



LAUNCH OF A CAPITAL INCREASE WITH SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS FOR AN AMOUNT OF APPROXIMATELY EUR 330 MILLION AS PART OF THE TECHNICAL SAFEGUARD PLAN

- **Subscription ratio:** 43 new shares for 6 existing shares
- **Subscription price:** EUR 2.98 per new share
- **Trading period of the preferential subscription rights:** from 7 August 2020 to 9 September 2020 (included)
- **Subscription period:** from 11 August 2020 to 11 September 2020 (included)
- **Guarantee:** operation fully guaranteed by the creditors of the Term Loan B and the RCF by way of set-off against the claims of the Term Loan B and the RCF

Paris (France), 5 August 2020 – [Technicolor](#) (Euronext Paris : TCH; OTCQX: TCLRY) (the "**Company**") announces today the launch of a capital increase with shareholders' preferential subscription rights ("**Subscription Rights**") for a maximum gross amount, including issue premium, of EUR 329,999,999.90 (the "**Rights Issue**").

This capital increase is part of the accelerated financial safeguard plan approved by the Company's committee of credit institutions and assimilated entities on 5 July 2020 and approved by the Paris Commercial Court on 28 July 2020 (the "**Safeguard Plan**") whose main restructuring and refinancing aspects are as follows:

- contribution of a sum equivalent to *circa.* EUR 420 million (net of costs and commissions) of new liquidity for the purposes of the continuation of the 2020-2022 strategic plan (updated with respect to the COVID-19 impact), the financing of the Group's current operations and the full refinancing of a bridge loan in an amount of USD 110 million due on 31 July 2020 (the "**New Money**"), it being specified that in consideration for the contribution of the New Money, the lenders under the New Money will receive 17,701,957 free warrants (the "**New Money Warrants**") exercisable for a period of 3 months, giving the right to subscribe to a maximum number of 17,701,957 new shares, at the price of one euro cent (EUR 0.01) per new share (without issue premium) and representing approximately 7.5% of the Company's share capital after the Rights Issue, the Reserved Capital Increase (as this term is defined below) but before the exercise of the Shareholder Warrants (as this term is defined below). Moreover various security interests and guarantees of the Company have been and will be granted as collateral for the New Money and, in particular, a *fiducie sûreté* of Tech 7 and Gallo 8, subsidiaries of the Company which will hold almost all of the Group's assets;



- reinstatement of 45.2% of the claims due by the Company under (i) the facility agreement of *circa* EUR 1 billion dated 6 December 2016 (the "**Term Loan B**") and (ii) the revolving credit facility of EUR 250 million entered into on 21 December 2016 (the "**RCF**") and, together with the Term Loan B, the "**Facility Agreements**") (the "**Claims**") within new term lines of credit in an amount equivalent to EUR 572 million in principal, maturing on 31 December 2024 and the granting, as a collateral, of new security interests on the assets of the Group, and a personal guarantee; and
- the significant settlement of the Group's indebtedness, in the amount of the balance of the non-reinstated Claims for the equivalent of EUR 660 million, through (i) a repayment and/or equitization, at par, as part of the Rights Issue, which is, as a reminder, fully guaranteed by the holders of the Claims by way of a set-off and (ii) a equitization as part of a capital increase with cancellation of the shareholders' preferential subscription rights in favour of the holders of Claims, for a gross amount, including the issue premium, of EUR 329,999,996.60, through the issue of 92,178,770 new shares at a unit price of EUR 3.58, to be subscribed exclusively by way of set-off, at par, against the balance of the non-reinstated Claims (the "**Reserved Capital Increase**");
- in addition, in order to give the Company's shareholders the opportunity to increase their stake in the Company and participate in a possible recovery and long-term value creation of the Group, the issue and free allotment to all the Company's shareholders, registered in the account at the time of the detachment of the Subscription Rights, of 15,407,114 warrants (the "**Shareholders Warrants**"), on the basis of one (1) Shareholders Warrant for one (1) existing share, and five (5) Shareholders Warrants giving the right to subscribe for four (4) new shares, which may result in the issue of a maximum number of 12,325,691 new shares, at a price of EUR 3.58 per new share and representing approximately 5.5% of the Company's share capital after the Rights Issue, Reserved Capital Increase and exercise of the New Money and Shareholders Warrants.

Main terms and conditions of the Rights Issue

The Rights Issue will result in the issuance of a maximum number of 110,738,255 new ordinary shares (the "**New Shares**") at a unit price of EUR 2.98, including the issue premium, i.e. a maximum gross amount of EUR 329,999,999.90.

Each shareholder of the Company will receive on 7 August 2020 one Subscription Right for each share recorded in his securities account (after the close of the trading day) on the last accounting day preceding the opening date of the preferential subscription rights trading period, i.e. at the end of the accounting day of 6 August 2020. The existing shares will thus be traded ex-rights to the Subscription Rights as from 7 August 2020.



6 Subscription Rights will give the right to subscribe, on an irreducible basis (*à titre irréductible*), to 43 New Shares with a nominal value of EUR 0.01 each, at a subscription price per New Share of EUR 2.98 (i.e., EUR 0.01 nominal value and EUR 2.97 issue premium).

As the detachment of the Subscription Rights takes place on 7 August 2020, the closing price of the Company's share on 6 August 2020 will be used by Euronext Paris S.A. as the reference price for the calculation of the theoretical value of the share ex-rights and for the calculation of the theoretical value of the Subscription Rights.

The Rights Issue will be open to the public in France only.

Indicative timetable

The trading period for the Subscription Rights will last from 7 August to 9 September 2020 (included). It will no longer be possible to buy or sell the Subscription Rights after the close of the trading day of 9 September 2020.

The subscription period for the New Shares will last from 11 August to 11 September 2020 (included).

The non-exercised Subscription Rights will automatically become null and void at the close of the subscription period, i.e. on 11 September 2020 at the close of the trading day.

The settlement-delivery and admission to trading of the New Shares is scheduled for 22 September 2020.

Commitments and subscription intentions

BPI, which holds 7.58% of the Company's share capital at the date of the Prospectus, has irrevocably undertaken, in its capacity as shareholder, to subscribe on an irreducible basis (*à titre irréductible*) for 8,370,251 New Shares by exercising all of its Subscription Rights.

In accordance with the Safeguard Plan, the holders of the Claims irrevocably undertook, each in proportion to its share in the Claims to be repaid or converted as part of the Rights Issue (unless another distribution is otherwise agreed between the Creditors), in the event that, at the end of the subscription period, all subscriptions on an irreducible basis (*à titre irréductible*) and, as the case may be, subscriptions on a reducible basis (*à titre réductible*), would not have absorbed the entire Rights Issue, to subscribe for the unsubscribed portion of the Rights Issue (i.e. a maximum total number of 110,738,255 New Shares) by way of set-off against their Claims for a maximum aggregate amount (issue premium included) of EUR 329,999,999.90.

The Company is not aware of the intentions of other shareholders or members of its administrative, management or supervisory bodies.



Lock-up period

The Company has agreed to a lock-up commitment for a period of 180 calendar days following the settlement-delivery of the transaction, subject to certain exceptions.

Use of proceeds

The amount of the subscriptions to the Rights Issue will be fully allocated to the repayment of the non-reinstated and non-converted Claims, up to EUR 330 million.

Indicative Timetable related to the Shareholders Warrants

The Shareholders Warrants shall be issued and allocated on 22 September 2020, according to the indicative timetable, to the shareholders providing proof of a book entry of their shares on 7 August 2020 according to the indicative timetable. The Shareholders Warrants shall be admitted to trading on Euronext Paris as from 22 September 2020 according to the indicative timetable. The attention of the shareholders is drawn to the fact that the theoretical value of the Shareholders Warrant will be detached from the Company's share on 10 August 2020 at the opening, whereas the first listing of the Warrant will only take place on 22 September 2020: in the event of a significant fluctuation in the price of the Company's share on the regulated market of Euronext Paris between 7 August 2020 and 21 September 2020, the theoretical value of the first listing of the Warrant could differ from its detachment value.

Disclaimer

This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. The issue, the subscription for or the purchase of Technicolor's shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. Technicolor assumes no responsibility for any violation of any such restrictions by any person.

This press release, the information it includes, do not constitute an offer to sell or subscribe for, or a solicitation of an order to buy or subscribe for Technicolor securities in Australia, Canada, Japan, or the United States of America or in any other country in which such offer or solicitation would be unlawful.

The release, publication or distribution of this press release may, in certain jurisdictions, constitute a breach of the applicable local laws and regulations. Consequently, persons physically present in such jurisdictions in which this press release is released, published or distributed must be aware of and comply with any such local restrictions.



*This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing the Prospectus Directive 2003/71/EC (the "**Prospectus Regulation**").*

With respect to the Member States of the European Economic Area other than France and with respect to the United Kingdom, no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant Member State or in the United Kingdom. Accordingly, any offer of Technicolor's securities may only be made in any Member State or in the United Kingdom (i) to qualified investors as defined in the Prospectus Regulation, or (ii) in any other case exempting Technicolor from having to issue a prospectus in accordance with Article 1(4) of the Prospectus Regulation.

*This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. With respect to the United States, Technicolor's securities have not been, and will not be, registered under the Securities Act of the United States of America, as amended (U.S. Securities Act of 1933, as amended, hereinafter referred to as the "**U.S. Securities Act**") and Technicolor does not intend to make a public offer of its securities in the United States. The securities of Technicolor may not be offered, sold, exercised or delivered within the territory of the United States of America, as defined by Regulation S of the U.S. Securities Act, except pursuant to an exemption from the registration or in a transaction not subject to the registration requirements thereof and any applicable states securities laws.*

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. For a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers and, in particular, the Prospectus.

technicolor



About Technicolor:

www.technicolor.com

Investor Relations

Christophe le Mignan: +33 1 88 24 32 83

Christophe.lemignan@technicolor.com