CORPORATE PRESS RELEASE

technicolor

CREATIVE STUDIOS

UNAUDITED CONSOLIDATED FINANCIALS

Technicolor Creative Studios

2022 Full Year Results and business update

PARIS (FRANCE), March 10, 2023 – Technicolor Creative Studios (Euronext Paris: TCHCS) (the "Company") today announced its Full Year unaudited 2022 financial results[1].

- **Full Year performance shows revenue growth achieved in a context of operational and delivery issues leading to profitability contraction:**
    - **Full Year revenue of €784 million,** up 30% compared to 2021, and 23% at constant rate;
    - **Full Year adjusted EBITDA after lease[2] of €20 million,** down from €75 million in 2021;

- **Numerous successes with c.65+ projects in production at MPC, 3,400+ projects at The Mill and several awards won, making Technicolor Creative Studios a first-choice production partner for the world's most creative companies;**

- **Technicolor Creative Studios will pursue the implementation of the Agreement in Principle on its refinancing that has been reached with a large majority of shareholders and lenders**

Caroline Parot, Chief Executive Officer of Technicolor Creative Studios, said: *"2022 was a year of creative successes and great business achievements, and the long-term prospects of the visual arts services industry are promising.*

*Over the past quarters, the Company has been facing operational issues as well as market headwinds. To better seize market opportunities and strengthen Technicolor Creative Studios' leading positions, the Company took a series of concrete measures through the Re*Imagined program. I am convinced that our strong position in this industry, a new reinforced leadership structure, together with ambitious operational initiatives, and now a reinforced capital structure will set Technicolor Creative Studios back on its journey towards sustainable and profitable growth. In addition, the Company will leverage its unique technological expertise, deep and long-standing customer relationships, and the world's best talents.*

I would like to express my utmost gratitude to all Technicolor Creative Studios teams, who have demonstrated relentless commitment towards delivering extraordinary work to our clients. The whole industry continues to rely on our award-winning creativity and expertise to deliver our clients' visions and additional projects.

*I would also like to thank our key creditors and shareholders for their renewed confidence with the recent signing of an agreement in principle on the refinancing of the Company. In conjunction with the improvement actions initiated through the Re*imagined program, this will improve the Company's balance sheet and profitability, re-establishing its market leading position. "*

[1] *Following the March 9, 2023 meeting of the Board of Directors of the Company.*
[2] *A definition of adjusted EBITDA after lease along with a reconciliation to GAAP measure is presented in Appendix II of this press release.*

TECHNICOLOR CREATIVE STUDIOS RECENT KEY EVOLUTIONS

As announced on March 8, 2023, Technicolor Creative Studios 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. 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 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.

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 and would be combined with an evolution of the Company's governance to be further detailed upon finalization of the conciliation protocol.

Technicolor Creative Studios and its shareholders and lenders will pursue the implementation of the Agreement in Principle, which will be submitted for approval to the Commercial Court of Paris by the end of March.
For further information on the Agreement in Principle, please refer to the press release dated March 8, 2023 available at the following address: https://www.technicolorcreative.com/investor-center/.

RESUMPTION OF TRADING ON MARCH 10, 2023 UPON MARKET OPENING

Following the suspension on March 8, 2023, the trading of the shares issued by Technicolor Creative Studios will resume on this Friday 10 March 2023, at the market opening.

FORWARD LOOKING ASSUMPTIONS

Demand for VFX and original content remains strong, 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.

In the period preceding today's announcement, as part of the process, the Company shared forward looking assumptions with some of its shareholders and lenders who will participate in and/or support 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.
As a consequence of the above, the Company is publishing the following forward-looking assumptions:

- 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.

As mentioned in the press release published on March 8, 2023, 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.

In addition, notably as a consequence of the implementation of its Re*Imagined transformation program along with the Company's footprint optimization, whose expected effects are included in the above forward-looking assumptions, the Company expects restructuring cost to amount to approximately €40 million in 2023, and to be reduced to approximately €15 million per year for 2024 and 2025.

To finance its future growth and the Re*Imagined plan, the Company expects a level of capex (mainly IT) and capital leases to remain broadly stable in 2023 compared to 2022 and to progressively decrease to c. €50 million in 2025.

Technicolor Creative Studios results are sensitive to external macro-economic assumptions, including the valuation of its main currencies - notably the US dollar, the Canadian dollar, and the British pound – which have evolved favorably since the beginning of 2022. These forward looking assumptions assume a EUR/USD exchange rate of 1.15, EUR/CAD of 1.52, EUR/GBP of 0.89 for 2023 and 2024.

2022 AND EARLY 2023 MAJOR CREATIVE SUCCESSES

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

The Mill: 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: 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.

FULL YEAR FINANCIAL HIGHLIGHTS

Consolidated revenue

Q4 2022	Q4 2021	% Change	% Change at constant currency	*in € million*	FY 2022	FY 2021	% Change	% Change at constant currency
58	83	-30%	-29%	MPC	375	242	55%	47%
49	24	105%	95%	Mikros Animation	147	82	79%	70%
51	67	-24%	-29%	The Mill	248	265	-6%	-14%
3	2	n.a.	n.a.	Technicolor Games	13	10	n.a.	n.a.
0	0	n.a.	n.a.	Corporate & Other	1	1	n.a.	n.a.
160	**177**	**-9%**	**-12%**	**Total**	**784**	**601**	**30%**	**23%**

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.

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.

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.

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.

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

Adjusted EBITDA after lease

Q4 2022	Q4 2021	Var	*In € millions*	FY 2022	FY 2021	Var
160	**177**	**-17**	**Revenue**	**784**	**601**	**183**
-32	**23**	**-55**	**Adjusted EBITDA after lease**	**20**	**75**	**-55**
-20%	*13%*	*n.a.*	*In % of revenue*	*3%*	*13%*	*n.a.*

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[3], 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.

At December 31, 2022, the Company employed approximately 11,800 people.

Analysis of Full Year net result

in € million	2022	2021
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**
Net financial expense	(39)	(21)
Income tax expense	(9)	(18)
Loss from continuing operations	**(99)**	**(19)**
Net gain (loss) from discontinued operations	0	5
Net loss for the year	**(99)**	**(14)**

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 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%

[3] 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.

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.

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.

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.

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.

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.

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.

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.

Net loss totaled €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.

Adjusted Operating Free Cash Flow after lease

Over FY 2022, adjusted Operating Free Cash Flow after lease[4] 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.

[4] *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.*

- € (2) million of higher other non-current cash out.

Standalone cash and debt

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[5]).

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.

Status of audit work: The audit work is in progress.

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WARNING / FORWARD LOOKING STATEMENTS

This press release contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted, or implied by such forward-looking statements.

Investors' attention is drawn to the risk factors relating to Technicolor Creative Studios described in Chapter 3 of the prospectus prepare in connection with the admission of TCS shares to trading on the regulated market of Euronext, approved by the AMF on August 1, 2022 under number 22-331,which is available free of charge and upon request at the company's registered office, 8-10 rue du Renard, 75004 Paris, France, or on the websites of the AMF (https://www.amf-france.org), and Technicolor Creative Studios (https://www.technicolorcreative.com/investors/.

This press release does not contain or constitute an offer of securities for sale or an invitation to invest in securities in France, the United States or any other jurisdiction.

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ABOUT TECHNICOLOR CREATIVE STUDIOS

Technicolor Creative Studios shares are admitted to trading on the regulated market of Euronext Paris (TCHCS)

Technicolor Creative Studios is a creative technology company providing world-class production expertise driven by one purpose: The realization of ambitious and extraordinary ideas. Home to a network of award-winning studios, MPC, The Mill, Mikros Animation and Technicolor Games, we inspire creative companies across the world to produce their most iconic work.

Our global teams of artists and technologists partner with the creative community across film, television, animation, gaming, brand experience and advertising to bring the universal art of storytelling to audiences everywhere.

www.technicolorcreative.com

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Investor Relations Contact:
investor.relations@technicolor.com

Corporate press:
Image 7: Technicolorcreative@image7.fr

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

APPENDIX

Appendix I – 2022 UNAUDITED FINANCIAL STATEMENTS

Preliminary note:

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, 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".

Status of audit work: The audit work is in progress.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	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)*	*-*

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	December 31, 2022	December 31, 2021
ASSETS		
Goodwill	190	188
Intangible assets	88	96
Property, plant and equipment	55	46
Right-of-use assets	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	7	22
TOTAL NON-CURRENT ASSETS	**503**	**495**
Trade accounts and notes receivable	99	63
Contract assets	64	74
Other operating current assets	28	31
TOTAL OPERATING CURRENT ASSETS	**191**	**169**
Income tax receivable	7	7
Other financial current assets	4	181
Cash and cash equivalents	38	12
Assets classified as held for sale	1	2
TOTAL CURRENT ASSETS	**241**	**371**
TOTAL ASSETS	**744**	**866**

(€ in million)	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)*	273	0
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	-
TOTAL EQUITY	**(287)**	**227**
Retirement benefits obligations	4	5
Provisions	4	3
Contract liabilities	-	1
Other operating non-current liabilities	1	10
TOTAL OPERATING NON-CURRENT LIABILITIES	**9**	**19**
Borrowings	562	1
Lease liabilities	133	107
Other non-current liabilities	0	0
Deferred tax liabilities	9	16
TOTAL NON-CURRENT LIABILITIES	**713**	**143**
Retirement benefits obligations	0	0
Provisions	12	6
Trade accounts and notes payable	59	40
Accrued employee expenses	51	62
Contract liabilities	81	77
Other operating current liabilities	30	39
TOTAL OPERATING CURRENT LIABILITIES	**233**	**226**
Borrowings	49	216
Lease liabilities	32	27
Income tax payable	4	28
TOTAL CURRENT LIABILITIES	**318**	**497**
TOTAL LIABILITIES	**1,031**	**640**
TOTAL EQUITY & LIABILITIES	**744**	**866**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ in million)	December 31, 2022	December 31, 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	44	21
Other items (including tax)	11	23
Changes in working capital and other assets and liabilities	(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	(14)	(5)
Net proceeds of borrowings	173	-
Net cash pooling variance	(0)	(81)
Repayments of lease debt	(36)	(31)
Repayments of borrowings	(3)	(1)
NET FINANCING CASH GENERATED FROM (USED IN) CONTINUING ACTIVITIES (III)	120	(118)
NET CASH GENERATED (USED IN) DISCONTINUED ACTIVITIES (IV)	0	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

Appendix II – Key Performance Indicators

As part of the spin-off, Technicolor Creative Studios updated its Key Performance Indicators ("KPIs"), with the goal of becoming more comparable with its peers and market practice, and to further align them with the way the business is managed. These KPIs include Adjusted EBITDA after lease, Adjusted EBITA after lease, and Adjusted Operating Free Cash Flow after lease.

Adjusted EBITDA after lease corresponds to Adjusted EBITA after lease 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) and non-cash income and expense such as equity-settled share-based payments, including capital lease depreciation. Adjusted EBITA (Earnings before Interest, tax, depreciation and amortization) after lease corresponds to EBIT (Earnings before interest and taxes) 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 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) and other non-current cash out.

Reconciliation between KPIs and IFRS indicators

	Q4 2022	**Q4 2021**	**Var**	*In € millions*	**FY 2022**	**FY 2021**	**Var**
P&L	**160**	**177**	**-17**	**Revenue**	**784**	**601**	**183**
	-67	**17**	**-84**	**EBIT**	**-51**	**20**	**-71**
	n.a.	*10%*	*n.a.*	*In % of revenue*	*n.a.*	*3%*	*n.a.*
	-10	-6	-4	Operating leases – rent paid cancellation (mostly real estate)	-31	-22	-9
	8	6	2	Operating leases - depreciation	21	16	5
	2	2	0	Amortization of purchase accounting items (PPA)	9	8	1
	21	1	20	Restructuring costs	24	5	19
	-1	-5	4	Other non-current items	3	4	0
	-47	**15**	**-62**	**Adjusted EBITA after lease**	**-25**	**31**	**-56**
	n.a.	*9%*	*n.a.*	*In % of revenue*	*n.a.*	*5%*	*n.a.*
	15	8	7	Depreciation & amortization [(1)]	45	43	1
	-32	**23**	**-55**	**Adjusted EBITDA after lease**	**20**	**75**	**-55**
	n.a.	*13%*	*n.a.*	*In % of revenue*	*3%*	*13%*	*n.a.*
FCF	**-32**	**23**	**-55**	**Adjusted EBITDA after lease**	**20**	**75**	**-55**
	-16	-8	-8	Capex [(2)]	-50	-14	-36
	-4	-2	-2	Capital leases (cash out)	-14	-12	-2
	-4	0	-4	Restructuring cash out	-12	-7	-5
	56	42	14	Change in working capital [(3)]	-19	31	-50
	2	-2	4	Other non-current cash out	-2	1	-2
	3	**54**	**-51**	**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) Excluding usage-based IT cost (without cloud rendering).

(3) Excluding cloud rendering cash out.

Appendix III – Debt details – At the end of December 2022

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%

Appendix IV – Indicative Terms & Conditions of instruments and reinstated debt under the Agreement in Principle

	Convertible Notes	New Money Credit Facility
Amount	**€60 million** net of Original issue Discount Fee Fully backstopped by Angelo Gordon	**€110 million** net of Original issue Discount and Underwriting fees Fully underwritten by certain Lenders
Drawing	• Convertible Notes and Lender New Money to be drawn pro rata. • **First drawdown**: €85m in aggregate within 3 Euronext trade days from homologation of the conciliation protocol ("First Drawdown") expected by end of March / beginning of April 2023 • **Second drawdown**: €85m in aggregate expected in June 2023 ("Second Drawdown").	
Maturity	July 2026 / bullet repayment at par in cash if not converted in equity	July 2026 / bullet repayment at par in cash
Non-call	N/A	Non-Call 2; 103 for the following 12 months then repayment at par
Interest	• Cash coupon: 0.75%	**<u>EUR Tranche</u>**: Until June 2024 • Cash: Euribor (0% floor) + 0.5% • PIK: 11.5% (subject to PIK toggle to cash depending on EBITDAal level to be agreed) Thereafter • Cash: Euribor (0% floor) + 2.0% • PIK: 10.0% (subject to PIK toggle to cash depending on EBITDAal level to be agreed) **<u>USD Tranche</u>**: Until June 2024 • Cash: SOFR (0% floor) + 0.5% • PIK: 11.5% (subject to PIK toggle to cash depending on EBITDAal level to be agreed) Thereafter • Cash: SOFR (0% floor) + 2.0% • PIK: 10.0% (subject to PIK toggle to cash depending on EBITDAal level to be agreed)
Original issue Discount Fee	**4.0%**	**5.0%**
Commitment Fee	N/A	**1.5%** Commitment Fee on undrawn amount during the availability period
Underwriting Fee	N/A	**3.5%** Underwriting fee on the initial committed amount of the New Money Credit Facility
Conversion of Convertible Notes	**33%** (fully diluted basis) • Automatic conversion into equity if EV is equal to or exceeds €1.2bn or EBITDA exceeds a level to be agreed • Voluntary conversion (in full or in part) upon each participating shareholders' election at all times	N/A
Warrants	N/A	**11%** (fully diluted basis)
Ranking	Super senior (on a pari passu basis with the Reinstated Super Senior RCF) from date of the First Drawdown (security package plus intercreditor agreement)	

Security	- Security granted on First Drawdown (benefits all New Money amounts): first lien security on sufficient assets including the fiducie-sûreté over the shares of Mikros Images SAS or, if not feasible, Technicolor Trademark Management SAS. - Full security package (benefits all New Money amounts) to be put in place by Second Drawdown: first lien security on the shares of Tech 6 by way of fiducie-sûreté (and golden share) as well as first lien security on the other assets of the group (as per the security package for the existing debt).

	Reinstated RCF	Reinstated First Lien Facility
Amount	**€40 million**	**c.€421 million** EUR tranche: **€382 million** USD tranche: c.**€39 million** (EUR-equivalent) with right for to convert to EUR tranche
Ranking & Security	Pari passu on the New Money security	Second Lien on New Money security
Maturity	July 2026	September 2026 / bullet repayment
Interest	**Cash**: Euribor (0% floor) + 2.0% cash **PIK**: 3.5% (subject to PIK toggle to cash depending on EBITDAal level to be agreed)	**<u>EUR Tranche</u>**: Until June 2024 - Cash: Euribor (0% floor) + 0.5% - PIK: 5.5% (subject to PIK toggle to cash depending on EBITDAal level to be agreed) Thereafter - Cash: Euribor (0% floor) + 2.0% - PIK: 4.0% (subject to PIK toggle to cash depending on EBITDAal level to be agreed) **<u>USD Tranche</u>**: Until June 2024 - Cash: SOFR (0% floor) + 0.5% - PIK:7.0% (subject to PIK toggle to cash depending on EBITDAal level to be agreed) Thereafter - SOFR (0% floor) + 2.0% - PIK: 5.5% (subject to PIK toggle to cash depending on EBITDAal level to be agreed)

	New Subordinated Instrument
Amount	**€170 million**
Participants	First Lien Facility lenders pro rata to their holdings in the First Lien Facility
Use of proceeds	To repay a portion of the First Lien Facility at par
Security	None
Maturity / Amortisation	Bullet repayment Maturity to be discussed
Interest	**PIK: 0.5%**
Stapling	Stapled to the Reinstated First Lien Facility
Ranking	Contractual subordination to New Money (being any Convertible Notes not converted into equity and New Money Credit Facility) and Reinstated Debt. Senior to equity (including equity arising from conversion of Convertible Notes).