eq} and were estimated using the International Energy Agency emissions factors (2020). As Technicolor Creative Studios continues to work on reducing emissions, and on contracting for less-carbonated electricity when renewing energy contracts, Technicolor Creative Studios is beginning to disclose Scope 2 emissions on an additional market-based approach.

	CO_{2eq} (in metric tons)	
Scope 2 emissions	**Location-based**	**Market-based**
2020	20,094	-
2021	15,299	6,559
2022	17,661	6,792

Beyond scope 1 and scope 2 greenhouse gas emissions, some of the most significant contributions to scope 3 greenhouse gas emissions are shown below, with the exception of purchased goods and services. Where quantitative estimates are shown, the values are approximate due to assumptions required and potential absence of exact knowledge for specific type of transportation equipment and fuel. Necessary assumptions are based on industry standards or surveys for collective vehicle performance or consumer behavior:

- pre-Covid employee commuting was estimated at about 17,892 tons CO_{2eq} and a new employee survey was developed that will bring focus and improved accuracy to the employee commuting impact going forward;
- business travel continued to be impacted and reduced in 2022 due to Covid-19 risks and travel restrictions, with an impact of 4,701 tons CO_{2eq};
- data centers supporting all businesses and functions within Technicolor Creative Studios generated an estimated impact during 2022 of 12,923 tons CO_{2eq}. This estimate concerns all data centers and includes in part a double counting of some emissions already reported as Scope 2 emissions within Technicolor Creative Studios operations. Emissions factors used were selected from International Energy Agency emissions factors (2020).

In 2022, the former Technicolor Group participated for the fifteenth consecutive year in the Carbon Disclosure Project (CDP), targeting collaboration between large international firms and investors related to global warming. Former Technicolor Group's emissions disclosure is available on the CDP's website: http://www.cdp.net/.

DATA CENTERS

In addition to Group IT requirements, Technicolor Creative Studios businesses related to animation and visual effects have an on-going need for fast and efficient data centers (computational capacity plus storage capacity). Technicolor Creative Studios uses a mix of public cloud-based infrastructure as a service, in addition to on-site or co-located data centers managed by Technicolor Creative Studios resources in conjunction with other partner companies in order to meet these requirements, depending on data security, response time, availability, and other aspects. As a first step, Technicolor Creative Studios has mapped its requirements and its current infrastructure and continues to work toward reduced energy consumption and increased energy efficiency for data centers while working to understand the power usage effectiveness methodology (PUE) and definitions that could be further implemented to improve the business performance while reducing carbon emissions. The combined impact of all data centers utilized by the Group during 2022 was estimated to be 12,923 tons CO_{2eq}. This estimate concerns all data centers and includes in part a double counting of some emissions already reported as Scope 2 emissions within Technicolor Creative Studios operations. Emissions factors used were selected from International Energy Agency emissions factors (2020).

5.4.2 RENEWABLE ENERGY

As part of its pledge to conduct business safely and responsibly, the former Technicolor Group has always measured environmental impact and sought to reduce it through monitoring programs and projects focused on its activities. Our energy focus has evolved, resulting in a growing emphasis on increasing the proportion of renewable energy as a percentage of electricity consumed at all the Group sites.

RENEWABLE ENERGY

Group	**As a percentage of electricity** (in %)	**As a percentage of total energy** (in %)
2020	50.8%	49.3%
2021	62.1%	60.9%
2022	66.2%	65.2%

DECARBONATED ENERGY

Group	**As a percentage of electricity** (in %)	**As a percentage of total energy** (in %)
2020	-	-
2021	71.4%	70.0%
2022	73.2%	72.1%

5.

CLIMATE CHANGE HIGHLIGHTS

Sites work to reduce their energy consumption. Efforts to reduce energy consumption locally continued in 2022. Typical efforts involve lighting fixtures changeover to LED appliances, HVAC improvements (heating, ventilation and air-conditioning), and shutting down as many lighting or other systems during weekends or holidays as possible, raising setpoint temperatures in data centers or other technical rooms, selecting equipment according to energy efficiency criteria, and using window solar control screen films to improve heat blocking in exposed offices. Many initiatives took place at the site level in 2022 to reduce carbon emissions in addition to energy saving initiatives implemented:

- these efforts are oriented towards floor space optimization, lighting, heating, ventilation, air conditioning systems, power for data center units. Increasingly sites source greener energy, some are already on 100% renewable electricity, others are gradually improving their electricity mix content during contract renewals, to prepare for ambitious decarbonization targets in coming years;
- in the Paris site, in the context of the energy crisis and potential electrical shortages in the winter, heat settings were lowered to a set temperature of 19 °C at the beginning of winter, and some lighting fixtures were disconnected around the atrium and in galleries around the atrium on a 1 out of 3 ratio, without compromising safety in any way;
- in the New York site, high consumption in-house data center equipment is progressively moving out to shared or cloud-based data centers.

5.5 CIRCULAR ECONOMY

This report provides an overview of the activities that Technicolor Creative Studios is taking to fulfill its responsibilities as a global corporate citizen with respect to the Circular Economy. As such, Technicolor Creative Studios is reporting on what it has determined to be the most significant aspects and impacts, both globally and by business unit, for the fiscal year 2022.

CHARTER, POLICIES AND GUIDELINES

Please refer to section 5.4 for their description.

ORGANIZATION

Please refer to section 5.4 for its description.

REPORTING PERIMETER AND RISK PROFILE

Please refer to section 5.4 for their presentation.

ANNUAL PERFORMANCE MEASUREMENT PROCESS

A process was implemented in 1997 to allow for the consistent internal benchmarking of key management programs and requirements within each of the Group's locations, and tracking of site progress toward environmental, safety and resource conservation improvement goals. This process was revised during 2012 to better support the wider network and diversity within the Group, and it assesses benchmark criteria, helping the Group create consistent global focus and action plans on key programs, requirements and initiatives.

EMERGENCY PREPAREDNESS AND RESPONSE

Even the best designed programs and procedures cannot eliminate the occurrence of unforeseen events. The development and periodic review of emergency preparedness and response plans is critical to the success of Technicolor Creative Studios' HSE program, making these, along with associated training and testing, key components of the HSE performance measurement process.

One of the many challenges that are present in a globally operated business is ensuring effective communication, particularly in the event of a crisis. At Technicolor Creative Studios, a system was designed to provide a consistent worldwide approach for managing and mitigating significant HSE incidents. The Significant Business Incident (SBI) system enables timely communication to and involvement of top management and ensures the quick and effective allocation of appropriate resources with consistent crisis management measures throughout the world. This process also serves as a valuable tool for identifying potential concerns within Technicolor Creative Studios and to ensure that appropriate preventive measures are effectively implemented.

In 2022, four SBIs associated with HSE aspects were reported, and no penalties or were incurred as a result of SBI events.

AUDITS AND INTERNAL GOVERNANCE

HSE audits and inspections are a key part of Technicolor Creative Studios' continued efforts to improve HSE management and performance, and to prevent incidents from occurring. Inherited from the former Technicolor Group, a comprehensive audit program was implemented in 1996. The aim of the audit program is to review the locations' compliance with HSE Policies and Guidelines and specific applicable HSE laws and regulations. The audit program has also been demonstrated to be a valuable tool for increasing HSE awareness, identifying best practice opportunities, communicating successful initiatives between plants, creating opportunities for different approaches to problem solving, and introducing HSE personnel to other aspects of the Group's business.

The audits include physical inspections of the location, review of documents and records, and examination of activities within the HSE scope. The use of Technicolor Creative Studios-specific audit protocols helps ensure and maintain consistency in approach while also bringing renewed focus to key requirements. In addition, the protocols allow for, and require, the inclusion of location-specific regulatory and business requirements. Issues and recommendations identified during the audit process are reviewed and discussed with members of the location's management.

In 2022, five sites were remotely reviewed as part of Technicolor Creative Studios' objective of monitoring all locations at least every three years. As a result of these reviews, potential improvement items were identified and evaluated, and more importantly, appropriate associated action plans developed.

ACQUISITIONS AND CLOSURES

Technicolor Creative Studios has established a process for reviewing locations prior to acquisition and upon closure to identify and understand the likelihood and extent of potential environmental contamination associated with the locations' activities. This process not only helps limit financial liability, but also to understand the type and level of support required to ensure that the Group's corporate policies and guidelines are effectively implemented. Once acquired, locations are expected to comply with Technicolor Creative Studios' HSE policies and guidelines, which include, as an example, the development of chemical and waste management practices to minimize the potential for uncontrolled releases to air, water and land.

Newly acquired businesses are reviewed by the Group to identify HSE aspects of their operations, to evaluate the status and effectiveness of existing management and control systems, to determine compliance with HSE Policies and Guidelines, to communicate Technicolor Creative Studios' HSE initiatives and requirements, and finally, to assist in the establishment of location-specific programs that conform to Technicolor Creative Studios' requirements and meet the needs of the Group.

TRAINING

Technicolor Creative Studios understands that each employee has the ability to impact the workplace Health and Safety (HSE) efforts and performance, thus it is critical that they are provided with appropriate tools, resources and knowledge. HSE training programs develop awareness and skills that allow employees and contractors to perform their jobs in such a manner that will not only ensure compliance with appropriate laws, regulations and policies, but also so that they may prevent accidents which may lead to injuries or harm to the environment. Training programs are evaluated during the CSR audit process and are a core requirement in the CSR performance measurement process. In 2022, 4,404 hours of HSE training reported through the HSE reporting system *(Enablon)* on a wide variety of environmental and safety compliance and protection, injury prevention, emergency preparation and response, and occupational health topics were provided to employees and contractors throughout Technicolor Creative Studios

5.5.1 RECYCLING OF WASTE AND OPTIMIZATION OF RAW MATERIAL

WASTE GENERATION AND RECYCLING

Hazardous waste is defined at each site using guidance from local governing agencies, but in general it means waste chemicals, fuels, oils, solvents, batteries, fluorescent light bulbs, or other items that may have been in contact with the hazardous material, for example, cleaning materials or empty containers. All these hazardous wastes are handled, stored, and disposed in compliance with local regulation and Group Policy.

Technicolor Creative Studios operates non-industrial sites exclusively, all located in densely populated urban areas. Most Technicolor Creative Studios locations are tenants in multi-tenant properties where waste is collected and/or managed by the landlord with only general information available, and thus some non-industrial waste impacts are estimated using available information at the local, regional, or country level.

The waste generated is essentially non-hazardous, yet waste from electric and electronic equipment is one stream receiving particular attention to ensure compliance with local regulation and to protect content security. Of note too, Technicolor Creative Studios sites with large data centers used for image processing generate periodic additional battery recycling due to the need for significant back-up power systems.

Overall quantities of waste generated at the creative studios may vary significantly year to year due to various factors, including real estate consolidation or expansion, refurbishment, densification of floors, or reallocation of floor space to guarantee a high level of confidentiality per project according to customer requirements. Such waste generation events are kept to the strict minimum but are a characteristic of the activity. Organic waste is heavily dependent on the number of creatives working on-site versus remote.

Detailed waste generation and disposal data is requested at each site according to standard categories defined at the corporate level using periodic online site questionnaires deployed via a specialized, web-based, software, Enablon (www.enablon.com). Waste reporting is a work in progress globally, hence the figures disclosed here are indicative for 2022. Currently this waste reporting process is not fully standardized and must be improved going forward. As more waste management contracts are signed with local approved contractors with a better service offer and guaranteeing a more accurate tracking of the waste generated, recycled, and eliminated, the objectives for standardized reporting and complete and accurate data will be achieved.

Estimated total waste generated in 2022 was 2,054 tons. The diversion rate was 33.3% and the disposal rate was 66.7%. When compared to total revenue, the average waste generation for all Technicolor Creative Studios operations was 2.62 M-Ton/M€ in 2022.

WASTE

	Total Waste Generated (in metric tons)	% Disposed (in %)	% Diverted (in %)	Total per Revenue (in metric tons per million euros)
2022(1)	2,054	66.7%	33.3%	2.62

(1) Global waste estimate is based on country-level statistics using average full-year headcount in each country and the nominal number of workdays.

Waste data are consolidated at the Group level and audited each year by third-party auditors during the process of validation of Group extra-financial data, prior to publication and in compliance with French law.

Technicolor Creative Studios sites select only qualified suppliers of waste-related services, generally always licensed and permitted by government agency, and in addition all sites are advised to review each waste service provider's capabilities, staff qualifications, and control systems.

Technicolor Creative Studios sites have distinct waste profiles characterized by their own input and output profiles:

- sites generate typical waste associated with office buildings; however, Technicolor Creative Studios sites with large data centers used for image processing generate periodic additional battery recycling due to the need for significant back-up power systems;
- all locations consume materials and generate typical waste associated with maintenance and repair of buildings and facilities such as grease and oil, light bulbs, solvent rags, paint, cleaning products, and pesticides.

WEEE

Managing e-waste has become a global concern as the volumes of used electronics requiring disposal grows among consumers. In the European Union, the Electrical and Electronic Equipment (EEE) falls under the WEEE Directive.

WASTE HIGHLIGHTS

Waste reduction, reuse and recycle efforts continued in 2022. Sites increasingly reduced waste produced by discontinuing the use of disposable paper cups, plastic cutlery, or bottled water, shifting to durable options.

5.5.2 SUSTAINABLE WATER MANAGEMENT

In 2022, water consumption at the Technicolor Creative Studios reporting locations increased by about 29% *versus* 2021 to 24.5 thousand cubic meters. This increase was primarily due to more consistent use of estimating methods in unmetered locations When compared to revenues, the average water consumption rate was 31.2 m^3/M€ across the business in 2022.

Where raw water is developed on-site from local wells, all consumption and pre-treatment is in accordance with granted permissions and approved processes.

WATER CONSUMPTION

	Total consumption (in thousands of cubic meters)	Total per revenue (in cubic meters per million euros)
2020	53.0	121.0
2021	19.0	31.6
2022	24.5	31.2

SUSTAINABLE WATER HIGHLIGHTS

While Technicolor Creative Studios is not a water intensive business, efforts to save water are made wherever possible, with sites in water stressed areas being particularly sensitive to careful water management. Throughout the year, awareness campaigns and signage are a complement to the refurbishment of toilets with more efficient or sensor driven appliances, as well as equipping faucets with aerators. Dishwashers are selected for their energy efficiency rating and eco-wash cycles are used. In Bangalore, India, low flow water dispenser fittings and aerators were installed for all the washbasins, recycled water is being used in all toilets, and foot pedals are installed to control the water flow.

5.5.3 ADDITIONAL ENVIRONMENTAL ASPECTS

ENVIRONMENTAL INVESTMENTS, REMEDIATION, AND POLLUTION PREVENTION

This subject is non-material in view of our activities.

BIODIVERSITY

All 16 locations confirm annually whether or not they operate in an area that provides an environmentally sensitive habitat to one or more species of plant or animal. During 2022, no sites reported any impact on sensitive habitats.

Many Technicolor Creative Studios sites are embracing environmental initiatives that foster biodiversity and friendlier working atmospheres, greening outdoor terraces with plants (New York, Montreal) or farming beds (Adelaide), or welcoming bee-hives (Montreal, Chicago).

NOISE

Potential pollution not directly related to chemicals or waste, such as noise pollution or noise restrictions, are assessed at the site level and mitigating measures are taken where appropriate. For many locations, any requirements for periodic noise measurement at property boundaries are sufficient to prove compliance. However, any stakeholder or neighboring community concerns will receive additional attention and generally result in operational or technical solutions such as limited delivery hours, improved smoothness of on-site roadways to avoid noise from bouncing trucks, re-design of rotating fans to reduce blade tip speed, additional noise-reduction devices on reciprocating equipment, or limited hours of operation for other specialized equipment.

LAND USE

Technicolor Creative Studios does not use, alter, mine, quarry, or process soil or minerals as part of its activities. Leased or owned property is used solely as real estate on which the Group locates its facilities.

ACTIONS TAKEN TO REDUCE FOOD WASTE

This subject is non-material in view of our activities.

5.5.4 DATA COLLECTION METHOD AND RATIONALE

The report on environmental information contains data from 16 locations. Reporting locations are selected according to an annual coverage analysis based on three criteria: headcount, surface area, and environmental risk. Technicolor Creative Studios targets more than 99% of Group headcount and office surface area when screening and selecting reporting sites at the beginning of each year.

The Corporate CSR Organization has identified key information that is tracked and reported. This information includes utility consumption, waste generation, recycling and disposal, air emissions and water effluent from the identified locations. To ensure the timely and consistent reporting of information from Technicolor Creative Studios' worldwide locations, the Group has implemented an electronic reporting system. This system serves as a vital tool for identifying and acting upon trends at the reporting site, business unit, regional and global levels. The reporting locations provide required data through the electronic system on a monthly, quarterly, and annual basis, depending upon the information provided. Data is organized and consolidated globally and is communicated to the Vice-President, CSR and others as appropriate.

The collection period runs from January 1, 2022 to December 31, 2022.

Data Verification: Data reporting requirements, and data collection and consolidation systems are developed by the CSR organization communicated to individual locations. Each location is responsible for developing internal systems for the collection of required data and reporting that data to the CSR group who reviews the submitted data for accuracy and works directly with the locations to clarify and when necessary, resolve inconsistencies. In addition, the location's data are reviewed during on-site CSR audits.

Scope of Data Collection: the following sites provided data for this report:

Site	Segment (ref 2022)	Location	2020	2021	2022
Adelaide	Technicolor Creative Studios	Australia	X	X	X
Bangalore	Technicolor Creative Studios	India	X	X	X
Berlin The Mill	Technicolor Creative Studios	Germany		X	X
Berlin MPC	Technicolor Creative Studios	Germany		X	
Burbank(1)	Technicolor Creative Studios	California, USA	X		
Chicago	Technicolor Creative Studios	Illinois, USA	X	X	X
Culver City	Technicolor Creative Studios	California, USA	X	X	X
Hollywood(1)	Technicolor Creative Studios	California, USA	X		
London MPC	Technicolor Creative Studios	UK	X	X	X
London Post(1)	Technicolor Creative Studios	UK	X		
London The Mill	Technicolor Creative Studios	UK	X	X	X
Los Angeles	Technicolor Creative Studios	California, USA	X	X	X
Montreal McGill	Technicolor Creative Studios	Canada	X	X	X
Montreal St Maurice	Technicolor Creative Studios	Canada	X	X	X
Montreal Mr. X(1)	Technicolor Creative Studios	Canada	X		
Montreal Wellington	Technicolor Creative Studios	Canada	X	X	X
Mumbai	Technicolor Creative Studios	India	X	X	X
New York MPC	Technicolor Creative Studios	New York, USA	X	X	
New York Broadway	Technicolor Creative Studios	New York, USA	X	X	X
Paramount(1)	Technicolor Creative Studios	California, USA	X		
Paris Renard	Technicolor Creative Studios	France	X	X	X
Paris Hauteville	Technicolor Creative Studios	France	X	X	
Shanghai	Technicolor Creative Studios	China	X	X	X
Toronto King	Technicolor Creative Studios	Canada	X	X	X
Toronto Post(1)	Technicolor Creative Studios	Canada	X		
Vancouver Post(1)	Technicolor Creative Studios	Canada	X		

(1) These sites have been moved or closed or sold.

All sites report information about work injury and illness, water, power, and waste.

5.6 GREEN TAXONOMY

According to the European Union regulation 2020/852 and to the Commission delegated regulations C 2021/2139 and C 2021/4987 supplementing regulation EU 2020/852, information about the eligibility and the alignment of the activities to be disclosed during the first 12 months of its application are presented in the following tables.

The review of the Group's activities in the frame of the Regulation and the Delegated Regulations leads to consider that visual effects for film and episodic (MPC) activities and animation for film and episodic (Mikros Animation) activities are eligible under section 13.3 of annex 2 (adaptation to the climate change) of the delegated act C 2021/2139 : Motion picture, video and television programme production, sound recording and music publishing activities. These activities are integral part of the production of motion pictures, video and television programmes.

The visual effects for advertising (The Mill) activities and the services (visual effects and testing) for video games (Technicolor Games) activities have been considered as non eligible, as advertising and video games activities are not eligible to any of the activities listed in the annexes of the delegated regulation C 2021/2139.

The risk management system about human and social rights, the fight against corruption, taxation and fair competition implemented in the Group has been assessed with regard to the requirements in this area specified in regulation 2020/852. The activities of Technicolor Creative Studios meet the minimum safeguards conditions required by the taxonomy:

- Human rights: the five pillars of the Vigilance Plan are respected and a monitoring and alert procedure is in place for human rights as set out in sections 5.11, 5.3 and 3.3.2;
- Anti-Corruption: an anti-corruption policy, aligned with the Sapin 2 law, is in place, and presented in sections 5.8.1 and 3.3.2;
- Tax management: the tax management is presented in section 5.8.2 and the identification of risks and mitigation measures are presented in section 3.1.2;
- Fair competition: the policy is in place and is presented in sections 5.8.1 and 3.3.2;
- The company has not suffered any convictions for these subjects;
- All of these points and policies are part of the Code of Ethics, which is supported by the highest responsible person of the company, and therefore applicable to all employees (section 3.3.2).

MPC Visual effects for film and episodic and Mikros animation for film and episodic activities are aligned and enabling activities:

- These activities as such are not subject to material physical climate change risks according to Appendix A : classification of climate-related hazards, as well as the sites location performing these activities;
- Sites performing these activities are all located in major "capital-size" cities, in individual or shared low or moderate height buildings, resistant to wind and with centennial flood exposure limited to basements, if any;
- For commuting purpose, all locations benefit from mass transportation systems (mostly rail systems) with station nearby to the location that are more resilient to climate events compared to individual vehicles;
- All employees can technically and without delay work entirely remotely if needed by the circumstances and without requiring equipment located in the sites locations. Recruitment and training are also performed on line;
- Data centers are operated either internally or by top tier operators located in other areas. They are resistant to climate change hazard and have both business continuity plans and recovery plans.;
- All sites performing these activities have business continuity plans;
- Electricity used is 73% decarbonated and 66% renewable;
- All these measures do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities.

Do Not Significant Harm (DNSH) criteria are not applicable to activities relevant to category 13.3.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and eco-systems (10)
		M€	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	522	67%	–	100%	–	–	–	–
Turnover of Environmentally sustainable activities (Taxonomy-aligned) (A.1)		522	67%	–	100%	–	–	–	–
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
		–	0%	–	–	–	–	–	–
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities		262	33%						
TOTAL (A+B)		**784**	**100%**						

DNSH criteria ('Does Not Significant Harm')										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and eco-systems (16)	Minimum safe-guards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
-	-	-	-	-	-	YES	67%	0%	E	-
-	-	-	-	-	-	YES	67%	0%	E	
-	-	-	-	-	-	-	-	-	-	-

These activities should be considered as an enabling activity according to point 5.(a) and (b) of section 13.3 of annex 2 (adaptation to climate change) of the C 2021/2139 delegated regulation as they provide services contributing to the resilience to physical climate risk of the motion picture and video production industry and to the adaptation efforts of both cultural heritage and an economic activity (13.3 - Motion picture, video and television programme production) :

- Motion pictures are an intrinsic part of the cultural heritage and visual effects and animation activities contribute to its overall adaptation;
- Visual effects and animation activities secure cultural heritage representation and accessibility (monument, landscape,…) with 3D digitalization and virtual reality services without physical damages;
- Visual effects and animation provide alternatives to reduce climate risk exposure and carbon emission for works needed by movie and video productions: travels for natural landscape filming, outdoor filming exposed to climate events, movie sets and outdoor back lots, dressing manufacturing, movie extras travels, make up, special physical effects.
- These alternatives fulfill conditions set in articles 11 and 16 of the EU 2020/852 regulation of the European Parliament and of the Council as it does not lead to a lock-in of assets that undermine long-term environmental goal and has a substantial positive environmental impact.

5.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and eco-systems (10)
		M€	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES(A.1+A.2)									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	84	79%	–	100%	–	–	–	–
CapEx of Environmentally sustainable activities (Taxonomy-aligned) (A.1)		84	79%	–	100%	–	–	–	–
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-alignes activities)									
		–	0%	–	–	–	–	–	–
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-alignes activities)(A.2)		–	0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities		23	21%						
TOTAL (A+B)		**107**	**100%**						

DNSH criteria ('Does Not Significant Harm')										
Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and eco-systems (16)	Minimum safe-guards (17)	Taxonomy-aligned proportion of CapEx, year N (18)	Taxonomy-aligned proportion of CapEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
-	-	-	-	-	-	YES	79%	0%	E	-
-	-	-	-	-	-	YES	79%	0%	E	
-	-	-	-	-	-	-	-	-	-	-

The review performed on CapEx in the frame of the Regulation and the Delegated Regulations concluded that the expenses related to the activities of visual effects (MPC) and animation (Mikros Animation) for film and episodic are eligible to the activity 13.3 - Motion picture, video and television programme production, sound recording and music publishing activities of the annex 2 (adaptation to the climate change) of the delegated regulation C. 2021/2139. Visual effects and animation activities are integral part of the production of motion pictures, video and television programmes.

For the same reason that presented in the precedent paragraph, CapEx related to the activities of visual effects for advertising (The Mill) and CapEx related to the visual effects and testing of video games (Technicolor Games) appear to not be eligible.

MPC CapEx and Mikros CapEx are located on the same sites than the production of visual effects (MPC) and animation (Mikros) activities. Therefore the review with the same applicable rationales lead to consider MPC CapEx and Mikros CapEx as aligned and as an enabling activity.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

				Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and eco-systems (10)
		M€	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1+A.2)									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Motion picture, video and television programme production, sound recording and music publishing activities	13.3	10	59%	-	100%	-	-	-	-
OpEx of Environmentally sustainable activities (Taxonomy-aligned) (A.1)		10	59%	-	100%	-	-	-	-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-alignes activities)									
		-	0%	-	-	-	-	-	-
OpEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-alignes activities)(A.2)		-	0%						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities		7	41%						
TOTAL (A+B)		**17**	**100%**						

	DNSH criteria ('Does Not Significant Harm')										
	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and eco-systems (16)	Minimum safe-guards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
	-	-	-	-	-	-	YES	59%	0%	E	-
	-	-	-	-	-	-	YES	59%	0%	E	
	-	-	-	-	-	-	-	-	-	-	-

The review performed on OpEx in the frame of the Regulation and the Delegated Regulations concluded that the expenses related to the activities of visual effects (MPC) and animation (Mikros Animation) for film and episodic are eligible to the activity 13.3 - Motion picture, video and television programme production, sound recording and music publishing activities of the annex 2 (adaptation to the climate change) of the delegated regulation C. 2021/2139. Visual effects and animation activities are integral part of the production of motion pictures, video and television programmes. The MPC OpEx and Mikros OpEx include repairs and maintenance costs related to specific assets used by MPC and Mikros in the course of their activities.

For the same reason that presented in the first paragraph, OpEx related to the activities of visual effects for advertising (The Mill) and OpEx related to the visual effects and testing of video games (Technicolor Games) appear to not be eligible.

MPC OpEx and Mikros OpEx are located on the same sites than the production of visual effects (MPC) and animation (Mikros) activities. Therefore the review with the same applicable rationales lead to consider MPC OpEx and Mikros OpEx as aligned and as an enabling activity.

According to the evolution of the classification set by these delegated regulations, the eligibility of activities may be later revisited.

5.7 CONTENT SECURITY, CYBER RISKS AND RESPECT OF INTELLECTUAL PROPERTY

As major stakeholder of the content creation and distribution industry, Technicolor Creative Studios is eager to carefully respect and protect Intellectual Property of its own assets and of its customers.

The Group policies and practices cover protection of content creation, of invention and of physical media content, within our premises and using our network.

Risks description and risks management regarding cyber and physical content security for Technicolor Creative Studios (visual effects, animation and games) are presented in section 3.1.2: "Business & operational risks".

Information technologies security procedures, as well as security processes of people and assets, are presented in section 3.3.5.

As a major actor involved in all steps of the delivery of Media & Entertainment content to the end user, the Group has anticipated the new threats in cybersecurity, and implemented an internal program to address them. Organized at the corporate level around an Information Security Management System (ISMS), this program is implemented in the business focusing on its specific risks.

As a French company with headquarters in Paris, the Group has also nominated a global Data Protection Officer (DPO) to the French Data Protection Authority (CNIL). Technicolor Data Control Organization (DCO) is in place worldwide, to support compliance to Technicolor Creative Studios Privacy Policy and the General Data Protection Regulation (GDPR). The DCO supports the DPO and works in close relation with Legal and Security teams. Even if Technicolor Creative Studios activity does not directly collect sensitive personal information of private customers, the DCO is involved when a Data Protection Impact Analysis seems relevant.

5.8 FAIRNESS OF BUSINESS PRACTICES

5.8.1 COMPETITION RULES AND ANTI-BRIBERY

Failure to maintain a robust anti-bribery compliance program could lead to inherent risks that could cost the Company ethical reputation, its commercial relationships and/or result and fines. In order to prevent such risks and following regulatory evolutions, especially the Sapin II Law adopted on December 9, 2016, the Group continues to strengthen its Ethics and Compliance program.

The anti-bribery compliance program is based on the following:

1. Senior management commitment

   Senior management has shown its commitment by different actions. At first, a dedicated compliance resource was hired in 2022 reporting to the Group General Counsel and Company Secretary to support the definition and running of an effective and efficient program. Top management was also involved in the oversight of the anti-bribery program and priorities, including in meetings hold in April, July and October 2022. Tone from the top was confirmed with an introduction message from CEO integrated to the Code of Ethics in October 2022, highlighting that integrity is a commitment that must guide our behaviors;

2. Risks mapping

   An update and new methodology of a corruption risk mapping has been defined and finalized in July 2022 in order to identify new risks specific to business conduct and to re-assess all of them;

3. Risk management

   Measures and procedures to prevent and detect any behaviors or situations that violate the Code of Ethics or that could constitute corruption as well as disciplinary rules are implemented as follows:

   - Code of Ethics

     The Code of Ethics, as last updated in October 2022 and the Anti-Bribery Policy as updated in September 2022 are published on both Group website and Intranet,

   - Training: anti-corruption e-learning campaign

     An Anticorruption e-learning campaign was launched in January 2022. As a start, target included only English & French speakers. A recall campaign started in June 2022, with the participation of local HR in the business divisions and at corporate level. Equivalent version of the e-learning in Portuguese has also been deployed for employees in Manaus in July 2022. 838 employees followed this training session, representing 629 hours,

   - Third-party assessments

     The Group's suppliers are required to respect the Code of Ethics and anti-bribery policy,

   - Whistleblowing Policy, as updated in September 2022. A Whistleblowing system is available on Group Intranet and website. It enables all Group employees and partners to report anything that they suspect to be unethical, illegal or unsafe, through a dedicated website or by phone. The whistleblowing platform is available in 5 languages,

   - Accounting control procedures: the internal control and risk management procedures relating to the preparation and processing of financial and accounting information form an integral part of the Group's compliance program,

   - Internal control and audit procedures: internal controls and audits are performed on a regular basis, covering anti-bribery matters, and other anti-fraud related risks,

   - Disciplinary rules: any employee who has engaged in conduct that constitutes a violation of the Anti-Bribery Policy is liable to disciplinary action.

Compliance with competition rules and with more general business ethics rules, are at the core of our Code of Ethics. Our overall approach regarding these two aspects are presented in section 3.3.2: "General control environment".

5.8.2 TAX MANAGEMENT

The Group operates in many countries around the world. We take a zero-tolerance approach to Tax Evasion or facilitation of Tax Evasion under the law of any city, state or country in which we operate or do business. Our strategy is to comply with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time, in the countries where we have a taxable presence. We pay at the corporate level all applicable taxes such as income taxes, property and local taxes, green tax, stamp duties, employment and other taxes. We also collect and pay employee income taxes, and indirect taxes such as import duties and VAT. The taxes we pay and collect form a significant part of our economic contribution to the countries in which we operate.

Our tax strategy accords with the following principles:

TAX PLANNING

We engage in efficient tax planning that supports our business activities and reflects commercial and economic substance. We adhere to relevant tax laws and disclosure requirements in every jurisdiction in which we operate and seek to minimize the risk of uncertainty or disputes.

We only use business structures that are driven by commercial considerations, are aligned with business activity and which have genuine substance. We do not seek abusive tax results.

We conduct transactions between the Group's companies on an arm's-length basis and in accordance with current OECD and relevant local national guidelines.

Technicolor Creative Studios will take into account the underlying policy objectives of relevant tax laws and will comply with current practices. Where we claim tax incentives offered by governments, we seek to ensure that they are transparent and consistent with statutory and regulatory frameworks. We do not use artificial arrangements to generate a tax advantage.

The Group does not have an overall target effective tax rate.

TAX RISK

Our tax policies aim to ensure that we identify tax risks and take actions to address them. Tax risk is considered as part of our management process and is overseen by the Company's Board of Directors. To prevent any tax risk, a worldwide tax guideline is sent annually to all the Group's Leadership teams to prevent, identify and mitigate the occurrence of risks.

The Group has a dedicated tax team with the necessary experience and skill set, which works with the Group's businesses to provide the required tax advice and guidance.

Our controls and governance ensure that tax risks that could affect our business plans, shareholder value and reputation are identified and addressed by the Finance and Tax Departments.

Tax returns are prepared by the Group's internal departments or delegated to external advisors (including elements of tax compliance). In addition, where uncertainty regarding the tax treatment in a particular situation cannot be resolved internally, we refer the matter to external tax or legal advisors. Where it is still not possible to obtain certainty regarding the tax treatment, we aim to resolve the matter by discussion with the local tax authorities. Risks of this type may arise due to the complexity of legislation and because scenarios sometimes arise in practice that were not envisaged when legislation was drafted.

Where agreement cannot be reached through discussion, we would consider seeking formal tax authorities' opinion and potentially litigation to resolve the uncertainty, depending on the materiality involved.

GOVERNANCE

The Group head of tax is responsible for our tax governance and strategy, which are approved and overseen by the Company's Board of Directors and Audit Committee.

The local tax managers have responsibility for local tax and ensure that adequate controls are in place so that the correct amount of taxes are computed, filed and paid on time and in full.

Tax controls are subject to annual review by the Internal Audit Department.

In addition, Technicolor Creative Studios has a Financial Ethics Charter which senior employees are asked to sign each year, when they are involved in preparing and reporting Group's financial results.

5.9 CSR PERFORMANCE ASSESSMENT

Our long-term efforts to be a responsible citizen company have been recognized by external and independent agencies, including ratings and assessments by S&P Global, ISS and ISS ESG (formerly Oekom Research), EcoVadis, Vigeo Eiris (Moody's ESG Solutions) and Gaïa Research (Ethifinance).

Rating or assessment body	Previous rating	Rating in 2021/22	Comment
S&P Global CSA (Corporate Sustainability Assessment)	-	57/100 (2022) reached the 91st percentile	In the top 10% of its industry for the first year of assessment
ISS ESG	C+: Prime (2018)	C+: Prime (2021)	Second achievement of a "Prime" status
ISS	-	ISS Quality Score (2021)	"Best-in-class" status for the first rating
EcoVadis	70/100 – Gold (2020)	76/100 – Platinum (2021) Top 1% in its industry	First year of "Platinum" rating Three years of "Gold" rating since 2018
Vigeo Eiris (Moody's ESG Solutions)	68/100 (2018)	Not assessed in 2022	Rated "Top performer" in its industry
Gaïa Research (Ethifinance)	82/100* (2021)	84/100* – Platinum (2022)	First award of "Platinum" medal* Among the top-ranked companies since 2019 within a panel of 390 companies

* In 2022, Gaïa Research conducted a historic overhaul of its rating framework to better reflect emerging environmental and social issues as well as new regulatory requirements. As a result, Gaïa Research has restated the rating scale from previous years and introduced a medal ranking system.

5.

5.10 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

YEAR ENDED DECEMBER 31, 2022

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Technicolor Creative Studios SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

CONCLUSION

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters..

LIMITS INHERENT IN THE PREPARATION OF THE INFORMATION RELATING TO THE STATEMENT

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement .

RESPONSIBILITY OF THE COMPANY

Management is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information".

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of seven people between December 2022 and March 2023 and took a total of four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

NATURE AND SCOPE OF PROCEDURES

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important [1]. Our work was carried out on the consolidating entity;
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes [2] that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;

substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities [3] and covered between 23% and 67% of the consolidated data selected for these tests;

- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 30th, 2023

One of the Statutory Auditors,

Deloitte & Associés

Bertrand Boisselier
Partner, Audit

Catherine Saire
Partner, Sustainable Services

(1) Methodology of the scope 3 greenhouse gas emissions (GHG) calculation, Signature of collective agreements, Actions implemented in terms of Cybersecurity, Actions implemented in terms of Diversity, Equality and Inclusion.

(2) Energy consumption, Water consumption, Greenhouse gas (GHG) emissions related to energy consumption, Absenteeism rate, Total staff at year end and headcount by gender, Number of recruitments and departures, Number of dismissals, Number of permanent and non-permanent workers in full-time equivalent.

(3) TCS sites in Montreal (Canada) and Bangalore (India).

5.11 VIGILANCE PLAN

Pursuant to Article L. 225-102-4 of the French Commercial Code, this section presents the Vigilance Plan set up to implement reasonable measures of vigilance that are designed to identify risks and to prevent serious breaches of human rights and fundamental liberties and to ensure health and safety of persons and protection of the environment arising from:

- the activities of the Group and its controlled subsidiaries;
- the activities of subcontractors or suppliers with which an established commercial relationship is maintained.

The presentation and report are done according to this subdivision of scope:

Scope: activities of the Group and its controlled subsidiaries	Scope: activities of subcontractors or suppliers
1 RISK MAPPING	
Through the analysis of materiality of risks, the Group identified six macro risks translating into 17 CSR issues (see section 5.1). CSR inquiries received from and focus points expressed by internal and external stakeholders to the Group are integrated to update the materiality of risks.	The methodology to assess risks is the EcoVadis Rating Framework, using country risk (see section 5.3.1).
2 PROCEDURES FOR REGULAR ASSESSMENT OF THE SITUATION, WITH REGARD TO RISK MAPPING	
• Internal controls and management of risks (see sections 3.1 and 3.3). • Internal Audits and other periodic monitoring (HSE) (see section 5.5 and 5.2.5).	• Assessment of suppliers by an external third party EcoVadis. It covers all direct suppliers with purchasing exceeding €750 thousand of spending per year. The €750k assessment coverage threshold represents 58.9% of the Group spending. About 48.5% of the covered spending is already assessed.
3 APPROPRIATE ACTIONS TO MITIGATE RISKS OR PREVENT SERIOUS HARM	
• Policies are described in Chapter 5 with regard to CSR issues.	• Agreement with Group's Supplier Responsibility program as part of terms and conditions of contract.
4 WARNING AND COLLECTION PROCESS OF ALERTS RELATING TO THE EXISTENCE OR THE MATERIALIZATION OF RISKS	
• Global whistleblowing procedure (phone, email, website) in place for breach of the Group's Code of Ethics. It covers harassment, discrimination and human rights topics and any breach of compliance of fraud (see section 3.3.2). • In several countries/sites, additional local procedures to collect and investigate about harassment/discrimination complaints are in place and include protection of the complainer.	• Global whistleblowing procedure access progressively extended to Supplier's employees in countries of presence. • NGO and CSR agencies reports and inquiries.
5 MONITORING THE MEASURES IMPLEMENTED AND EVALUATING THEIR EFFECTIVENESS	
• Internal control procedures (see sections 3.1 and 3.3). • HSE audits and other periodic monitoring (see section 5.5 and section 5.2.5).	• Verification of effective implementation of corrective actions requested to suppliers. • Evolution of nature and volume of violations of Ethics conditions by suppliers. • Monitoring the evolution of EcoVadis rating of suppliers.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6. FINANCIAL STATEMENTS

6.1 TECHNICOLOR CREATIVE STUDIOS CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 CONSOLIDATED STATEMENT OF PROFIT AND LOSS

		Year ended December 31,	
(in million euros)	*Note*	**2022**	**2021**
CONTINUING OPERATIONS			
Revenue	*(3.2)*	784	601
Cost of sales		(716)	(495)
Gross margin		**68**	**106**
Selling and administrative expenses	*(3.3)*	(93)	(78)
Restructuring costs	*(12.1)*	(24)	(5)
Net impairment losses on non-current operating assets	*(4.5)*	(1)	(4)
Other income/(expense)	*(3.3)*	(1)	0
EARNINGS BEFORE INTEREST & TAX (EBIT) FROM CONTINUING OPERATIONS		**(51)**	**20**
Interest income		40	10
Interest expense		(83)	(31)
Other financial income		4	0
Net financial expense	***(3.4)***	**(39)**	**(21)**
Income tax expense	*(6)*	(9)	(18)
LOSS FROM CONTINUING OPERATIONS		**(99)**	**(19)**
DISCONTINUED OPERATIONS			
Net gain/(loss) from discontinued operations	*(13)*	(0)	5
NET LOSS FOR THE YEAR		**(99)**	**(14)**
Attribuable to:			
Equity holders		*(99)*	*(14)*
Non-controlling interest		*(0)*	-

		Year ended December 31,	
(in euros, except number of shares)		**2022**	**2021**
EARNINGS PER SHARE			
Weighted average number of shares outstanding (basic net of treasury shares held)	*(7.4)*	160,289,052	1,000
Earnings (losses) per share from continuing operations			
• basic		(0.61)	n/a
• diluted		(0.61)	n/a
Earnings (losses) per share from discontinued operations			
• basic		(0)	n/a
• diluted		(0)	n/a
Total earnings (losses) per share			
• basic		(0.61)	n/a
• diluted		(0.61)	n/a

The accompanying notes on pages 190 to 237 are an integral part of these consolidated financial statements.

6.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in million euros)	*Note*	December 31 2022	December 31 2021
Net loss for the year		**(99)**	**(14)**
Items that will not be reclassified to profit and loss			
Remeasurement of the defined benefit obligations	*(11.2)*	2	1
Tax relating to these items		-	-
Items that may be reclassified subsequently to profit or loss			
Fair value gains/(losses), gross of tax on cash flow hedges:			
• reclassification adjustments when the hedged forecast transactions affect profit or loss	*(9.5)*	(2)	-
Tax relating to these items		-	-
Currency translation adjustments			
• currency translation adjustments of the year		(37)	14
• reclassification adjustments on disposal or liquidation of a foreign operation		17	-
Tax relating to these items		-	-
Total other comprehensive income		**(20)**	**15**
TOTAL OTHER COMPREHENSIVE INCOME OF THE PERIOD		**(119)**	**1**
Attributable to:			
Equity holders		*(119)*	*1*
Non-controlling interest		*(0)*	-

The accompanying notes on pages 190 to 237 are an integral part of these consolidated financial statements.

6.

6.1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million euros)	*Note*	**December 31, 2022**	**December 31, 2021**
ASSETS			
Goodwill	*(4.1)*	190	188
Intangible assets	*(4.2)*	88	96
Property, plant and equipment	*(4.3)*	55	46
Right-of-use assets	*(4.4)*	138	117
Other operating non-current assets		8	11
Total operating non-current assets		**479**	**459**
Non-consolidated investments		-	1
Other financial non-current assets		17	14
Total financial non-current assets		**17**	**15**
Deferred tax assets	*(6.2)*	7	22
TOTAL NON-CURRENT ASSETS		**503**	**495**
Trade accounts and notes receivable	*(5.1)*	99	63
Contract assets	*(3.2)*	64	74
Other operating current assets	*(5.1)*	28	31
Total operating current assets		**191**	**169**
Income tax receivable		7	7
Other financial current assets		4	181
Cash and cash equivalents	*(9.1)*	38	12
Assets classified as held for sale	*(13.2)*	1	2
TOTAL CURRENT ASSETS		**241**	**371**
TOTAL ASSETS		**744**	**866**

The accompanying notes on pages 190 to 237 are an integral part of these consolidated financial statements.

(in million euros)	*Note*	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Share capital (546,681,915 shares at December 31, 2022 with nominal value of 0.50 euro per share)	*(7.1)*	273	-
Additional paid-in capital & reserves		(390)	357
Cumulative translation adjustment		(171)	(130)
Shareholders equity attributable to owners of the parent		**(288)**	**227**
Non-controlling interests		1	1
TOTAL EQUITY		**(287)**	**227**
Retirement benefits obligations	*(11.2)*	4	5
Provisions	*(12.1)*	4	3
Contract liabilities		-	1
Other operating non-current liabilities		1	10
Total operating non-current liabilities		**9**	**19**
Borrowings	*(9.2)*	562	1
Lease liabilities	*(9.2)*	133	107
Other non-current liabilities		0	0
Deferred tax liabilities	*(6.2)*	9	16
TOTAL NON-CURRENT LIABILITIES		**713**	**143**
Retirement benefits obligations	*(11.2)*	-	-
Provisions	*(12.1)*	12	6
Trade accounts and notes payable		59	40
Accrued employee expenses		51	62
Contract liabilities	*(3.2)*	81	77
Other operating current liabilities	*(5.1)*	30	39
Total operating current liabilities		**233**	**226**
Borrowings	*(9.2)*	49	216
Lease liabilities	*(9.2)*	32	27
Income tax payable		4	28
TOTAL CURRENT LIABILITIES		**318**	**497**
TOTAL LIABILITIES		**1,031**	**640**
TOTAL EQUITY & LIABILITIES		**744**	**866**

The accompanying notes on pages 190 to 237 are an integral part of these consolidated financial statements.

6.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

		December 31,	
(in million euros)	*Note*	**2022**	**2021**
Net loss		**(99)**	**(14)**
Gain (Loss) from discontinuing operations		(0)	5
Loss from continuing operations		**(99)**	**(19)**
Summary adjustments to reconcile loss from continuing activities to cash generated from (used in) continuing operations			
Depreciation and amortization		101	83
Impairment of assets		14	(1)
Net changes in provisions		0	(3)
Loss on asset disposals		(1)	(3)
Interest (income) and expense	*(3.4)*	44	21
Other items (including tax)		11	23
Changes in working capital and other assets and liabilities	*(10.3)*	(33)	30
Cash generated from (used in) continuing activities		**37**	**131**
Interest paid on lease debt		(15)	(9)
Interest paid		(27)	(23)
Interest received		7	12
Income tax paid		(24)	(1)
NET OPERATING CASH GENERATED FROM (USED IN) CONTINUING ACTIVITIES (I)		**(22)**	**110**
Acquisition of subsidiaries, associates and investments, net of cash acquired		(5)	(0)
Proceeds from sale of investments, net of cash		0	0
Purchases of property, plant and equipment (PPE)		(37)	(10)
Proceeds from sale of PPE and intangible assets		4	2
Purchases of intangible assets including capitalization of projects		(25)	(16)
Cash collateral and security deposits granted to third parties		(4)	(13)
Cash collateral and security deposits reimbursed by third parties		3	11
NET INVESTING CASH USED IN CONTINUING ACTIVITIES (II)		**(64)**	**(26)**
Net contributions from/(to) Vantiva SA	*(10.2)*	(14)	(5)
Net proceeds of borrowings	*(10.1)*	173	-
Net cash pooling variance		(0)	(81)
Repayments of lease debt	*(10.1)*	(36)	(31)
Repayments of borrowings	*(10.1)*	(3)	(1)
NET FINANCING CASH GENERATED FROM (USED IN) CONTINUING ACTIVITIES (III)		**120**	**(118)**
NET CASH GENERATED (USED IN) DISCONTINUED ACTIVITIES (IV)	*(13.1)*	**-**	**17**
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR		**12**	**28**
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)		**34**	**(16)**
Exchange gains/(losses) on cash and cash equivalents		(8)	(0)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**38**	**12**

The accompanying notes on pages 190 to 237 are an integral part of these consolidated financial statements.

6.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in million euros)	Share capital	Additional paid-in capital	Other reserves	Retained earnings	Cumulative translation	Equity attributable to equity holders of the Group	Non -controlling interest	Total equity
Balance as of December 31, 2020	**-**	**-**	**-**	**319**	**(144)**	**175**	**1**	**175**
Net income (loss)	-	-	-	(14)	-	(14)	0	(14)
Other comprehensive income	-	-	-	1	14	15	-	15
Total comprehensive income for the period	**-**	**-**	**-**	**(13)**	**14**	**1**	**0**	**1**
Net contributions from/(distributions to) Technicolor SA	-	-	-	51	-	51	-	51
Shared-based payment to employees	-	-	-	1	-	1	-	1
Balance as of December 31, 2021	**-**	**-**	**-**	**357**	**(130)**	**227**	**1**	**227**
Net income (loss)	-	-	-	(99)	-	(99)	0	(99)
Other comprehensive income	-	-	-	18	(37)	(20)	(0)	(20)
Total comprehensive income for the period	**-**	**-**	**-**	**(81)**	**(37)**	**(119)**	**0**	**(119)**
Capital increases/decreases before spin-off	0	-	1	0	-	1	-	1
Transition from combined to consolidated accounts	(0)	-	(0)	17	(4)	13	(0)	13
Transactions with shareholders with relation to spin-off:								
Contribution by shareholders of their investments in TCS affiliates to TCS SA	273	863	-	(1,558)	-	(422)	-	(422)
Other transactions	-	-	-	12	-	12	-	12
BALANCE AS OF DECEMBER 31, 2022	**273**	**863**	**1**	**(1,254)**	**(171)**	**(288)**	**1**	**(287)**

Share Capital transactions in 2022 are detailed in note 7.

Equity changes relating to the transition from combined to consolidated accounts are explained by scope effects.

The accompanying notes on pages 190 to 237 are an integral part of these consolidated financial statements.

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Technicolor Creative Studios (TCS) offers Visual Effects ("VFX"), animation and technology services for the entertainment and the advertising industries, through its award-winning creative studios MPC, The Mill, Mikros Animation, and Technicolor Games.

TCS works primarily on an individual project basis, and builds teams and workflows around key creative and production talent. TCS also builds dedicated teams and spaces for clients who desire guaranteed capacity and talent across multiple projects.

In these consolidated financial statements, the terms, "the Group", "TCS Group" and "Technicolor Creative Studios" mean the issuer together with its consolidated affiliates. TCS business or businesses means the activities that were reported under the Technicolor Creative Studios operating segment in Technicolor consolidated financial statements. Vantiva or Technicolor mean Vantiva SA Company (formerly Technicolor SA Company) and its affiliates or when describing transactions with TCS Group, Vantiva SA and affiliates that are not in the scope of TCS Group.

These consolidated financial statements are presented in Euro, which is the Technicolor Creative Studios Group's parent company's functional and presentation currency.

1.1 MAIN EVENTS

1.1.1 NEW TERM LOANS AND REVOLVING CREDIT FACILITY

On September 15, 2022, for Technicolor Creative Studios, Technicolor finalized the closing of a new €624 million floating rate private First Lien Term Facility. This facility is composed of two tranches: a €564 million tranche and a $60 million tranche. Maturity for both tranches will be 4 years. In addition, the Group finalized a €40 million Revolving Credit Facility with a maturity of 3 years.

1.1.2 SPIN-OFF AND LISTING OF TCS

On September 27, 2022, Technicolor Creative Studios began operating as a standalone company, following the distribution of 65% of its shares by Technicolor to its shareholders and the concurrent listing on Euronext Paris (under the ticker symbol "TCHCS"). The technical reference price for each Technicolor Creative Studios' share (amounting to €1.9539 per share) for the opening of the trading session was confirmed by a notice published by Euronext Paris on September 26, 2022.

1.1.3 TRANSITIONAL SERVICES AGREEMENT WITH VANTIVA

Following the separation from Technicolor and the admission of the Technicolor Creative Studios' shares to trading on Euronext Paris, TCS entered into an agreement with Vantiva (new corporate name of Technicolor) under the terms of which Vantiva provides the Group with a certain number of transitional services including:

- information technology & security services;
- accounting;
- HR activities;
- insurance.

Under this Transitional Services Agreement, the Group and Vantiva continue to cooperate for a transitional period, the duration of which varies depending on the particular services concerned up to a period of between 12 to 18 months that can be extended to a maximum of 24 months. The financial impacts of this agreement in 2022 are presented in note 8.

1.1.4 REFINANCING AND GOING CONCERN BASIS

On November 30, 2022, Technicolor Creative Studios announced its intention to engage in discussions with all stakeholders and/or third-party investors, in an effort to address its future liquidity needs, and obtained a forbearance agreement for suspending all covenants and obligations.

Elements described hereafter are subsequent events

On March 8, 2023, Technicolor Creative Studios announced it has reached an Agreement in Principle with a large majority of shareholders and lenders on a new financing structure which includes a *c.* €170 million New Money injection, of which €60 million convertible notes and €110 million credit facilities. The refinancing would also reduce the financial liabilities of the business by reducing cash interest across all instruments as well as by subordinating €170 million and converting €30 million of existing debt into equity.

A part of the New Money financing would be made available by end of March/beginning of April 2023 through a bridge loan. The remaining part of the *c.* €170 million New Money financing is expected to be made available by the end of Q2 2023.

This new financing structure will be subject to leverage and liquidity covenants that are currently under negotiations.

The Agreement in Principle would therefore enable Technicolor Creative Studios to address its liquidity needs from Q2 2023 and allows operating cash flow to be focused on operational needs.

The transaction includes several dilutive instruments, of which €30 million conversion of debt into equity, €60 million convertible notes, and warrants issued to the New Money credit facilities. They would have the following impact on share capital:

Pro-forma shareholding	Current	At the closing date after conversion of warrants	Post conversion of 100% of the convertible notes
Existing shareholders	100.0%	17.9%	12.0%
Existing First Lien Lenders	-	65.7%	44.0%
New Money Providers	-	16.4%	44.0%
• o/w New Money Credit Facility	-	16.4%	11.0%
• o/w Convertible Notes	-	-	33.0%
TOTAL SHAREHOLDING	**100.0%**	**100.0%**	**100.0%**

It would lead to an evolution of the Company's governance to be further detailed upon finalization of the conciliation protocol.

The implementation of this Agreement in Principle established within the framework of an amicable conciliation procedure will be subject to certain conditions precedent including the following key items:

- final due diligence, approval of investment committees and other internal approvals, execution of a satisfactory long-form legal and contractual documentation;
- approval by all other First Lien lenders of the Company;
- approval by the beneficiary of the fiducie under the Fiducie agreement existing on Vantiva's 35% holding in TCS;
- judgement from the Commercial Court approving a conciliation protocol and granting the New Money privilege to the relevant stakeholders expected by the end of March;
- customary regulatory authorizations as may be required;
- approval of the required resolutions by the General Meeting expected to be held in the course of Q2 2023.

The management do not foresee any significant difficulties in lifting the conditions precedent and implementing the financial restructuring plan.

On March 9, 2023, the Board of Directors approved the 2023 Budget and 2023 - 2025 Business Plan that had been reviewed by an international renown independent audit firm. This business plan assumed a rebound in revenues and adjusted EBITDAaL including benefits from actions to improve operations at MPC and the Mill in a context of overall demand growth throughout the period.

Additional actions will be taken to further optimize working capital and monitor the cash expenditures to ensure the relevant level of cash to operate the Company.

Based on these updated financial forecasts that include the expected finalization of the financial restructuring described above and the implementation of the transformation plan, management has concluded that it was appropriate to prepare the year-end consolidated financial statements on a going concern basis.

Having carrefuly considered the above, the Board of Directors concluded on March 22, 2023 that preparing the year-end consolidated financial statements on a going concern basis is an appropriate assumption.

1.2 ACCOUNTING POLICIES

1.2.1 BASIS FOR PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") effective as of December 31, 2022 and adopted by the European Union.

TCS financial statements are presented in euro and have been rounded to the nearest million. This may in certain circumstances lead to non-material differences so that the sum of the figures equals the sub-totals that appear in the tables.

The consolidated financial statements were approved by the Board of Directors of Technicolor Creative Studios SA on March 22, 2023. According to French law, the consolidated financial statements will be considered as definitive when approved by the Company's shareholders at the Ordinary Shareholders' Meeting.

The accounting policies applied by the Group are consistent with those followed last year as part of the combined financial statements prepared for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 except for standards, amendments and interpretations which have been applied for the first time in 2022 (see note 1.2.2.1 hereunder).

Until September 27, 2022, the arrangement that constituted the combined TCS Group was not a legal entity in its own right and was made up of entities under the common control of Technicolor. On September 27, 2022, Technicolor distributed 65% of the share of TCS to its shareholders and listed the Group on Euronext Paris. This common control business combination was accounted for using pooling of interest accounting. Therefore, the consolidated financial statements as of December 31, 2022 comprises nine months of combination and three months of consolidation, and no purchase price allocation was performed.

The information relating to the year ended December 31, 2021 presented in the consolidated financial statements are from the Combined Financial Statements as of December 31, 2021, December 31, 2020 and December 31, 2019 approved on June 9, 2022 by Technicolor SA, as President of Tech 8, prior to the transformation of Tech 8 into a *Société Anonyme* and the change of its corporate name to "Technicolor Creative Studios".

1.2.2 NEW STANDARDS AND INTERPRETATIONS

1.2.2.1 Main standards, amendments and interpretations effective and applied as of January 1, 2022

New standard and interpretation	Main provisions
Amendment to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use	The Board decided to prohibit an entity from deducting from the cost of an item of PPE the proceeds from selling items produced before that asset is available for use (proceeds before intended use).
Amendment to IAS 37 – Provisions, contingent liabilities and contingent assets: Onerous Contracts – Cost of Fulfilling a Contract	The Board decided to require an entity to include all costs that relate directly to a contract. The Board concluded that: - including all such costs provides more useful information to users of the entity's financial statements; - the benefits of providing that information are likely to outweigh the costs; and - a requirement to include all costs that relate directly to a contract is consistent with other requirements in IAS 37 and requirements in other IFRS standards.
Amendments to IFRS 9	IFRS 9: this standard requires an entity to derecognise a financial liability and recognise a new financial liability when there is an exchange between an existing borrower and the lender of debt instruments with substantially different terms (including a substantial modification of the terms of an existing financial liability or part of it). • The terms are substantially different if the discounted present value of the remaining cash flows under the new terms are at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability ('10 per cent' test). • The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability: an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
Amendments to IFRS 16 – Lease incentives	Illustrative Example 13 of IFRS 16 – Leases includes as part of the fact pattern a reimbursement relating to leasehold improvements. The example does not explain clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16. • To resolve any potential confusion regarding the treatment of lease incentives, the amendment now removes the illustration of the reimbursement of leasehold improvements. • As the amendment to IFRS 16 only regards an illustrative example (non obligatory part of IFRS), so no effective date is stated.
Amendment to IFRS 3 – Reference to conceptual framework	• The changes in Reference to the Conceptual framework (Amendments to IFRS 3): • update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of 1989 Framework; • add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of Conceptual Framework) to identify the liabilities it has assumed in a business combination; and • add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The Group had elected to include historical cumulative translation differences in its opening equity.

No significant impact has been identified as the result of the implementation of the above amendments.

1.2.2.2 Main standards, amendments and interpretations that are neither adopted by the Group nor effective yet

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standard and interpretation	Effective date	Main provisions
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023 (adopted by the EU)	An entity is now required to disclose its material accounting policy information instead of its significant accounting policies; several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments clarify that: • accounting policy information may be material because of its nature, even if the related amounts are immaterial; • accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and • if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the "four-step materiality process" to accounting policy information in order to support the amendments to IAS 1. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	January 1, 2024 (not adopted by the EU)	The amendments aim to: **(i)** specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. If a liability otherwise meets the criteria for classification as non-current, it is classified as non-current regardless of whether management intends or expects to settle the liability within 12 months or settles the liability between the end of the reporting period and the date the financial statements are authorised for issue; **(ii)** clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period; **(iii)** introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023 (adopted by the EU)	The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The amendments are not expected to have a material impact on the Group.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023 (adopted by the EU)	The amendments aim to clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A. The amendments are not expected to have a material impact on the Group.

New standard and interpretation	Effective date	Main provisions
Sale or Contribution of Assets between an Investor and its Associate or joint venture (Amendments to IFRS 10 and IAS 28)	Undefined (not adopted by the EU)	The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 1, 2024 (not adopted by the EU)	The IASB has amended IFRS 16 to specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognise any amount of the gain or loss that relates to the right of use retained. The amendments do not change the accounting for leases unrelated to sale and leaseback transactions. The amendments are not expected to have a material impact on the Group.

1.2.3 SIGNIFICANT ASSUMPTIONS & ESTIMATES

The financial information has been prepared using the historical cost convention with some exceptions regarding various assets and liabilities, for which specific provisions recommended by the IFRS have been applied:

- non-financial assets are initially recognized at acquisition costs or manufacturing costs including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Long-term assets are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses;
- financial assets & liabilities are initially recognized at fair value or at amortized cost (see note 9.4.1).

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period of the consolidated financial statements. These assumptions and estimates inherently contain some degree of uncertainty.

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable and relevant. Actual results may differ from these estimates, while different assumptions or conditions may yield different results.

Management regularly reviews its valuations and estimates on an ongoing basis, based on its past experience and various other factors considered reasonable and relevant for the determination of the fair estimates of the assets and liabilities' carrying value and of the revenues and expenses.

Technicolor Creative Studios's management believes the following to be the critical accounting policies and related judgments and estimates used in the preparation of its consolidated financial statements:

- impairment of goodwill and intangible assets with indefinite useful lives (see notes 4.1, 4.2);
- determination of the term of the rents for the estimation of the right of use and of recoverable amounts for individually impaired right-of-use asset (see note 4.4);
- revenue recognition (see note 3.2);
- deferred tax assets recognition (see note 6.2).

1.2.4 TRANSLATION

Translation of foreign subsidiaries

For the financial statements of all the Group's entities for which the functional currency is different from that of the Group, the following methods are applied:

- the assets and liabilities are translated into euro at the rate effective at the end of the period;
- the revenues and costs are translated into euro at the average exchange rate of the period.

The translation adjustments arising are directly recorded in Other Comprehensive Income.

Translation of foreign currency transactions

Transactions in foreign currency are translated at the exchange rate effective at the trade date. Monetary assets and liabilities in foreign currency are translated at the rate of exchange prevailing at the consolidated statement of financial position date. The differences arising on the translation of foreign currency operations are recorded in the consolidated statement of operations as a foreign exchange gain and loss.

The non-monetary assets and liabilities are translated at the historical rate of exchange effective at the trade date.

The main exchange rates used for translation (one unit of euro converted to each foreign currency) are summarized in the following table:

	Closing rate		Average rate	
	2022	**2021**	**2022**	**2021**
US Dollar (US$)	1.0666	1.1326	1.0563	1.1851
Pound sterling (GBP)	0.8869	0.8403	0.8537	0.8615
Canadian Dollar (CAD)	1.4440	1.4393	1.3757	1.4868
Indian Roupee (INR)	88.1710	84.2292	82.8319	87.4940

The average rate is determined by taking the average of the month-end closing rates for the year, unless such method results in a material distortion.

1.2.5 CONSIDERATION OF CLIMATE CHANGE

The preparation of financial statements involves taking into account climate change issues, in particular in the context of the information presented in “Disclosure on extra-financial performance” of the 2022 Universal Registration Document. The consequences of climate change and the commitments made by the Group described in this Chapter had no significant impact on the Consolidated Financial Statements as at December 31, 2022.

NOTE 2 SCOPE OF CONSOLIDATION

2.1 SCOPE AND CONSOLIDATION METHOD

SUBSIDIARIES

All the entities that are controlled by the Group (including special purpose entities) *i.e.* in which the Group has the power to govern the financial and operating policies in order to obtain benefits from the activities, are subsidiaries of the Group and are consolidated. Control is presumed to exist when the Group directly or indirectly owns more than half of the voting rights of an entity (the voting rights taken into account are the actual and potential voting rights which are immediately exercisable or convertible) and when no other shareholder holds a significant right allowing veto or the blocking of ordinary financial and operating decisions made by the Group. Consolidation is also applied to special purpose entities that met the criteria of IFRS 10, whatever their legal forms are, even where the Group holds no shares in their capital.

ASSOCIATES

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decisions of the investee without having either control or joint control over those policies. Investments in associates are accounted for under the equity method in accordance with IFRS 11. The goodwill arising on these entities is included in the carrying value of the investment.

JOINT VENTURES

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Investments in joint ventures are consolidated under the equity method in accordance with IFRS 11.

For the year ended December 31, 2022 Technicolor Creative Studios' consolidated financial statements include the accounts of all investments in subsidiaries, jointly controlled entities and associates. Their location is summarized below and all entities are listed in note 16.

For the year ended December 31, 2021 the scope of the combined financial statement was determined based on the historical financial information of the Technicolor Creative Studios Business and is comprised of the business activities of the Technicolor Creative Studios Business that were historically conducted in direct and indirect subsidiaries of Technicolor and the Technicolor Creative Studios Business' investments in joint ventures and associates accounted for using the equity method.

Number of companies as of December 31, 2022	France	Europe (Exc. France)	US	Other Americas	Asia & Oceania	Total
Fully consolidated subsidiaries	9	8	2	2	5	26
Companies accounted for under the equity method	-	-	-	-	-	-
TOTAL	**9**	**8**	**2**	**2**	**5**	**26**

Number of companies as of December 31, 2021	France	Europe (Exc. France)	US	Other Americas	Asia & Oceania	Total
Fully combined subsidiaries	7	8	2	2	4	23
Companies accounted for under the equity method	-	-	-	-	-	-
TOTAL	**7**	**8**	**2**	**2**	**4**	**23**

2.2 CHANGE IN THE SCOPE OF CONSOLIDATION DURING 2022

There was no significant change in the scope of consolidation in 2022.

NOTE 3 INFORMATION ON OPERATIONS

3.1 INFORMATION BY BUSINESS SEGMENTS

Technicolor Creative Studios has four continuing businesses and reportable operating segments that the business follows under IFRS 8: MPC, The Mill, Mikros Animation and Technicolor Games. They have been regrouped in two business segment groups which share similar production processes, resources, and customer profiles. Previously, performance was followed in an aggregated manner and the information below is only presented for revenue.

The Group's Executive Committee makes its operating decisions and assesses performances based on these operating segments. All remaining activities, including unallocated corporate functions, are grouped in the segment "Corporate & Other".

MPC & MIKROS ANIMATION

Together, MPC and Mikros Animation artists deliver contents for episodic and theatrical projects of entertainment producers.

The award-winning visual effects studios, now under the unitary MPC brand, unite artistry and creativity with technology and innovation. MPC brings decades of experience in delivering everything from breathtaking environments, down to the precise details of a full Computer-Graphic ("CG") character.

From episodic hits to major animated features, Mikros Animation works with leading animation studios. Its industry-leading facilities have become home to some of the world's most recognized and respected animators.

THE MILL & TECHNICOLOR GAMES

The Mill and Technicolor Games are delivering digital content to create new experiences for our customers' targets.

With the latest visual effects, computer-generated imagery (CGI) and immersive technologies, The Mill produce groundbreaking advertising, content and interactive marketing solutions for the world's biggest brands.

Technicolor Games focuses on the creative needs for the gaming industry and collaborates with many of the top game developers in the world.

CORPORATE & OTHER

This segment includes corporate functions, which comprise the costs of Group management, together with headquarters support functions, such as Human Resources, IT, Finance, Marketing and Communication, Corporate Legal Operations and Real Estate Management, and which do not service a particular business within the two operating segments of the Group.

	Year ended December 31, 2022			
(in million euros)	MPC & Mikros Animation	The Mill & Technicolor Games	Corporate & Other	Total
Statement of operations				
Revenue	522	261	1	784
Earnings before Interest & Tax (EBIT) from continuing operations	**(5)**	**(19)**	**(27)**	**(51)**
Operating leases – rent payments	(14)	(7)	(10)	(31)
Operating leases – depreciation	11	6	4	21
Amortization of purchase accounting items	-	9	-	9
Restructuring costs	14	7	3	24
Other non current items	(1)	4	0	3
Adjusted EBITA after lease	**5**	**0**	**(30)**	**(25)**
Depreciation & amortization(1)	27	7	11	45
Other non-cash items	-	-	-	0
Adjusted EBITDA after lease	**32**	**7**	**(19)**	**20**

(1) Excluding Cloud rendering and other usage based IT costs, operating lease depreciation and PPA amortization; including capital lease depreciation.

(in million euros)	Year ended December 31, 2021 MPC & Mikros Animation	The Mill & Technicolor Games	Corporate & Other	Total
Statement of operations				
Revenue	324	276	1	601
Earnings before Interest & Tax (EBIT) from continuing operations				**20**
Operating leases – rent payments				(22)
Operating leases – depreciation				16
Amortization of purchase accounting items				8
Restructuring costs				5
Other non current items				4
Adjusted EBITA after lease				**31**
Depreciation & amortization[(1)]				43
Other non-cash items[(2)]				1
Adjusted EBITDA after lease				**75**

(1) Excluding Cloud rendering and other usage based IT costs, operating lease depreciation and PPA amortization; including capital lease depreciation.
(2) Mainly costs of equity settled share based compensation.

The Group follows two main financial indicators by operating segment. These indicators could not be computed retrospectively as allocation rules for many expenses could not be reliably established over the periods presented.

Adjusted EBITA after lease (EBITAal)

EBIT adjusted positively by:

- the amortization of intangibles that arose from acquisitions or disposals;
- restructuring costs;
- other non current items (including other income (expense), impairment gains (losses) and Capital gains (losses).

And negatively by:

- the difference between operating lease payments and operating leased assets depreciation.

Adjusted EBITDA after lease (EBITDAal)

EBITAal adjusted by:

- depreciation and amortization, excluding Cloud rendering and other usage based IT costs, operating lease depreciation and PPA amortization; including capital lease depreciation;
- non-cash income and expense such as Equity-settled share-based payments.

3.2 REVENUE FROM CONTRACTS WITH CUSTOMERS

Under IFRS 15 revenue is recognized to reflect the transfer of promised goods and services to customers for amounts that reflect the consideration to which an entity expects to be entitled in exchange for those goods and services.

When either the Group or the customer as party to a contract has performed, the contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the goods delivered or services rendered and the customer's payment. Any unconditional rights to consideration is presented separately as a receivable.

MPC & MIKROS ANIMATION

MPC & Mikros Animation provide a wide-variety of visual effects for theatrical releases and TV series and animated features. Each release or season constitutes a project individually negotiated with the producing studio (*i.e.* the customer), and considered as a single performance obligation. As the Intellectual Property of the project belongs to the customer (IFRS 15.35 b), revenue is recognized over time. Revenue is recognized according to the percentage of completion method. Percentage of completion is measured using labor costs to date divided by expected labor at completion.

Mikros Animation IP produces owned and co-owned animation series and licenses it to broadcasters and other customers. Licensing revenue is recognized at a point in time: episode delivery for initial Broadcasters and upon sale of right to use for additional sales (other Broadcasters, renewals).

THE MILL & TECHNICOLOR GAMES

The Mill provides visual effects for brand contracts, as well as related services, such as live shooting production. Projects are generally awarded, delivered and invoices over a short period of time (typically three to six weeks). Technicolor Games provides assets such as characters or objects for major games studios and other visual content. Revenue is recognized overtime according to paragraph 35 b) and 35 c) of IFRS 15. Revenue is recognized according to the percentage of completion method. Percentage of completion is measured using output measures.

3.2.1 DISAGGREGATED REVENUE INFORMATION

In respect of IFRS 15 – Revenue from contracts with customers, continuing revenue per method of recognition, contract assets and liabilities are disaggregated in the following way:

(in million euros)	December 31, 2022	MPC & Mikros Animation	The Mill & Technicolor Games	Corporate & Other
Revenue recognized over times[(1)]	779	518	261	0
Revenue from licenses[(2)]	5	4	-	1
REVENUE OF CONTINUING OPERATIONS	**784**	**522**	**261**	**1**

(1) Revenue recognized over time are related to certain VFX and animation production services provided over a long period.
(2) Trademark licensing and remaining patent licensing revenue are recognized based on volumes reported or cash received depending on information available.

Relating to performance obligations still to be satisfied, only VFX activities included in MPC & Mikros Animation segment are part of contracts that have an original expected duration of one year or more. For these services, the performance obligations still to be performed under contracts in force at the end of the reporting period amounted to €286 million as of December 31, 2022 (€379 million as of December 31, 2021); they are expected to be recognized mostly respectively in 2023 and 2024. Please note that in the entertainment industry, deferrals of release date of projects are not uncommon.

Information on main clients

As of December 31, 2022, one external customer represents 17% of the Group's consolidated revenues (€131 million) and another external customer represents about 10% (€82 million).

As of December 31, 2021, one external customer represents 13% of the Group's consolidated revenues (€76 million), another external customer represents about 12% (€70 million) and a third external customer represents about 11% (€69 million).

No other single customers contributed 10 per cent or more to the Group's revenue in either 2022 or 2021.

Information by geographical area

(in million euros)	France	UK	Rest of Europe	US	Rest of Americas	Asia-Pacific	Total
Revenue							
2022	**91**	**157**	**13**	**230**	**251**	**42**	**784**
2021	65	136	9	230	144	17	601
Segment assets							
2022	**96**	**199**	**4**	**229**	**81**	**61**	**670**
2021	91	192	2	217	67	46	615

Revenues are classified according to the location of the entity that invoices the customer.

3.2.2 CONTRACT BALANCES

(in million euros)	2022	2021
Trade accounts and notes receivable	99	63
Contract assets	64	74
Contract liabilities	81	77

Contract liabilities at the opening have been recognized in revenue during the period.

3.3 OPERATING INCOME & EXPENSES

3.3.1 OPERATING EXPENSES

Main natures of operating expenses are labor (see note 11), real estate and IT costs; depreciation expense relate mainly to IT and real estate and is detailed in the notes 4.2 to 4.4.

	Year ended December 31,	
(in million euros)	2022	2021
Selling and marketing expenses	(21)	(15)
General and administrative expenses	(72)	(63)
SELLING AND ADMINISTRATIVE EXPENSES	**(93)**	**(78)**

3.3.2 GOVERNMENT GRANTS

According to IAS 20 government grants are transfers of resources to an entity by government in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government assistance is action by government designed to provide an economic benefit that is specific to an entity or range of entities qualifying under certain criteria.

An entity recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

	Year Ended December 31,	
(in million euros)	2022	2021
Subsidies relating to Covid-19 pandemic	20	19
Operating subsidies	5	6
TOTAL	**25**	**25**

In Technicolor Creative Studios, operating subsidies received are mainly recognized in costs of sales and correspond to grants linked to business activity especially in France and Canada.

During 2022 and 2021, and due to Covid-19 pandemic hit on TCS business, several countries put in place programs to provide financial help to mitigate the impact such emergency rent and wage subsidies in Canada, and other nature of wage grants in France and Australia.

3.3.3 OTHER INCOME (EXPENSE)

Other income (expense) mainly include gains and losses on disposals of fully consolidated companies, incurred or estimated costs related to major litigation, as well as items in connection with Revised IFRS 3 and Revised IAS 27 such as acquisition costs related to business combinations and changes in earn-outs related to business combinations.

	Year ended December 31,	
(in million euros)	2022	2021
Net capital gains	(0)	2
Litigations and other	(1)	(2)
OTHER INCOME (EXPENSE)	**(1)**	**-**

3.4 NET FINANCIAL INCOME (EXPENSE)

	Year ended December 31,	
(in million euros)	2022	2021
Interest income	40	10
Interest expense	(83)	(31)
Net interest expense	**(43)**	**(21)**
Net interest expense on defined benefit liability	(0)	(0)
Foreign exchange gain/(loss)	11	(0)
Other	(7)	1
Other financial income (expense)	**4**	**-**
NET FINANCIAL INCOME (EXPENSE)	**(39)**	**(21)**

Interest expense include €(12) million for the interests on term loans issued in September 2022. Refer to note 9.2 for more details on the Group's borrowings.

Remaining interest income primarily include cash-pool interests with Vantiva entities before the refinancing and spin-off. Refer to note 8 for more details.

NOTE 4 GOODWILL, INTANGIBLE & TANGIBLE ASSETS

4.1 GOODWILL

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any previously owned non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Under option, for each business combination, any non-controlling interest in the acquiree is measured either at fair value (thus increasing the goodwill) or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Once control is achieved, further acquisition of non-controlling interest or disposal of equity interest without losing control are accounted as equity transaction.

Goodwill is recognized in the currency of the acquired subsidiary/associate and measured at cost less accumulated impairment losses and translated into euros at the rate effective at the end of the period. Goodwill is not amortized but is tested annually for impairment.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination, are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss, except if contingent consideration is classified in equity.

Technicolor Creative Studios Group is monitored under four dedicated business lines with MPC for Film & VFX, The Mill for Advertising, Mikros Animation for Animation and Technicolor Games.

The following table provides the allocation of goodwill to each Cash-Generating Unit (CGU) based on the organization effective as of December 31, 2022 and 2021 (refer to note 4.5 for detail on impairment tests and note 1.2.1 Basis of preparation).

(in million euros)	MPC	The Mill	Mikros Animation	Total
At January 1, 2021, net	**118**	**22**	**36**	**176**
Exchange difference	8	2	2	12
Other	(0)	0	-	(0)
At December 31, 2021, net	**126**	**24**	**38**	**188**
Exchange difference	1	1	-	2
Other	-	(1)	1	0
AT DECEMBER 31, 2022, NET	**127**	**24**	**39**	**190**

4.2 INTANGIBLE ASSETS

Intangible assets consist mainly of trademarks and acquired customer relationships.

Intangibles acquired through a business combination are recognized at fair value at the transaction date. For material amounts, Technicolor Creative Studios relies on independent appraisals to determine the fair value of intangible assets. Separately acquired intangible assets are recorded at purchase cost and internally generated intangibles are recognized at production cost.

Purchase cost comprises acquisition price plus all associated costs related to the acquisition and set-up. All other costs, including those related to the development of internally generated intangible assets such as brands, customer files, *etc.*, are recognized as expenses of the period when they are incurred.

Intangible assets considered to have a finite useful life are amortized over their estimated useful lives and their value written down in the case of any impairment loss. Depending on the nature and the use of the intangible assets, the amortization of these assets is included either in "Cost of sales" or "Selling and administrative expenses".

Intangible assets with indefinite useful lives are not amortized but are attached to the Cash generating Unit and tested for impairment annually (see note 4.5). As an exception, Technicolor Trademark is tested at Group level.

ACCOUNTING ESTIMATES AND JUDGMENTS

Regarding intangible assets with finite useful lives, significant estimates and assumptions are required to determine (i) the expected useful life of these assets for purpose of their depreciation and (ii) whether there is an impairment of their value requiring a write-down of their carrying amount. Estimates that are used to determine their expected useful lives are defined in the Group's accounting policy manual and consistently applied throughout the Group.

Regarding intangible assets with indefinite useful lives, significant estimates and assumptions are required to determine the recoverable amount of such assets. See note 4.5. for detail on the accounting policy related to impairment review on such assets.

4.2.1 TRADEMARKS

Trademarks are considered as having an indefinite useful life and are not amortized, but are tested for impairment annually. The main reasons retained by the Group to consider a trademark as having an indefinite useful life were mainly its positioning in its market expressed in terms of volume of activity, international presence and notoriety, and its expected long-term profitability.

As of December 31, 2022 and 2021 trademarks amounting respectively to €25 million and €26 million consist mainly of The Mill® tradename.

Following the integration of the VFX brands MPC Film, MPC Episodic and Mr. X under MPC® an impairment of €2 million in 2021 has been recognized on the Mr. X® brand to account for the business transformation and rebranding of the VFX studios.

4.2.2 CUSTOMER RELATIONSHIP AND OTHER INTANGIBLE ASSETS

CUSTOMER RELATIONSHIP

Customer relationships that are acquired through business combinations are amortized over the expected useful life of such relationships. The initial valuation methodology is generally the excess profit method using the attributable discounted future cash flows expected to be generated. They are tested for impairment only if management identifies triggering events that may result in a loss of value of such assets.

OTHER INTANGIBLES ASSETS

Other intangibles comprise mainly capitalized development projects, acquired or internally developed software and acquired technologies.

Expenses related to Intellectual Property generation of Mikros Animation IP are capitalized based on the recoverable amount, assessed from guaranteed and highly probable sales. Periodic impairment tests are made with latest business plans. Depreciation is based on the revenue pattern, which is highly concentrated on initial sales for new franchises.

(in million euros)	Trademarks	Customer Relationships	Other intangibles	Total Intangible Assets
At January 1, 2021, net	**27**	**53**	**23**	**102**
Cost	*27*	*95*	*154*	*275*
Accumulated depreciation	*0*	*(42)*	*(131)*	*(173)*
Exchange differences	2	4	-	5
Scope Changes	-	-	-	-
Additions[1]	-	-	18	18
Depreciation charge	-	(8)	(21)	(29)
Impairment loss	(2)	-	-	(3)
At December 31, 2021, net	**26**	**48**	**22**	**96**
Cost	*28*	*102*	*165*	*295*
Accumulated depreciation	*(2)*	*(54)*	*(143)*	*(200)*
Exchange differences	(1)	1	-	(1)
Additions[2]	-	-	26	26
Disposal	-	-	(1)	(1)
Depreciation charge	-	(9)	(23)	(32)
Impairment loss	-	-	(1)	(1)
AT DECEMBER 31, 2022, NET	**25**	**40**	**23**	**88**
Cost	*27*	*103*	*189*	*319*
Accumulated depreciation	*(2)*	*(63)*	*(166)*	*(231)*

(1) Mainly costs capitalized for animation projects.
(2) Mainly acquisition of software and costs capitalized for animation projects.

The customer relationship was recognized as an intangible asset as an element of the purchase price allocation following the acquisition of The Mill in 2015 and amortized over 12 years based on expected useful life of such relationship.

4.3 PROPERTY, PLANT & EQUIPMENT

All Property, Plant and Equipment (PPE) are recognized at cost less any depreciation and impairment losses. They are amortized using the straight-line method over the useful life of the asset which ranges from 1 to 5 years for materials and machinery, and the leasehold improvements which are presented. Each material component of a composite asset with different useful lives or different patterns of depreciation is accounted for separately for the purpose of depreciation and for accounting of subsequent expenditure.

ACCOUNTING ESTIMATES AND JUDGMENTS

Significant estimates and assumptions are required to determine (i) the expected useful lives of these assets for purposes of their depreciation and (ii) whether there is an impairment of their value requiring a write-down of their carrying amount. Estimates that are used to determine their expected useful lives are defined in the Group's accounting policy manual and consistently applied throughout the Group.

(in million euros)	Machinery & Equipment	Other Tangible Assets	Total
At January 1, 2021, net	**3**	**48**	**51**
Cost	*58*	*160*	*219*
Accumulated depreciation	*(55)*	*(112)*	*(167)*
Exchange differences	-	2	2
Additions	-	17	17
Disposals	-	(2)	(2)
Depreciation charge	(1)	(17)	(18)
Other(1)	-	(5)	(5)
At December 31, 2021, net	**2**	**44**	**46**
Cost	*63*	*224*	*287*
Accumulated depreciation	*(61)*	*(180)*	*(241)*
Exchange differences	-	-	-
Additions	-	36	36
Disposals	-	(3)	(3)
Depreciation charge	(1)	(16)	(17)
Impairment loss(2)	-	(6)	(6)
Other	-	(1)	(1)
AT DECEMBER 31, 2022, NET	**1**	**54**	**55**
Cost	*62*	*266*	*328*
Accumulated depreciation	*(61)*	*(212)*	*(273)*

(1) Corresponds mainly to the sale of tangible assets to Streamland for the sale of Post Production business in April 2021.
(2) In consolidated statement of profit and loss, impairment loss was recognized in restructuring costs.

Other tangibles assets are mainly composed of computers, IT equipments and leasehold improvements.

4.4 RIGHT-OF-USE ASSETS

The Group has adopted IFRS 16 at the beginning of 2019. The standard provides a single lease accounting model, requiring the lessee to recognize assets and liabilities for all leases unless the term lease is 12 months or less or the underlying asset has low value. The initial value of the right-of-use asset is equal to the sum of the present value of the lease payments over the rent period and of directs costs incurred in entering or modifying the lease. The Group depreciates its right-of-use assets using the straight-line method, starting when the lessor makes the underlying asset available for use by the Group until the end of the lease.

The analysis of rent period, mainly for buildings, considers the non-cancellable contract period, cancellable contract period and extension options, when the Group is reasonably certain to exercise these extension options.

(in million euros)	Real Estate	Others	Total Right-of-use assets
At January 1, 2021, net	**84**	**14**	**98**
New contracts	21	22	43
Change in contract	2	-	2
Reclassification	2	-	2
Depreciation charge	(16)	(15)	(30)
Impairment loss	(3)	-	(3)
Other	4	2	6
At December 31, 2021, net	**94**	**23**	**117**
New contracts	16	30	46
Change in contract(1)	18	-	18
Depreciation charge	(17)	(18)	(35)
Impairment loss(2)	(8)	-	(8)
AT DECEMBER 31, 2022, NET	**103**	**35**	**138**

(1) Mainly renewal of leases in New York (USA) and Bangalore (India).
(2) In consolidated statement of profit and loss, impairment loss was recognized as restructuring costs.

At December 31, 2022 leased assets mainly comprise office premises and other real estate leases (74%), leased software (6%) and IT equipment (20%).

Total cash outflows on leases (excluding annual lease costs on short-term leases and low value assets leases) amounted to €36 million in the year ended December 31, 2022.

A maturity analysis of the lease liability is disclosed in note 9.5.5.

6.

4.5 IMPAIRMENT ON NON-CURRENT OPERATING ASSETS

Goodwill, intangible assets having an indefinite useful life and development projects not yet available for use are tested annually for impairment during the last quarter of the year and updated at the end of December and whenever circumstances indicate that they might be impaired.

For impairment testing, assets are grouped together into the smallest group of assets that generate cash outflows that are largely independent of the cash flows of other assets or CGU. Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies. The Group identified 4 CGUs corresponding to the operating segments.

PPE and intangible assets having a definite useful life are tested for impairment at the consolidated statement of financial position date only if events or circumstances indicate that they might be impaired. The main evidence indicating that an asset may be impaired includes the existence of significant changes in the operational environment of the assets, a significant decline in the expected economic performance of the assets, or a significant decline in the revenues or margin *versus* prior year and budget or in the market share of the Group.

The impairment test consists of comparing the carrying amount of the asset with its recoverable amount. The recoverable amount of the asset is the higher of its fair value (less costs to sell) and its value in use.

The fair value (less costs to sell) corresponds to the amount that could be obtained from the sale of the asset (or the CGU), in an arm's-length transaction between knowledgeable and willing parties, less the costs of disposal. It can be determined using an observable market price for the asset (or the CGU) or using discounted cash flow projections, that include estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance but exclude any synergies with other CGU of the Group.

Value in use is the present value of the future cash flow expected to be derived from an asset or CGU.

For determining the recoverable value, the Group uses estimates of future pre-tax discounted cash flows generated by the asset including a terminal value when appropriate. These flows are consistent with the most recent budgets approved by the Board of Directors of the Group. Estimated cash flows are discounted using pre-tax long-term market rates, reflecting the time value of money and the specific risks of the assets.

An impairment loss corresponds to the difference between the carrying amount of the asset (or group of assets) and its recoverable amount and is recognized in "Net impairment losses on non-current operating assets" for continuing operations unless the impairment is part of restructuring plans, or related to discontinued operations in which case it is recognized in "Restructuring expenses". In accordance with IAS 36, impairment of goodwill cannot be reversed.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Group reviews annually goodwill and other indefinite-lived intangible assets for impairment in accordance with the accounting policy.

Technicolor Creative Studios's management believes its policies related to such annual impairment testing are critical accounting policies the recoverable involving critical accounting estimates because determining amount of CGU requires (i) determining the appropriate discount rate to be used to discount future expected cash flows of the cash-generating unit and (ii) estimating the value of the Operating Cash Flows including their terminal value, the growth rate of the revenues generated by the assets tested for impairment, the operating margin rates of underlying assets for related future periods and the royalty rates for trademarks.

In addition to the annual review for impairment, Technicolor Creative Studios evaluates at each reporting date certain qualitative and quantitative indicators that would result, if applicable, in the calculation of an additional impairment test in accordance with the Group accounting policy.

Management believes the updated assumptions used concerning sales growth and terminal values are reasonable and in line with updated market data available for each CGU.

(in million euros)	2022	2021
Impairment loss on goodwill	-	-
Impairment losses on intangible assets	(1)	(2)
Impairment losses on tangible assets	1	(0)
Impairment losses on right-of-use assets	(1)	(2)
Impairment losses on non-current operating assets	**(1)**	**(4)**

As part of the determination on the recoverable value of right-of-use assets for impairment, the main assumptions relate to the sublease income scenarios which were determined considering current economic conditions and available market values.

4.5.1 MAIN ASSUMPTIONS AT DECEMBER 31, 2022 AND 2021

In order to perform the annual impairment test, the Group used the following assumptions to determine the recoverable amount of the main goodwill reporting units:

	2022	2021
Basis used to determine the recoverable amount	Value in use	
Description of key assumptions	Budget and Business Plans	
Period for projected future cash flows	5 years	
Growth rate used to extrapolate cash flow projections beyond projection period	2.5%	3.0%
Post-tax discount rate applied	11.4%	9.6%

The group elaborates its budgets and business plan using available general market and industry surveys, information from its customers and its knowledge of the industry.

4.5.2 SENSITIVITY OF RECOVERABLE AMOUNTS

As at December 31, 2022, the following sensitivity analysis is performed at CGU level:

	Impact on the enterprise value			
(in million euros)	MPC	The Mill	Mikros Animation	Technicolor Games
Decrease of 1 point in the long-term growth rate assumption	(31)	(18)	(18)	(11)
Decrease of 1 point of the Adjusted EBITDA after lease margin on the terminal value	(21)	(17)	(10)	(3)
Increase of 1 point in the WACC rate assumption	(44)	(25)	(25)	(15)

All sensitivity analysis performed above would not result in any impairment.

As at December 31, 2021, the following sensitivity was presented at Group level on the total enterprise value of the Group:

- a decrease of 1 point in the long-term growth rate assumption would decrease the enterprise value by €179 million without generating any impairment;
- a decrease of 1 point of the EBITDA margin on the terminal value would decrease the enterprise value by €201 million without generating any impairment;
- an increase of 1 point in the WACC rate assumption would decrease the enterprise value by €222 million without generating any impairment.

NOTE 5 OTHER OPERATING INFORMATION

5.1 OPERATING ASSETS & LIABILITIES

5.1.1 TRADE ACCOUNTS RECEIVABLES

The trade receivables are part of the current financial assets. At the date of their initial recognition, they are measured at the fair value of the amount to be received. This generally represents their nominal value because the effect of discounting is generally immaterial between the recognition of the instrument and its realization.

Loss allowances on trade receivables are determined from expected credit losses. The Group chose the simplified approach offered by IFRS 9 which allows the recognition of an allowance based on the lifetime expected credit losses at each reporting date.

The expected credit losses are determined from the trade date the following way:

- application to non-major customer segments of each division of a matrix determined on the Group's historical credit loss experience;
- specific follow-up of the credit risk for major customers based on their credit rating.

DERECOGNITION OF ASSETS

A receivable is derecognized when it is sold without recourse and when it is evidenced that the Group has transferred substantially all the significant risks and rewards of ownership of the receivable and has no more continuing involvement in the transferred asset.

(in million euros)	2022	2021
Trade accounts and notes receivable	103	64
Less: valuation allowance	(4)	(1)
TOTAL TRADE ACCOUNTS AND NOTES RECEIVABLE	**99**	**63**

As of December 31, 2022 and 2021 trade accounts receivable include more than 30 days past due amounts respectively for €29 million and €8 million and for which a valuation allowance was recorded for an amount of €(4) million and €(1) million.

The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets €99 million as of December 31, 2022 compared to €63 million as of December 31, 2021.

5.1.2 OTHER CURRENT ASSETS & LIABILITI ES

(in million euros)	2022	2021
Value added tax receivable	14	8
Research tax credit and subsidies	2	4
Prepaid expenses	10	17
Other	2	3
OTHER OPERATING CURRENT ASSETS	**28**	**31**
Taxes payable	(15)	(13)
Payables for fixed assets	(7)	(13)
Other	(9)	(13)
OTHER OPERATING CURRENT LIABILITIES	**(30)**	**(39)**

Prepaid expenses relate mainly to prepaid IT maintenance and services.

NOTE 6 INCOME TAX

6.1 INCOME TAX RECOGNIZED IN PROFIT AND LOSS

6.1.1 INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Deferred tax is recognized in profit or loss, except to the extent that it relates to items previously recognized outside profit or loss (either in OCI or directly in equity).The Group has accounted for any tax benefits arising from tax losses from discontinued operations in continuing operations since these tax losses will be used by future benefits from continuing operations.

Further to the application of IFRIC 23 – Uncertainty over Income Tax Treatments, current taxes also include uncertain tax positions previously included in Provisions.

(in million euros)	2022	2021
Current income tax		
France	2	(0)
Foreign	(7)	(12)
Total current income tax	**(5)**	**(12)**
Deferred income tax		
France	(0)	-
Foreign	(4)	(6)
Total deferred income tax	**(4)**	**(6)**
INCOME TAX ON CONTINUING OPERATIONS	**(9)**	**(18)**

In 2022 and 2021, the current income tax charge was mainly made of current taxes due in Canada and India.

Please see section 6.2.1 for more details on the variation of deferred taxes.

6.1.2 GROUP TAX PROOF

The following table shows the reconciliation of the expected tax expense – using the French corporate tax rate respectively of 25.83% in 2022 and 28.41% in 2021 – and the reported tax expense. The items in reconciliation are described hereafter:

(in million euros)	2022	2021
Loss from continuing operations	**(99)**	**(18)**
Income tax	(9)	(18)
Pre-tax accounting loss on continuing operations	**(90)**	**0**
	25.83%	*28.41%*
Expected tax expense	**23**	**(0)**
Effect of unused tax losses and tax offsets not recognized as deferred tax assets(1)	(33)	(14)
Effect of permanent differences	2	(1)
Effect of different tax rates applied	(3)	(2)
Effect of change in applicable tax rate	(2)	(1)
Tax credits(2)	3	-
Effective tax expense on continuing operations	**(9)**	**(18)**

(1) This line primarily refers to valuation allowance of deferred tax assets generated on the losses and other temporary differences mainly in France, UK and USA.

(2) In 2022, the Group received €3 million of tax income on French entities from Vantiva SA for exiting previous fiscal group.

6.2 TAX POSITION IN THE STATEMENT OF FINANCIAL POSITION

Deferred taxes result from:

- temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the Group consolidated balance sheets; and
- the carry forward of unused tax losses and tax credits.

Deferred taxes for all temporary differences are calculated for each taxable entity (or group of entities) using the balance sheet liability method.

All deferred tax liabilities are recorded except:

- when the deferred tax liability results from the initial recognition of goodwill, or from the initial recognition of an asset or a liability in a transaction which is not a business combination and, at the trade date, affects neither the net income nor the taxable income or loss; and
- for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the Group is able to control the timing of the reversal of the temporary differences and when it is probable that these temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recorded:

- for all deductible temporary differences, to the extent that it is probable that future taxable income will be available against which these temporary differences can be utilized, except when the related deferred tax asset results from the initial recognition of an asset or a liability in a transaction which is not a business combination and, at the trade date, affects neither the net income nor the taxable income or loss; and
- for the carry forward of unused tax losses and unused tax credits, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

The recoverable amount of the deferred tax assets is reviewed at each balance sheet date and adjusted to take into account the level of taxable profit available to allow the benefit of part or all of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are valued using the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred taxes are classified as non-current assets and liabilities.

Deferred tax assets and liabilities are set off by taxable entity for the same maturities.

ACCOUNTING ESTIMATES AND JUDGMENTS

Management judgment is required to determine the Group's deferred tax assets and liabilities. When a specific subsidiary has a history of recent losses, future positive taxable income is assumed improbable, unless the asset recognition can be supported for reasons such as:

- the losses having resulted from exceptional circumstances which are not expected to re-occur in the near future; and/or
- the expectation of exceptional gains; or
- future income to be derived from long-term contracts.

The Group considered tax-planning in assessing whether deferred tax assets should be recognized.

6.2.1 CHANGE IN NET DEFERRED TAXES

(in million euros)	Deferred tax assets	Deferred tax liabilities	Total, net deferred tax assets/(liabilities)
Year ended December 31, 2020	**22**	**(11)**	**11**
Changes impacting continuing profit or loss	(2)	(4)	(6)
Other movement	2	(1)	1
Year ended December 31, 2021	**22**	**(16)**	**6**
Changes impacting continuing profit or loss	(6)	2	(4)
Other movement	(9)	5	(4)
YEAR ENDED DECEMBER 31, 2022	**7**	**(9)**	**(2)**

As of December 31, 2022 the net deferred tax liability amounting to €(2) million mainly relate to temporary differences in India, UK and Canada.

As of December 31, 2021 the net deferred tax assets amounting to €6 million mainly related to the recognition of losses carried forward net of other temporary differences in India, UK and Canada.

6.2.2 SOURCE OF DEFERRED TAXES

(in million euros)	2022	2021
Tax losses carried forward	**67**	**14**
Tax effect of temporary differences related to:		
Property, plant and equipment	18	19
Trademark	26	-
Other intangible assets	(15)	(14)
Receivables and other assets	1	-
Retirement benefit obligations	1	3
Restructuring provisions	1	2
Provisions and other liabilities	4	4
Total deferred tax on temporary differences	**35**	**14**
Deferred tax assets/(liabilities) before netting	**102**	**28**
Valuation allowances on deferred tax assets	(104)	(22)
Net deferred tax assets/(liabilities)	**(2)**	**6**

All deferred tax assets recognized on tax losses carried forward generated in different countries (mainly France, UK and US) are impaired.

NOTE 7 EQUITY & EARNINGS PER SHARE

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded for the proceeds received, net of direct issue costs.

EQUITY TRANSACTION COSTS

Incremental and external costs directly attributable to the equity transactions are accounted for as a deduction from equity.

7.1 SHARE CAPITAL

(in euros, except number of shares in units)	Number of shares	Par value	Share capital
Share Capital as of December 31, 2021	**1,000**	**10.00**	**10,000**
Capital increase (July 8, 2022)	149,000	10.00	1,490,000
Capital reduction (July 8, 2022)	-	-	(1,425,000)
Capital increase – Contribution in kind (September 15, 2022)	546,531,915	0.50	273,265,958
SHARE CAPITAL AS OF DECEMBER 31, 2022	**546,681,915**	**0.50**	**273,340,958**

On July 8, 2022, the Shareholders' Meeting decided to issue 149,000 new ordinary shares with a par value of €10.00.

During the same Shareholders' Meeting, it was decided to reduce the share capital by a total amount of €1,425,000 by absorption of deferred losses *via* a decrease in the value of the shares.

On September 15, 2022, it was decided a capital increase as a result of contribution in kind for €273,265,957.50 corresponding to 546,531,915 new shares issued with a par value of €0.50.

As a result of these transactions, the share capital as of December 31, 2022 is €273,340,957.50 for a total of 546,681,915 shares.

As of December 31, 2022, and to the Company's knowledge, the following entities held more than 5% of the Company's share capital:

- Vantiva SA held 191,338,670 shares which represent 35.00% of the share capital and 35.00% of the voting rights of the Company;
- Angelo, Gordon & Co., L.P. held 79,671,524 shares which represent 14.57% of the share capital and 14.57% of the voting rights of the Company;
- Bpifrance Participations SA + CDC Croissance held 42,682,417 shares which represent 7.81% of the share capital and 7.81% of the voting rights of the Company;
- Briarwood Chase Management LLC held 37,343,934 shares which represent 6.83% of the share capital and 6.83% of the voting rights of the Company;
- Baring Asset Management Ltd. held 29,016,111 shares which represent 5.31% of the share capital and 5.31% of the voting rights of the Company;
- Credit Suisse Asset Management held 27,320,434 shares which represent 5.00% of the share capital and 5.00% of the voting rights of the Company.

7.2 DIVIDENDS AND DISTRIBUTION

Shareholders' Meetings held in 2022 did not vote any payment of dividend for the fiscal year 2021.

7.3 NON-CONTROLLING INTERESTS

In 2022, there is no change in non-controlling interests.

7.4 EARNING PER SHARE

Basic earnings per share are calculated by dividing income (loss) attributable to ordinary equity holders of the parent entity by the weighted-average number of shares outstanding during the period, excluding treasury shares.

Diluted earnings per share is calculated by dividing income (loss) attributable to ordinary equity holders of the parent entity by the weighted-average number of shares outstanding during the period assuming that all potentially dilutive securities were exercised and that any proceeds from such exercises were used to acquire shares of the Company's stock at the average market price of the period or the period the securities were outstanding.

Potentially dilutive securities comprise:

- outstanding options, if dilutive;
- the securities to be issued under the Company's Management Incentive Plan, to the extent the average market price of the Company's stock exceeded the adjusted exercise prices of such instruments.

(in million euros, except number of shares in thousands)	2022	2021
Net loss	**(99)**	**(14)**
Net (income) loss attributable to non-controlling interest	0	0
Net (gain) loss from discontinued operations	0	(5)
Numerator		
Adjusted profit "Group share" from continuing operations attributable to ordinary shareholders	(99)	(19)
Basic weighted number of outstanding shares (in thousands)	160,289	1
Dilutive impact of stock-option & Free Share Plans	-	-
Denominator		
Diluted weighted number of outstanding shares (in thousands)	160,289	1

NOTE 8 RELATED PARTIES TRANSACTIONS

A party is related to the Group if:

- directly or indirectly the party (i) controls, is controlled by or is under common control with the Group, (ii) has an interest in the Group that gives it significant influence over the Group;
- the party is an associate or a joint venture in which the Group is a venture;
- the party or one of its Directors is a Member of the Board of Directors or of the Executive Committee of the Group or a close Member of the family of any individual referred to above.

The Group historically operated as part of Vantiva and had no separate legal status until the spin-off (see note 1.1.2). For the purpose of the consolidated Financial Statements, related party relationships include Vantiva SA and its subsidiaries:

- which are not included in the TCS Group's scope of combination until September 2022;
- which are not included in the TCS Group's scope of consolidation from October 2022.

	Year Ended December 31,	
(in million euros)	**2022**	**2021**
ASSETS		
Cash pool receivable with Vantiva entities	0	178
Other assets with Vantiva entities	2	2
Total Related party receivable	**2**	**180**
LIABILITIES		
Cash pool borrowings with Vantiva entities	0	215
Other liabilities with Vantiva entities	11	4
Total Related party liabilities	**11**	**219**
OPERATING RESULT		
Revenues with Vantiva entities	1	1
Operating expenses with Vantiva entities(1)	(42)	(0)
Net operating income/(expenses) from related parties	**(41)**	**1**
FINANCIAL RESULT		
Net financial income with Vantiva entities	39	10
Net financial expense with Vantiva entities	(19)	(22)
NET FINANCIAL INCOME/(EXPENSES) FROM RELATED PARTIES	**20**	**(12)**

(1) Operating expenses with Vantiva entities in 2022 include the operations relating to the Transitional Services Agreement as presented in note 1.1.3 and other operating costs recharged.

No other related party transactions other than key management remuneration have been identified in 2022 and 2021.

NOTE 9 FINANCIAL ASSETS, FINANCING LIABILITIES & DERIVATIVE FINANCIAL INSTRUMENTS

9.1 FINANCIAL ASSETS

CASH AND CASH EQUIVALENTS

Cash corresponds to cash in bank accounts as well as demand deposits.

Cash equivalents corresponds to very liquid short-term investments, with an original maturity not exceeding three months, which are easily convertible at any time into a known amount of cash and for which the risk on the principal amount is negligible.

(in million euros)	2022	2021
Cash	14	11
Cash equivalents	24	1
CASH AND CASH EQUIVALENTS	**38**	**12**

None of the Group's cash is subject to restrictions. The cash equivalents correspond to investments in highly rated money market funds.

9.2 FINANCIAL LIABILITIES

9.2.1 BORROWINGS

FINANCIAL LIABILITIES (EXCLUDING DERIVATIVES)

Borrowings are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Any difference between (i) net proceeds of transaction costs and (ii) redemption value is recognized in financial income over the life of the borrowings using the effective interest rate method.

Borrowings are presented as current liabilities, unless the Group has an unconditional right to defer repayment of the liability beyond a period of 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

FINANCIAL LIABILITIES MEASURED SUBSEQUENTLY AT AMORTISED COST

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-fortrading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

FOREIGN EXCHANGE GAINS AND LOSSES

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

LEASE DEBT

Lease liability is measured according to the requirements of IFRS 16. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

9.2.1.1 Main features of the Group's borrowings

The Group's debt consists primarily of term loans (the "Term Loans"), drawings on the Revolving Credit Facility (the "RCF") and lease liabilities. The Term Loans and RCF were issued by Technicolor Creative Studios SA and Technicolor Creative Services USA, Inc. as co-borrowers in September 2022. The Term Loans have principal repayments of 0.25% per quarter starting March 31, 2023. The RCF was fully drawn at December 31, 2022 with drawings of €37 million due in May 2023 and $3 million due in June 2023.

In 2021 the Group's debt consisted primarily of short-term borrowings from Vantiva SA and lease liabilities. At that time the Group's subisidairies also deposited excess cash with Vantiva SA.

Details of the Group's debt as of December 31, 2022 is given in the table below:

(in million currency)	Currency	Nominal Amount	IFRS Amount	Type of rate	Nominal rate(1)	Effective rate(1)	Repayment Type	Final maturity
Term Loans	EUR	564	519	Floating	8.05%(2)	11.85%	Amortizing	September 15, 2026
Term Loans	USD	56	53	Floating	12.03%(3)	15.36%	Amortizing	September 15, 2026
Subtotal	**EUR**	**620**	**572**		**8.41%**	**12.18%**		
RCF drawings	EUR/USD	40	36	Floating	7.10%(4)	7.77%	Revolving	September 15, 2025
Lease debt(5)	Various	165	165	Fixed	10.21%	10.21%		
Accrued interest	Various	3	3	NA	0.00%	0.00%		
TOTAL		**828**	**776**		**8.67%**	**11.50%**		

(1) Rates as of December 31, 2022.
(2) Interest at 3-month EURIBOR with a floor of 0%+6.00%.
(3) Interest at 3-month SOFR with a floor of 0%+7.50%.
(4) Interest at 6-month EURIBOR or SOFR with a floor of 0%+4.50%.
(5) Of which €25 million are capital leases and €140 million is operating lease debt under IFRS 16.

9.2.1.2 Key terms of the credit agreement

Technicolor Creative Studios SA ("TCS SA" or the "Group") and Technicolor Creative Services USA, Inc. ("TCS USA") entered into a credit agreement (the "Credit Agreement") on September 15, 2022.

This Credit Agreement governs:

- Term Loans issued by TCS SA in an amount of €564,248,500.80;
- Term Loans issued by TCS USA in an amount of US$60,000,000;
- an RCF in an amount of €40,000,000.

The key terms of the Credit Agreement are described below.

Security package

The Term Loan lenders benefit from upstream guarantees from certain subsidiaries of the Group (the "Guarantors") and pledges (i) on the shares of the main subsidiaries of the Group, (ii) on intercompany financial receivables (iii) on the main cash pooling accounts of the Group and on all assets of the Guarantors (with the exception of the French Guarantors).

The RCF is "super senior" to the Term Loans.

Mandatory and voluntary prepayments

In case of default or change of control of TCS SA, creditors will have the ability to immediately demand payment of all or a portion of the outstanding amounts.

The events of defaults in the Credit Agreement include among other things and subject to certain exceptions, thresholds and grace periods:

- failure by borrowers to make required payments when due under the Credit Agreement or of any other financial indebtedness or to comply with material obligations related to the Credit Agreement;
- a cross default under which there is a default if any member of the Group defaults under any indebtedness involving an aggregate amount of more than the greater of €6,750,000 and 5% of Consolidated EBITDA and such default is due to the failure to make any payment or results in the right by the creditor(s) to require immediate repayment of the debt.

Under the Credit Agreement, the Group is required to make prepayments of the Term Loans:

- from the cumulative net proceeds from asset disposals and casualty events (such as insurance proceeds for damages caused by fire or other insured events) above €5 million with certain exceptions if the proceeds are reinvested in assets useful for its business within 365 days; and
- starting with the 2024 fiscal year from 50% of any excess Free Cash Flow above a threshold of €5 million with the percentage subject to this mandatory prepayment requirement dropping to 25% and 0% if certain leverage ratios are met.

The Term Loans can also be voluntarily prepaid in whole or in part after the first anniversary of the issue date.

A repayment penalty applies to all prepayments whether mandatory or voluntary as well as to the amounts due on final maturity but not to the regularly scheduled amortization (0.25% per quarter starting March 31, 2023):

- 2% starting with the 1st anniversary of the issue date;
- 3% starting with the 2nd anniversary of the issue date;
- 5% starting with the 3rd anniversary of the issue date.

This repayment penalty is taken into account in the calculation of the effective interest rate of the Term Loans (*cf.* table above). Voluntary prepayments made in the first year require a make-whole payment consisting of the discounted value of all remaining interest payments due until the one year anniversary of the closing date.

Financial covenants

The Credit Agreement contains a financial leverage covenant, tested on June 30 and December 31 starting in 2023, which requires the ratio of consolidated total net debt that is secured by the collateral under the Credit Agreement to Consolidated EBITDA based on IFRS EBIT (with operating leases accounted for in accordance with IFRS 16) be less than or equal to 5.75.

The breach of this financial covenant is an event of default upon the occurrence of which a simple majority of the lenders can instruct the agent for the debt to declare it immediately due and payable.

Affirmative covenants

The Credit Agreement contains various standard and customary affirmative covenants.

Negative covenants

The Credit Agreement contains various standard and customary negative covenants as well as other specific covenants which restrict the Group's ability to undertake certain actions. These include restrictions on:

- indebtedness: new secured indebtedness is permitted if certain leverage ratios are met and various baskets permit capital leases, factoring and unsecured debt;
- liens: new liens are generally not allowed except for some carve-outs and a general lien basket;
- disposals: the Group may make disposals but the proceeds are subject to mandatory prepayment provisions;
- acquisitions: acquisitions are generally allowed, but acquired companies may be required to become guarantors;
- distributions and junior payments: the Group is limited in its ability to make distributions to shareholders and to make investments and loans to non-guarantors.

At December 31, 2022 under the Term Loan documentation there was no testing of the financial covenant. Regarding the other negative and affirmative covenants, TCS SA fully respected them at December 31, 2022 and no event of default has occured between that date and the approval of the financial statements.

9.3 DERIVATIVE FINANCIAL INSTRUMENTS

GENERAL PRINCIPLES

The Group uses derivative instruments notably to hedge its exposure to foreign currency risk and changes in interest rates. The financial derivatives are executed by the Vantiva SA treasury in the over the counter market and are governed by standard ISDA (International Swaps and Derivatives Association, Inc.) agreements or agreements standard for the French market.

HEDGE ACCOUNTING

Derivative instruments may be designated as hedging instruments in one of three types of hedging relationships:

- fair value hedge, corresponding to a hedge of the exposure to the change in fair value of an asset or a liability;
- cash flow hedge, corresponding to a hedge of the exposure to the variability in cash flows from future assets or liabilities;
- net investment hedge in foreign operations, corresponding to a hedge of the amount of the Group's interest in the net assets of these operations.

Derivative instruments qualify for hedge accounting when at the inception of the hedge:

- there is a formal designation and documentation of the hedging relationship when put in place;
- the hedge is expected to be highly effective;
- its effectiveness can be reliably measured and it has been highly effective throughout the financial reporting periods for which the hedge was designated.

The effects of hedge accounting are as follows:

- for fair value hedges of existing assets and liabilities, the hedged portion of the asset or liability is recognized in the balance sheet at fair value. The gain or loss from remeasuring the hedged item at fair value is recognized in profit or loss and is offset by the effective portion of the loss or gain from remeasuring the hedging instrument at fair value;
- for cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income (OCI), because the change in the fair value of the hedged portion of the underlying item is not recognized in the balance sheet, and the ineffective portion of the gain or loss on the hedging instrument, if any, is recognized in profit or loss. Amounts recognized in OCI are subsequently recognized in profit or loss in the same period or periods during which the hedged transaction affects profit or loss. Such periods are generally less than 6 months except for the Licensing activity.

9.3.1 FINANCIAL DERIVATIVE PORTFOLIO

The Group hedges its foreign currency and interest rate exposures with banks but due to the financial situation of the Group, in the 4th quarter 2022 most of the Group's banks cancelled the foreign exchange lines previously available for hedging and therefore the Group did not have any outstanding derivatives at December 31, 2022. In 2021 TCS SA hedged its foreign currency exposures with the Vantiva SA treasury. The fair value of these hedges are given below.

	2022		2021	
(in million euros)	Assets	Liabilities	Assets	Liabilities
Foreign currency hedges	-	-	1	1
Interest rate hedges	-	-	-	-
TOTAL	**0**	**0**	**1**	**1**

Foreign currency hedge characteristics

The Group did not have any foreign currency hedging instruments outstanding at December 31, 2022.

Interest rate hedge characteristics

The Group did not have any interest rate hedging instruments outstanding at December 31, 2022.

Characteristics of instruments not documented as hedges

During 2022 the Group did not have any outstanding instruments that were not documented as hedges.

9.3.2 IMPACT OF DERIVATIVE FINANCIAL INSTRUMENTS ON GROUP PERFORMANCE

The Group's policy is to hedge forecast commercial transactions (cash flow hedge) but at the end of 2022 the Group had very limited foreign exchange lines with bank and as a consequence most commercial transactions of the Group were not hedged.

For the transactions that were hedged the fair value of the portion of these derivatives that hedge forecast cash flows is calculated and the amount recorded in net equity.

At the end of the year 2022 this impact and the amount recorded in net equity was €(0.6) million and at the end of 2021 the amount was zero. Given that most of the Group's outstanding hedges at any given year-end are fully used in the following year, these amounts are an approximation of the impacts of the effective portion of hedge instruments in the following year's results. Therefore the impact of the effective portion of foreign exchange hedges can be estimated as zero in 2022.

The impact of the ineffective portions of foreign exchange hedges due to forward points on forward exchange operations and losses on the reduction of overhedges was zero in 2022 and zero in 2021.

9.4 FAIR VALUES

9.4.1 CLASSIFICATION AND MEASUREMENT

FINANCIAL ASSETS (EXCLUDING DERIVATIVES)

Management determines the classification of its financial assets at initial recognition in the light of the Group's business model for the management of financial assets, as well as the characteristics of the asset's contractual cash flows.

Further to IFRS 9 implementation, the Group chose to classify its financial assets between financial assets at amortized costs and financial assets at fair value through profit and loss.

Financial assets at amortized cost

This category is used for a financial asset when the objective is to receive its contractual cash flows, corresponding only to repayments of principal and, where applicable, interest on principal.

These assets are initially recognized at fair value less any transaction costs. They are then recognized at amortized cost using the effective interest rate method.

Where applicable, an impairment loss is recognized for the amount of expected credit losses at 12 months, unless the credit risk has increased significantly since initial recognition, in which case the impairment is calculated for the amount of expected credit losses over the life of the asset. For trade receivables and assets on trade contracts, the Group applies a simplified impairment method (see note 5.1).

Financial assets at fair value through profit or loss

This category is used when the financial asset is not recognized at amortized cost. For these financial assets carried at fair value, changes in value are recognized in the income statement under "Other net financial income (expense)".

A financial asset is derecognized when the contractual rights to the cash flows associated with it expire or have been transferred together with substantially all the risks and rewards of ownership of the asset.

FINANCIAL LIABILITIES (EXCLUDING DERIVATIVES)

Refer to note 9.2.1.

DERIVATIVES

Derivatives are recorded at fair value. Changes in value are recognized in the income statement and/or in equity within other comprehensive income, in accordance with the principles set out in note 9.3.

In accordance with IFRS 13 – Fair Value measurement, 3 levels of fair value measurement have been identified for financial assets & liabilities:

- level 1: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2: internal models with observable parameters including the use of recent arm's length transactions (when available), reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs;
- level 3: internal models with non-observable parameters.

The table below shows the breakdown of the financial assets and liabilities by accounting category:

6.

	Measurement by accounting categories as of December 31, 2022					
(in million euros)	At December 31, 2022, net	Amortized costs	Fair value through profit & loss	Fair value through equity	Derivatives instruments	Fair Value measurement
Non-consolidated Investments	**-**	**-**	**-**	**-**	**-**	**Level 3**
Cash collateral & security deposits	17	17	-	-	-	
Loans & others	0	0	-	-	-	
Subleases receivables	0	0	-	-	-	
Other non-current financial assets	**17**					
Total non-current financial assets	**17**					
Cash collateral and security deposits	4	4	-	-	-	
Other current financial assets	-	-	-	-	-	
Derivative financial instruments	(0)	-	-	-	(0)	Level 2
Other financial current assets	**4**					
Cash	14	-	14	-	-	Level 2
Cash equivalents	24	-	24	-	-	Level 1
Cash and cash equivalents	**38**					
Total current financial assets	**42**					
Non current borrowings[(1)]	(562)	(562)	-	-	-	
Borrowings	**(562)**					
Derivative financial instruments	(0)	-	-	-	(0)	Level 2
Other non-current liabilities	**(0)**					
Lease liabilities	**(133)**	**(133)**	**-**	**-**	**-**	
Total non-current financial liabilities	**(695)**					
Current borrowings[(1)]	(49)	(49)				
Borrowings	**(49)**					
Derivative financial instruments	(0)				(0)	Level 2
Other current financial liabilities	**(0)**					
Lease liabilities	**(32)**	**(32)**	**-**	**-**	**-**	
Total current financial liabilities	**(81)**					
TOTAL FINANCIAL LIABILITIES	**(776)**					

(1) Borrowings are recognized at amortized costs. The total fair value of the term loans and RCF €402 million as as of December 31, 2022. These fair values are based on quoted prices in active markets for term loan debt (Level 1).

(in million euros)	At December 31, 2021, net	Fair value measurement by accounting categories as of December 31, 2021				
		Amortized costs	Fair value through profit & loss	Fair value through equity	Derivatives instruments	Fair Value measurement
Non-consolidated Investments	**1**	**-**	**1**	**-**	**-**	**Level 3**
Cash collateral & security deposits	10	10		-	-	
Loans & others	4	4	-	-	-	
Subleases receivables	0	0	-	-	-	
Other non-current financial assets	**14**					
Total non-current financial assets	**14**					
Cash collateral and security deposits	2	2		-	-	
Other current financial assets	178	178	-	-	-	
Derivative financial instruments	0	-	-	-	0	Level 2
Other financial current assets	**181**					
Cash	11	-	11	-	-	Level 2
Cash equivalents	1	-	1	-	-	Level 1
Cash and cash equivalents	**12**					
Total current financial assets	**193**					
Non current borrowings	(1)	(1)	-	-	-	
Borrowings	**(1)**					
Derivative financial instruments	(0)	-	-	-	(0)	Level 2
Other non-current liabilities	**(0)**					
Lease liabilities	**(107)**	**(107)**	**-**	**-**	**-**	
Total non-current financial liabilities	**(108)**					
Borrowings	**(216)**	**(216)**	**-**	**-**	**-**	
Lease liabilities	**(27)**	**(27)**	**-**	**-**	**-**	
Derivative financial instruments	(0)				(0)	
Other current financial liabilities	**0**	**-**	**-**	**-**	**0-**	**Level 2**
Total current financial liabilities	**(243)**					
TOTAL FINANCIAL LIABILITIES	**(351)**					
Trade accounts and notes receivable	63	63				
TRADE RECEIVABLES	**63**					
Trade accounts and notes payable	40	40				
TRADE PAYABLES	**40**					

Some cash collaterals for US entities are classified as current because of their short maturity but are renewed automatically for periods of 12 months.

9.5 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

9.5.1 MARKET RISK

The Group faces a wide variety of financial risks including market risk (due to fluctuations in exchange rates and interest rates), liquidity risk and credit risk.

The Group's financial risks are managed centrally by the TCS SA Treasury Department in France and in accordance with the policies and procedures of the TCS SA group.

All financial market risks are monitored continually and reported regularly to the Chief Financial Officer, the Investment Committee and the Audit Committee of TCS SA *via* various reports showing the Company's exposures to these risks with details of the transactions undertaken to reduce them.

These risks are managed in a strict framework with specific limits and authorizations approved by the Investment Committee for each type of transaction and with monitoring by the Internal Control Department.

9.5.2 INTEREST RATE RISK

9.5.2.1 Exposure to interest rate risk

The Group is mainly exposed to interest rate risk on its deposits and indebtedness. At December 31, 2022 all of the Group's Term Loans and RCF drawings are at floating rate. At December 31, 2021 all of the Group's short-term borrowings with Vantiva SA were at floating rate. Most of its lease liabilities are at fixed rate.

The portion of the Group's financial debt exposed to floating interest rates is shown below. The Group does not have have any interest rate hedging operations outstanding.

(in million euros)	2022	2021
Debt	776	351
Percentage at floating rate	83%	62%

In both of these years the Group's deposits were entirely at floating rate.

9.5.2.2 Interest rate risk management

The Group did not have any interest rate hedging instruments outstanding.

9.5.2.3 Sensitivity to interest rate movements

The Group believes a 100 basis point fluctuation in interest rates is reasonably possible in a given year and the table below shows the maximum annual impact of such a change. This impact is applied to the net of the Group's borrowings at floating rate and its external deposits.

MAXIMUM IMPACT OVER ONE YEAR ON THE NET EXPOSURE AS OF DECEMBER 31, 2022 OF A VARIATION *VERSUS* CURRENT RATES

(in million euros)	Impact on cash net interest	Impact on equity before taxes
Impact of interest rate variation of +1%	(6)	(6)
Impact of interest rate variation of -1%	6	6

9.5.3 FOREIGN EXCHANGE RISK

9.5.3.1 Translation Risk

The Group's consolidated financial statements are presented in euro. Thus, assets, liabilities, revenues and expenses denominated in currencies other than euro must be translated into euro at the applicable exchange rates to be included in the consolidated financial statements. The fluctuation of exchange rates can have an impact on the value of the assets, liabilities, revenues and expenses in the consolidated financial statements, even if the value of these items has not changed in their original currency. The variations in the euro value of investments in foreign subsidiaries (net assets and liabilities) are booked under "Cumulative translation adjustment" in the Group's consolidated statement of financial position.

The Group's general policy is to examine and hedge on a case by case basis the currency risk on its investments in foreign subsidiaries (Net Investment Hedge). At December 31, 2022 no hedges of this type were outstanding.

Translation risk is measured by doing sensitivity analyses on the exposures in the subsidiaries where the functional currency is the euro (see below).

9.5.3.2 Transaction Risk – Operational

Foreign currency transaction risk occurs when purchases and sales are made by Group entities in currencies other than their functional currencies.

The Group's main transaction risks are its net purchases in US dollars *versus* Canadian dollars and its net sales of US dollars *versus* the Indian rupee. In 2022 the net purchases of US dollars *versus* Canadian dollars amounted to US$61 million (US$13 million in 2021) and the net sales of US dollars *versus* Indian rupee were US$101 million (US$83 million in 2021).

The policy of the Group is to have its subsidiaries:

- to the extent possible denominate their costs in the same currencies as their sales;
- regularly report their projected foreign currency needs and receipts to the TCS SA Treasury Department which puts in place intercompany hedges with the subsidiaries of the Group and in turn hedges the net exposures with banks using foreign currency forward contracts, but as mentioned earlier the Group does not currently have foreign currency credit lines with banks permitting it to undertake such hedging.

For products with a short business cycle, the Group's policy is to hedge on a short-term basis up to six months. For products and services which are sold on a longer-term basis, hedges may be put in place for periods greater than six months.

The derivative instruments that the Group has with banks are described in note 9.3.

Transaction risk on commercial exposures is measured by consolidating the Group's exposures and doing sensitivity analyses on the main exposures (see below).

9.5.3.3 Transaction Risk – Financial

The Group's policy is for its subsidiaries to borrow cash needs from, and lend surplus cash to, the TCS SA treasury, which in turn satisfies net liquidity needs by borrowing externally. Subsidiaries that cannot enter into transactions with TCS SA treasury because of local laws or restrictions may borrow or invest with local banks in accordance with the rules established by the TCS SA treasury.

All of Group's subsidiaries borrow or invest excess cash in their functional currency thus preventing any foreign exchange risk on financial assets and liabilities.

9.5.3.4 Foreign Currency

The Group's main transaction exposure is the fluctuation of the US dollar against the Canadian dollar, and the Indian rupee. The Group believes a 10% fluctuation in the US dollar *versus* these currencies is reasonably possible in a given year and thus the table below shows the impact of a 10% increase in the US dollar *versus* these currencies on the Group's Profit from continuing operations before tax and net finance costs. A 10% decrease in the US dollar *versus* the euro would have a symmetrical impact in the opposite amount. These calculations assume no hedging is in place.

Profit from continuing operations before tax and net finance costs(1)	**2022** (in million euros)
Transaction impact	4

(1) Transaction impact calculated before hedging by applying a 10% increase in the US dollar exchange rate to the net USD exposure (sales minus purchases) against the Canadian dollar and the Indian rupee.

To evaluate the Group's foreign currency risk due to its translation exposure, a sensitivity analysis on the exposures in the subsidiaries where the functional currency is the euro is given below:

Translation rate sensitivity (in million euros)	Equity			Income statement		
	+10%	**Current**	**-10%**	**+10%**	**Current**	**-10%**
USD	(772)	(753)	(730)	(51)	(56)	(62)
GBP	(141)	(143)	(147)	(39)	(43)	(48)
CAD	10	14	19	9	9	10
INR	48	54	61	10	12	13
Others	542	541	542	(20)	(21)	(22)
TOTAL	**(313)**	**(287)**	**(255)**	**(91)**	**(99)**	**(109)**

The translation impacts are calculated before hedging by applying a 10% increase or decrease in all currencies against the Group functional and presentation currency exchange rate (EUR).

9.5.4 CREDIT AND COUNTERPARTY RISK MANAGEMENT

Credit risk arises from the possibility that counterparties may not be able to perform their financial obligations to the Group.

- Credit risk on trade receivables is managed based on policies that take into account the credit quality and history of customers. The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets.
- The maximum credit risk exposure on the Group's cash and cash equivalents was €38 million at December 31, 2022. The Group minimizes this risk by limiting the deposits made with any single bank and by making deposits primarily with banks that have strong credit ratings and in diversified money market funds.
- The financial instruments used by the Group to manage its currency exposure are all undertaken with counterparts having a rating of at least A-2 according to Standard & Poor's. Credit risk on such transactions is minimized by the foreign exchange policy of trading short-term operations. The marked-to-market carrying values are therefore a good proxy of the maximum credit risk.

9.5.5 LIQUIDITY RISK AND MANAGEMENT OF FINANCING AND OF CAPITAL STRUCTURE

Liquidity risk is the risk of not being able to meet upcoming financial obligations. In order to reduce this risk, TCS SA, which finances the Group, pursues policies with the objectives of having continued uninterrupted access to financial markets at reasonable conditions.

These policies are developed based on regular reviews and analysis of its capital structure, including the relative proportion of debt and equity in the context of market conditions and TCS SA's financial objectives and projections.

Among other things these reviews take into account TCS SA's debt maturity schedule, covenants, forecast cash flows, access to financial markets and projected financing needs.

The tables below show the future contractual cash flow obligations due on the TCS Group's external financial liabilities.

	At December 31, 2022							
(in million euros)	**2023-H1**	**2023-H2**	**2024**	**2025**	**2026**	**2027**	**Thereafter**	**Total**
Term Loans	3	3	6	6	602			620
RCF Drawings	40							40
Lease Liabilities	16	16	30	22	18	16	47	165
Other Debt	3							3
Total debt principal payments	**62**	**19**	**36**	**28**	**620**	**16**	**47**	**828**
Term Loans – Interest	26	26	53	51	38			195
RCF Drawings – interest	1							1
Lease Liabilities – interest	8	7	12	9	7	6		49
Other Debt – interest								0
TOTAL INTEREST PAYMENTS	**35**	**33**	**65**	**60**	**45**	**6**		**245**

	At December 31, 2021							
(in million euros)	2022-H1	2022-H2	2023	2024	2025	2026	Thereafter	Total
Lease liabilities	12	15	18	22	13	12	42	134
Other debt		1						1
Total debt principal payments	**12**	**16**	**18**	**22**	**13**	**12**	**42**	**135**
Lease liabilities – interest	5	4	5	4	4	4		26
Other debt – interest								0
TOTAL INTEREST PAYMENTS	**5**	**4**	**5**	**4**	**4**	**4**		**26**

Credit Lines

The Group's has a committed RCF in an amount of €40 million which was fully drawn at December 31, 2022.

NOTE 10 SPECIFIC OPERATIONS IMPACTING THE CONSOLIDATED STATEMENT OF CASH-FLOWS

10.1 FINANCING

The table below shows the Group's borrowings variation in the statement of financial position in 2022:

			Non cash variation							
(in million euros)	December 31, 2021	Cash impact of borrowing variation	Non cash movements on lease contracts	IFRS adjustment	Interest expenses	Currency Translation Adjustments and Forex	Transfer Current – Non current	Reclassification(1)	Debt issued with equity impact	December 31, 2022
Non current borrowing	1	164		3	2	(1)	(1)	-	394	562
Current borrowing	1	44		-	3	0	1	-	-	49
Total borrowing (excluding Vantiva)	**2**	**208**		**3**	**5**	**(1)**	**-**	**-**	**394**	**611**
Borrowings with Vantiva SA	215	(38)	-	-	-	1	-	(178)		-
Total borrowing	**217**	**170**	**-**	**3**	**5**	**1**	**-**	**(178)**		**611**
Non current lease liabilities	107	(22)	61	-	-	3	(16)	-		133
Current lease liabilities	27	(14)	3	-	-	0	16	-		32
Total lease liabilities	**134**	**(36)**	**64**	**-**	**-**	**3**	**-**	**-**		**165**
TOTAL FINANCIAL DEBT	**351**	**134**	**64**	**3**	**5**	**4**	**-**	**(178)**	**-**	**776**

(1) In 2021 combined financial statements, deposits with Vantiva SA were presented in Other financial current assets for €178 million.

The table below shows the Group's borrowings variation in the statement of financial position in 2021 excluding borrowings from Vantiva SA:

			Non cash variation			
(in million euros)	December 31, 2020	Cash impact of borrowing variation	Non cash movements on lease contracts	Currency Translation Adjustments and Forex	Transfer Current – Non current	December 31, 2021
Non current borrowing	1	1		0	(1)	1
Current borrowing	0	(0)		0	1	1
TOTAL BORROWING	**1**	**1**		**0**	**-**	**2**
Non current lease liabilities	86	(22)	40	8	(6)	107
Current lease liabilities	28	(12)	6	1	6	27
TOTAL LEASE LIABILITIES	**114**	**(34)**	**45**	**8**	**-**	**134**

6.

The table below shows the variance of Group's borrowings and deposits with Vantiva SA in the statement of financial position in 2021:

(in million euros)	December 31, 2020	Cash variance	Forex	Non cash variance	December 31, 2021
Deposits with Vantiva SA	64	118	8	(12)	178
Borrowings with Vantiva SA	(235)	(65)	(15)	100	(215)
Net Deposits (borrowings) with Vantiva SA	**(171)**	**53**	**(7)**	**88**	**(37)**
Net cash pooling variance (from discontinued activities)		27			
Net cash pooling variance (combined statement of cash flows)		**(81)**			

For Borrowings and deposits with Vantiva SA, the non-cash variance was mainly attributable to the exit of an entity from the combination scope following Post-Production disposal (2021).

10.2 NET CONTRIBUTIONS FROM/(TO) VANTIVA SA

The cash impacts presented as net contributions from/(to) Vantiva SA relate to cash movements between Technicolor Creative Studios operating segment in Technicolor SA and other divisions operating in Technicolor SA before the spin-off.

10.3 CHANGES IN WORKING CAPITAL

The tables below show the Group's operating assets and liabilities variation in the statement of financial position reconciling with the Group statement of cash flows:

(in million euros)	December 31, 2021	WC as presented in cash flow statement	WC Discontinued Note (13.1)	Other cash flow items	Forex and non cash movements	December 31, 2022
Trade receivables	63	36	-		(0)	99
Other operating assets	117	(3)			(13)	101
TOTAL OPERATING ASSETS	**180**	**33**	**-**	**-**	**(13)**	**200**
Trade payables	(40)	(8)			(10)	(58)
Other operating liabilities	(190)	8			19	(163)
TOTAL OPERATING LIABILITIES	**(230)**	**0**	**-**	**-**	**9**	**(221)**
Changes in working capital and other assets and liabilities as presented in the cash flow statement		**33**	**-**			

(in million euros)	December 31, 2020	WC as presented in cash flow statement	WC Discontinued Note (13.1)	Other cash flow items	Forex and non cash movements	December 31, 2021
Trade receivables	57	2	(0)		5	63
Other operating assets	89	19	0	-	9	117
TOTAL OPERATING ASSETS	**146**	**21**	**0**	**-**	**14**	**180**
Trade payables	(28)	(7)	2		(7)	(40)
Other operating liabilities	(134)	(44)	7	(10)	(8)	(190)
TOTAL OPERATING LIABILITIES	**(162)**	**(51)**	**9**	**(10)**	**(16)**	**(230)**
Changes in working capital and other assets and liabilities as presented in the cash flow statement		**(30)**	**9**			

NOTE 11 EMPLOYEE BENEFITS

11.1 INFORMATION ON EMPLOYEES

The total headcount of the Group consolidated entities as of December 31, 2022 and 2021 is 11,839 and 10,695 employees respectively.

The employee benefits expenses (including only employees in the consolidated entities) are detailed below:

(in million euros)	2022	2021
Wages and salaries	413	325
Social security costs	59	49
Compensation expenses linked to share-based payments granted to Directors and employees	0	1
Termination benefits	5	5
Total employee benefits expenses (excluding defined contribution plans)	**477**	**381**
Pensions costs – Defined contribution plans	10	10

The termination benefits are presented in restructuring expenses within continuing operations in the consolidated statement of profit and loss.

11.2 POST-EMPLOYMENT & LONG-TERM BENEFITS

In France, TCS Group has a defined benefit plan which corresponds to *Indemnités de fin de carrière*. The pension liability related to that commitment amount to respectively €2.4 million and €2.9 million at 2022 and 2021 closing periods.

In Canada, Technicolor Creative Studios provided to certain employees a post-retirement medical plan. This medical plan includes life insurance, health and dental care benefit coverage and was closed to new entrants. The pension liability related to these plans amount to respectively €1.9 million and €2.3 million at 2022 and 2021 closing periods.

11.3 SHARE-BASED COMPENSATION PLANS

The Group issues equity-settled and cash-settled share-based payments to certain employees. According to IFRS 2, the advantage given to the employees regarding the grant of stock options or free shares consists of an additional compensation to these employees estimated at the grant date.

Equity-settled share-based payments are measured at fair value at the grant date. They are accounted for as an employee expense on a straight-line basis over the vesting period of the plans, based on the Group’s estimate of instruments that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognized at the current fair value determined at each balance sheet date with any changes in fair value recognized in profit or loss for the period within “Other financial income (expense)”. In addition, for plans based on non-market performance conditions, the probability of achieving the performance is assessed each year and the expense is adjusted accordingly.

The fair value of instruments, and especially of options granted, is determined based either on a binomial option pricing model or on the Black-Scholes valuation model that takes into account an annual reassessment of the expected number of exercisable options.

11.3.1 STOCK-OPTIONS PLANS GRANTED BY VANTIVA SA

In fiscal years 2022 and 2021, the Technicolor Creative Studios Group employees participated in the Vantiva SA share-based payment programs.

The expense recognized in 2022 and 2021 reflected the annual cost related to Group employees in regards with several Management Incentive Plans prior to 2017, Long-Term Incentive Plans from 2017 to 2020 and 2020 Additional Performance Shares Plan.

As of 31 December 2022, there is no active plan existing in TCS Group.

11.3.2 COMPENSATION EXPENSES

The compensation charged for the services received during the period is €(0.3) million and €(0.8) million for the years ended December 31, 2022 and 2021. The counterpart of this expense has been credited to equity.

As of December 31, 2022 and 2021 balances of lapsed plans amounting respectively to €3.1 million and €1.5 million have been reclassed in another caption of equity according to IFRS 2 requirements.

11.4 KEY MANAGEMENT COMPENSATION

Directors' fees and compensation expenses (incl. Social security costs) amounted to €0.2 million in 2022. The amounts due to Directors who are non-resident for French tax purposes are subject to a withholding tax. Fees due to Directors and Board Observers in respect to fiscal year 2022 will be paid in 2023.

Compensation expenses allocated by the Group to Members of the Executive Committee (including those who left this function during 2022), are shown in the table below:

(in million euros)	2022(1)
Short-term employee benefits(1)	5
LT employment benefit	-
Termination benefits	-
Share-based payment	-
TOTAL	**5**

(1) 13 members in 2022.

The Members of the Executive Committee can benefit from severance packages in case of an involuntary termination and in absence of fault, which represent a nil amount in 2022.

In 2021 combined financial statements, key management personnel for the periods presented was not defined and therefore was not presented.

NOTE 12 PROVISIONS, CONTINGENCIES AND COMMITMENTS

Provisions are recorded at the statement of financial position date when the Group has an obligation as a result of a past event and when it is probable that an outflow of resources embodying economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

The obligation may be contractual, legal, regulatory or it may represent a constructive obligation deriving from the Group's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the Group has indicated to other parties that it will accept certain responsibilities, and as a result, has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The recorded provision represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded but details of the obligation are disclosed in the notes to the consolidated financial statements.

Where the discounting effect is material, the recorded amount is the present value of the expenditures expected to be required to settle the related obligation. The present value is determined using pre-tax discount rates that reflect the assessment of the time value of money. Unwinding of discounts is recognized in the line item "Net financial income (expense)" in the consolidated statement of operations.

ACCOUNTING ESTIMATES AND JUDGMENTS

Technicolor Creative Studios's management is required to make judgments about provisions and contingencies, including the probability of pending and potential future litigation outcomes that, by their nature, are dependent on future events that are inherently uncertain. In making its determinations of likely outcomes of litigation and tax matters, management considers the opinion of outside counsel knowledgeable about each matter, as well as developments in case law.

PROVISIONS FOR RESTRUCTURING

Provisions for restructuring costs are recognized when the Group has a constructive obligation towards third parties, which results from a decision made by the Group before the statement of financial position date and supported by the following items:

- the existence of a detailed and finalized plan identifying the sites concerned, the location, the role and the approximate number of headcounts concerned, the nature of the expenses that are to be incurred and the effective date of the plan; and
- the announcement of this plan to those affected by it.

The restructuring provision only includes the costs directly linked to the plan.

12.1 PROVISIONS AND CONTINGENCIES

(in million euros)	Provisions for risks & litigations	Provisions for restructuring	Total
As of December 31, 2021	**6**	**4**	**10**
Of which current	*3*	*4*	*6*
Of which non-current	*3*	*-*	*3*
Current period additional provision	5	24	29
Release	(0)	(1)	(1)
Usage during the period	(0)	(8)	(8)
Other movements and currency translation adjustments	(1)	(0)	(1)
Reclassification for Fixed assets write-off	-	(13)	(13)
AS OF DECEMBER 31, 2022	**10**	**6**	**16**
Of which current	*6*	*6*	*12*
Of which non-current	*4*	*-*	*4*

The provisions for restructuring are mainly composed of termination costs related to continuing operations (for both employees and facilities). The current period additional provision for risk & litigations mainly includes provisions for loss to completion on MPC projects.

In the ordinary course of the business, the Group is involved in various legal proceedings and is subject to tax, customs and administrative regulation. The Group's general policy is to accrue a reserve when a risk represents a contingent liability towards a third-party and when the probability of a loss is probable and it can be reasonably estimated.

6.

12.2 CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following table provides information regarding the aggregate maturities of contractual obligations and commercial commitments as of December 31, 2022 and 2021, for which the Group is either obliged or conditionally obliged to make future cash payments but cannot be recognized in the balance sheet. This table includes firm commitments that would result in unconditional or conditional future payments but excludes all options since the latter are not considered as firm commitments or obligations. When an obligation leading to future payments can be cancelled through a penalty payment, the future payments included in the tables are those that management has determined most likely to occur.

		Amount of commitments by maturity			
(in million euros)	**2022**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Off-balance sheet obligations					
Unconditional future payments					
Operating leases	1	-	1	-	-
Other unconditional future payments(1)	33	14	16	2	1
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**34**	**14**	**17**	**2**	**1**
Conditional future payments					
Guarantees given and other conditional future payments	2	-	-	1	1
TOTAL CONDITIONAL FUTURE PAYMENTS	**2**	**-**	**-**	**1**	**1**

		Amount of commitments by maturity			
(in million euros)	**2021**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Off-balance sheet obligations					
Unconditional future payments					
Operating leases	0	-	-	-	-
Other unconditional future payments(1)	8	2	3	2	1
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**8**	**2**	**3**	**2**	**1**
Conditional future payments					
Guarantees given and other conditional future payments	1	0	0	0	1
TOTAL CONDITIONAL FUTURE PAYMENTS	**1**	**0**	**0**	**0**	**1**

(1) Other unconditional future payments relate mainly to the maintenance costs associated with the lease and fees to use softwares.

The Group provides certain guarantees to third parties (financial institutions, customers, partners and government agencies) to ensure the fulfilment of contractual obligations by Technicolor Creative Studios and its consolidated subsidiaries in the ordinary course of their business. The guarantees are not shown in the table above as they do not increase the Group's commitments in relation to the initial commitments undertaken by the entities concerned.

NOTE 13 DISCONTINUED OPERATIONS AND HELD FOR SALE OPERATIONS

13.1 DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group that either has been disposed of (by sale or otherwise) or is held for sale. In accordance with IFRS 5, to be disclosed as discontinued:

- the operation must have been stopped or be classified as "asset held for sale";
- the component discontinued must clearly be distinguishable operationally and for reporting purposes;
- it must represent a separate major line of business (or geographical area of business);
- it must be part of a single major plan of disposal or is a subsidiary acquired exclusively for resale.

The profit (loss) from discontinued operations is presented as a separate line item on the face of the statement of operations with a detailed analysis provided below. The statement of operations data for all prior periods presented are reclassified to present the results of operations meeting the criteria of IFRS 5 as discontinued operations. In the statement of cash flows, the amounts related to discontinued operations are disclosed separately.

When a non-current asset or disposal group no longer meet the held for sale criteria, the asset or disposal group ceases to be classified as held for sale.

It is then measured at the lower of:

- its carrying value before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization that would have been recognized had the asset (or disposal group) not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell. Recoverable value is the higher of fair value less costs to sell and value in use.

Any adjustment to the carrying amount is included in profit and loss from continuing operations in which the assets ceased to be classified as held for sale.

The group had no discontinued activities in 2022. Discontinued activities in 2021 related to Post-Production activities, a major line of business of TCS, announced to be sold in December 2020, and sold to Streamland in April 30, 2021 for €29 million.

13.1.1 RESULTS OF DISCONTINUED OPERATIONS

	Year ended December 31,	
(in million euros)	2022	2021
DISCONTINUED OPERATIONS		
Revenues	-	(29)
Cost of sales	-	23
Gross margin	**-**	**(6)**
Selling and administrative expenses	-	1
Research and development expenses	-	(0)
Restructuring Costs	-	1
Net impairment losses on non-current operating assets	-	-
Other expenses	-	(3)
EARNINGS BEFORE INTEREST & TAX FROM DISCONTINUED OPERATIONS	**-**	**(7)**
Financial net expenses	-	1
Income tax	-	0
NET LOSS	**-**	**(5)**

13.1.2 NET CASH FROM DISCONTINUED OPERATIONS

	Year ended December 31,	
(in million euros)	**2022**	**2021**
Gain (loss) from discontinued activities	**(0)**	**5**
Summary adjustments to reconcile loss from discontinued activities to cash used in discontinued operations		
Depreciation and amortization	-	1
Impairment of assets	-	-
Net change in provisions	-	3
Profit (loss) on asset disposals	-	(5)
Interest (income) and expense	-	1
Other items (including tax)	-	(1)
Changes in working capital and other assets and liabilities	-	(9)
Interest paid on lease debt	-	(1)
Interest paid	-	(0)
Interest received	-	-
Income tax paid	-	(0)
NET OPERATING CASH GENERATED (USED) IN DISCONTINUED ACTIVITIES (I)	**(0)**	**(6)**
Acquisition of subsidiaries, associates and investments, net of cash acquired	-	-
Proceeds from sale of investments, net of cash	-	27
Purchases of property, plant and equipment (PPE)	-	(1)
Proceeds from sale of PPE and intangible assets	-	(0)
Purchases of intangible assets including capitalization of development costs	-	(0)
Cash collateral and security deposits granted to third parties	-	-
Cash collateral and security deposits reimbursed by third parties	-	0
NET INVESTING CASH GENERATED (USED) IN DISCONTINUED ACTIVITIES (II)	**-**	**25**
Proceeds from borrowings	-	-
Repayments of lease debt	-	(2)
Repayments of borrowings	-	-
Other	-	-
NET FINANCING CASH USED IN DISCONTINUED ACTIVITIES (III)	**-**	**(2)**
NET CASH GENERATED (USED) IN DISCONTINUED ACTIVITIES (I+II+III)	**(0)**	**17**

The net investing cash generated (used) in discontinued activities during 2021 mainly consisted in:

- net cash received from disposal of Post-Production activity for €27 million;
- acquisition of PPE and intangible assets for €(1) million.

13.2 ASSETS & LIABILITIES HELD FOR SALE

In accordance with IFRS 5, if the Group decides to dispose of an asset (or disposal group) it should be classified as held for sale if:

- the asset or group of assets is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;
- it is highly likely to be sold within one year.

Consequently, this asset (or disposal group) is shown separately as "Assets held for sale" on the statement of financial position. The liabilities related to this assets (or disposal group) are also shown separately on the liabilities side of the statement of financial position.

For the Group, only assets meeting the above criteria and subject to a formal disposal decision at the appropriate management level are classified as assets held for sales. The accounting consequences are as follows:

- the asset (or disposal group) held for sale is measured at the lower of carrying amount and fair value less cost to sell;
- the asset stops being depreciated with effect from the date of transfer.

(in million euros)	December 31, 2022	December 31, 2021
ASSETS CLASSIFIED AS HELD FOR SALE	1	2
LIABILITIES CLASSIFIED AS HELD FOR SALE	-	-

As of December 31, 2022, and December 31, 2021 assets held for sale include real estate right-of-use assets available for long-term sublease or in renegociation with the lessor for €1 million and €2 million respectively.

6.

NOTE 14 SUBSEQUENT EVENTS

14.1 REORGANIZATION

On February 7, 2023 the Group announced it has taken a set of recovery actions with the launch of the Re*Imagined program as a consequence of operational and delivery issues due to unprecedented post-Covid recovery challenges.

In addition, on February 7, 2023, the Group announced the appointment of Caroline Parot as Interim CEO to take the lead on the acceleration of Technicolor Creative Studios global transformation, alongside Christian Roberton as Deputy CEO, who will be fully dedicated to clients and project execution as well as talents.

14.2 REFINANCING

Please see detailed description in 1.1.4.

NOTE 15 TABLE OF AUDITORS' FEES

	Deloitte	Mazars	Total
(in thousand euros)	2022	2022	2022
Statutory audit, certification, consolidated and individual financial statements			
Technicolor Creative Studios SA	406	547	953
Subsidiaries	588	37	625
Subtotal	**994**	**584**	**1,578**
Services other than certification of financial statements as required by laws and regulations(1)			
Technicolor Creative Studios SA	421	173	594
Subsidiaries	0	7	7
Subtotal	**421**	**180**	**601**
Services other than certification of financial statements provided upon the entity's request(2)			
Technicolor Creative Studios SA	–	7	7
Subsidiaries	3	0	3
Subtotal	**3**	**7**	**10**
TOTAL	**1,418**	**771**	**2,189**

(1) Include capital increase and capital decrease reports, financial restructuring and other services required by laws and regulation.
(2) Include services upon request of Technicolor or its subsidiaries (due diligence, legal and tax assistance, and various reports).

NOTE 16 LIST OF CONSOLIDATED SUBSIDIARIES

The following is a list of all the consolidated holding entities and subsidiaries:

	Percentage of interest at year end (in % rounded to one decimal)	
Company – (Country)	**2022**	**2021**
Fully consolidated		
Technicolor Creative Studios SA 8-10 rue du Renard, 75004 Paris (France)	Parent company	Parent company
Tech 6 (France)	100.0	100.0
Tech7 (France)	100.0	100.0
Technicolor Servicios de Mexico, S. de R.L. de. C.V. (Mexico)	100.0	100.0
MPC (Shanghai) Digital Technology Co., Ltd. (China)	80.0	80.0
Mikros Image SAS (France)	100.0	100.0
MPC creative (France)	100.0	100.0
Mikros Image Belgium SA (Belgium)	100.0	100.0
Mikros Brussels SA (Belgium)	100.0	100.0
Technicolor Creative Studios 1 (France)	100.0	0
Technicolor Creative Studios 2 (France)	100.0	0
Technicolor India Pvt Ltd. (India)	100.0	100.0
Th. multimedia Distrib. (Netherlands) BV	100.0	100.0
Technicolor Trademark Management (France)	100.0	100.0
The Mill Group Inc. (USA)	100.0	100.0
The Mill (Facility) Ltd. (UK)	100.0	100.0
The Mill Acquisitions 1 Ltd. (UK)	100.0	100.0
The Mill Acquisitions 2 Ltd. (UK)	100.0	100.0
Trace VFX Solutions Private India Ltd. (India)	100.0	100.0
The Mill Berlin – VFX (Germany)	100.0	100.0
Technicolor Creative Studios Australia Pty Ltd. (Australia)	100.0	100.0
Technicolor Creative Studios (Korea)	100.0	0
Technicolor Creative Services USA, Inc. (USA)	100.0	100.0
Technicolor Canada, Inc. (Canada)	100.0	100.0
Technicolor Creative Studios UK Ltd. (UK)	100.0	100.0
Technicolor Animation Productions SAS (France)	100.0	100.0
Consolidated by Equity method		
NONE		

6.3 REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Shareholders' meeting of Technicolor Creative Studios,

OPINION

In compliance with the engagement entrusted to us by your Annual Shareholders' General Meeting, we have audited the accompanying consolidated financial statements of TECHNICOLOR CREATIVE STUDIOS for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the assets and liabilities, and the results of the Group formed by the persons and entities included in the consolidation, in accordance with the International Financial Reporting Standards as endorsed by the European Union.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

BASIS OF OUR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the consolidated financial statements" section of this report.

Independence

We conducted our audit, in accordance with the independence rules laid out in the French Commercial Code (Code de commerce) and in the code of conduct of the statutory audit profession in France, between 1 January 2022 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) 537/2014.

Observation

Without questioning the opinion presented above, we would like to draw your attention to the context in which the Board has approved the consolidated statements according to the going concern principle as explained in Note 1.1.4 to the consolidated financial statements.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

As required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's consolidated financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the consolidated financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the consolidated financial statements taken in isolation.

REVENUE FROM CONTRACT WITH CUSTOMERS WITHIN MPC AND MIKROS ANIMATION BUSINESSES

Note 3.2 to the consolidated financial statements

Description of the risk

MPC and Mikros Animation businesses account for 67% of Technicolor Creative Studios' consolidated revenue for the year ended 31 December 2022. They provide a wide variety of visual effects for theatrical releases and TV series and animated features. Each release or season constitutes a contract individually negotiated with the producing studio (i.e the customer) and considered as a single performance obligation The revenue on contracts is recognized over time according to the percentage of completion method.

The stage of completion and the revenue to be recognized are calculated using labor costs to date divided by expected estimated labor costs at completion.

If the estimate of the final outcome of a contract indicates a loss, a provision is made for the loss on completion regardless of the stage of completion.

Revenue from contract with customers within MPC and Mikros Animation businesses is a key audit matter, given the amounts involved and the high level of judgment required on the part of the project manager and finance management involved in the determination of these completion estimates.

Audit work performed

We have performed a selection of projects taking into account their contribution to Group revenue, their technical complexities and their specific risks and for each of the project we have:

- familiarized ourselves with the procedures and, where necessary any specific information systems rolled out by the most material subsidiaries involved in recognizing revenue and monitoring the corresponding labor costs;
- assessed and tested the design and implementation as well as operating effectiveness of key controls performed by the most material subsidiaries;
- checked that the estimated revenue on completion was consistent with contracts, supplementary agreements and signed change orders including where necessary, entitlement to additional income or claims, insofar as they are highly probable and reliably
- assessed whether the risks of delays and cost overruns related to the performance of works were properly taken into account along with estimates of completion costs, and reviewed the contingencies included in the budget
- checked, in case a project is expected to be at loss on completion, that a provision is accrued for the loss on completion and that the arithmetic calculation is accurate.

LIQUIDITY RISK ASSESSMENT

Notes 1.1.4, 9.2 and 9.5.5 to the consolidated financial statements

Description of the risk

As of December 31, 2022, the available cash and cash equivalents of the Group amounts to €38 million. As of December 31, 2022, the indebtedness (composed of financial debt and lease debt) of the Group is of €776 million at year-end.

As described in the note 9.2.1.2 "Key terms of the credit agreement" of the note to the consolidated financial statements, Technicolor Creative Studios entered into a credit agreement on September 15, 2022, prior to the spin-off of the group from Vantiva (previously Technicolor Group). The nominal amount of this credit agreement amounts to €623 million, excluding the revolving credit facility as of December 31, 2022.

The Group's committed credit line consists of a facility in an amount of €40 million which matures in 2026. This facility was fully drawn at December 31, 2022.

As of December 2022, the debt instruments of the Group contain financial covenants tested on June 30 and December 31 starting in 2023. The occurrence of a covenant break represents a case of default, following which a simple majority of lenders can require the debt agent to declare it immediately due and payable.

On March 8, 2023, and as described in the note 1.1.4 "Refinancing and going concern basis", Technicolor Creative Studios announced it has reached an agreement in principle on a new financing structure which includes a €170 million new money injection that will be available for a part in late March or early April 2023 and for the remaining part by the end of June 2023. The agreement in principle includes, as well, a restructuration of the current financing for an aggregate of amount of €200 million.

In this context and considering that the management's assumptions are essential for the cash forecasts, we have considered the liquidity risk as a key audit matter.

6.

Audit work performed

The note 1.1.4 "Refinancing and going concern basis" of the consolidated financial statements refers to the application of the going concern principle and the underlying assumptions the cash forecasts to meet the Group's future liquidity needs. We have examined the plans implemented and expected by the management to ensure its going concern. In the scope of our work, we have:

- Assessed the consistency of operational activity assumptions adopted by the group, for the establishment of the budget prepared by the management and approved by the board meeting on March 9, 2023;
- Examined the budget review performed by an external independent counsel assisting the group in its cash forecasts and budget processes;
- Assessed the consistency of cash forecasts with the operational activity assumptions. These forecasts include the impacts related to the new financing agreed in principle and its impact on the repayment maturities of the financial debt;
- Questioned the management concerning its knowledge of subsequent events following the 2022 closing, which could affect the group's liquidity;
- Verified the appropriate level of information provided in the consolidated and statutory financial statements.

IMPACTS OF THE TRANSITION SERVICES AGREEMENT (TSA)

Notes 1.1.2 and 1.1.3 to the consolidated financial statements

Description of the risk

On September 27, 2022, Technicolor Creative Studios has begun operating as a standalone company after the distribution of 65% of its shares by Technicolor to its shareholders and the concurrent listing on Euronext Paris.

This operation follows the plan announced by Technicolor (new name Vantiva) on February 24, 2022, and approved by the shareholders during the shareholders meeting held on September 6, 2022.

As of December 31, 2022, the separation from Vantiva (ex-Technicolor) is ongoing. A Transition Services Agreement (TSA) has been signed between Vantiva and Technicolor Creative Studios to enable Technicolor Creative Studios to benefit of transition services to facilitate its separation.

Due to the importance of this agreement into the capacity of Technicolor Creative Studios to operate as a standalone company and because of the consequences of the separation in terms of organization, operation, governance and financial impacts we have considered that this agreement is a key audit matter.

Audit work performed

We have performed during the course of our audit a specific focus on impacts of the transition services agreement, and we have

- Performed a legal and an inflight review of the Transitions Services Agreement
- Performed a review on the separation of the information systems, mainly in terms of security
- Reviewed and reconciled on a monthly basis the valuation of invoices sent by Vantiva to Technicolor Creative Studios and performed consistency checks with the costs described in the Transition Services Agreement
- Tested the design and implementation and, in some instances, the operating effectiveness of the key controls, taking into account, the impact of the spin off on changes of processes and segregation of duties

Specific verification

We also verified, in accordance with the professional standards applicable in France and as required by laws and regulations, the information concerning the Group presented in the management report of the Board of Directors.

We have no comments to make as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated declaration of non-financial performance, required under Article L.225-102-1 of the French Commercial Code, is included in the information relating to the Group provided in the management report of the Board of Directors. In accordance with the provisions of Article L.823-10 of this code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information provided in this declaration, which is subject to a report by an independent third party.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of consolidated financial statement to be included in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the European Single Electronic Format, that the presentation of consolidated financial statements to be included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018. With regard to consolidated financial statements, our work includes verifying that the tagging in the statements complies with the format specified in the aforementioned regulation.

Based on our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material aspects, with the single electronic reporting format.

Due to the inherent technical limitations of block tagging the consolidated financial statements as required by the European Single Electronic Format, the content in the notes to which certain block tags have been applied may not be displayed in exactly the same way as in the statements accompanying this report.

However, it is not our responsibility to verify that the consolidated financial statements ultimately included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our work.

Appointment of the Statutory Auditors

We have been appointed as Statutory Auditors of Technicolor Creative Studios by decision of the sole shareholder of April 12, 2022.

At December 31, 2022, Deloitte & Associés and Mazars were in their 1st year of engagement.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS INVOLVED IN CORPORATE GOVERNANCE IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements that present a true and fair view, in accordance with IFRSs as endorsed by the European Union, and for setting up the internal controls it deems necessary for preparing consolidated financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, Management is responsible for assessing the Company’s ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO AUDITING THE CONSOLIDATED FINANCIAL STATEMENTS

Audit objective and procedures

Our responsibility is to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit.

In addition:

- They identify and assess the risks that the consolidated financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls.
- They familiarize themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control.
- They assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by Management, along with information about those estimates provided in the consolidated financial statements.
- They assess whether Management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company’s ability to continue as a going concern. That assessment is based on information collected until the date of the auditors’ report, although it should be borne in mind that subsequent circumstances or events may call into question the Company’s status as a going concern. If the Statutory Auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the consolidated financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them.
- They assess the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements reflect the underlying operations and events so that they give a true and fair view.
- Regarding financial information relating to persons or entities included in the scope of consolidation, they collect the information that they regard as sufficient and appropriate to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for managing, supervising and conducting the audit of the consolidated financial statements and for the opinion expressed on those financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year’s consolidated financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Courbevoie and Paris La Défense, March 30, 2023

The Statutory Auditors
French original signed by

Mazars	Deloitte & Associés
Jean-Luc Barlet	Bertrand Boisselier
Charlotte Grisard	

6.4 TECHNICOLOR CREATIVE STUDIOS SA 2022 FINANCIAL STATEMENTS

6.4.1 PROFIT AND LOSS ACCOUNT

		December 31,	
(in thousand euros)	*Note*	**2022**	**2021**
Revenue	*(2.1)*	11,157	-
Other operating income	*(2.2)*	713	-
Total operating income		**11,870**	**-**
Wages and salaries		(1,344)	-
Other operating expenses	*(2.2)*	(13,294)	2
Depreciation, amortization and provisions	*(2.3)*	(3,662)	-
Net operating profit (loss)	***(2)***	**(6,429)**	**2**
Net interest income (expense)		(8,755)	1
Dividends from subsidiaries		-	-
Depreciation on financial assets		(1,111,695)	-
Other net financial income (expense)		6,391	-
Net financial profit (loss)	***(3)***	**(1,114,059)**	**1**
NET PROFIT (LOSS) AFTER FINANCIAL RESULT		**(1,120,489)**	**3**
Capital gain (loss) on asset disposals		-	-
Other exceptional income (expense)		(10,717)	-
NET EXCEPTIONAL PROFIT (LOSS)	***(4)***	**(10,717)**	**-**
Income tax	(5)	-	-
NET PROFIT (LOSS)		**(1,131,206)**	**3**

The accompanying notes on pages 246 to 262 are an integral part of these financial statements.

6.

6.4.2 BALANCE SHEET

		December 31,	
(in thousand euros)	Note	2022	2021
ASSETS			
Intangible assets		-	-
Depreciation, amortization and provisions		-	-
Intangible assets, net value		**-**	**-**
Tangible assets		-	-
Depreciation, amortization and provisions		-	-
Tangible assets, net value		**-**	**-**
Shares in subsidiaries, net value		330,576	-
Other financial assets		579	-
Financial assets,net value	**(6)**	**331,155**	**-**
NON-CURRENT ASSETS		**331,155**	**-**
Trade receivables	(11.1)	13,764	-
Current accounts and loans with subsidiaries	(11.1)	494,121	10
Depreciation of current accounts and loans with subsidiaries	(11.1)	-	-
Other current assets	(11.1)	5,281	-
Cash and cash equivalents		30,629	-
CURRENT ASSETS		**543,794**	**10**
PREPAYMENTS, DEFERRED CHARGES AND UNREALIZED LOSSES ON FOREIGN EXCHANGE	***(11.3)***	**44,563**	**-**
TOTAL ASSETS		**919,512**	**10**
EQUITY AND LIABILITIES			
Common stock *(546,681,915 shares, at December 31, 2022 at par value of €0.50)*	*(7.1)*	273,341	10
Additional paid-in capital		862,967	-
Legal reserve		-	-
Other reserves and retained earnings		1,425	(2)
Net profit (loss) for the year		(1,131,206)	3
Total shareholders' equity		**6,527**	**10**
Other equity instruments		-	-
SHAREHOLDERS' EQUITY AND EQUITY INSTRUMENTS		**6,527**	**10**
PROVISIONS FOR LOSSES AND CONTINGENCIES	***(10)***	**478**	**-**
Current accounts and loans with subsidiaries	(8.1)	289,033	-
Other financial debts	(8.1)	607,863	-
Trade payables	(11.1)	11,949	-
Other current liabilities	(11.1)	3,656	-
LIABILITIES		**912,501**	**-**
DEFERRED INCOME AND UNREALIZED GAINS ON FOREIGN EXCHANGE		**6**	**-**
TOTAL EQUITY AND LIABILITIES		**919,512**	**10**

The accompanying notes on pages 246 to 262 are an integral part of these financial statements.

6.4.3 STATEMENT OF CHANGES IN EQUITY

(in thousand euros, except number of shares and nominal value)	Number of shares	Nominal value	Common stock	Additional paid-in capital	Legal reserves	Other reserves	Retained earnings	Net profit (loss) for the year	TOTAL
At December 31, 2020	**1,000**	**10.00**	**10**	**-**	**-**	**-**	**-**	**(2)**	**8**
June 23, 2021-2020 Net result allocation	-	-	-	-	-	-	(2)	2	-
Net result of the year 2021	-	-	-	-	-	-	-	3	3
At December 31, 2021	**1,000**	**10.00**	**10**	**-**	**-**	**-**	**(2)**	**3**	**10**
March 28, 2022 – 2021 Net result allocation	-	-	-	-	-	-	2	(3)	-
July 8, 2022 – Cash capital increase with maintenance of preferential subscription rights	149,000	10.00	1,490	-	-	-	-	-	1,490
July 8, 2022 - Capital decrease according to 2022 forecast losses by nominal value reduction and allocation to unavailable reserve	150,000	(9.50)	(1,425)	-	-	1,425	-	-	-
September 15, 2022 – Capital increase by contribution in kind of TECH6 subsidiary shares	546,531,915	0.50	273,266	862,967	-	-	-	-	1,136,233
Net result of the year 2022	-	-	-	-	-	-	-	(1,131,206)	(1,131,206)
AT DECEMBER 31, 2022	**546,681,915**	**0.50**	**273,341**	**862,967**	**-**	**1,425**	**-**	**(1,131,206)**	**6,527**

See note 7.1 for detail on the changes in equity.

The accompanying notes on pages 246 to 262 are an integral part of these financial statements.

6.

6.5 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Technicolor Creative Studios (TCS) offers Visual Effects ("VFX"), Animation and Technology services for the entertainment and the advertising industries, through its award-winning creative studios MPC, The Mill, Mikros Animation, and Technicolor Games.

TCS works primarily on an individual project basis and builds teams and workflows around key creative and production talent. TCS also builds dedicated teams and spaces for clients who desire guaranteed capacity and talent across multiple projects.

Technicolor Creative Studios SA is the holding company of the Group and manages the cash of the Group's subsidiaries.

These notes are an integral part of these annual financial statements. They contain additional information relating to balance sheet and profit and loss account and give a true and fair view of the Company's assets, financial position and results. Information which is not mandatory is disclosed only if material.

1.1 MAIN EVENTS OF THE YEAR

1.1.1 CHANGE OF NAME AND LEGAL FORM

On July 8, 2022, at the General Meeting, TECH8 SAS shareholders decided to change the name of the entity as Technicolor Creative Studios and to change the legal form of the company from *société par actions simplifiée* (SAS) to *société par actions* (SA) with Board of Directors.

1.1.2 CAPITAL INCREASE FOLLOWED BY CAPITAL DECREASE

On July 8, 2022, the shareholders of Technicolor Creative Studios SA approved the capital increase of the company in the amount of €1,490,000 by issuing 149,000 new ordinary shares, par value €10 each. At the end of this operation, Technicolor Creative Studios SA capital is composed of 150,000 shares, par value €10.

Simultaneous, the shareholders decided to proceed to a capital decrease of €1,425,000 motivated by the 2022 forecasted losses by reducing the 150,000 shares par value from €10 to €0.50. The capital decrease amount of €1,425,000 has been allocated to unavailable reserves.

1.1.3 NEW TERM LOANS AND REVOLVING CREDIT FACILITY

On September 15, 2022, for Technicolor Creative Studios, Technicolor finalized the closing of a new €624 million floating rate private First Lien Term Facility. This facility is composed of two tranches: a €564 million tranche and a $60 million tranche. Maturity for both tranches is 4 years. In addition, the Group finalized a €40 million Revolving Credit Facility with a maturity of 3 years.

Debts subscribed by Technicolor Creative Studios SA correspond to the €564 million as Term loan and the €40 million as Revolving Credit Facility.

1.1.4 SUBSIDIARIES SHARES ACQUISITIONS

Simultaneously with the refinancing operations, Vantiva SA, as contributor, and Technicolor Creative Studios SA, as beneficiary, have concluded a contribution agreement approved by the Board of Directors of Technicolor Creative Studios SA at its General Meeting on September 15, 2022. Vantiva SA transferred full ownership of 52,515,423 shares of its subsidiary TECH6 SAS, representing 78.80% of the capital and voting rights of the entity, through a contribution in kind. The real value of this contribution is €1,136,232,974.14. At the same meeting, the shareholders of Technicolor Creative Studios SA approved the corresponding capital increase of the company in the amount of €273,265,957.50 by issuing 546,531,915 new ordinary shares, par value €0.50 each in compensation for the contribution. The difference between the value of the contribution and the nominal amount of the capital increase is an additional paid-in capital of €862,967,016.64.

On the same date, Vantiva SA sold to Technicolor Creative Studios SA the remaining 21.20% of the shares of TECH6 SAS, corresponding to 14,128,515 shares for a price of €305,637,819.71.

At the end of these operations, Technicolor Creative Studios SA holds 100% of the TECH6 SAS capital.

On September 15, 2022, TECH6 SAS sold to Technicolor Creative Studios SA 1 share of TECH7 SAS for a sale price of €21.26.

On December 21, 2022, Technicolor Creative Studios SA subscribed to 100% of the share capital of Technicolor Creative Studios 1 SAS and Technicolor Creative Studios 2 SAS. Thus, Technicolor Creative Studios SA holds 1,000 shares with a nominal value of €10 within each of these two entities.

1.1.5 SPIN-OFF AND LISTING OF TECHNICOLOR CREATIVE STUDIOS SA

On September 27, 2022, Technicolor Creative Studios began operating as a standalone company, following the distribution of 65% of its shares by Technicolor to its shareholders and the concurrent listing on Euronext Paris (under the ticker symbol "TCHCS"). The technical reference price for each Technicolor Creative Studios' share (amounting to €1.9539 per share) for the opening of the trading session was confirmed by a notice published by Euronext Paris on September 26, 2022.

The 35% remaining shares of Technicolor Creative Studios SA are still held by Vantiva SA and have been transferred to a Security-Management Trust, of which Vantiva SA is the constituent and Equitis Gestion is the trustee. The trust agreement is entered into as a guarantee of payment and/or repayment of Vantiva SA debt.

1.1.6 TRANSITIONAL SERVICES AGREEMENT WITH VANTIVA

Following the separation from Technicolor and the admission of the Technicolor Creative Studios' shares to trading on Euronext Paris, TCS entered into an agreement with Vantiva (new corporate name of Technicolor) under the terms of which Vantiva provides the Group with a certain number of transitional services including:

- Information Technology & Security services;
- Accounting;
- HR activities;
- Insurance.

Under this Transitional Services Agreement, the Group and Vantiva continue to cooperate for a transitional period, the duration of which varies depending on the particular services concerned up to a period of between 12 to 18 months that can be extended to a maximum of 24 months.

1.1.7 REFINANCING AND GOING CONCERN BASIS

On November 30, 2022, Technicolor Creative Studios announced its intention to engage in discussions with all stakeholders and/or third-party investors, in an effort to address its future liquidity needs, and obtained a forbearance agreement for suspending all covenants and obligations.

Elements described hereafter are subsequent events.

On March 8, 2023, Technicolor Creative Studios announced it has reached an Agreement in Principle with a large majority of shareholders and lenders on a new financing structure which includes a c.€170 million new money injection, of which €60 million convertible notes and €110 million credit facilities. The refinancing would also reduce the financial liabilities of the business by reducing cash interest across all instruments as well as by subordinating €170 million and converting €30 million of existing debt into equity.

A part of the new money financing would be made available by end of March/beginning of April 2023 through a bridge loan. The remaining part of the c.€170 million new money financing is expected to be made available by the end of Q2 2023.

This new financing structure will be subject to leverage and liquidity covenants that are currently under negotiations.

The Agreement in Principle would therefore enable Technicolor Creative Studios to address its liquidity needs from Q2 2023 and allows Operating Cash Flow to be focused on operational needs.

The transaction includes several dilutive instruments, of which €30 million conversion of debt into equity, €60 million convertible notes, and warrants issued to the new money credit facilities. They would have the following impact on share capital:

Pro-forma shareholding	Current	At the closing date after conversion of warrants	Post conversion of 100% of the convertible notes
Existing shareholders	100.0%	17.9%	12.0%
Existing First Lien Lenders	-	65.7%	44.0%
New Money Providers	-	16.4%	44.0%
• o/w New Money Credit Facility	-	16.4%	11.0%
• o/w Convertible Notes	-	-	33.0%
TOTAL SHAREHOLDING	**100.0%**	**100.0%**	**100.0%**

It would lead to an evolution of the Company's governance to be further detailed upon finalization of the conciliation protocol.

The implementation of this Agreement in Principle established within the framework of an amicable conciliation procedure will be subject to certain conditions precedent including the following key items:

- final due diligence, approval of Investment Committees and other internal approvals, execution of a satisfactory long-form legal and contractual documentation;
- approval by all other First Lien lenders of the Company;
- approval by the beneficiary of the fiducie under the Fiducie agreement existing on Vantiva's 35% holding in TCS;
- judgement from the Commercial Court approving a conciliation protocol and granting the new money privilege to the relevant stakeholders expected by the end of March;
- customary regulatory authorizations as may be required;
- approval of the required resolutions by the General Meeting expected to be held in the course of Q2 2023.

The management do not foresee any significant difficulties in lifting the conditions precedent and implementing the financial restructuring plan.

On March 9, 2023, the Board of Directors approved the 2023 Budget and 2023-2025 Business Plan that had been reviewed by an international renown independent audit firm. This business plan assumed a rebound in revenues and Adjusted EBITDA after lease including benefits from actions to improve operations at MPC and The Mill in a context of overall demand growth throughout the period.

Additional actions will be taken to further optimize working capital and monitor the cash expenditures to ensure the relevant level of cash to operate the Company.

Based on these updated financial forecasts that include the expected finalization of the financial restructuring described above and the implementation of the transformation plan, management has concluded that it was appropriate to prepare the year-end consolidated financial statements on a going concern basis.

Having carrefuly considered the above, the Board of Directors concluded on March 22, 2023 that preparing the year-end statutory financial statements on a going concern basis is an appropriate assumption.

1.2 ACCOUNTING POLICIES

1.2.1 BASIS OF PREPARATION

The annual accounts for the year at 31/12/2022 were established in accordance with the accounting standards set out in the French General Chart of Accounts (*Plan comptable général*) and the provisions of the Code of Commerce. They comply with the advice and recommendations of the *Ordre des experts-comptables* and the *Compagnie nationale des commissaires aux comptes* as well as the regulation of the *Autorité des normes comptables* No. 2014-03 of June 5, 2014 updated of the various complementary regulations on the date of the establishment of the so-called annual accounts.

The Company applies the provisions of the 2015-05 ANC Regulation, approved by order of December 28, 2015. This regulation, which is mandatory on January 1, 2017, aims to clarify the terms of accounting for term financial instruments and hedging transactions. In this context, the Company has supplemented the information in notes to hedging operations (see notes 8.4 and 11.4). The impact of this settlement on the Company's balance sheet and income statement is not significant.

Accounting policies have been applied sincerely in accordance with the principle of prudence, in accordance with basic assumptions:

- continuity of operations;
- permanence of accounting methods from one year to the next;
- independence of the financial years;

and in accordance with the general rules for setting up and presenting annual accounts.

The basic method used to assess accounting items is the historical cost method.

Only significant information is expressed.

Unless mentioned, the amounts are expressed in euros and rounded to the nearest thousand.

The Company's annual accounts were validated by Technicolor Creative Studios SA's Board of Directors on March 22, 2023. In accordance with French law, the annual accounts will be considered final once they have been approved by the Group's shareholders at the General Meeting of Shareholders.

1.2.2 USE OF ESTIMATES

As part of the annual account setting process, the assessment of certain balance sheet or income statement balances requires the use of estimates and assumptions. The Company regularly reviews its valuations and bases its estimates on comparable historical data and on various assumptions that, in the circumstances, are considered the most reasonable and probable, which serve as the basis for determining the balance sheet values of assets and liabilities and revenues and expenses. Actual results may differ from these estimates due to different assumptions and circumstances.

1.2.3 ACCOUNTING FOR FOREIGN CURRENCIES TRANSACTIONS

Global treasury management

Management of the Group's market and liquidity risks is centralized in its Group Treasury Department in France in accordance with Group procedures covering, among other aspects, responsibilities, authorizations, limits, permitted financial instruments and tracking tools. All financial market risks are monitored continually and reported regularly to the Chief Financial Officer, the Investment Committee and the Executive Committee *via* various reports showing the Company's exposures to these risks with details of the transactions undertaken to reduce them.

To reduce interest rate and currency exchange rate risk, the Group enters into hedging transactions using derivative instruments. However, Technicolor's policy is not to use derivatives for any purpose other than for hedging its commercial and financial exposures:

- From an operational point of view, the Company is contracting foreign exchange guarantees with its subsidiaries, under which subsidiaries' transaction risk is hedged for a given period (up to twelve months or longer when justified). These commitments are described further in note 11.4.
- In order to cover the risk arising from these internal liabilities as well as its own risk, the Company generally manages an exchange position using hedging derivatives, so that the residual foreign exchange risk to the Company is negligible. However, due to the financial situation of the Group, in the 4th quarter 2022 most of the Group's banks cancelled the foreign exchange lines previously available for hedging and therefore the Company did not have any outstanding derivatives at December 31, 2022.

Impacts of translation of foreign currency transactions

Foreign currency transactions are translated into euros at the exchange rate effective on the trade date. Receivables and payables in foreign currency are revalued at closing rate. The differences arising on the translation compared to the historical rate are recorded as translation adjustments in the balance sheet (a provision for exchange risk is recognized in case of unrealized exchange loss).

Foreign exchange gains or losses are included in "other operating income (expenses)" for commercial transactions and in "other net financial income (expenses)" for other transactions.

The Treasury Department manages the Group's exposure to foreign exchange risk globally and its policy is not to take any risks regarding its financial debt and loans in foreign currencies but, as mentioned previously, in the 4th quarter 2022 the Group's banks cancelled the foreign exchange lines previously available for hedging and therefore the Company was not able to hedge the risk on these financial exposures.

Forward foreign currency contracts (set up by central Treasury with subsidiaries to cover their commercial exposures), as well as external transactions with banks, are accounted at the Group Treasury Department level by valuing them at their market price at the closing date and taking the gains and losses fully realized as well as the result impact on the underlying hedged item. Term points are recorded as a financial result, pro-rata temporis over the duration of the contracts.

Should a derivative exceptionally not qualify as hedge (isolated open position), its market value is reported in "Other current assets and liabilities", in return of deferred income/charges. Any unrealized losses are covered by a provision for exchange risk. The realized gain or loss at maturity are recorded as a financial result or operating result, in the event that they relate to commercial transactions.

NOTE 2 OPERATING RESULT

2.1 REVENUE

(in thousand euros)	2022	2021
Intra-group invoicing	11,157	-
Other external revenues	-	-
TOTAL REVENUES	**11,157**	**-**
Including revenues in France	*1,156*	-

2.2 OTHER OPERATING EXPENSES AND REVENUE

(in thousand euros)	2022	2021
Other operating expenses	(13,294)	2
Other operating revenues	713	-
TOTAL OTHER OPERATING EXPENSES AND REVENUES	**(12,581)**	**2**

In 2022, "Other operating expenses" mainly include fees resulting of Transitional Services Agreement with Vantiva SA (€9,496 thousand) and subsidiaries guarantee costs (€1,144 thousand).

In 2022, "Other operating revenues" mainly correspond to transfers of employees from Vantiva SA to Technicolor Creative Studios SA (transfer of retirement benefits liability for €554 thousand).

2.3 DEPRECIATION, AMORTIZATION AND PROVISIONS

(in thousand euros)	2022	2021
Depreciation	-	-
Amortization	(3,108)	-
Provisions	(554)	-
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**(3,662)**	**-**

In 2022, amortization correspond to the deferred charges on debt issuance costs and provisions are related to the pensions.

NOTE 3 FINANCIAL RESULT

(in thousand euros)	2022	2021
Dividends received	-	-
Depreciation on financial investments, treasury shares, current accounts and risk provisions regarding subsidiaries, net of reversal	(1,111,695)	-
Net interest income/(expenses)	(8,755)	1
Other net financial profit/(expenses)	6,391	-
NET FINANCIAL PROFIT (LOSS)	**(1,114,059)**	**(89)**

In 2022, financial depreciation booked as at the year-end are related to:

- TECH6 SAS shares (€(1,111,315) thousand);
- marketable securities (€(380) thousand).

The net amount of interests mainly include:

- interests on subsidiaries' current accounts (€ +4,571 thousand);
- interests and prepayment costs on senior debts (€(13,888) thousand).

Other financial income and charges correspond to the net amount of foreign exchange gains and loss on financial operations of the financial year.

NOTE 4 EXCEPTIONAL RESULT

Exceptional items include expenses and revenue of current activity of which the nature and amounts are non-recurring.

(in thousand euros)	2022	2021
Capital gains/(losses) on disposals of intangible and financial assets	-	-
Restructuring costs (accruals net of reversals and expenses for the year)	-	-
Other net extraordinary profit/(expenses)	(10,717)	-
TOTAL EXCEPTIONAL PROFIT (LOSS)	**(10,717)**	**-**

In 2022, other net extraordinary result mainly corresponds to the spin-off operation costs (legal, audit, rating fees and other various costs).

NOTE 5 INCOME TAX

Since September 2022, Technicolor Creative Studios SA left the French tax consolidation group of which it was previously a member and of which Vantiva SA (ex-Technicolor SA) was the head of the tax Group.

From January 1, 2023, a new French tax consolidation Group will be established including French TCS's subsidiaries and Technicolor Creative Studios SA will become the head of this tax group.

5.1 BREAKDOWN OF BOOKED INCOME TAX

(in thousand euros)	2022	2021
Income tax	-	-
Tax credit	-	-
Other	-	-
TOTAL INCOME TAX	**-**	**-**

For the 2022 financial year, as the taxable result corresponds to a deficit (€(14,146) thousand), no income tax has been recorded. As at December 31, 2022, Technicolor Creative Studios SA has indefinitely deferred losses of €14,146 thousand.

5.2 VARIATION OF DEFERRED OR LATENT TAX BASES

Temporarily non-deductible expenses related to Technicolor Creative Studios SA are the following:

(in thousand euros)	December 31, 2021	Variation	December 31, 2022
To be deducted the following year			
Paid vacations	-	-	-
Provisions for risks	-	7	7
Other	-	-	-
To be deducted at a later date			
Provisions for retirement	-	478	478
Depreciation on current accounts	-	-	-
Provisions for risks	-	-	-
Other	-	2,511	2,511

Other temporarily non-deductible expenses correspond to accrued interests not deductible.

NOTE 6 FINANCIAL ASSETS

Financial assets include investments in subsidiaries that the Company intends to keep as well as other financial assets, such as loans.

Investments are recorded at acquisition cost. When the value in use of such investments is less than their gross value, a valuation allowance is set up for the difference. Provision for current accounts and loans are made if the net financial position is negative. In addition, a provision for risk is set aside for the surplus over the residual net negative balance.

Investments in subsidiaries and associates held for the long-term are valuated, based on their value in use which is determined case by case based on the portion of equity represented by the shares, on re-evaluation of net assets or on recoverable value.

6.1 VARIATION OF FINANCIAL ASSETS

(in thousand euros)	Shares in subsidiaries(1)	Other financial assets(2)	Total financial assets
At December 31, 2021, Net	**-**	**-**	**-**
Cost	-	-	-
Accumulated depreciation	-	-	-
Acquisitions/recapitalizations/increases	1,441,891	579	1,442,470
Disposals	-	-	-
Depreciation(3)	(1,111,315)	-	(1,111,315)
Reversals of depreciation provisions	-	-	-
AT DECEMBER 31, 2022, NET	**330,576**	**579**	**331,155**
Cost	1,441,891	579	1,442,470
Accumulated depreciation	(1,111,315)	-	(1,111,315)

(1) 2022 Shares acquisitions in subsidiaries mainly includes:
- contribution in kind of 78.80% of TECH 6 SAS shares from Vantiva SA for €305,638 thousand;
- acquisition of 21.20% of TECH 6 SAS shares to Vantiva SA for €1,136,233 thousand;
- capital subscription of Technicolor Creative Studios 1 SAS for €10 thousand;
- capital subscription of Technicolor Creative Studios 2 SAS for €10 thousand.

In 2022, Technicolor Creative Studios SA also acquired 1 share of TECH7 SAS for €21.26 from TECH6 SAS.

(2) 2022 increases of other financial assets includes loans granted to Technicolor Creative Studios Korea subsidiary and accrued interests as at December 31, 2022.

(3) 2022 shares depreciations are related to TECH6 SAS subsidiary.

6.2 MATURITIES OF RECEIVABLES INCLUDED IN OTHER FINANCIAL ASSETS

(in thousand euros)	
2023	-
2024 and later	579
GROSS VALUE	**579**
Depreciation	-
NET VALUE	**579**

6.3 SUBSIDIARIES AND INVESTMENTS AS OF DECEMBER 31, 2022

(in thousand euros, except number of shares)	Holding percentage (in %)	Holding number of shares	Gross value	Net value	Equity after allocation of results	Revenues of the year	Net income	Gross advances, loans and current accounts
Affiliates (more than 50% holding percentage)								
TECH 6 SAS	100%	66,643,938	1,441,871	330,556	330,305	28	(336,035)	(128)
Technicolor Creative Studios 1 SAS	100%	1,000	10	10	10	-	-	-
Technicolor Creative Studios 2 SAS	100%	1,000	10	10	10	-	-	-
Total affiliates	**N/A**	**N/A**	**1,441,891**	**330,576**	**330,325**	**28**	**(336,035)**	**(128)**
Investments (between 10% and 50% holding percentage)								
Autres	N/A	N/A	-	-	-	-	-	-
Total investments	**N/A**	**N/A**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**N/A**	**N/A**	**1,441,891**	**330,576**	**330,325**	**28**	**(336,035)**	**(128)**

N/A: Not applicable

NOTE 7 SHAREHOLDERS' EQUITY AND EQUITY INSTRUMENT

7.1 CAPITAL AND ADDITIONAL PAID-IN CAPITAL

On December 31, 2021, the capital of Technicolor Creative Studios SA was €10,000 (1,000 shares with a par value €10).

On July 8, 2022, the Shareholders' Meeting decided to increase the share capital by issuing 149,000 new ordinary shares with a par value of €10.

During the same Shareholders' Meeting, it was decided to reduce the share capital by a total amount of €1,425,000 by absorption of 2022 forecast losses *via* a decrease in the value of the 150,000 shares (from €10 to €0.50). This amount has been allocated to unavailable reserve.

On September 15, 2022, it was decided a capital increase as a result of contribution in kind of TECH6 SAS subsidiary shares for €273,265,957.50 corresponding to 546,531,915 new shares issued with a par value of €0.50. The difference between the capital increase and the contribution value corresponds to an additional paid-in capital of €862,967,016.64.

As a result of these transactions, the share capital as of December 31, 2022 is €273,340,957.50 for a total of 546,681,915 shares with a par value of €0.50.

7.2 DIVIDENDS AND OTHER DISTRIBUTIONS

Shareholders' Meeting held in 2022 did not vote any payment of dividend.

NOTE 8 BORROWINGS & FINANCIAL INSTRUMENTS

8.1 SUMMARY OF THE DEBT

(in thousand euros)	2022	2021
Term Loan Debt	564,249	-
Revolving Credit Facility	39,734	
Current Accounts and loans with subsidiaries	289,033	-
Accrued interest	3,880	-
TOTAL FINANCIAL DEBT	**896,896**	**-**
Of which due and payable after 1 year		
Term Loan Debt	*558,606*	-
Revolving Credit Facility	*39,734*	
Loans with subsidiaries	-	-

8.2 MAIN FEATURES OF TERM LOAN DEBT AND REVOLVING CREDIT FACILITY

The Group's debt consists primarily of term loans (the "Term Loans") in euros and drawings on the Revolving Credit Facility (the "RCF") in euros and US dollars. The Term Loans and RCF were issued by Technicolor Creative Studios SA and Technicolor Creative Services USA, Inc. as co-borrowers in September 2022. The Term Loans have principal repayments of 0.25% per quarter starting March 31, 2023. The RCF was fully drawn at December 31, 2022 with drawings of €37,921 thousand due in May 2023 and $3,000 thousand due in June 2023.

Details of the Technicolor Creative Studios SA debt as of December 31, 2022 is given in the table below:

(in thousand euros)	Amount in local currency	Currency	Amount(1)	Interest rate type(2)	Final maturity
Term loan	564,249	EUR	564,249	Floating: 3-month EURIBOR with a floor of 0%+6.00%	September 2026
RCF drawings	36,921	EUR	36,921	Floating: 6-month EURIBOR with a floor of 0% +4.50%	September 2025
RCF drawings	3,000	USD	2,813	Floating: 6-month SOFR with a floor of 0% +4.50%	September 2025
TOTAL			**603,983**		

(1) Exchange rate as of December 31, 2022.
(2) Interests rate as of December 31, 2022.

8.2.1 ANALYSIS BY MATURITY OF FINANCIAL DEBT

	2022	2021
(in thousand euros)	Financial Debt	Financial Debt
Within one year	5,642	-
1 to 2 years	5,642	-
2 to 3 years	45,377	-
3 to 4 years	547,321	-
4 to 5 years	-	-
More than 5 years	-	-
TOTAL DEBT	**603,983**	**-**
Of which current debt	*5,642*	-
Of which non-current debt	*598,340*	-

8.2.2 KEY TERMS OF THE CREDIT AGREEMENTS

Technicolor Creative Studios SA entered into a credit agreement (the "Credit Agreement") on September 15, 2022.

This Credit Agreement governs:

- Term Loans in an amount of €564,248,500.80;
- a RCF in an amount of €40,000,000.

Credit Agreement also include the Term Loans issued by TCS USA in an amount of $60,000,000.

The key terms of the Credit Agreement are described below.

Security Package

The Term Loan lenders benefit from upstream guarantees from certain subsidiaries of the Group (the "Guarantors") and pledges (i) on the shares of the main subsidiaries of the Group, (ii) on intercompany financial receivables, (iii) on the main cash pooling accounts of the Group and on all assets of the Guarantors (with the exception of the French Guarantors).

The RCF is "super senior" to the Term Loans.

Mandatory and voluntary prepayments

In case of default or change of control of TCS SA, creditors will have the ability to immediately demand payment of all or a portion of the outstanding amounts.

The events of defaults in the Credit Agreement include among other things and subject to certain exceptions, thresholds and grace periods:

- failure by borrowers to make required payments when due under the Credit Agreement or of any other financial indebtedness or to comply with material obligations related to the Credit Agreement;
- a cross default under which there is a default if any member of the Group defaults under any indebtedness involving an aggregate amount of more than the greater of €6,750,000 and 5% of Consolidated EBITDA and such default is due to the failure to make any payment or results in the right by the creditor(s) to require immediate repayment of the debt.

Under the Credit Agreement, the Group is required to make prepayments of the Term Loans:

- from the cumulative net proceeds from asset disposals and casualty events (such as insurance proceeds for damages caused by fire or other insured events) above €5 million with certain exceptions if the proceeds are reinvested in assets useful for its business within 365 days; and
- starting with the 2024 fiscal year from 50% of any excess Free Cash Flow above a threshold of €5 million with the percentage subject to this mandatory prepayment requirement dropping to 25% and 0% if certain leverage ratios are met.

The Term Loans can also be voluntarily prepaid in whole or in part after the first anniversary of the issue date.

A repayment penalty applies to all prepayments whether mandatory or voluntary as well as to the amounts due on final maturity but not to the regularly scheduled amortization (0.25% per quarter starting March 31, 2023):

- 2% starting with the 1st anniversary of the issue date;
- 3% starting with the 2nd anniversary of the issue date;
- 5% starting with the 3rd anniversary of the issue date.

This repayment penalty is taken into account in the calculation of the effective interest rate of the Term Loans (cf. table above). Voluntary prepayments made in the first year require a make-whole payment consisting of the discounted value of all remaining interest payments due until the one-year anniversary of the closing date.

6.

Financial Covenants

The Credit Agreement contains a financial leverage covenant, tested on June 30 and December 31 starting in 2023, which requires the ratio of consolidated total net debt that is secured by the collateral under the Credit Agreement to Consolidated EBITDA based on IFRS EBIT (with operating leases accounted for in accordance with IFRS 16) be less than or equal to 5.75.

The breach of this financial covenant is an event of default upon the occurrence of which a simple majority of the lenders can instruct the agent for the debt to declare it immediately due and payable.

Affirmative Covenants

The Credit Agreement contains various standard and customary affirmative covenants.

Negative Covenants

The Credit Agreement contains various standard and customary negative covenants as well as other specific covenants which restrict the Group's ability to undertake certain actions. These include restrictions on:

- **indebtedness**: new secured indebtedness is permitted if certain leverage ratios are met and various baskets permit capital leases, factoring and unsecured debt;
- **liens**: new liens are generally not allowed except for some carve-outs and a general lien basket;
- **disposals**: the Group may make disposals but the proceeds are subject to mandatory prepayment provisions;
- **acquisitions**: acquisitions are generally allowed but acquired companies may be required to become guarantors;
- **distributions and junior payments**: the Group is limited in its ability to make distributions to shareholders and to make investments and loans to non-guarantors.

At December 31, 2022 under the Term Loan documentation there was no testing of the financial covenant. Regarding the other negative and affirmative covenants, TCS SA fully respected them at December 31, 2022 and no event of default has occurred between that date and the approval of the financial statements.

8.3 INTEREST RATE HEDGING OPERATIONS

The Group no longer has interest rate hedging instruments outstanding on December 31, 2022.

8.4 COMMITMENTS RELATING TO FINANCIAL INSTRUMENTS

As of December 31, 2022, the Company does not have any outstanding instruments.

NOTE 9 EMPLOYEES BENEFITS

9.1 INFORMATION ON EMPLOYEES

	2022	2021
Executives	25	-
Employees and supervisory staff	-	-
TOTAL HEADCOUNT	**25**	**-**

9.2 STOCK OPTION PLAN GRANTED BY VANTIVA SA

In fiscal years 2022 and 2021, the Technicolor Creative Studios Group employees participated in the Vantiva SA share-based payment programs.

The expense recognized in 2022 and 2021 reflected the annual cost related to Group employees in regards with several Management Incentive Plans prior to 2017, Long-Term Incentive Plans from 2017 to 2020 and 2020 Additional Performance Shares Plan.

As of December 31, 2022, there is no active plan existing in TCS Group.

9.3 KEY MANAGEMENT COMPENSATION

Directors' fees and compensation expenses (incl. social security costs) amounted to €0.2 million in 2022. The amounts due to Directors who are non-resident for French tax purposes are subject to a withholding tax. Fees due to Directors and Board Observers in respect to fiscal year 2022 will be paid in 2023.

Compensation expenses allocated by the Group to Members of the Executive Committee (including those who left this function during 2022), are shown in the table below:

	2022(1)	2021
Short-term employee benefits(1)	5	-
LT employment benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
TOTAL	**5**	**-**

(1) 13 members in 2022.

The Members of the Executive Committee can benefit from severance packages in case of an involuntary termination and in absence of fault, which represent a nil amount in 2022.

NOTE 10 PROVISION & CONTINGENCIES

Provisions

Provisions are recorded at the balance sheet date when the Company has an obligation as a result of a past event and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The obligation may be legal, regulatory or contractual or it may represent a constructive obligation deriving from the Company's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities, and as a result, has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The recorded provision represents the best estimate of the expenditure required to settle the obligation at the closing date. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded but details of the obligation are disclosed in the notes to the financial statements.

Post-employment obligations

The costs for employee pensions retirement at Technicolor Creative Studios are accounted for progressively as employees acquire their rights to benefits. The valuation method applied takes into account future changes in payroll obligations. Post-employment benefits are accounted for when rights to benefits are acquired and payment thereof becomes probable.

Such payments and provisions are based on the estimated salaries and seniorities of employees at their date of departure.

Actuarial assumptions are as follows:

- discount rate: 3.70%;
- projected long-term inflation rate: 2.00%;
- salary rate of increase: 3.20%.

The Company records its commitments for jubilee awards (*médailles du travail*), in compliance with the ANC Recommendation n° 2013-02 issued on November 7, 2013. These charges are recognized separately from retirement provisions and actuarial differences are booked immediately in the statement of operations.

(in thousand euros)	As of December 31, 2021	Increases	Usage during the period	Reversals and reclassifications	As of December 31, 2022
Provisions for retirement benefit and jubilee	**-**	**554**	**-**	**(76)**	**478**
Subsidiaries and other risks	-	-	-	-	-
Restructuring measures relating to employees	-	-	-	-	-
Other	-	-	-	-	-
Other provisions for risks	**-**	**-**	**-**	**-**	**-**
TOTAL PROVISIONS FOR LOSSES AND CONTINGENCIES	**-**	**554**	**-**	**(76)**	**478**

NOTE 11 OTHER INFORMATION

11.1 TRADE ACCOUNTS AND OTHER CURRENT ASSETS AND LIABILITIES

Trade receivables and other current operating assets are valued at historical cost. A depreciation charge is recorded when recoverable value is lower than book value.

Current liabilities mainly consist of debts with a maturity of less than one year. This caption includes tax and social security liabilities, trade payables and fixed assets payables.

Income or charges are accrued when the service has been provided to or supplied by the company before the end of the financial year and when they can be measured with sufficient assurance.

Other current assets and other current liabilities mainly include current accounts of Group subsidiaries, respectively for €494,121 thousand and €289,033 thousand.

Accrued income is booked in the following captions:

(in thousand euros)	2022	2021
Trade receivables	**13,764**	**-**
of which accrued income	-	-
Other current assets	**499,401**	**10**
of which accrued income	*1,354*	-

Accrued charges are booked in the following captions:

(in thousand euros)	2022	2021
Trade payables	**11,949**	**-**
of which accrued charges	*3,401*	-
Other current liabilities	**292,690**	**-**
of which tax and social accrued charges	*1,370*	-
of which other accrued charges	*1,355*	-

Compliance with supplier and customer invoices contractual payment terms at year end:

- the amount, including VAT, of overdue supplier invoices represents 6.6% of fiscal year purchases amount excluding VAT;
- the amount, including VAT, of overdue customer invoices represents 0% of fiscal year revenue sales excluding VAT.

11.2 RELATED PARTIES

As of December 31, 2022, and to the Company's knowledge, Vantiva SA held 191,338,670 shares which represent 35.00% of the share capital and 35.00% of the voting rights of the Company.

No other related party have been identified in 2022.

11.3 PREPAYMENTS, DEFERRED CHARGES/REVENUES AND UNREALIZED GAINS/LOSSES ON FOREIGN EXCHANGE

In 2022, corresponds to:

- €7,526 thousand deferred charges on debt issuance costs according to the effective interest method;
- €37,037 thousand bond redemption premiums amortized according to the effective interest method;
- €6 thousand unrealized gains on foreign exchange.

In 2021, no prepayments, deferred charges/revenues and unrealized gains/losses on foreign exchange was recorded.

11.4 OFF BALANCE-SHEET CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Off balance-sheet commitments gave are the following:

(in thousand euros)	2022	2021
Unconditional future payments		
Operating Leases	-	-
Other unconditional future payments	-	-
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**-**	**-**
Conditional future payments		
Guarantees given regarding undertakings by related entities	86,690	-
Other conditional future payments	-	-
TOTAL CONDITIONAL FUTURE PAYMENTS	**86,690**	**-**

Off balance-sheet commitments received are the following:

(in thousand euros)	2022	2021
Unconditional future payments		
Royalties to receive	-	-
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**-**	**-**
Conditional future payments		
TOTAL CONDITIONAL FUTURE PAYMENTS	**-**	**-**

In addition, as part of its management of the currency exchange rate risk, Technicolor Creative Studios SA implements over a fixed period foreign exchange guarantees with its subsidiaries under which their trade exposures are hedged at a determined currency exchange rate. The most significant commitments are thereafter summarized:

Entity	Currency to deliver	Currency to receive	Commitment to deliver[1]	Commitment to receive[1]	Maturity
TECHNICOLOR CREATIVE STUDIOS UK LTD.					
	GBP	USD	3.2	4.5	2023
TECHNICOLOR CANADA INC.					
	USD	CAD	5.4	6.9	2023
	CAD	USD	6.1	4.9	2023
MIKROS IMAGE SAS					
	USD	EUR	0.1	0.1	2023

(1) Expressed in millions of the corresponding currency.

NOTE 12 STATUTORY AUDITORS FEES

	DELOITTE		MAZARS	
(in thousand euros)	**2022**	**2021**	**2022**	**2021**
Audit services	407	-	547	-
TOTAL	**407**	**-**	**547**	**-**

Audit services include all services charged by the Statutory Auditors in completion of their audit of annual consolidated financial statements and the services provided by the Statutory Auditors in meeting the Group's legal and regulatory requirements, including the review of interim financial statements and the audit of the Company's financial statements.

NOTE 13 SUBSEQUENT EVENTS

13.1 REORGANIZATION

On February 7, 2023, the Group announced it has taken a set of recovery actions with the launch of the Re*Imagined program as a consequence of operational and delivery issues due to unprecedented post-Covid recovery challenges.

In addition, on February 7, 2023, the Group announced the appointment of Caroline Parot as Interim CEO to take the lead on the acceleration of Technicolor Creative Studios global transformation, alongside Christian Roberton as Deputy CEO, who will be fully dedicated to clients and project execution as well as talents.

13.2 REFINANCING

Please refer to paragraph 1.1.7. Refinancing and going concern basis.

6.6 PARENT COMPANY FINANCIAL DATA OVER THE FIVE LAST YEARS (UNDER ARTICLES R. 225-81 AND R. 225-102 OF THE FRENCH COMMERCIAL CODE)

Type of information *(in euros except number of shares and number of employees)*	**2018**	**2019**	**2020**	**2021**	**2022**
I – FINANCIAL POSITION AT YEAR END					
a. Share capital	N/A	N/A	N/A	10 000	273 340 958
b. Number of shares issued	N/A	N/A	N/A	1 000	546 681 915
c. Maximum number of shares to issue in the future:					
• Share-based payment	N/A	N/A	N/A	0	0
• Free and performance shares	N/A	N/A	N/A	0	0
II – STATEMENTS OF OPERATIONS					
a. Revenues (excluding VAT)	N/A	N/A	N/A	0	11 157 249
b. Profit (Loss) before tax, amortization and provisions	N/A	N/A	N/A	2 575	-15 924 987
c. Income tax expense	N/A	N/A	N/A	46	33
d. Profit (Loss) after tax, amortization and provisions	N/A	N/A	N/A	2 528	-1 131 206 314
e. Dividend paid and distributions	N/A	N/A	N/A	0	0
III – EARNINGS (LOSS) PER SHARE					
a. Profit (Loss) after tax, but before amortization and provisions	N/A	N/A	N/A	2,58	(0,03)
b. Profit (Loss) after tax, amortization and provisions	N/A	N/A	N/A	2,53	(2,07)
c. Dividend paid and distributions	N/A	N/A	N/A	0,00	0,00
IV – EMPLOYEES					
a. Average number of employees	N/A	N/A	N/A	0	25
b. Wages and salaries	N/A	N/A	N/A	0	879 602
c. Social security costs	N/A	N/A	N/A	0	416 162

6.

6.7 REPORT OF THE STATUTORY AUDITORS ON THE PARENT COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual General Shareholders' Meeting of Technicolor Creative Studios,

OPINION

In compliance with the engagement entrusted to us by the shareholders at the Shareholders' General Meeting, we have audited the accompanying parent company financial statements of TECHNICOLOR CREATIVE STUDIOS for the year ended December 31, 2022.

In our opinion, the parent company financial statements for the year give a true and fair view of the financial position, the assets and liabilities, and the results of the Company, in accordance with generally accepted accounting principles in France.

The opinion formulated above is consistent with the content of our report to the Audit Committee.

BASIS OF OUR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the information that we collected provides a sufficient and appropriate basis for our opinion.

Our responsibilities under those standards are stated in the "Responsibilities of the Statutory Auditors in relation to auditing the parent company financial statements" section of this report.

Independence

We conducted our audit, in accordance with the independence rules laid out in the French Commercial Code (Code de commerce) and in the code of conduct of the statutory audit profession in France, between 1 January 2022 and the date on which we issued our report, and in particular we did not provide any services forbidden by Article 5, paragraph 1 of Regulation (EU) 537/2014.

OBSERVATION

Without questioning the opinion presented above, we would like to draw your attention to the context in which the Board has approved the annual financial statements according to the going concern principle as explained in Note 1.1.7 to the statutory financial statements.

Justification of our assessments – Key audit matters

As required by Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters, relating to what were, in our professional judgment, the main risks of material misstatement in relation to our audit of the year's statutory financial statements, and our responses to those risks.

Those assessments were made in the context of our audit of the statutory financial statements taken as a whole and in the formation of our opinion stated above. We express no opinion on items of the statutory financial statements taken in isolation.

LIQUIDITY RISK ASSESSMENT

Notes 1.1.7 and 8 to the statutory financial statements

Description of the risk

As of December 31, 2022, the available cash and cash equivalents of the Group amounts to €31 million. As of December 31, 2022, the indebtedness (composed of financial debt and lease debt) of the Group is of €608 million at year-end.

As described in the note 8.2.2 "Key terms of the credit agreement" of the notes to the parent company financial statements, Technicolor Creative Studios entered into a credit agreement on September 15, 2022, prior to the spin-off of the group from Vantiva (previously Technicolor Group). The nominal amount of this credit agreement amounts to €564 million, excluding the revolving credit facility as of December 31, 2022.

The Group's committed credit line consists of a facility in an amount of €40 million which matures in 2026. This facility was fully drawn at December 31, 2022.

As of December 2022, the debt instruments of the Group contain financial covenants tested on June 30 and December 31 starting in 2023. The occurrence of a covenant break represents a case of default, following which a simple majority of lenders can require the debt agent to declare it immediately due and payable.

On March 8, 2023, and as described in the note 1.1.7 "Refinancing and going concern basis", Technicolor Creative Studios announced it has reached an agreement in principle on a new financing structure which includes a €170 million new money injection that will be available for a part in late March or early April 2023 and for the remaining part by the end of June 2023. The agreement in principle includes, as well, a restructuration of the current financing for an aggregate of amount of €200 million.

In this context and considering that the management's assumptions are essential for the cash forecasts, we have considered the liquidity risk as a key audit matter.

Audit work performed

The note 1.1.7 "Refinancing and going concern basis" of the statutory financial statements refers to the application of the going concern principle and the underlying cash forecast assumptions to meet the Group's future liquidity needs. We have examined the plans implemented and expected by the management to ensure its going concern. In the scope of our work, we have:

- Assessed the consistency of operational activity assumptions adopted by the group, for the establishment of the budget prepared by the management and approved by the board meeting on March 9, 2023;
- Examined the budget review performed by an external independent counsel assisting the group in its cash forecasts and budget processes;
- Assessed the consistency of cash forecasts with the operational activity assumptions. These forecasts include the impacts related to the new financing agreed in principle and its impact on the repayment maturities of the financial debt;
- Questioned the management concerning its knowledge of subsequent events following the 2022 closing, which could affect the group's liquidity;
- Verified the appropriate level of information provided in the statutory financial statements.

VALUATION OF SHARES IN SUBSIDIARIES

Note 6 to the statutory financial statements

Description of the risk

Shares in subsidiaries, which mainly concerns the shares of the company TECH 6, represent one of the most significant item as of the December 31, 2022 in the balance sheet with a net amount of €331 million, which represents 36% of total assets. They are recorded at their historical acquisition cost and impaired based on their value in use.

As indicated in note 6 and depending on each case, the value in use of investments in subsidiaries is based on the portion of equity hold by Technicolor Creative Studios SA or on their recoverable value.

When the value in use of such investments is less than their gross value, a valuation allowance is set up for the difference. Provisions for current accounts and loans are booked if the net financial position is negative. In addition, a provision for risk is recorded for the remaining net negative balance. For the year 2022 a depreciation of TECH 6 shares value of €1,111million has been booked.

The economic environment in which the Group operates is rapidly changing. The subsidiaries can therefore experience changes in their activity with a negative impact on operating income and on their forecast.

In this context and given the significant amount of shares in subsidiaries of Technicolor Creative Studios accounts, we considered the valuation of shares in subsidiaries to be a key audit matter.

Audit work performed

To assess the reasonableness of the value in use of the shares in subsidiaries, based on the information communicated to us, our work mainly consisted in:

- Verifying that shares in subsidiaries acquired over the period are recorded at their acquisition cost
- Analyzing the procedures implemented by the Group management to realize their impairment test and assess the recoverable value of TECH 6 shares
- Obtaining the cash flow forecasts established by the Management for TECH 6 and its subsidiaries and appreciating their consistency with the forecast data used in the context of impairment tests in the consolidated financial statements, and verifying the consistency of the assumptions made by the management
- Testing the arithmetical accuracy of the value of shares calculation.

SPECIFIC VERIFICATION

We also verified, in accordance with the professional standards applicable in France and as required by laws and regulations:

Information provided in the management report of the Board of Directors and in other documents concerning the financial position and parent company financial statements addressed to the shareholders

We would like to make the following observation regarding the information given in the management report of the Board of Directors and in the documents concerning the financial position and parent company financial statements addressed to the shareholders: the management report of the Board of directors does not specify that the loss for the year results in the shareholders' equity falling below half of the share capital and that the Board of Directors needs to convene an Extraordinary General Meeting within four months following the approval of the financial statements in order to decide whether or not to dissolve the company.

We attest to the fair presentation and the consistency with the parent company financial statements of the information given with respect to the payment terms referred to in Article D.441-6 of the French Commercial Code.

Since, as of the date of this report, the Board of Directors had yet to approve the draft resolutions to be submitted to the Shareholders' Meeting, we did not obtain this document. We were therefore unable to verify the draft resolutions as provided for in Article L.823-10 of the French Commercial Code.

Report corporate governance

We confirm that the management report of the Board of Directors devoted to corporate governance contains the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

As regards the information provided pursuant to the provisions of Article L.22-10-9 of the French Commercial Code on remuneration and benefits paid to and commitments made to the company officers, we have verified that this information is consistent with the parent company financial statements or the data used to prepare the parent company financial statements, and, where applicable, the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we confirm that this information is accurate and fairly presented.

As regards information relating to items that your Company considered capable of having an impact in the event of a public tender or exchange offer, provided in accordance with Article L.22-10-11 of the French Commercial Code, we have checked that it is consistent with the documents from which it originates and that were sent to us. On the basis of our work, we have no observations to make on that information.

Other information

As required by law, we have satisfied ourselves that information relating to the acquisition of shares and control and the identity of owners of capital and voting rights has been provided to you in the management report of the Board of Directors

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

Format of statutory financial statements to be included in the annual financial report

We also verified, in accordance with professional standards for statutory audit procedures to be carried out on parent company and consolidated financial statements presented in the single electronic reporting format, that the presentation of parent company financial statements to be included in the annual financial report referred to in section I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the format specified in Commission Delegated Regulation (EU) 2019/815 of December 17, 2018.

Based on our work, we conclude that the presentation of the parent company financial statements to be included in the annual financial report complies, in all material aspects, with the European Single Electronic Format.

However, it is not our responsibility to verify that the parent company financial statements ultimately included by your Company in the annual financial report filed with the AMF correspond to those on which we performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We have been appointed as Statutory Auditors of Technicolor Creative Studios by decision of the sole shareholder of April 12, 2022.

At December 31, 2022, Deloitte & Associés and Mazars were in their 1st year of engagement.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS INVOLVED IN CORPORATE GOVERNANCE IN RELATION TO THE STATUTORY FINANCIAL STATEMENTS

Management is responsible for preparing parent company financial statements that present a true and fair view, in accordance with generally accepted accounting principles in France, and for setting up the internal controls it deems necessary for preparing parent company financial statements that do not contain any material misstatements, whether due to fraud or error.

When preparing the parent company financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, for presenting in those statements any necessary information relating to its status as a going concern, and for applying the accounting concept of going concern, except where there is a plan to liquidate the Company or discontinue its operations.

The Audit Committee is responsible for monitoring the process of preparing the financial information and for monitoring the effectiveness of internal control and risk management systems, and internal audit systems as the case may be, as regards procedures relating to the preparation and treatment of accounting and financial information. The parent company financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS IN RELATION TO AUDITING THE STATUTORY FINANCIAL STATEMENTS

Audit objective and procedure

Our responsibility is to prepare a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the parent company financial statements, taken as a whole, are free of material misstatement. Reasonable assurance means a high level of assurance, although there is no guarantee that an audit conducted in accordance with professional standards will systematically detect all material misstatements. Misstatements may arise from fraud or error and are regarded as material when they can reasonably be expected, individually or together, to influence the economic decisions that users of the financial statements take on the basis of those statements.

As stated by Article L.823-10-1 of the French Commercial Code, our audit assignment does not involve guaranteeing the viability of your Company or the quality of its management.

When conducting an audit in accordance with professional standards in France, Statutory Auditors use their professional judgment throughout the audit.

In addition:

- They identify and assess the risks that the parent company financial statements contain material misstatements, whether through fraud or error, define and implement audit procedures to address those risks, and collect information that they regard as sufficient and appropriate as the basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, falsification, voluntary omissions, false statements or the circumvention of internal controls.
- They familiarize themselves with the internal controls relevant to the audit, in order to define audit procedures appropriate to the situation in hand, and not in order to express an opinion on the effectiveness of internal control.
- They assess the appropriateness of accounting policies adopted and the reasonableness of accounting estimates made by Management, along with information about those estimates provided in the parent company financial statements.
- They assess whether Management has applied appropriately the going concern convention and, based on information collected, whether or not there is a material uncertainty arising from events or circumstances likely to call into question the Company's ability to continue as a going concern. That assessment is based on information collected until the date of the auditors' report, although it should be borne in mind that subsequent circumstances or events may call into question the Company's status as a going concern. If the Statutory Auditors conclude that there is a material uncertainty, they draw the attention of those reading their report to information provided in the parent company financial statements in relation to that uncertainty or, if that information is not provided or is not relevant, they certify the financial statements with reservations or refuse to certify them.
- They assess the overall presentation of the parent company financial statements and assess whether the parent company financial statements reflect the underlying operations and events so that they give a true and fair view.

Report to the Audit Committee

We submit a report to the Audit Committee that includes the extent of audit work and the schedule of work performed, along with the conclusions arising from our work. We also make it aware, as the case may be, of any material internal control weaknesses that we have identified regarding procedures for preparing and treating accounting and financial information.

The information in the report to the Audit Committee includes what we regard as the main risks of material misstatements with respect to the audit of the year's parent company financial statements, and which are therefore the key audit matters. It is our role to describe those points in the present report.

We also provide the Audit Committee with the declaration provided for by Article 6 of Regulation (EU) 537/2014 confirming our independence, within the meaning of the rules applicable in France, as determined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the code of conduct of the statutory audit profession in France. As the case may be, we discuss with the Audit Committee any risks to our independence and the safeguard measures applied.

Courbevoie and Paris La Défense, March 30, 2023

The Statutory Auditors
French original signed by

Mazars
Jean-Luc Barlet
Charlotte Grisard

Deloitte & Associés
Bertrand Boisselier

6.8 STATUTORY AUDITORS

6.8.1 TABLE OF STATUTORY AUDITORS' FEES

For a detailed table of Statutory Auditors' fees, please refer to note 15 to the Group's consolidated financial statements.

6.8.2 STATUTORY AUDITORS

Deloitte & Associés – Tour Majunga, 6 place de la Pyramide, 92908 Paris – La Défense represented by Mr. Bertrand Boisselier.

Mazars – Tour Exaltis, 61 rue Henri-Regnault, 92400 Courbevoie represented by Mr. Jean-Luc Barlet and Mrs. Charlotte Grisard.

STARTING DATE OF STATUTORY AUDITORS' FIRST MANDATE

Deloitte & Associés: 2022.

Mazars: 2022.

DURATION AND EXPIRATION DATE OF THE STATUTORY AUDITORS' MANDATE

Deloitte & Associés was appointed by a decision of the sole shareholder of the Company on 12 April 2022 for a term of six financial years until the general shareholders' meeting called to approve the financial statements for the fiscal year ending 31 December 2027.

Mazars was appointed by a decision of the sole shareholder of the Company on 12 April 2022 for a term of six financial years until the general shareholders' meeting called to approve the financial statements for the fiscal year ending 31 December 2027.

7. ADDITIONAL INFORMATION

A **REGISTERED OFFICE** *at the* **HEART OF PARIS**

SHARES *included in CAC Small, CAC Mid & Small and CAC All-Tradable Indices.*

26 **SUBSIDIARIES** *and companies accounted for under the equity method*

7.1 COMPANY PROFILE

Legal and business name: TECHNICOLOR CREATIVE STUDIOS

Registered office:

8-10, rue du Renard

75004 Paris

France

Tel.: +33 (0)1 88 24 30 00

E-mail: assembleegenerale@technicolor.com

Website: www.technicolorcreative.com (the information on the website does not form part of this Universal Registration Document)

Domicile, legal form and applicable legislation: Technicolor Creative Studios is a French corporation *(société anonyme)*, governed by the French Commercial Code, by all laws and regulations pertaining to corporations, and its by-laws.

The Company is registered with the Trade Registry *(Registre du commerce et des sociétés)* of Paris under No. 892 239 690. Its APE Code, which identifies a Company's type of business and activities, is 6420Z, corresponding to the activity of holding companies.

Date of incorporation and term of the Company: Technicolor CReative Studios was formed on December 21, 2020. It was registered on for a term of 99 years, expiring on December 20, 2119.

Fiscal year: January 1 to December 31.

Stock Exchange: Technicolor Creative Studios is listed on the Euronext Paris exchange (symbol: TCHCS).

For more information, please refer to Chapter 1: "Presentation of the Group", section 1.4: "Share capital and shareholding" of this Universal Registration Document.

Activity: Technicolor Creative Studios is a global leading independant provider of creative visual arts services. The Group specialises in VFX and through its award-winning teams and artists and technoclogists partners with the creative community across Feature Film, Episodic, Animation, Brand Experience & Advertising, and Gaming to bring the universal art of visual storytelling to audiences everywhere.

In fiscal year 2022, Technicolor Creative Studios generated consolidated revenues from continuing operations of €784 million. As of December 31, 2022, the Group had approximately 11,800 employees in 11 countries.

7.2 LISTING INFORMATION

7.2.1 MARKETS FOR THE COMPANY'S SECURITIES

The Company's shares are listed on Euronext Paris (Compartment A), under the designation "Technicolor Creative Studios", ISIN Code FR001400BWV7, with the trading symbol TCHCS (LEI code: 54930064SP2SSEVKFJ48).

The Company's shares are eligible for the Long-only Deferred Settlement Service. With this service, the purchaser may on the determination date, which is the fifth trading day prior to the last trading day of the month, inclusive, either (i) settle the trade no later than the last trading day of such month, or (ii) upon payment of an additional fee, extend to the determination date of the following month the option either to settle no later than the last trading day of such month or postpone again the selection of a settlement date until the next determination date. Such option may be maintained on each subsequent determination date upon payment of an additional fee.

Equity securities traded on a deferred settlement basis are considered to be transferred only after they are registered in the purchaser's account. Under French securities regulations, any sale of a security traded on a deferred settlement basis during the month of a dividend payment date is deemed to occur after the dividend has been paid. Thus, if the deferred settlement sale takes place during the month of a dividend payment, but before the actual payment date, the purchaser's account will be credited with an amount equal to the dividend paid and the seller's account will be debited by the same amount.

Prior to any transfer of securities listed on Euronext Paris held in registered form, the securities must be converted into bearer form and accordingly recorded in an account maintained by an intermediary accredited with Euroclear France SA, a registered central security depositary. Trades of securities listed on Euronext Paris are cleared through LCH Clearnet and settled through Euroclear France SA using a continuous net settlement system.

In France, the Company's ordinary shares are included in the CAC Small, CAC Mid & Small and CAC All-Tradable Indices.

7.2.2 LISTING ON EURONEXT PARIS

On September 27, 2022, Technicolor Creative Studios began operating as a standalone company, following the distribution of 65% of its shares by Technicolor to its shareholders and the concurrent listing on Euronext Paris (under the ticker symbol "TCHCS"). The technical reference price for each Technicolor Creative Studios' share (amounting to €1.9539 per share) for the opening of the trading session was confirmed by a notice published by Euronext Paris on September 26, 2022.

The tables below set forth, for the indicated periods, the high and low prices (in euros) for Technicolor's outstanding shares on Euronext Paris.

	Euronext Paris					
	Volume of transactions			Share price (in euros)		
Last six months	*(in million euros)*	Number of shares	Average volume	Closing price	Highest price	Lowest price
2022						
September (as from Sept. 27, 2022)	3,769,267	2,078,157	639,846	1.95	1.99	1.40
October	6,533,207	3,760,627	311,105	1.73	1.98	1.57
November	9,909,646	24,091,826	1,095,083	0.91	1.63	0.23
December	3,428,419	13,436,776	639,846	0.25	0.29	0.22
2023						
January	3,727,378	12,851,644	584,166	0.23	0.37	0.21
February	2,355,998	11,305,456	565,273	0.19	0.27	0.18

Source: Euronext.

7.3 NOTIFICATION OF INTERESTS ACQUIRED IN FRENCH COMPANIES IN 2021 AND 2022

7.3.1 NOTIFICATION OF INTERESTS ACQUIRED IN THE SHARE CAPITAL OF FRENCH COMPANIES IN 2022

In compliance with Article L. 233-6 of the French Commercial Code, the Company notifies that it acquired the following interests in any French company in 2022:

- 100% of the share capital and voting rights of Tech 6, a French société par actions simplifié, with a share capital of 666,439,380.00, whose registered office is located at 8-10, rue du Renard, 75004 Paris and registered with the Paris Trade and Companies Register under number 817 897 465. More specifically, the Company acquired 21.20% of Tech 6's shares from Vantiva SA (former Technicolor SA) under a share purchase agreement, the remaining 78.80% being transferred by Vantiva SA (former Technicolor SA) to the Company as a contribution in kind.

7.3.2 NOTIFICATION OF INTERESTS ACQUIRED IN THE SHARE CAPITAL OF FRENCH COMPANIES IN 2021

In compliance with Article L. 233-6 of the French Commercial Code, the Company notifies that it acquired no interests in any French company in 2021.

7.

7.4 MEMORANDUM AND BY-LAWS

This section contains the information required by item 19.2: "Memorandum and Articles of Association" of Annex 1 of Commission delegated Regulation n° 2019/980 of March 14, 2019.

Copies of the Company's by-laws in French are available from the Trade Registry of Paris, France.

7.4.1 CORPORATE PURPOSE

"The Company's purpose is, directly or indirectly, in France and in any other country consists in:

- the acquisition of equity holdings or interests in any undertakings of any nature in any form whatsoever, whether in existence or to be created;
- the acquisition, management and disposal of any and all real property assets and rights and any and all financial instruments, and the execution of any and all financing transactions;
- the acquisition, assignment and use of any and all intellectual property rights, licences or processes;
- the manufacture, purchase, import, sale and export, anywhere, of any and all equipment and products, as well as the provision of any and all services.

It may act directly or indirectly, for its own account or for the account of third parties, whether alone or through ownership interest, agreement, association or company, with any other legal entity or individual, and carry out, in France or abroad, in any form whatsoever, any and all financial, commercial, industrial, real property or personal property transactions within the scope of its corporate purpose or involving similar or related matters" (Article 2 of the by-laws).

7.4.2 BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEMBERS

Information relating to administrative bodies can be found in Chapter 4: "Corporate governance and compensation", section 4.1: "Corporate governance" of this Universal Registration Document.

7.4.3 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

VOTING RIGHTS

"Each shareholder has as many votes as the number of shares such shareholder owns or represents. Pursuant to article L. 22-10-46 of the French Commercial Code, double voting rights are not attributed to shares for which proof of two years of ownership in registered form by the same shareholder has been provided" (Article 10 of the by-laws).

Under French law, treasury shares are not entitled to voting rights.

OTHER RIGHTS OF SHAREHOLDERS

"In addition to the right to vote that is attributed by law, each share gives the right to the ownership of the corporate assets, to share in the profits, and to the liquidation proceeds, in an amount equal to the portion of the share capital represented by such share.

Whenever it may be necessary to own a certain number of shares in order to exercise a right, it is the responsibility of the shareholders who do not own an adequate number of shares, as the case may be, to group their shares in the amount necessary.

The rights and obligations attaching to the shares remain with the shares whoever owns them. The ownership of a share entails, by operation of law, adherence to the by-laws of the Company and to the decisions of the General Shareholders' Meeting and the Board of Directors, acting by delegation of the General Shareholders' Meeting" (Article 10 of the by-laws).

7.4.4 ACTIONS NECESSARY TO CHANGE THE RIGHTS OF SHAREHOLDERS

Any amendment to the by-laws must be voted in or authorized by the Shareholders' Meeting under the conditions of quorum and majority required by the laws or regulations in force for Extraordinary Shareholders' Meetings (Article 19.6 of the by-laws).

7.4.5 SHAREHOLDERS' MEETINGS

NOTICE OF SHAREHOLDERS' MEETINGS

"General meetings of the shareholders are convened and deliberate as provided for in applicable laws and regulations" (Article 19 of the by-laws).

ATTENDANCE AND VOTING AT SHAREHOLDERS' MEETINGS

"Every shareholder has the right, upon providing proof of identity, to participate in general meetings of the shareholders, by attending in person, by returning a correspondence voting form, by appointing a proxy, or, as the case may be and as provided below, by voting electronically at the meeting.

Such participation, in any form whatsoever, is subject to the shares having been registered or recorded, either in the registered share accounts kept by the Company, or in bearer share accounts kept by an authorised intermediary, within the time limits and as provided for by applicable regulations. In the case of bearer shares, this registration or recording of the shares is confirmed by a shareholding certificate issued by the authorised intermediary" (Article 19 of the by-laws).

7.4.6 BY-LAWS REQUIREMENTS FOR HOLDINGS EXCEEDING CERTAIN PERCENTAGES

"For as long as the Company's shares are admitted to trading on a regulated market, besides the declarations of crossing of thresholds expressly provided for by applicable laws and regulations, any individual or legal entity, acting alone or in concert, who or which comes to own, whether directly or indirectly, a number of shares or voting rights (calculated in accordance with the provisions of articles L. 233-7 and L. 233-9 of the French Commercial Code and with the provisions of the General Regulations of the French Financial Markets Authority, the Autorité des Marchés Financiers) representing 0.5% or more of the total number of the Company's shares or voting rights, or any multiple of that percentage, including over and above the thresholds provided for by applicable laws and regulations, must notify the Company of the total number of (i) shares and voting rights they own, whether directly or indirectly, and whether alone or in concert, (ii) securities giving access in the future to the Company's share capital that they own, whether directly or indirectly, and whether alone or in concert, and voting rights that may potentially be attached thereto, and (iii) shares already issued that the individual or legal entity may acquire pursuant to an agreement or via a financial instrument referred to in article L. 211-1 of the French Monetary and Financial Code. This obligation is governed by the same provisions as those governing the legally-prescribed disclosure obligation, including the regulatory provisions defining the scope of the information that must be transmitted to the Company concerning the identity of the declarant, and, where applicable, that of the persons acting in concert with it and/or that of the entities through which the shares and voting rights are held. The threshold crossing declaration must be made within the same time limit as that for the legally prescribed disclosure obligation, sent by registered letter with acknowledgement of receipt, indicating whether the shares or the voting rights are held for the account of, under the control of, or in concert with other legal entities or individuals. An additional declaration is required for each additional holding of 0.5% of the share capital or voting rights, without limitation.

This disclosure obligation also applies within the same time limits and under the same conditions, when the equity interest or the voting rights fall below the thresholds mentioned in the preceding paragraph.

In the event of a failure to comply with the aforementioned disclosure obligation, the shareholder may, under the conditions and within the limits defined by applicable laws and regulations, be deprived of the right to vote in respect of the shares exceeding the relevant threshold. This penalty is independent of any penalty that may be decided by judicial decision further to a request from the Chairperson, a shareholder or the French Financial Markets Authority (Autorité des Marches Financiers - AMF).

For the purposes of determining the thresholds referred to above, shares or voting rights held indirectly and shares or voting rights associated with the shares or voting rights held as defined by the provisions of Articles L. 233-7 et seq. of the French Commercial Code, are taken into account.

The Company reserves the right to bring to the notice of the public and the shareholders the information disclosed to it or the fact that the aforementioned obligation has not been complied with by the relevant person or entity." (Article 8.2 of the by-laws).

7.5 MATERIAL CONTRACTS

The material contracts to which the Company or any member of the Group was a party in the past two years are the Reinstated Facilities Agreement, the New Money Credit Facility Agreement, the Bridge Notes Subscription Agreement and the Convertible Notes Subscription Agreement presented below and the Transitional Services Agreement presented below.

As part of the process of negotiation of the refinancing resulting in the agreements described below, the Company shared financial figures and assumptions with some of its shareholders and lenders who are participating in and/or supporting the transactions. The figures given for 2023 to 2025 were established in the context of the discussions on the refinancing, in no case they should constitute a guidance, nor forecasts of any kind.

- Overall demand is expected to continue to grow throughout the period.
- Despite benefits from Re*Imagined actions implemented starting in Q4 2022 are expected to materialize progressively over the year, for 2023: adjusted EBITDA after lease is to remain slightly positive but below 2022 levels, with results continuing to be impacted by additional costs to deliver major client projects coming from our last year operational issues.
- For 2024: sharp rebound in revenues and adjusted EBITDA after lease not to exceed €110 million mostly driven by benefits from actions to improve operations at MPC and the Mill. Mikros Animation to continue to be awarded with multiple new projects and Technicolor Games to continue to gain market shares.
- The Company is to continue to grow and expects a return to a normalized profitability in 2025

REINSTATED FACILITIES AGREEMENT

On September 15, 2022, the Company and Technicolor Creative Services USA, Inc. (“**TCS USA**”) have received, respectively, a c. €564 million senior secured first lien term loan (the “**Initial Euro Term Loan Facility**”) and a $ 60 million senior secured first lien term (the “**Initial Dollar Term Loan Facility**” and together with the Initial Euro Term Loan Facility, the “**Initial Term Loan Facility**”) pursuant to a credit agreement governed by the law of the State of New York (the “**Initial Facilities Agreement**”) entered into on September 15, 2022 between, among others, the Company as parent borrower, TCS USA as co-borrower and Goldman Sachs Bank Europe SE as administrative agent and collateral agent.

In addition, pursuant to the Initial Facilities Agreement, the Company and TCS USA have received a €40 million super senior secured first lien revolving facility (the “**Initial Revolving Credit Facility**”, and together with the Initial Term Loan Facility, the “**Initial Facilities**”).

On 20 January 2023, a conciliation proceeding (*procédure de conciliation*) has been opened in favour of the Company in order to address the Company’s and its subsidiaries’ (the “**Group**”) liquidity shortage.

The conciliation proceeding led to the execution, on March 27, 2023, of a conciliation agreement (*protocole de conciliation*) between, among others the Company, its main shareholders and the lenders under the Initial Facilities Agreement. Such conciliation agreement has been approved by the court on March 29, 2023.

In order to implement the conciliation agreement, the Company and the lenders under the Initial Facilities entered into an umbrella agreement on April 1, 2022 pursuant to which (i) TCS USA’s rights and obligations under the Initial Dollar Term Loan Facility have been transferred to the Company, (ii) the Initial Euro Term Loan Facility (hereafter, the “**Reinstated Euro Term Loan Facility**”), the Initial Dollar Term Loan Facility (hereafter, the “**Reinstated Dollar Term Loan Facility**”, together with the Reinstated Euro Term Loan Facility, the “**Reinstated Term Loan Facility**”) and the Initial Revolving Credit Facility (hereafter the “**Reinstated Revolving Credit Facility**” and together with the Reinstated Term Loan Facility, the “**Reinstated Facilities**”) have been amended as follows and (iii) the Initial Facilities Agreement (hereafter the “**Reinstated Facilities Agreement**”) has been amended and reinstated as follows.

Purpose

The Reinstated Revolving Credit Facility may be used through advances denominated in Dollars, Euros, Canadian Dollars, Great British Pounds or other agreed currencies. It may not be used through the issuance of letters of credit.

The proceeds of the Reinstated Revolving Credit Facility will be used for the financing of working capital and other general corporate purposes of the Company and its subsidiaries.

The proceeds of the Initial Term Loan Facility was applied, among others, (i) to finance the purchase price of the shares of Tech 6 SAS to be paid by the Company to Vantiva SA (formerly named Technicolor SA) in the context of the internal reorganization to be completed prior to the spin-off, the remaining shares being contributed to the Company on the same date being September 15, 2022 (the “Closing Date”)), (ii) to repay intragroup advances owed by the Company to Vantiva SA (formerly named Technicolor SA) and (iii) pay a portion of the costs related to the purchase and contribution of Tech 6 SAS by the Company. There is no longer drawing available under the Reinstated Term Loan Facility.

Maturity date

The Reinstated Revolving Credit Facility matures on July 31, 2026.

The Reinstated Term Loan Facility matures on September 15, 2026. There is no amortization of the Reinstated Term Loan Facilities.

Interest and fees

The rate of interest applicable to the Reinstated Facilities is calculated as a percentage per annum equal to:

(i) In respect of the Reinstated Revolving Credit Facility:

- Cash interest rate: Euribor (0% floor) or Term SOFR (0% floor) or CDOR 0% floor) or SONIA 0% floor) + 2.0%
- PIK: 3.5% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €110,000,000)

(ii) In respect of the Reinstated Euro Term Loan Facility:

Until June 30, 2024:

- Cash interest rate: Euribor (0% floor) + 0.5%
- PIK interest rate: 5.5% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €140,000,000)

Thereafter:

- Cash interest rate: Euribor (0% floor) + 2.0%
- PIK interest rate: 4.0% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €140,000,000)

(iii) In respect of the Reinstated Dollar Term Loan Facility:

Until June 2024:

- Cash interest rate: Term SOFR (0% floor) + 0.5%
- PIK interest rate: 7.0% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €140,000,000)

Thereafter:

- Cash interest rate: Term SOFR (0% floor) + 2.0%
- PIK interest rate: 5.5% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €140,000,000)

The duration the interest periods is one (1), three (3) or six (6) months.

The Company shall also pay a commitment fee equal to 35% of the applicable [cash] margin under the Reinstated Revolving Credit Facility, on the average daily unused portion of the Reinstated Revolving Credit Facility, payable quarterly in arrears commencing from the Closing Date, calculated based upon the actual number of days elapsed over a 360-day year.

Mandatory prepayments

The Reinstated Facilities Agreement requires mandatory prepayments of the Reinstated Facilities:

in full (*x*) in case of change of control or sale of all or substantially all of the assets of the Group or (y) in case the Second Drawdowns (as defined in sub-section "Amount and Drawing" of section "New Money Credit Facility Agreement") are not made available in full;

in part, in case of illegality, asset disposal, receipt of insurance proceeds or (but only in respect of the Reinstated Revolving Credit Facility) excess cash flow.

In case of partial prepayment triggered by assets disposal, receipt of insurance proceeds and excess cashflow, the proceeds will be applied in the following order:

firstly, towards the prepayment and cancellation of the Reinstated Revolving Credit Facility,

secondly, towards the New Money Credit Facility and (if some holders of the Convertible Notes have elected a cash early redemption of the Convertible Notes) the Convertible Notes, in each case on a *pari passu* and *pro rata* basis,

thirdly (except in case of excess cashflow prepayment), towards the Reinstated Term Loan Facility.

Voluntary prepayment

Voluntary prepayment and voluntary cancellation of the Reinstated Revolving Credit Facility may be made, subject to payment of customary break costs.

Amounts under the Reinstated Revolving Credit Facility may be borrowed, repaid and re-borrowed to fund working capital needs without premium or penalty, other than customary "breakage" costs, if applicable.

Voluntary prepayment of the Reinstated Term Loan Facility may be made, subject to payment of customary break costs.

No amounts under the Reinstated Term Loan Facility, once repaid, may be re-borrowed.

Guarantee and security interests (sûretés réelles)

Subject to certain agreed security principles and limitations and exceptions (including any applicable guarantee limitation), all obligations of the Company under the Reinstated Facilities are unconditionally guaranteed jointly and severally by certain, direct or indirect, wholly-owned, material subsidiaries of the Company (the "**Guarantors**"), but excluding any material subsidiaries incorporated or formed in India, China or South Korea.

Subject to certain agreed security principles and customary limitations and exceptions, the obligations of the Company as borrower (the "**Borrower**") and the Guarantors under the Reinstated Facilities Agreement will be secured by first ranking security interest on substantially all existing and future assets and properties of the Borrower and Guarantors (subject to certain exceptions), including security interest over:

(*x*) all of the shares of each Guarantor and each direct, wholly-owned subsidiary of each Guarantor to the extent such subsidiaries are incorporated in France, United States of America, United Kingdom, Canada, Australia, The Netherlands and Germany (for the avoidance of doubt, the capital stock of the Company will not be pledged), (*y*) receivables under intra-group loans and/or advances (including under cash pooling agreement) and (*z*) header bank accounts used for cash pooling arrangements, and as the case may be, accounts receivable, inventory, material fee owned real property, machinery, equipment, contracts, trademarks, copyrights, software, patents, license rights, deposit accounts and general intangibles,

it is specified that the security interest over the shares of Mikros Image SAS is a *fiducie-sûreté* and on the date of the Second Drawdowns, (after the consultation of the extraordinary meeting of the Company's shareholders) a *fiducie-sûreté* will be granted by the Company over the shares of Tech 6.

The security interest securing the Reinstated Revolving Credit Facility will be first ranking security interest *pari passu* with the security interest securing the New Money Credit Facility (as defined in section "New Money Credit Facility Agreement" below) and the Bridge Notes (or, as from the issue of the Convertible Notes, the Convertible Notes).

The security interests securing the Reinstated Term Loan Facility will be second ranking security interests.

Covenants, representations and warranties and events of default

The Reinstated Facilities Agreement subjects the Company to a number of covenants that restrict, subject to certain exceptions, the Company's ability and the ability of its subsidiaries to, among others: (1) incur additional indebtedness; (2) create liens; (3) effect mergers, liquidations, dissolutions and corporate restructuration; (4) sell and otherwise dispose of assets; (5) pay dividends and effect stock repurchases or redemptions of equity interests; (6) make acquisitions and investments; (7) grant loans or guarantees; (8) maintain holding company status.

The Reinstated Facilities Agreement also contains customary affirmative covenants, representations and warranties, and events of default for facilities of this type.

Financial covenants

The Reinstated Facilities Agreement requires that the consolidated cash, cash equivalent investments of the Group and all undrawn amounts under any working capital or overdraft facility that is immediately available (including any undrawn amount under the Reinstated Revolving Credit Facility) to the Group exceeds a minimum threshold. This covenant will be tested at the end of each month starting June 2023.

The Reinstated Facilities Agreement also contains a financial covenant requiring compliance with a maximum ratio (the "**Leverage Ratio**") of (a) the Total Net Debt to (b) the EBITDAal from continuing operations of the Company and its subsidiaries as follows. The Leverage Ratio will be tested at the end of each financial quarter and from the first time at the end of June 2025.

In addition, the Reinstated Facilities Agreement require a maximum level of capital expenditure for the financial year ending o 31 December 2025.

Governing law and jurisdiction

The Reinstated Facilities Agreement is governed by English law and subject to the exclusive jurisdiction of the *Tribunal de commerce* of Paris.

Equitization of part of the Reinstated Term Loan Facility

In accordance with the conciliation agreement, on the date of the Second Drawdowns (as defined in sub-section "Amount and Drawing" of section "New Money Credit Facility Agreement" above), a principal amount of the Reinstated Term Loan Facility equal to €170,000,000 will be converted into equity (after the approval of the extraordinary general meeting of the Company having been obtained).

Conversion of part of the Reinstated Term Loan Facility

In accordance with the conciliation agreement, on the date of the Second Drawdowns (as defined in sub-section "Amount and Drawing" of section "New Money Credit Facility Agreement" above), a principal amount of the Reinstated Term Loan Facility equal to €170,000,000 will be converted into a subordinated loan bearing PIK interests at a rate per annum equal to 0.5% and with an initial 10-year maturity (with unlimited option by successive 2-year periods at the option of the Company).

This subordinated loan will be unsecured and contractually subordinated to the Reinstated Facilities, the New Money Credit Facility and the Convertible Notes but senior to equity (including equity arising from conversion of Convertibles Notes).

NEW MONEY CREDIT FACILITY AGREEMENT

Amount and Drawing

On March 31, 2023 the Company has received from French and non-French financial institutions commitments for a c. €109 million term loan facility (the "**New Money Euro Term Loan Facility**" and a $ c. 12 million term loan facility (the "**New Money Dollar Term Loan Facility**", and together with the New Money Euro Term Loan Facility, the "New Money Facility") pursuant to a credit agreement governed by English law entered into between, among others, the Company a borrower, Glas SAS as agent and security agent and Goldman Sachs Bank Europe SE as original lender (the "New Money Credit Facility Agreement").

On April 5, 2023 a c. 55 million euro drawdown under the New Money Euro Term Loan Facility and a c. 6 million american dollar drawdown under the New Money Dollar Term Loan Facility were made available to the Company (the "**First Drawdowns**").

In June 2023, a c. 53 million euro drawdown under the New Money Euro Term Loan Facility and a c. 6 million american dollars drawdown under the New Money Dollar Term Loan Facility should be made available to the Company (together the "**Second Drawdowns**"), subject to the conditions precedent provided in the New Money Credit Facility Agreement.

Purpose

The proceeds of the Reinstated Revolving Credit Facility will be used for the financing of working capital and other general corporate purposes of the Company and its subsidiaries.

Maturity date

The New Money Credit Facility matures on July 31, 2026.

Interest and fees

The rate of interest applicable to New Money Credit Facility is calculated as a percentage per annum equal to:

- <u>In respect of the new Money Euro Term Loan Facility</u>:
- Until June 30, 2024:
- Cash interest rate: Euribor (0% floor) + 0.5%
  - PIK interest rate: 11.5% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €110,000,000)
- Thereafter:
  - Cash interest rate: Euribor (0% floor) + 2.0%
  - PIK interest rate: 10.0% (subject to PIK toggle to cash if if the last 12 months EBITDAal is equal to or greater than €110,000,000)
- Until June 2024:
  - Cash interest rate: Term SOFR (0% floor) + 0.5%
  - PIK interest rate: 11.5% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €110,000,000)
- Thereafter:
  - Cash interest rate: Term SOFR (0% floor) + 2.0%
  - PIK interest rate: 10.0% (subject to PIK toggle to cash if the last 12 months EBITDAal is equal to or greater than €110,000,000)

The duration the interest periods is one (1), three (3) or six (6) months.

Mandatory prepayments

The New Money Credit Facility Agreement requires mandatory prepayment of the New Money Credit Facility:

- in full (*x*) in case of change of control or sale of all or substantially all of the assets of the Group or (*y*) in case the Second Drawdowns (as defined in sub-section "Amount and Drawing" of section "New Money Credit Facility Agreement") are not made available in full;
- in part, in case of illegality, asset disposals, receipt of insurance proceeds or excess cash flow.
- In case of partial prepayment triggered by assets disposal, receipt of insurance proceeds and excess cashflow, the proceeds will be applied in the following order:
  - firstly, towards the prepayment and cancellation of the Reinstated Revolving Credit Facility,
  - secondly, towards the New Money Credit Facility and (if some holders of the Convertible Notes have elected a cash early redemption of the Convertible Notes) the Convertible Notes, in each case on a *pari passu* and *pro rata* basis,
  - thirdly (except in case of excess cashflow prepayment), towards the Reinstated Term Loan Facility.

Voluntary prepayment

Voluntary prepayment of the New Money Credit Facility may be made, subject to payment of customary break costs and the prepayment fee described below.

No amounts under the New Money Credit Loan Facility, once repaid, may be re-borrowed.

Prepayment fee

- If any mandatory or voluntary prepayment of any principal amount of the New Money Credit Facility is made (including further to the acceleration of the New Money Credit Facility but excluding any illegality prepayment), the Company shall pay a fee in an amount equal to:
- if the prepayment is made on or prior to the second anniversary of the date of First Drawdowns, an amount equal to the higher of (i) the total aggregate interest (including for the avoidance of doubt any applicable PIK interest and any interest which would have accrued thereon) which would have been due and payable in respect of the principal amount being prepaid until the date falling twenty-four (24) Months after the date of the First Drawdown Date and (ii) 3% (three per cent.) of the principal being prepaid; and
- if the prepayment is made after the second anniversary of the date of the First Drawdowns but on or before the third anniversary of the date of the First Drawdowns, 3% (three per cent.) of the principal amount being prepaid.

Guarantee and security interests (sûretés réelles)

The New Money Credit Facility is secured by the same guarantors and the same security interests as those securing the Reinstated Facilities (see sub-section "Guarantee and security interests (*sûretés réelles*)" of section "Reinstated Facilities Agreement" above).

The security interest securing the New Money Credit Facility will be first ranking security interest *pari passu* with the security interest securing the Reinstated Revolving Credit Facility and the Bridge Notes (or, as from the issue of the Convertible Notes, the Convertible Notes).

Covenants, Representations and warranties, Event of Default

The New Money Credit Facility Agreement provides for the same covenants, representations and warranties and events of default as those provided in the Reinstated Facilities Agreement, in the terms and conditions of the Bridge Notes and the terms and conditions of the Convertible Notes.

Financial Covenants

The New Money Credit Facility Agreement provides for the same financial covenants as those provided in the Reinstated Facilities Agreement, in the terms and conditions of the Bridge Notes and the terms and conditions of the Convertible Notes.

Governing law and jurisdiction

The Reinstated Facilities Agreement is governed by English law and subject to the exclusive jurisdiction of the *Tribunal de commerce* of Paris.

BRIDGE NOTES SUBSCRIPTION AGREEMENT

Amount and issue date

On March 31, 2023 the Company, as issuer, entered into a notes subscription agreement (the "**Bridge Notes Subscription Agreement**") with Bpifrance Participations SA, Barclays, Briarwood and Angelo Gordon as subscribers pursuant to which those subscribers have undertaken to subscribe to an issue of notes for a total nominal amount of € 30,000,000 (the "**Bridge Notes**").

The Bridge Notes were entirely issued on April 5, 2023.

The nominal value of each Bridge Note is equal to €1.0.

The subscription price of the Bridge Notes is equal to their nominal value.

The Bridge Notes are not admitted for trading nor listed on a regulated market.

Purpose

The proceeds of the subscription price of the Bridge Notes will be used for the financing of working capital and other general corporate purposes of the Company and its subsidiaries.

Maturity date

The Bridge Notes mature on July 31, 2023.

Interest and fees

The Bridge Notes bear cash interest at a rate equal to 0.75% p.a.

In case the Bridge Notes are redeemed, prepaid or repaid (including at the maturity date) and the Convertible Notes have not been issued, the Company shall pay a redemption premium equal to €1,250,000.

Mandatory early redemption

The terms and conditions of the Bridge Notes require mandatory early redemption of the Bridge Notes:

in full in case of change of control or sale of all or substantially all of the assets of the Group;

in part, in case of illegality, asset disposals, receipt of insurance proceeds or excess cash flow.

Voluntary redemption

The Company may at any time, offer to redeem all or some of the Bridge Notes.

Guarantee and security interests (sûretés réelles)

The Bridge Notes are secured by the same guarantors and the same security interests as those securing the Reinstated Facilities and the New Money Credit Facility (see sub-section "Guarantee and security interests (*sûretés réelles*)" of sections "Reinstated Facilities Agreement" and "New Money Credit Facility Agreement" above).

The security interest securing the Bridge Notes will be first ranking security interest *pari passu* with the security interest securing the Reinstated Revolving Credit Facility and the New Money Credit Facility.

Covenants, Representations and warranties, Event of Default

The terms and conditions of the Bridge Notes provide for the same covenants, representations and warranties and events of default as those provided in the Reinstated Facilities Agreement and the New Money Credit Facility Agreement.

Financial Covenants

The terms and conditions of the Bridge Notes provide for the same financial covenants as those provided in the Reinstated Facilities Agreement and in the New Money Credit Facility Agreement.

Governing law and jurisdiction

The Bridge Notes are governed by French law and subject to the exclusive jurisdiction of the *Tribunal de commerce* of Paris.

CONVERTIBLE NOTES SUBSCRIPTION AGREEMENT

Amounts and issue date

On March 31, 2023 the Company, as issuer, entered into a convertible notes subscription agreement (the "**Convertible Notes Subscription Agreement**") with Bpifrance Participations SA, Barclays, Briarwood, Vantiva and Angelo Gordon as subscribers pursuant to which those subscribers have undertaken to subscribe to an issue of notes convertible into ordinary shares of the Company for a total nominal amount of € 62,500,000 (the "**Convertible Notes**").

The Convertible Notes should be issued on the date of the Second Drawdowns (as defined in the sub-section "Amount and Drawing" of section "New Money Credit Facility Agreement"), subject to satisfaction of customary conditions precedent provided in the Convertible Notes Subscription Agreement (including, without limitation, the approval of the extraordinary meeting of the Company's shareholders).

The nominal value of each Convertible Note is equal to €0.207865599.

The subscription price of each Convertible Note is equal to €0.199550975 representing 96% of the nominal value of a Convertible Note.

The Convertible Notes are not admitted for trading nor listed on a regulated market.

Purpose

The proceeds of the subscription price of the Convertible Notes will be used (i) for the financing of working capital and other general corporate purposes of the Company and its subsidiaries and (ii) the refinancing in full of the Bridge Notes.

Maturity date

The Convertible Notes mature on July 31, 2026.

Interest and fees

The Convertible Notes bear cash interest at a rate equal to 0.75% p.a.

The duration of the interest period is one (1), three (3) or six (6) months. The interest periods of the Convertible Notes shall be aligned with the interest periods of the New Money Credit Facility.

Mandatory early redemption

The terms and conditions of the Convertible Notes provide that upon the occurrence of the following events, each holder of the Convertible Notes may require the mandatory early redemption of their Convertible Notes:

- in case of (*x*) a change of control and if the enterprise value of the Group as determined by an independent expert is below €1,200,000,000, or (*y*) sale of all or substantially all of the assets of the Group;
- in case of an asset disposal;
- in case of excess cash flow.
- In case of early redemption exercised and triggered by assets disposal and excess cashflow, the proceeds will be applied in the following order:
  - firstly, towards the prepayment and cancellation of the Reinstated Revolving Credit Facility,
  - secondly, towards the New Money Credit Facility and (if some holders of the Convertible Notes have elected a cash early redemption of the Convertible Notes), the Convertible Notes, in each case on a *pari passu* and *pro rata* basis,
  - thirdly (except in case of excess cashflow prepayment), towards the Reinstated Term Loan Facility.

In any event any holder of the Convertible Notes may choose not to exercise any early mandatory redemption in cash and should be able to exercise its conversion right.

In case of illegality, the Company will also proceed and have the right to proceed to the early redemption of the relevant Convertible Notes.

Voluntary redemption

The Company may at any time, offer to redeem all or some of the Convertible Notes but any holder of the Convertible Notes shall not be required to accept such call option offer.

In any event any holder of the Convertible Notes may reject any voluntary early redemption in cash and will retain the ability to exercise its conversion right.

Conversion of the Convertible Notes

The conversion ratio is (subject to customary adjustments) five (5) ordinary shares of the Company for one (1) Convertible Note (the "**Conversion Ratio**").

The holders of the Convertible Notes will have at any time the right to convert its Convertible Notes (in whole or in part) at the Conversion Ratio in effect.

The Convertible Notes will be automatically converted into new shares of the Company at the Conversion Ratio in effect upon:

- the date of a sale of the entire share capital of the Company pursuant to which the enterprise value paid by a purchaser is equal to or exceeds € 1,200,000,000; or
- the date on which the enterprise value of the Group is equal to or exceeds € 1,200,000,000 as determined by an independent expert; or
- the date on which EBITDAal is equal to or exceeds one hundred fifty million euros (€150,000,000) as determined by an independent expert,
- in each case, at any time, including following the occurrence of a change of control.

Guarantee and security interests (sûretés réelles)

The Convertible Notes are secured by the same guarantors and the same security interests as those securing the Reinstated Facilities and the New Money Credit Facility (see sub-section "Guarantee and security interests (*sûretés réelles*)" of sections "Reinstated Facilities Agreement" and "New Money Credit Facility Agreement" above).

The security interest securing the Convertible Notes will be first ranking security interest *pari passu* with the security interest securing the Reinstated Revolving Credit Facility and the New Money Credit Facility.

Covenants, Representations and warranties, Event of Default

The terms and conditions of the Convertible Notes provide for the same covenants, representations and warranties and events of default as those provided in the Reinstated Facilities Agreement and the New Money Credit Facility Agreement.

Financial Covenants

The terms and conditions of the Convertible Notes provide for the same financial covenants as those provided in the Reinstated Facilities Agreement and in the New Money Credit Facility Agreement.

Governing law and jurisdiction

The Convertible Notes are governed by French law and subject to the exclusive jurisdiction of the *Tribunal de commerce* of Paris.

TRANSITIONAL SERVICES AGREEMENT

Prior to the admission of the Company's Shares to trading on Euronext Paris, Vantiva SA (former Technicolor SA) separated certain shared business and corporate functions with the objective of ensuring that the Group is operationally independent from Vantiva SA (former Technicolor SA) for such business and corporate functions, such as many areas of finance and human resources activities, internal audit, real estate, CSR leadership and corporate communications from the date of the spin-off.

However, to the extent that shared business and corporate functions have not been separated prior to the admission of the Company's Shares to trading on Euronext Paris, the Company and Vantiva SA (former Technicolor SA) concluded, on September 26, 2022, an agreement under the terms of which Vantiva SA (former Technicolor SA) provides the Group with a certain number of transitional services, as detailed below, on an interim transitional basis until such time as the services and support have been separated or the Group has developed the capability to provide the relevant services and support itself, has appointed a third-party provider to provide those services and support or has determined the services and support are no longer required (the "Transitional Services Agreement" or "TSA").

The services provided

Under the terms of the Transitional Services Agreement, the Group and Vantiva SA (former Technicolor SA) will continue to cooperate for a transitional period, the duration of which will be fixed in coordination between the Group and Vantiva SA (former Technicolor SA) and vary depending on the particular services concerned up to a period of between twelve (12) to eighteen (18) months, it being specified that such term may be extended, as the case may be, subject to a maximum aggregate service term of twenty-four (24) months (the "Transitional Period"). The terms of the Transitional Services Agreement will enable the Group to gradually operate independently in the following areas:

Information technology & security services – In this area, the Transitional Services Agreement provides that the majority of services currently provided to the Group by Vantiva SA (former Technicolor SA), particularly technology and security such as certain applications hosting and maintenance, networks and infrastructure services including helpdesk currently shared with other Technicolor SA entities will continue to be provided to the Group during the Transitional Period.

Finance activities – In this area, the Transitional Services Agreement provides that the services provided by Vantiva SA (former Technicolor SA), mainly to the Group, in the area of accounts payable, accounts receivable and billing, general ledger, cash and bank and master data management will continue to be provided to the Group during the Transitional Period. Further, activities related to VAT and US tax, consolidation and Financial planning and analysis (FP&A) systems are also expected to be provided to the Group during the Transitional period.

HR activities – The Transitional Services Agreement provides that the services provided by Vantiva SA (former Technicolor SA) to the Group within select areas of HR, specifically payroll, compensation, benefits, employee master data management, HR processes optimisation, learning and development, and corporate functions talent acquisition will continue to be provided to the Group during the Transitional Period at the latest .

Treasury – Although all treasury specific software tools will be separated and autonomous before the spin-off date, the Transitional Services Agreement will provide that Vantiva SA (former Technicolor SA) will continue to provide certain treasury reporting done in Vantiva SA (former Technicolor SA)'s consolidation and accounting tools. Also, Vantiva SA (former Technicolor SA) will maintain interfaces between the accounting software, managed by Vantiva SA (former Technicolor SA) and treasury software managed by the Group. The Group will have a dedicated team to enable it to manage its cash fully autonomously, but on some treasury subjects Vantiva SA (former Technicolor SA) treasury staff may continue to provide assistance during the first six months. It should be noted that the organisation and management of cash from all its subsidiaries is already centralised at the level of the Group insofar as the Group already has financing that is autonomous and legally separated from the rest of the Vantiva SA (former Technicolor SA) Group. From the date of the execution of the refinancing of Vantiva SA (former Technicolor SA), expected to occur ahead of the date of admission of the Company's Shares on Euronext Paris (with a stand-alone portion located in the Group), there will no longer be any Treasury Management Agreements in place between the Group and Vantiva SA (former Technicolor SA).

Corporate social responsibility reporting – The Transitional Services Agreement provides Vantiva SA (former Technicolor SA) will continue to provide assistance to the Company in the area of corporate social responsibility external reporting during the Transitional Period at the latest.

Indirect sourcing - The Transitional Services Agreement provides that the services provided by Vantiva SA (former Technicolor SA) to the Group in the area of sourcing for areas of common category spend will continue to be provided to the Group during the Transitional Period.

Legal - In this area, the Transitional Services Agreement provides that the services provided by Vantiva SA (former Technicolor SA), mainly to the Group, for ancillary legal services, such as limited corporate entity maintenance and advisory services, securities filings, Board governance, or legal specialisms in which the Company does not have a dedicated resource (e.g., labour and employment law, compliance) will continue to be provided to the Group during the Transitional Period. To this extent, the services provided by Vantiva have been terminated in November 2022.

Insurance – The Transitional Services Agreement also provides that the services provided by Vantiva SA (former Technicolor SA) to the Group in the area of insurance, i.e. most master insurance programs, has be maintained until their regular renewal period at the end of 2022, with the exception of the Cyber insurance coverage which will be maintained during the Transitional Period.

Travel and expenses – The Transitional Services Agreement provides that Vantiva SA (former Technicolor SA) will continue to provide assistance to the Company in the area of air and ground travel, hotel booking and travel expense management during the Transitional Period.

Facilities management - In addition, the Transitional Services Agreement provides for a small amount of support to ensure the facilities management-related contracts are managed centrally.

The above-mentioned services and support will be provided with the same standard of care, quality and timeliness as during the year preceding the admission of the Company's Shares to trading on Euronext Paris. The Transitional Services Agreement will provide that both parties will need to compensate the other in the event that certain costs are incurred as a result of a party's failure to perform its contractual obligations under the Transitional Services Agreement. Such compensation will be on a cost-reimbursement basis only, with no intention that either party generates profit from such compensation. In case of any dispute, an arbitration is expected to be managed by the Chairpersons of Vantiva SA (former Technicolor SA)'s and the Company's board of directors. In case no agreement has been reached, an ultimate external arbitration will resolve any dispute. The Company may also ask for additional services to be provided by Vantiva SA (former Technicolor SA). The prices and other terms and conditions at which these additional services may be provided will have to be agreed between Vantiva SA (former Technicolor SA) and the Company under specific contracts to be negotiated on a case-by-case basis.

Term

Under the Transitional Services Agreement, which entered into force at the date of admission of the Company's Shares to trading on Euronext Paris, the services to be provided by Vantiva SA (former Technicolor SA) to the Group will generally commence on the date of such admission and will terminate when each service has been separated during the Transitional Period.

The Company may (i) extend the term that a service is provided for, subject to a maximum aggregate service term of twenty-four (24) months; and (ii) terminate any or all services early subject to a 90 days' notice being given. The Transitional Services Agreement may be terminated by Vantiva SA (former Technicolor SA) in the event of an unremedied material breach of the terms of the Transitional Services Agreement or non-payment of charges by the Company.

Remuneration

The costs for the services provided by Vantiva SA (former Technicolor SA) to the Group in the context of the Transitional Services Agreement will be invoiced on an economic "no gain – no loss" basis, subject to applicable fiscal and legal regulations. The costs to be incurred by the Group pursuant to the terms of Transitional Services Agreement described herein are expected to be in line with the costs historically incurred by the respective businesses constituting the Group prior to the admission of the Company's Shares to trading on Euronext Paris.

7.6 ADDITIONAL TAX INFORMATION

Total amounts, by category of expenditure, reinstated in the taxable profits following a definitive tax adjustment under Article 223 quinquies of the French Tax Code

None.

Total amount of certain non-deductible expenses under Articles 39-4 and 223 quater of the French Tax Code

The non-deductible expenses referred to in Article 39-4 of the French Tax Code amounted to €39,000.12 in 2021 for the Company and corresponded to non-deductible lease payments on private vehicles.

7.7 ORGANIZATIONAL STRUCTURE OF THE GROUP

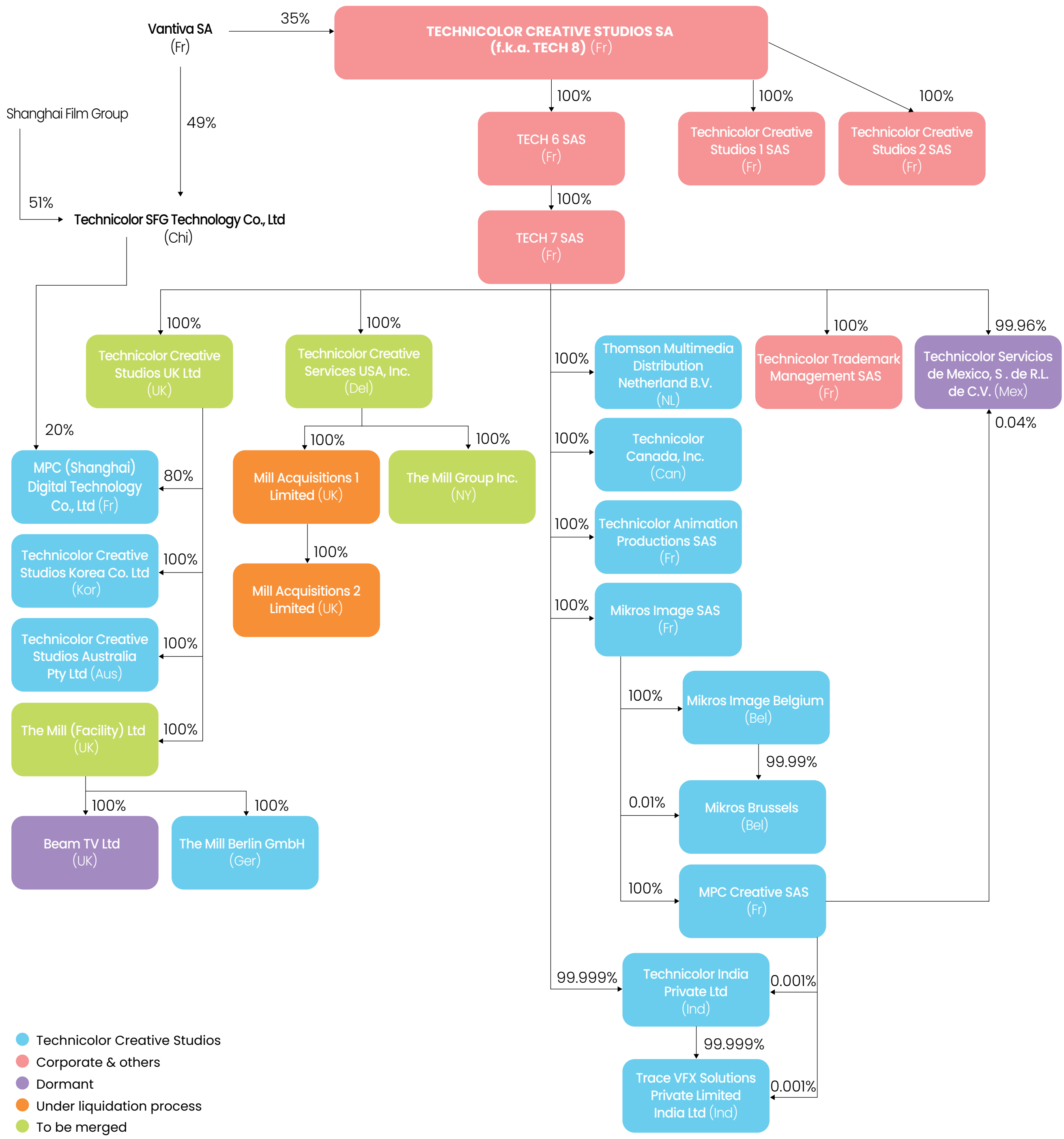
ORGANIZATIONAL CHART AS OF DECEMBER 31, 2021

The Group's organizational chart below contains all Group's operating subsidiaries as of December 31, 2022, classified by segments. These subsidiaries are directly held by the Company or indirectly held through holding companies.

The list of main consolidated subsidiaries is described in Chapter 6, note 16 to the Group's consolidated financial statements. The geographical breakdown of consolidated subsidiaries is presented in Chapter 6, section 6.2, note 2.1 to the Group's consolidated financial statement.

Main financial data (revenues, profit (loss), geographic breakdown of assets and liabilities), goodwill and trademarks are respectively broken down for each segment in the Group's consolidated financial statements in notes 3, 4.1 and 4.2.

LEGAL ENTITIES



PARENT COMPANY

On December 31, 2021, Vantiva SA (former Technicolor SA) had 93 employees. It mainly hosts the activities of Group management, support functions, Group treasury and part of the Connected Home segment. The Company's income statement (as presented in the corporate financial statements) shows a net loss of €132 million in 2021 (compared with a net loss of €640 million in 2020) (for more information regarding the parent company, refer to Vantiva SA (former Technicolor SA)'s corporate financial statements and notes to the financial statements in Chapter 6: "Financial statements", sections 6.4: "Technicolor SA 2020 financial statements" and 6.5: "Notes to the parent company financial statements" of this Universal Registration Document).

MAIN CASH FLOWS BETWEEN THE COMPANY AND THE SUBSIDIARIES

The Company ensures the financing of its subsidiaries by loans and current accounts (net payable position of €847 million before depreciation at December 31, 2021) and equity instruments and received €28 million in dividends in 2021 (compared with €77 million in 2020). The Company has organized a system of centralization of the treasury in the main countries where it operates and implements hedge transactions for the Group, in accordance with defined management rules.

The Company also provides services to companies affiliated to the Group in Information Systems, purchases, management, treasury, people and various counsels. These services are invoiced either on the basis of a percentage of the income or/and of the net profit of the subsidiaries, through a fixed fee, or charged for each service.

For more details, see note 12.2 to the Company's statutory accounts for related party transactions.

7.8 SUPPLIERS AND CUSTOMERS PAYMENT TERMS

In compliance with Article L. 441-6-1 of the French Commercial Code, the information on suppliers and customers payment terms is detailed in the table hereafter.

	Article D. 441 I.-1°: Supplier invoices received, overdue but unpaid at year end						Article D. 441 I.-2°: Customer invoices sent, overdue but unpaid at year end					
(in euros)	0 day (indicative) Dec. 31, 2022	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day (indicative) Dec. 31, 2022	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Overdue payments by period												
Number of invoices concerned	5					8	-	-	-	-	-	-
Total amount including VAT of invoices concerned	649,140.00	688,119.84	33,220.49	-	-	721,340.33	-	-	-	-	-	-
Percentage of fiscal year purchases amount excluding VAT	-6.0%	-6.3%	-0.3%	0.0%	0.0%	-6.6%						
Percentage of fiscal year revenue sales excluding VAT							0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(B) Disputed or unrecorded invoices excluded from (A)												
Number of invoices excluded			2									
Total amount including VAT of invoices excluded			16 696.28									
(C) Reference payment terms used (contractual or required by Law – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment terms used for calculation of payment delays	Contractual payment terms						Contractual payment terms					

7.9 AVAILABLE DOCUMENTS

The by-laws and other corporate documents of the Company, any evaluation or statement prepared by an expert at the request of the Company, part of which is included or mentioned in this Universal Registration Document, and, more generally, all documents sent or made available to shareholders pursuant to French law may be consulted at the Company's registered office, 8-10, rue du Renard, 75004 Paris, France.

Moreover, historical financial information and regulated information of the Group is available on the Company's website (www.technicolorcreative.com).

Paper versions of this Universal Registration Document are available free of charge. This Universal Registration Document may also be consulted on the Company' website (www.technicolorcreative.com).

7.10 SOURCES REGARDING COMPETITIVE POSITION

This Universal Registration Document contains statements regarding market trends, market share, market position and products and businesses. Unless otherwise noted herein, market estimates are based on the following outside sources, in some cases in combination with internal estimates:

- FTI Consulting (April 2022 and November 2022).

7.11 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

7.11.1 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Ms. Caroline Parot, Chief Executive Officer, Technicolor Creative Studios,

I declare that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and that there is no omission likely to affect the fairness of the presentation.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and of its consolidated subsidiaries, and that the management report, hereby enclosed, fairly presents the evolution of the business, results and financial position of the Company and its consolidated subsidiaries, and describes the principal risks and uncertainties that they face.

Paris, April 21, 2023

Chief Executive Officer of Technicolor Creative Studios,

Caroline Parot

7.11.2 PERSON RESPONSIBLE FOR INFORMATION

Mr. Stéphanie Fougou, EVP Group General Counsel and Corporate Secretary Executive Committee of Technicolor Creative Studios, 8-10, rue du Renard, 75004 Paris, France, Tel.: +33 (0)1 41 86 40 00.

7.

8. UNIVERSAL REGISTRATION DOCUMENT CROSS-REFERENCE TABLES

Under Article 19 of Regulation (EU) n° 2017/1129 of the European Parliament and of the Council of June 14, 2017, the annual combined financial statements of Technicolor Creative Studios, prepared in accordance with IFRS as adopted by the European Union, as at and for the years ended December 31, 2021, 2020 and 2019, and the related statutory auditors' report, contained in Annex I of the Company's Prospectus approved by the Autorité des Marchés Financiers on August 1, 2022 under approval number 22-331, are incorporated by reference in this Universal Registration Document.

To facilitate the reading of the Universal Registration Document, the cross-reference tables below refer to the main headings required by Annexes 1 and 2 of the Commission delegated Regulation n° 2019/980 of March 14, 2019 implementing the "Prospectus" Directive and includes the elements of:

- the Annual Financial Report, the Management Report and the Corporate Governance Report integrated into this Universal Registration Document; as well as
- the information required by Articles L. 225-102-1 and R. 225-105 (disclosure on extra-financial performance) and L. 225-102-4 (vigilance plan) of the French Commercial Code.

CROSS-REFERENCE TABLE REFERRING TO THE MAIN HEADINGS REQUIRED BY ANNEXES 1 AND 2 OF THE COMMISSION DELEGATED REGULATION (EU) Nº 2019/980 OF MARCH 14, 2019

Information required under Annexes 1 and 2 of the regulation (EU) 2019/980		Corresponding sections and Chapters of this Universal Registration Document	Page no.
8.	**CASH AND CAPITAL**		
8.1	Issuer's capital resources (short and long-term)	Chapter 2, section 2.3 and Chapter 6, section 6.2, note 7 to the consolidated financial statements and section 6.5, note 7 to the statutory financial statements	41, 221, 263
8.2	Sources, amounts and description of cash flows	Chapter 2, section 2.3.2 and Chapter 6, section 6.1.4	41 , 196
8.3	Information on borrowing conditions and financing structure	Chapter 1, section 1.1.2, Chapter 2, section 2.3 and Chapter 6, section 6.2, notes 9.3 and 9.5 to the consolidated financial statements	11 , 41 , 227 , 232
8.4	Restrictions on use of capital resources, having materially impact on business operations	Chapter 2, section 2.3.3 and Chapter 3, section 3.1.3	44 , 63
8.5	Expected sources of financing	Chapter 1, sections 1.1.2, 1.3 and Chapter 2, sections 2.3 and 2.4	11 , 21 , 41 , 45
9.	**REGULATORY ENVIRONMENT**	**Chapter 3, section 3.1.1**	**51**
10.	**TREND INFORMATION**		
10.1	Main trends in production, sales and inventory, and in costs and selling prices, since the end of the last fiscal year	Chapter 1, section 1.3, Chapter 2, section 2.4	21 , 45
10.2	Known trends, uncertainties, demands, commitments or events that might have a material effect on prospects for the current fiscal year	Chapter 1, section 1.3 and Chapter 2, section 2.4 and Chapter 3, section 3.1.1	21 , 45 , 51
11.	**PROFIT FORECASTS OR ESTIMATES**		**N/A**
12.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT**		
12.1	Information concerning Members of the administrative and management bodies (list of mandates performed during the last five years)	Chapter 4, sections 4.1.1	78
12.2	Conflicts of interest in administrative and management bodies	Chapter 4, sections 4.1.3.1 and 4.1.4	107 , 116
13.	**REMUNERATION AND BENEFITS**		
13.1	Remuneration paid and benefits in kind	Chapter 4, section 4.2	125
13.2	Amounts of provisions booked or otherwise recognized for the payment of pensions, retirement annuities or other benefits	Chapter 4, section 4.2.1 and Chapter 6, section 6.2 note 11 to the consolidated financial statements	125 , 237
14.	**BOARD PRACTICES**		
14.1	Expiry date of current terms of office	Chapter 4, section 4.1.1.2	78
14.2	Service contracts with Members of administrative bodies	Chapter 4, section 4.1.1.7	98
14.3	Information about the Audit Committee and the Remuneration Committee	Chapter 4, section 4.1.2.5	104
14.4	Declaration – corporate governance applicable in the home country of the issuer	Chapter 4, sections 4.1.2.1 and 4.2.4	98 , 140
14.5	Potential material impacts on corporate governance	N/A	
15.	**EMPLOYEES**		
15.1	Number of employees	Chapter 5, section 5.2.1.7 and Chapter 6, section 6.2 note 11.1 to the consolidated financial statements	154 , 237
15.2	Profit sharing and stock options	Chapter 4, section 4.2.4, Chapter 5, sections 5.2.1.5 and 5.2.1.6, Chapter 6, section 6.2 note 11.3 to the consolidated financial statements	140 , 153 , 153 , 237
15.3	Agreements for employees' equity stake in the capital of the issuer	Chapter 5, section 5.2.1.6	153
16.	**MAJOR SHAREHOLDERS**		
16.1	Shareholders owning more than 5% of the share capital or voting rights	Chapter 1, section 1.4.1	23
16.2	Existence of specific voting rights	Chapter 7, section 7.4.3	282
16.3	Control of the Company	Chapter 1, section 1.4.1	23
16.4	Agreement known to the Company which could lead to a change in control if implemented	N/A	

Information required under Annexes 1 and 2 of the regulation (EU) 2019/980		Corresponding sections and Chapters of this Universal Registration Document	Page no.
17.	**RELATED PARTY TRANSACTIONS**	**Chapter 6, section 6.2 note 8 to the consolidated financial statements and Chapter 4, section 4.1.3 and Chapter 7, section 7.5**	**223 , 107 , 284**
18.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		
18.1	Historical financial information	Chapter 2 and Chapter 6	33 , 191
18.2	Interim financial information	N/A	
18.3	Auditing of historical annual financial information	Chapter 6, sections 6.3 and 6.7	246 , 272
18.4	*Pro forma* financial information	N/A	
18.5	Dividend Policy	Chapter 1, section 1.4.4	30
18.6	Legal and arbitration proceedings	Chapter 3, section 3.1.4 and Chapter 6, section 6.2 note 12.1 to the consolidated financial statements	66 , 239
18.7	Significant change in the financial or business situation	Chapter 1, section 1.3 and Chapter 2, section 2.4	21 , 45
19.	**ADDITIONAL INFORMATION**	**Chapter 7**	**279**
19.1	Share capital	Chapter 1, section 1.4	23
19.2	Articles of incorporation and by-laws	Chapter 7, section 7.4	282
20.	**MATERIAL CONTRACTS**	**Chapter 7, section 7.5**	**284**
21.	**AVAILABLE DOCUMENTS**	**Chapter 7, section 7.9**	**292**

ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE

In application of Article 222-3 of the AMF General Regulations, the Annual Financial Report referred to in paragraph 1 of Article 451-1-2 of the French Monetary and Financial Code contains the information described in the following pages of the Universal Registration Document:

Annual Financial Report	Corresponding sections and Chapters of this Universal Registration Document	Page no.
STATEMENT OF THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT	**Chapter 7, section 7.11.1**	**293**
MANAGEMENT REPORT	**See Management Report cross-reference table**	**300**
FINANCIAL STATEMENT		
• Statutory financial statements	Chapter 6, sections 6.4 and 6.5	251 , 254
• Statutory Auditors' report on the statutory financial statements	Chapter 6, section 6.7	272
• Consolidated financial statements	Chapter 6, sections 6.1 and 6.2	192 , 198
• Statutory Auditors' report on the consolidated financial statements	Chapter 6, section 6.3	246

MANAGEMENT REPORT CROSS-REFERENCE TABLE

Information in the Management Report	Corresponding sections and Chapters of this Universal Registration Document	Page no.
1. GROUP SITUATION AND ACTIVITY		
Situation of the Company during the past fiscal year and objective and exhaustive analysis of the business development, results and financial situation of the Company and the Group, including the debt situation, in relation to the volume and complexity of business (Articles L. 225-100-1 I 1°, L 232-1 II, L. 233-6 and L. 233-26 of the French Commercial Code)	Chapter 1, section 1.2, Chapter 2, section 2.1 and 2.2, Chapter 7, section 7.6	13 , 34 , 34 , 290
Financial key performance indicators (Article L. 225-100-1 I 2° of the French Commercial Code)	Chapter 1, section 1.1 and chapter 2, sections 2.2 et 2.3	9 , 34 , 41
Non-financial key performance indicators (environmental information) (Article L. 225-100-1 I 2°of the French Commercial Code)	Chapter 5, sections 5.1, 5.4, and sections 5.5 and 5.6	144 , 167 , 170 , 175
Non-financial key performance indicators (social information) (Article L. 225-100-1 I 2°of the French Commercial Code)	Chapter 5, sections 5.1, 5.2, and section 5.3	144 , 148 , 165
Important events occurred since the closing date (Articles L. 232-1-II and L.233-26 of the French Commercial Code)	Chapter 1, section 1.3, Chapter 2, section 2.4 and Chapter 6, section 6.2, note 14 to the consolidated financial statements	21 , 45 , 244,
Company and Group foreseeable trends and outlooks (Articles L. 232-1-II and L.233-26 of the French Commercial Code)	Chapter 1, section 1.3,	21
Identity of the main shareholders and voting rights holders in the General Meeting, and modifications during the fiscal year (Article L. 233-13 of the French Commercial Code)	Chapter 1, section 1.4.1	23
Existing branch offices ("Succursales") (Article L. 232-1 II of the French Commercial Code)	N/A	
Information on participations acquired in the share capital of French companies (Article L. 233-6 paragraph 1 of the French Commercial Code)	Chapter 7, section 7.3	281
Disposal of cross-shareholding (Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code)	N/A	
Activities in research and development (Articles L. 233-26 and L. 232-1-II of the French Commercial Code)	Chapter 2, section 2.2.3 and Chapter 6, section 6.2, note 3.3.1 to the consolidated financial statements	37 , 209,
Table of Company's results over the last five fiscal years (Article R. 225-102 of the French Commercial Code)	Chapter 6, section 6.6	271
Information on suppliers and customers payment terms (Article D. 441-6 of the French Commercial Code)	Chapter 7, section 7.8	292
Intragroup loans granted and auditors declaration (Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code)	N/A	
2. INTERNAL CONTROL AND RISK MANAGEMENT		
Main risks and uncertainties (Article L. 225-100-1 I 3°of the French Commercial Code)	Chapter 3	49
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8.

9. GLOSSARY

GLOSSARY

In this Universal Registration Document, unless otherwise stated, "Technicolor Creative Studios" and "Group" refers to Technicolor Creative Studios SA together with its consolidated affiliates and "Company" refers solely to Technicolor Creative Studios SA, holding company of the Group.

ABBREVIATIONS

$: American dollar

£/GBP: pound sterling

€/EUR: euro

ADR: American Depositary Receipt

AFEP-MEDEF Code: Corporate Governance Code for public companies published by the *Association française des entreprises privées* (AFEP) and the *Mouvement des entreprises de France* (MEDEF)

AGM: Annual General Meeting

AMF: *Autorité des marchés financiers* (French Financial Markets Authority)

CAD: Canadian Dollar

CGI: computer-generated imagery

CSR: Corporate Social Responsibility

EBIT: Earnings before interest and tax

EBITDA: Earnings before interest, tax, depreciation and amortization

EHS: environment, health and safety

EU: European Union

GRC: Governance, Risk and Compliance

GRI: Global Reporting Initiative

HD: high definition

HR: Human Resources

IFRS: International Financial Reporting Standards

KPI: key performance indicators

LTIP: Long-Term Incentive Plan

M&E: Media & Entertainment

MIP: Management Incentive Plans

NYSE: New York Stock Exchange

Production Services: services relating to visual effects, animation and video or audio postproduction

R&D: Research & Development

RCF: revolving credit facility

SA: French joint-stock company

SAS: French simplified joint-stock company

SBI: significant business incident

TRM: Technicolor Risk Management

TSO: Technicolor Security Office

UK: United Kingdom

URD: Universal Registration Document

US/USA: United States of America

USD: US Dollar

VFX: visual effects

VR: virtual reality

A

Augmented Reality: superposition of reality and elements (sounds, 2D images, 3D images, videos, *etc.*) calculated by a real-time computer system. It often refers to various methods that enables virtual objects to be realistically embedded in a sequence of images.

AAA games: classification term used for video games with the highest or which have received good ratings from professional critics.

AFEP-MEDEF Code: set of recommendations about corporate governance and compensation of executive officers of listed companies, published by the *Association française des entreprises privées* (AFEP) and the *Mouvement des entreprises de France* (MEDEF).

At constant perimeter and constant exchange rate: no change in all Group companies which shall be included in the consolidated financial statements prepared and presented by the parent company at a constant exchange rate compared to the last period. It allows to show what would have been the evolution of the company without acquiring other companies or divesting activities within the same foreign exchange environment than the previous period.

E

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA): defines the earning of a company before the deduction of interests, taxes, depreciation expenses and provisions on fixed assets (but after provisions on inventories and accounts receivables).

F

Free Cash-flow: balancing item indicating the self-financing capacity of a company.

French Financial Markets Authority: independent public authority regulating actors and products on the French financial center.

G

Global Reporting Initiative (GRI): global initiative to report the economical, environmental and social performances.

I

International Financial Reporting Standards (IFRS): accounting standards that shall be applied by listed companies when establishing their accounts in order to harmonize the presentation of their financial statement.

L

Long-Term Incentive Plan (LTIP): compensation granted to companies' executives, based on their long-term performance. This plan can be spread over several years, and to obtain this compensation, the executive officer shall meet the criteria set out in the plan. He may not receive anything if he does not achieve any of the objectives mentioned above.

M

Mastering: it is the process of transferring one or a set of recordings on a media which shall be used for series production or broadcasting. Its primary purpose is to make this set homogeneous.

N

Net carrying value: gross value of an asset (e.g. purchase price or cost price), minus the amount of amortizations and/or depreciations.

Net treasury: it is the available cash after deduction of the gross debt.

O

Operating income: income calculated from revenues and other recurring operating income from which are deducted the recurring operating expenses

Operating margin: ratio between operating income and turnover. This ratio indicates the economic performance before considering financial income, taxes, and exceptional events.

S

SOFR/EURIBOR: main benchmark interest rate on the money market. They are used as a refence for various contracts an dparticularly for business credits.

SWAPS: financial derivative from a contract to exchange a stream of cash flows between two parties, which are generally banks or financial institutions.

T

Total effective rate: interest rate whose main utility is to reflect the real cost of a loan.

V

Virtual Reality: computer technology that stimulates the user's physical presence in an environment artificially generated by software.

W

Working capital requirements: current asset minus current liability (including current provisions, excluding cash-flow, short-term debt and financial instruments).

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on PEFC certified paper produced from sustainably managed forest.

Technicolor Creative Studios S.A. with a share capital of €273,340,957.50 – 892 239 690 R.C.S. Paris

Designed & published by LABRADOR +33 (0)1 53 06 30 80

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