UNIVERSAL REGISTRATION DOCUMENT

2021

including the Annual Financial Report

technicolor

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

Société Anonyme with a share capital of €2,358,245.55
Registered Office: 8-10, rue du Renard
75004 Paris - France
Paris Register of Commerce and Companies No. 333 773 174

UNIVERSAL REGISTRATION DOCUMENT 2021

including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document has been filed on April 5, 2022 with the *Autorité des marchés financiers* (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF, as well as any amendments thereto, and a securities note and the summary approved in accordance with Regulation (EU) 2017/1129.

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on our website: www.technicolor.com.

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 the issuer's website www.technicolor.com.

MESSAGE TO THE SHAREHOLDERS

GRI *[102-14]*

Dear Shareholders,

2021 was a year of significant achievement in financial and operational terms. Despite the unpredictable business environment, we have yet again proved our ability to react quickly and efficiently, producing strong financial and operating results, and positioning Technicolor on a growth trajectory for the years to come. The efforts of our dedicated and talented teams have enabled us to continue delivering the best products and services to our clients, allowing us to achieve our 2021 guidance. Today, we have solid foundations for long term growth, and believe that now is the right moment to begin a new chapter as we position all of our business divisions for future success.

A SUCCESSFUL TRANSFORMATION IMPROVING EFFICIENCIES AND RESULTS

Over the past two years we have been successfully executing a transformational strategy to improve the Group's operational and financial performance. As a result, Technicolor has a portfolio of three leading and profitable businesses, operated by a renewed and experienced management team:

- Technicolor Creative Studios (TCS) provides visual effects services using the highest quality artistry and cutting edge technology within the entire industry. Under Christian Roberton's leadership, we have reorganized and integrated our studios under dedicated service lines to serve our clients more efficiently: MPC for Film & Episodic, The Mill for Advertising, Mikros for Animation and Technicolor for Games.
- Connected Home, under Luis Martinez-Amago's leadership, has implemented several initiatives aiming at improving efficiencies and reducing costs. As a result of these initiatives, we are well-positioned to address strong customer demand despite also navigating an environment impacted by supply chain constraints and the semiconductor crisis.
- DVD Services, led by David Holliday, has repositioned the disc business to focus strongly on profitability, and is in parallel expanding into new future-growth businesses by leveraging existing assets, know-how and customer relationships.

A NEW CHAPTER FOR TECHNICOLOR

Today, we are writing a new page of Technicolor's history, aiming at creating value for all Technicolor stakeholders.

- We intend to spin-off (65%) of TCS. This should help **reduce the conglomerate discount** affecting TCH shares, and **reduce the complexity of the Group**, allowing **both new entities to focus on their growth story without competing for resources.**
- We have the opportunity, thanks to the support of our key shareholders, and the issuance of fully backstopped Mandatory Convertible Notes (MCN), to **significantly decrease the financial debt**, and complete a **full refinancing of both entities**, leading to a significant reduction of the current interest burden.

With the partial spin-off of TCS, we intend to create **two independent market leaders** in their respective sectors:

- TCS will apply for a listing on the Euronext Paris stock exchange, and will be a global leader in VFX, offering an attractive "pure play" equity story in a market with burgeoning growth.
- Technicolor ex-TCS will be the leader in Connected Home devices as it leverages its position in existing and new markets, and in DVD Services as global leader in Disc, with specialty manufacturing and supply chain services driving future growth.

As Technicolor shareholders, you will receive TCS shares, while remaining shareholders of Technicolor Ex-TCS. So you will have exposure to two growth stories.

Existing lenders will be refunded early, and the financial profile of each company will be significantly de-risked. The refinancing package will include the issuance of €300 million MCN to be converted into Technicolor shares after the vote of Technicolor's shareholders at the General Meeting approving the spin-off of TCS.

The refinancing and the spin-off are expected to be completed by Q3 2022, subject to

(i) the shareholders' approval of the issuance of the MCN,

(ii) the shareholders' approval of the terms of the spin-off,

(iii) the completion of the refinancing discussions with creditors on terms satisfactory to Technicolor Ex-TCS and TCS and

(iv) customary conditions, consultations and regulatory approvals.

We are confident that the proposed spin-off and refinancing will allow both companies to thrive as independent businesses, and compete in a more agile manner within their respective sectors. Both entities will have a capital structure that supports their viability, long term ambitions and organic growth to the benefit of their employees, shareholders, customers and suppliers. Ultimately, this will enable each of them to **unlock enhanced value for all Technicolor stakeholders.**

We are excited to be entering this new chapter with you. Your loyalty and support have been and remain key assets for our Group. Together with our team, we are fully committed to making this new phase a success, one of which we can be proud.

Thank you for your trust,

Anne Bouverot
Chairperson of the Board of Directors

Richard Moat
Executive Officer

OVERVIEW OF TECHNICOLOR in 2021

Revenues from continuing operations

c.€2.9 bn

Revenues
BY ACTIVITY

53%
VS 59% in 2020

1. Connected Home
Complete portfolio of broadband and video customer premise equipment to Pay-TV operators and network service providers

24%
VS 23% in 2020

2. DVD Services
Mastering, replication, packaging and distribution of DVD, Blu-Ray™ and Discs

22%
VS 17% in 2020

3. Technicolor Creative Studios
Full range of production and Post production services for feature films, TV, advertising and games

1%
VS 1% in 2020

4. Corporate & Others
Trademark Licensing
Corporate costs

1st Media services provider
on physical devices

1st Worldwide supplier
of network access gateways

Revenues
BY CURRENCY

68%
USD
VS 72% in 2020

8%
Euros
VS 7% in 2020

24%
Others
VS 21% in 2020

GOVERNANCE*

Anne Bouverot
Independent Chairperson of the Board of Directors

Richard Moat
Chief Executive Officer and Director

Melinda J. Mount
Independent Director and Vice-Chairperson

Bpifrance Participations
Represented by Thierry Sommelet
Independent Director

Xavier Cauchois
Independent Director

Dominique D'Hinnin
Independent Director

Loïc Desmouceaux
Director representing the employees

Katherine Hays
Independent Director

Christine Laurens
Independent Director

Brian Sullivan
Independent Director

Marc Vogeleisen
Director representing the employees

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

Gauthier Reymondier
Board Observer

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

AUDIT COMMITTEE	REMUNERATIONS COMMITTEE	GOVERNANCE & SOCIAL RESPONSIBILITY COMMITTEE	STRATEGY COMMITTEE
Meetings in 2021: **7**	*Meetings in 2021:* **5**	*Meetings in 2021:* **5**	*Meetings in 2021:* **7**
Participation: 100%	Participation: 100%	Participation: 100%	Participation: 100%

89% **INDEPENDENT DIRECTORS**
(without the Directors representing the employees)

44% **WOMEN AND** 56% **MEN DIRECTORS**
(without the Directors representing the employees)

57 years **AVERAGE AGE OF DIRECTORS**

SHAREHOLDING
(as of 31 December 2021)

TECHNICOLOR SA
Parent Company of the Group

Public 31.10%

Angelo, Gordon & Co., L.P 12.64%

Credit Suisse Asset Management 10.81%

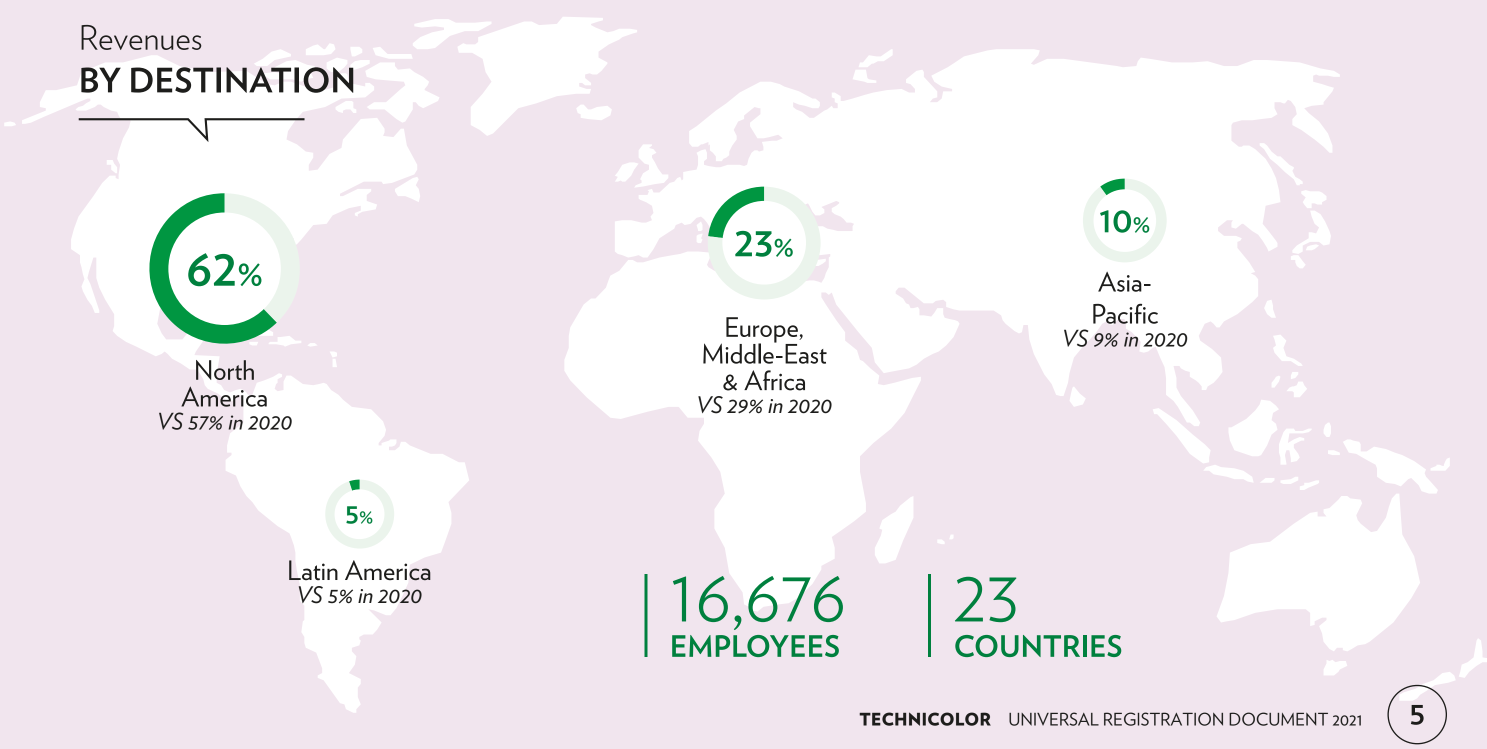
Briarwood Chase Management LLC 9.26%

Barings LLC 7.90%

Bain Capital Credit, LP 7.54%

Farallon Capital Management, LLC 6.12%

Revenues
BY DESTINATION



16,676 **EMPLOYEES**

23 **COUNTRIES**

PRELIMINARY COMMENTS

GRI *[102-46]*

In this Universal Registration Document, unless otherwise stated, the "Company" refers to Technicolor SA and "Technicolor" and the "Group" refers to Technicolor SA 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 337 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 pages 338 and 339 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 340 mentions the elements of this report).

This Universal Registration Document contains certain forward-looking statements with respect to Technicolor'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's anticipated business strategies; its intention to introduce new products and services; anticipated trends in its business; and Technicolor's ability to continue to control costs and maintain quality.

PRESENTATION OF THE GROUP

€2.9 billion of consolidated revenues from continuing operations

16,676 employees in **23 countries** as of December 31, 2021

Our mission developing, creating and delivering immersive experiences through three business segments

INPUTS

FINANCIAL
€2.898 bn revenues from continuing operations

HUMAN
16,676+ employees
23 countries

INTELLECTUAL
800+ researchers & engineers
8,300+ creatives
1,700+ creative tech support

ENVIRONMENTAL
Responsible use of water and energy
Waste processing treatments
Environment, health & safety Chart

INDUSTRIAL
Fabless except Brazil
Best in class in supply chain

ACTIVITIES

TECHNICOLOR CREATIVE STUDIOS

A leading provider of services to content creators, including MPC (Film and Episodic Visual Effects), The Mill (Advertising), Mikros Animation, and Technicolor Games
An independent global leader in tech-enabled content creation with an award-winning portfolio:

→ LONG-STANDING AND DEEP RELATIONSHIPS WITH ALL THE MAJOR PLAYERS IN HOLLYWOOD AND WITH THE STREAMING PLATFORMS

→ UNIQUELY POSITIONED FOR THE METAVERSE AS THE PREMIUM CONTENT CREATION ENGINE AT SCALE ACROSS ALL PLATFORM

DVD SERVICES

Long Tail Business, Focused on Transitioning to Volume-Based Pricing

→ #1 PLAYER IN DVD AND PACKAGED MEDIA

→ UNRIVALLED END-TO-END WORLWIDE SERVICE

→ STRONG GROWTH IN NEW BUSINESSES OUTSIDE OF PACKAGED MEDIA, OFFERING END-TO-END SUPPLY CHAIN SOLUTIONS, AND NON-DISC RELATED MANUFACTURING BUSINESSES

CLIENTS

CONNECTED HOME

Worldwide Leader in Broadband and Video Consumer Premises Equipment to Pay TV operators and NSP, Focusing on Margin Improvment and Cash Flow Generation

→ #1 IN VALUE FOR BROADBAND MODEMS AND GATEWAYS

→ #2 IN VALUE FOR DIGITAL SET TOP BOXES

TRADEMARK LICENSING

RCA and Thomson Licenses Provide stable Cash Flow Generation

STRENGTHS

GROWTH DRIVERS
Original content
Technological update in Broadband services

WORLDWIDE RANKING

A worldwide leader in Visual Effects Award-winning portfolio

#1 Worldwide Provider of Packaged Media (DVD, Blu-ray™, UHD, CD)

#1 Worldwide supplier for Broadband and leader in Android TV

OUTPUTS

FINANCIAL
€268 million Adjusted Ebitda from continuing operations
Management initiatives to secure profitable future growth
Constant focus on Cost efficiencies

INTELLECTUAL
Leader and immersive content distribution

ENVIRONMENTAL
Gold rating in EcoVadis

INDUSTRIAL
Leader in the supply of physical devices
Growth of intermediate budget production

OUTCOMES

→ PEOPLE

→ CUSTOMERS

→ SUPPLIERS AND PARTNERS

→ ENVIRONMENT

1.1 OVERVIEW AND HISTORICAL BACKGROUND

1.1.1 Overview

GRI *[102-2] [102-7] [102-15]*

As worldwide leader in the Media & Entertainment ("M&E") sector, Technicolor operates through three significant operating businesses:

- in Technicolor Creative Studios, Technicolor is a leading provider of services to content creators, including MPC (Film and Episodic Visual Effects), The Mill (Advertising), Mikros Animation and Technicolor Games ("Technicolor Creative Studios");
- in Connected Home, Technicolor is at the forefront of the design and supply of solutions enabling the delivery of digital video entertainment, data, voice and Smart Home services to Pay-TV operators and Network Service Providers including broadband modems and gateway, digital Set-Top Boxes, and other connected devices ("Connected Home");
- in DVD Services, Technicolor is the worldwide leader in replication, packaging and distribution for video, games and music CD, DVD, Blu-ray™ discs. The division is increasingly focused on diversifying its business outside of packaged media, offering end-to-end supply chain solutions, comprising distribution, fulfillment, freight brokerage, and transportation management services. Furthermore, DVD Services is accelerating development of new non-disc related manufacturing businesses, including production of polymer-based microfluidic devices for use in medical diagnostics and recent investments in vinyl record production capability.

Unallocated Corporate functions and all other unallocated activities, including Trademark Licensing activities, are presented within the division "Corporate & Other". For more information, please refer to section 1.2: "Organization and Business Overview" of this Chapter.

In 2020, the Group successfully implemented a financial restructuring plan, which met the Company's objectives of obtaining new financing in an amount of €420 million, addressing the liquidity needs of the Group and deleveraged the Company's balance sheet, through the equitization of €660 million of its Term Loan B and Revolving Credit Facility.

In the fiscal year 2021, Technicolor generated consolidated revenues from continuing operations of €2,898 million. As of December 31, 2021, the Group had 16,676 employees in 23 countries.

Technicolor is publicly listed on the Euronext Paris Exchange (TCH) with a market capitalization of €667.8 million as of December 31, 2021, and is traded in the USA on the OTCQX marketplace (OTC: TCLRY).

WORKFORCE BREAKDOWN AS OF DECEMBER 31, 2021*

8,316 CREATIVES

1,760 CREATIVE TECH SUPPORT

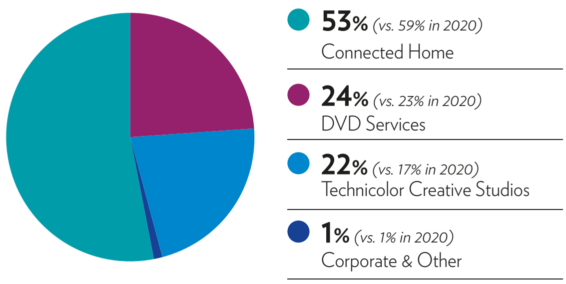
4,020 OPERATIONALS

833 RESEARCHERS & ENGINEERS

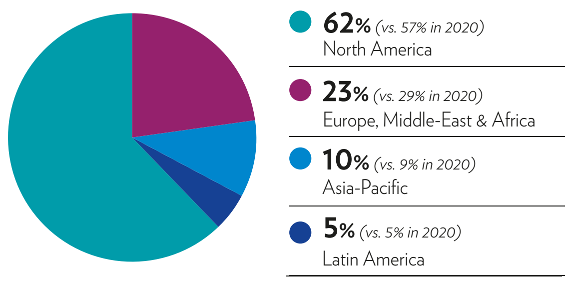
1,747 OTHERS

* *Including 491 intermittents.*

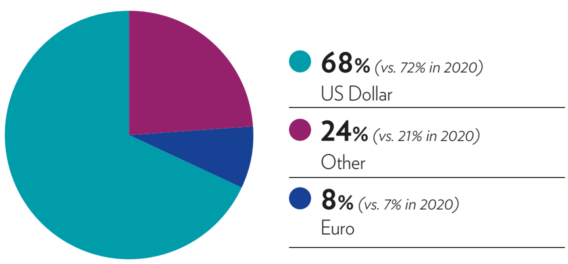
2021 REVENUES OF CONTINUING OPERATIONS BY SEGMENT



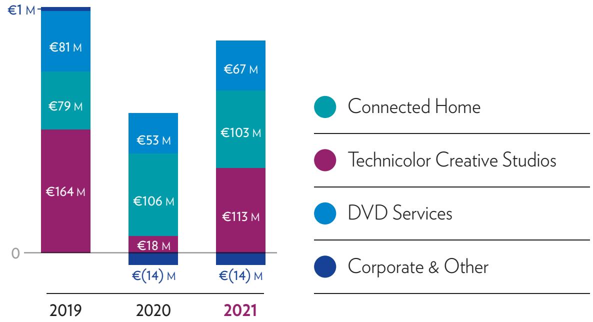
2021 REVENUES OF CONTINUING OPERATIONS BY DESTINATION



2021 REVENUES OF CONTINUING OPERATIONS BY CURRENCY

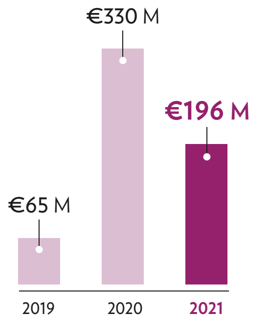


2021 ADJUSTED EBITDA BY BUSINESS SEGMENT

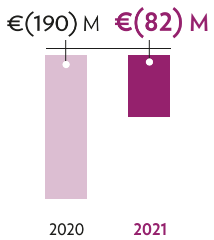


GROSS DEBT EVOLUTION (IFRS)

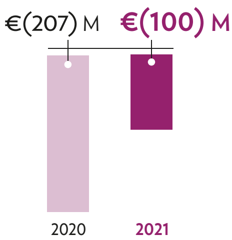
CASH POSITION EVOLUTION



FREE CASH FLOW OF CONTINUING OPERATIONS



GROUP FREE CASH FLOW



1.1.2 Historical background

GRI [102-10] [102-15] [102-49]

REFOCUSING OUR BUSINESSES & STRATEGIC ACQUISITIONS

In 2015 Technicolor completed two acquisitions: Cisco Connected Devices, the Customer Premise Equipment business of Cisco, was integrated into Technicolor's Connected Home Division, and Technicolor Creative Studios Division (previoulsy Production Services Division) acquired London-based The Mill. In addition, the Group acquired the North American assets of Cinram.

In 2018, Technicolor concluded an outsourcing agreement from Sony DADC for Technicolor in North America and Australia, and Connected Home launched a three-year transformation targeting market share gains while improving profitability in order to absorb potential new headwinds in the market.

InterDigital acquired Technicolor's Patent Licensing business in 2018, and in 2019, Technicolor sold its R&I activity to InterDigital.

In April 2021, in order to focus on VFX and Animation for the entertainment industry, and creative services and technologies for the advertising industry, the Group closed the sale of the Technicolor Post Production business for €30 million to Streamland Media.

FINANCIAL RESTRUCTURING PLAN

From June to September 2020, the Group successfully accomplished the required steps to implement its financial restructuring plan:

- June 22: opening in France of a *procédure de sauvegarde financière accélérée*, a form of pre-negotiated safeguard procedure with financial creditors;
- July 5: approval of the draft safeguard plan by the creditor's Committee;
- July 20: approval of the financial restructuring plan by a large majority of shareholders;
- July 28: approval of the Financial Safeguard Plan by the Commercial Court.

As a consequence, the Group prepared the partial debt equitization (up to €660 million) which included:

- a rights issue of the Company, with shareholders' preferential subscription rights, for a total amount of €330 million, at a subscription price of €2.98 per share, fully backstopped by the Term Loan B and RCF lenders by way of set-off of their claims at par under the existing credit facilities; Bpifrance Participations subscribed to the rights issue in cash *pro rata* its shareholding (c. 7.56%) on a non-reducible basis *(souscription à titre irréductible)* for an aggregate amount of *circa* €25 million; cash proceeds of the rights issue were used in full to repay the Term Loan B and RCF lenders, at par value;
- a reserved capital increase of the Company, for a total amount of €330 million, at a subscription price of €3.58 per share, reserved for the Term Loan B and RCF lenders and which was fully subscribed by way of set-off against their claims at par under the existing credit facilities;
- free warrants granted to New Money lenders (the "New Money Warrants"), exercisable for 3 months, with an exercise price of €0.01 with a strike price equal to the nominal value of the shares and representing 7.5% of the share capital of the Company (after the capital increases and exercise of New Money Warrants exercise, but before dilution from the shareholders' free warrants);
- shareholders' free warrants, allocated to all shareholders providing proof of a book entry of their shares on the date retained for the detachment of the shareholders' preferential subscription rights under the rights issue (the "Shareholders Warrants"), with a 4-year term, at the same price as the reserved capital increase (€3.58 per share) and representing 5% of the share capital of the Group after all capital issuances. Each existing share was granted 1 free warrant, and 5 free warrants will give the right to subscribe to 4 new shares.

FINANCING

The Group's debt consists primarily of the New Money debt and the New Reinstated Term Loans (the "Reinstated Term Loans") that resulted from the Group's financial restructuring in 2020. The New Money debt consists of term loans issued by Technicolor USA Inc. in U.S. dollars and New York law based notes issued by Tech 6 in euros. The New Money debt has a maturity of June 30, 2024. The Reinstated Term Loans, issued by Technicolor SA in U.S. dollars and euros, consist of the remaining term loan and revolving credit facility debt following their partial conversion to equity; the terms of these new loans were modified, in particular with regard to their maturity (December 31, 2024), the interest rates and the restrictions which were aligned to those of the New Money debt. The New Money debt and the Reinstated Term Loans have both a cash and PIK (Payment In Kind) interest component. The PIK interest is capitalized (every 6 months for the debt issued by Technicolor USA Inc. and every 12 months for the remaining debt) and repaid on final maturity.

For more information about the refinancing and the Group's debt covenants, please refer to Chapter 6: "Financial Statements", note 8 "Financial assets, financing liabilities & derivative financial instruments" to the consolidated financial statements.

1.2 ORGANIZATION AND BUSINESS OVERVIEW

GRI [102-2]

1.2.1 Technicolor Creative Studios

GRI [102-2] [102-6] [103-1 Market presence] [103-2 Market presence] [103-3 Market presence]

BUSINESS OVERVIEW

Technicolor Creative Studios offers Visual Effects ("VFX"), and animation services for the entertainment industry, and creative services and technologies for the advertising industry, through its award-winning creative studios The Mill, MPC, Mikros Animation, and Technicolor Games.

The division works primarily on an individual project basis, and builds teams and workflows around key creative and production talent. Technicolor Creative Studios also builds dedicated teams and spaces for clients who desire guaranteed capacity and talent across multiple projects.

Technicolor Creative Studios is now organized under four primary service lines:

1. **MPC (prior Film & Episodic VFX):** our award-winning visual effects studios, now under the unitary MPC brand, unite artistry and creativity with technology and innovation. We bring decades of experience in delivering everything from breathtaking environments, down to the precise details of a full Computer-Graphic ("CG") character;
2. **The Mill (prior Advertising service line):** with the latest visual effects, CGI and immersive technologies, we produce groundbreaking advertising, content and interactive marketing solutions for the world's biggest brands;
3. **Mikros Animation:** from episodic hits to major animated features, we work with leading animation studios. Our industry-leading facilities have become home to some of the world's most recognized and respected animators;
4. **Technicolor Games:** Technicolor Games focuses on the creative needs for the gaming industry. We've collaborated with many of the top game developers in the world.

MANAGEMENT, STRATEGIC CHANGES AND ORGANIZATION

In 2021 and 2022, under Christian Roberton's leadership, the division has continued to implement changes to drive the transformation of Technicolor Creative Studios into an efficient creative production platform. The reorganization of Technicolor Creative Studios into four clear service lines, each consolidated under a unitary brand, aims to foster deeper collaboration and synergies within each service line, while supported by the Technicolor Creative Studios global platform. This also reinforces the division's drive towards innovation, as this structure positions Technicolor to lead future technological developments across its primary market segments, including the convergence of new content technologies and workflows like real-time production, which will impact of the division's service lines.

Technicolor Creative Studios is maintaining a relentless focus on delivering client needs, improving profitability and streamlining operations. Major evolutions in 2021 and early 2022 include the following:

- the launch of Technicolor Creative Studios (previously known as Production Services), after the sale of Post-Production Services in April 2021, which resulted in the formation of a collaborative integrated global structure, designed to facilitate greater collaboration among studios, integrate technology platforms and drive future innovations for our partners and clients;
- the Animation & Games service line was split, in early 2022, into two dedicated businesses:
  - Mikros Animation: Technicolor Animation Productions, Technicolor Animation and Mikros Animation were consolidated under the Mikros Animation brand to strengthen their position as a global partner to filmmakers and producers across the world, under the leadership of Andrea Miloro who was appointed President of Mikros Animation, and
  - Technicolor Games: Technicolor decided to carve-out Technicolor Games in order to assemble a dedicated management team under the leadership of Jeaneane Falkler, who was appointed President of Technicolor Games, in order to direct more focused resources towards the expansion of our business servicing the gaming sector.
- Technicolor Creative Studios announced in September 2021 the launch of a global network of Creative Hubs, by consolidating its real estate footprint into single-site, multi-brand/service locations, beginning in London and New York City, and to be extended to Los Angeles in 2022;

- in January 2022, Technicolor Creative Studios announced further steps in its transformation with:
  - the integration of its Film & Episodic VFX brands MPC Film, MPC Episodic and Mr. X under the consolidated MPC brand, forming the largest suite of VFX studios serving the feature film and episodic market globally, with Tom Williams appointed President of MPC, and;
  - the incorporation of award-winning VFX studio MPC Advertising into sister brand The Mill, to create one global Advertising studio network, under The Mill brand, with Josh Mandel appointed as President of The Mill.
- with respect to talent recruitment and development, Technicolor Creative Studios has repositioned and rebranded The Focus as TCS Talent, a career hub under a combined talent management and lifelong learning model, utilizing real-time data to effectively and efficiently support growth in the division. TCS Academies in turn will be running on an "always on" model in 2022, with continuing initiatives to expand accessibility *via* the cloud;
- Technicolor Creative Studios' R&D priorities are focused on producing and delivering quality content at scale. This includes initiatives like facilitating the low friction transfer of talent and technology across service lines and geographies to optimize utilization, and the development & implementation of a unified pipeline toolset to be able to offer clients the ability to seamlessly service their franchise IP across all media and entertainment. Another key R&D initiative centers on real-time production tools and workflows – not only about interactivity, but the attraction of providing Directors and other content creators greater freedoms during production.

Approximately 10,540 people (including approximately 8,300 digital artists) worked for the Technicolor Creative Studios Division at the end of December 2021 in India (55%), USA (8%), Canada (16%), UK (12%), and France and Other (9%).

INDUSTRY TRENDS AND MARKET POSITION

In the first half of 2021, the Media & Entertainment industry continued to experience significant pandemic-related headwinds, particularly with sustained closures or capacity restrictions in the theatrical exhibition market. This led the major studios to continue to delay major theatrical tentpole releases or re-direct films to their streaming platforms. The theatrical market began to recover in the second half, only to run into speed bumps because of the Omicron variant. The state of the exhibition market and increasing investment in streaming platforms is driving many studios to shrink their theatrical release slates over the coming years, albeit with a likely higher concentration of tentpole budget films – ultimately leading to a slower growth, more mature market for theatrical projects.

Conversely, the streaming and episodic market continues to drive significant growth in demand for original content, providing strong tailwinds for MPC and Mikros Animation. And with increasing competition among the major streaming platforms owned by Amazon, Apple, Disney, Netflix and others, there is also a growing number of high-profile projects with budgets that rival those of the major studio tentpole films.

As global digital advertising spend continues to grow faster than traditional television advertising spend, and as rapidly evolving consumer technology choices drive new advertising content and formats. The Mill is well-positioned to address this market evolution and utilize 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.

For Video Games, market trends continue to support the external game development market. AAA games clients are increasingly looking to outsource in order to meet deadlines while games become more and more complex. Live operations, where games are periodically refreshed without needing to publish a new game (*e.g.*, the different seasons in a same game), are becoming more and more prevalent. This development is ripe to be outsourced to external game developers so that clients can focus on new games. On top of PC and console games, mobile games have become a more relevant market. Mobile game art quality increases alongside each successive generation of smartphones. Technicolor Games, now with its own dedicated management and resources, will become a key contributor to Technicolor Creative Studios' growth strategy.

KEY CUSTOMERS AND MAIN COMPETITORS

Technicolor Creative Studios' 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 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.

	MPC	The Mill	Mikros Animation	Technicolor Games
Key Customers	• Major US studios • Mini-majors and independent studios • TV production companies • Streaming providers	• Global ad agencies • Production companies • Smaller agencies • Brands and advertisers • Consultancies	• Major and independent Animation studios • Key children's TV networks and other distributors	• Publishers and developers of AAA game titles
Key Competitors	• Cinesite • Digital Domain • DNEG • Framestore (including Encore) • ILM (Disney) • Pixomondo • Rodeo FX • Scanline VFX (in the process of being sold to Netflix) • Sony Pictures Imageworks • Weta FX	• Framestore (including Company 3, Method) • MediaMonks • In-house production arms of the global ad holding companies • Major consultancies like Accenture Interactive • Several local boutiques	• Animal Logic • Bardel Entertainment • CGCG • Cinesite • DNEG • ICON Creative Studio • Reel FX • Jellyfish Pictures • Sony Pictures Imageworks	• Amber • Glass Egg Digital Media • Keywords Studios • Original Force • Rocksalt Interactive • Virtuos
Key Data (2021)	• Worked on over 30 theatrical films and over 60 streaming/ episodic projects	• Contribution to over 3,000 advertising/marketing commercials & campaigns, including ~20 spots at Super Bowl LV	• Over 4,000 minutes of Animation for film & TV • In 2021, in production in 5+ features and 17+ episodic series or TV specials	• Created 10,000+ assets for the recently released *Tom Clancy's Rainbow Six Extraction* (Ubisoft) • Have worked on EA's *FIFA* franchise for 14 years in a row

REVENUE AND KEY HIGHLIGHTS

TECHNICOLOR CREATIVE STUDIOS REVENUE

Revenues were up 22.5% year-on-year at constant rate, and 22.6% at current exchange rate. Excluding the Post-production business divested in April 2021, year-on-year revenue growth at constant rate would have been 37.2%. This improvement, notably in the second half, resulted from a surge in demand for original content for all the business lines compared with a year 2020 which suffered from pandemic-related impacts on production in Hollywood and around the world.

In 2021:

MPC

- Exceptional work on approximately 30 theatrical films from the major studios, including 2021 releases like *Cruella* (Disney), *Ghostbusters: Afterlife* (Sony), *Godzilla vs. Kong* (Legendary/Warner Bros.), *House of Gucci* (MGM) *The Last Duel* (20th Century), *Mortal Kombat* (Warner Bros.), *Nightmare Alley* (Searchlight), *Snake Eyes* (Paramount), *Spider-Man: No Way Home* (Marvel/Sony), *Resident Evil: Welcome to Raccoon City* (Constantin Film/Sony), *West Side Story* (Amblin/20th Century); and highly anticipated 2022 and beyond releases like *Aquaman and the Lost Kingdom* (Warner Bros.), *Dungeons & Dragons* (Entertainment One/Paramount), *The Little Mermaid* (Disney), *The Lion King prequel* (Disney), *Sonic the Hedgehog 2* (Paramount), *Top Gun: Maverick* (Paramount), *Transformers: Rise of the Beasts* (Paramount).
- Worked on over 60 Episodic and/or Streaming projects, including *American Gods* season 3 (Fremantle/Starz), *Chip 'n' Dale: Rescue Rangers* (Disney+), *Cowboy Bebop* (Netflix), *Foundation* (Skydance/Apple TV+), *Hawkeye* (Marvel/Disney+), *House of the Dragon* (HBO), *La Brea* (NBCUniversal), *Lost in Space* season 3 (Netflix), *The Nevers* (HBO), *Pennyworth* season 2 (Epix), *Star Trek: Discovery* season 4 (Paramount+), *Vikings: Valhalla* (MGM/Netflix), *WandaVision* (Marvel/Disney+), *The Wheel of Time* (Amazon/Sony), *The Witcher* season 2 (Netflix).
- MPC Film received Oscar® nominations for VFX on Paramount's *Love and Monsters* and Disney's *The One and Only Ivan*, BAFTA nomination for Disney's *The One and Only Ivan*, 5 VES nominations, including a win for Outstanding Animated Character in a Photoreal Feature for its work on Disney's *The One and Only Ivan*, HPA Award nomination for Outstanding Visual Effects – Theatrical Feature for its work on Legendary's *Godzilla vs. Kong*, and Emmy nomination for Outstanding Special Visual Effects in a Single Episode for its work on *Vikings "The Signal"*.

The Mill

Technicolor contributed to over 3,000 projects for advertising, including approximately 20 Super Bowl spots.

Another year of industry accolades, including:

- three VES Awards, including Outstanding Visual Effects in a Commercial for Walmart *Famous Visitors*;
- six British Arrows, including Gold Arrows in VR/360/AR for Tate Modern *Untold Stories*, in CGI for Hennessy X.O *The Seven Worlds*, and in Colour for BMW X7 *Legend*;
- MPC Advertising recognized as Ad Age's VFX Company of the Year for the second year running;
- three Cannes Lions for contributions to Burberry *Festive* and PlayStation *Feel the Power of Pro*;
- two Adweek Experiential Awards by The Mill for Best Use of Video in an Experiential Activation for Respawn Entertainment's *Apex Legends at the Game Awards* and Best Use of Virtual Event Technology for HBO's *HBO: Lovecraft Country Sanctum*;
- seven Creative Circle Awards, including The Mill winning Gold for Most Creative Post Production Company;
- four Kinsale Shark Awards, including Gold for Best CGI/Visual Effects for its contribution to Burberry *Festive*; and
- The Mill being ranked the #1 Post House in *Televisual's* Commercial Producers poll.

Notable projects during the year include LEGO's latest global *Rebuild the World* campaign, Nike's latest *Play New* campaign featuring Megan The Stallion, *Pentakill: Lost Chapter: An Interactive Album Experience* – a metaverse concert for Riot Games, BMW *The Ultimate Self-Driving Machine*, Dell *Youniverse*, Ford *Ford F-150 Lightning*, Samsung *Chromebook*, Verizon *The Reset*, Amazon Prime's *An Unlikely Friendship*, Burberry *Open Spaces*, and M&S *Percy's First Christmas*.

Mikros Animations

- **Feature:** Mikros was in production on *PAW Patrol: The Movie* (Spin Master Entertainment/Paramount) released in August 2021, *Thelma and the Unicorn* (Netflix), *The Tiger's Apprentice* (Paramount), and *Ozi* (GCI Film), while beginning to ramp-up production on three additional feature films.
- **Episodic:** Mikros was in production on several series and specials, including *The Chicken Squad* (Wild Canary/Disney), *The Croods: Family Tree* (DreamWorks/Hulu/Peacock), *Fast & Furious: Spy Racers* season 5 (DreamWorks), *Kamp Koral: SpongeBob's Under Years* (Nickelodeon/Paramount+), *Mickey and Minnie Wish Upon a Christmas* (Disney), *Mickey Mouse Funhouse* (Disney), *Mickey's Tale of Two Witches* (Disney), *Minnie's Bow-Toons* season 1 (Disney), *Mira, Royal Detective* season 2 (Wild Canary/Disney), *Rugrats* season 1 (Nickelodeon/Paramount+), *Star Trek: Prodigy* season 1 (Nickelodeon/Paramount+), and IP projects including *ALVINNN!!! and the Chipmunks* season 5 (M6), *The Coop Troop* (Sixteen South/Tencent co-production), and *Gus – the Itsy Bitsy Knight* (TF1).

Technicolor Games

Technicolor Games contributed to AAA releases like *FIFA 22* (EA), *Mass Effect Legendary Edition* (EA/BioWare), *NBA 2K22* (2K), *NHL 22* (EA).

1.2.2 Connected Home

GRI *[102-2] [102-6] [103-1 Market presence] [103-2 Market presence] [103-3 Market presence]*

BUSINESS OVERVIEW

The Connected Home Division offers a complete portfolio of Broadband and Video Customer Premise Equipment ("CPE") to Pay-TV operators and Network Service Providers ("NSPs"), including broadband modems and gateways, digital Set-Top Boxes, and Internet of Things ("IoT") devices.

The CPE portfolio of the Connected Home Division can be further described as follows:

- in Broadband, modem and gateway CPE are access devices designed for Cable, Telecom and Mobile operators to allow the delivery of multiple-play services (video, voice, data, and mobility) to their residential and business subscribers over fixed wire and wireless networks (cable, xDSL, fiber, LTE/5G). Connected Home offers a complete range of broadband CPE devices, including high-end triple and quad-play gateways, business gateways, integrated access devices, double-play wireless gateways with data and VoIP functionalities, as well as Wi-Fi routers, extenders, and IoT devices;
- in Video, digital Set-Top Box CPE are designed for Cable, Satellite, Telecom and Mobile operators to enable the delivery of digital video entertainment and advanced services to their subscribers over broadband, broadcast, and hybrid networks. Connected Home offers a wide range of products including IP Set-Top Box, broadcast Set-Top Box, hybrid Set-Top Box, and media servers. These products enable NSPs to offer access to Broadcast TV, Internet TV and OTT services in Standard ("SD"), High ("HD") and Ultra High Definition ("UHD").

Technicolor typically provides the design and validation of the CPE. In addition, the division manages all the logistics and supervises the manufacturing and assembly on behalf of its customers. The manufacturing and assembly services are performed by CEMs ("Contract Electronic Manufacturers") as suppliers. The Company operates a single manufacturing facility in Manaus (Brazil), to serve the Brazilian market.

ORGANIZATION

With the acquisition of Cisco Connected Devices in November 2015, Connected Home doubled its size, and increased its industrial and technological scale across all major geographies, particularly in North America, the largest market in volume and value.

The division is structured around dedicated teams focused on the development of our partnership with Pay-TV operators and Network Service Providers.

The division also benefits from a strong transversal services organization including operations, global supply chain management, procurement, sales operations, quality assurance, and hardware performance. This organization also hosts all business re-engineering and transformation programs for Connected Home.

Connected Home had 1,239 employees at the end of December 2021, of which 107 employees were direct labor in the Manaus manufacturing facility in Brazil.

CONTRACT STRUCTURING AND PROCESS

In most cases, a Connected Home customer issues a request for proposal ("RFP") or a request for quotation ("RFQ") for a product they wish to procure. All vendors, including Technicolor, quote their best terms, based on their understanding of the product. Typically, a shortlist of considered vendors is created and technical discussions are held with those vendors. A best and final offer is made, and one or two vendors are awarded. Our offers, which include pricing, are made considering the best view we have on forward looking component costs, the R&D effort to develop the product, and fixed costs.

The standard contractual process is divided into five main steps:

- presale partnership to help refine a new product definition;
- request for price/request for quote process;
- development, which ranges widely from about 6 to 18 months;
- deployment;
- maintenance.

INDUSTRY TRENDS

Global Internet traffic is growing, fueled by increasing service consumption, particularly video through Over-The-Top services, as well as the connectivity of millions of additional devices, often referred to as IoT, and finally by the Wi-Fi evolution creating the need for renovation of the installed base. With the increasing amount of data that will cross global IP networks in the next few years, households will demand greater connectivity speed, which will drive transition to new standards and technologies (advanced video codecs, DOCSIS 3.1, 10G Fiber, G.fast, and 5G). Technicolor is anticipating the next wave of the expending market for DOCISIS 3.1 and Fiber as operators make the transition to next generation Wi-Fi technologies and higher speeds like 10G. The Smart Home and IoT ecosystems can increase customer retention and generate additional revenue as NSPs go beyond traditional triple/quad-play offerings and develop new services to increase Average Revenue Per User ("ARPU").

The CPE industry continues to evolve towards more powerful, more open, and more complex platforms and devices. This evolution will continue to provide more and more new software services. Sending CPE device information to the cloud for processing through artificial intelligence and deep learning algorithms allows NSPs to get richer insights on the health of access and home networks and create new service offerings for their customers.

In 2018 and 2019, our industry faced cost and supply continuity challenges resulting from global shortages of components. Technicolor led the industry in taking actions to mitigate the impact and guarantee supply. The component environment remains challenging:

- the situation with the prices for memory chips is gradually improving and the costs for MLCCs have stabilized and started to go down. However, the volatility and uncertainty in certain categories of electronic components remains high;
- starting from mid-2018, Connected Home is invoicing clients for the majority of these identifiable component cost increases.

The Covid-19 global pandemic has created global distortions in our industry. World logistics were severely disrupted in recent months, and they will remain difficult for some time to come. The semiconductor crisis, which started in the second half of 2020, impacted all the 2021 supply, and is expected to continue throughout 2022. Connected Home will continue to work with its partners to minimize the impacts of the supply disruptions with pass through of upcost, alternative shipping methods and flexible payment terms when needed.

The industry also experienced a significant drop in the cable video market in North American in 2018, which was partially offset by stronger demand in broadband.

Connected Home is also committed to developing a responsible business as our Ecovadis CSR Platinium Rating demonstrates. This distinction places Technicolor in the top 1%, and best-in-class, of companies evaluated in the manufacture of communications equipment industry. The award recognizes our structured and proactive sustainability approach including our engagements and tangible actions on major issues. Indeed, Technicolor started to implement eco-design guidelines in 2008 and has long taken a positive stance towards environmental and efficiency issues in the development, manufacture, and use of its products. As a continuous improvement practice, Connected Home actively monitors its energy efficiency (carbon emissions generated by product use and carbon emissions resulting from shipping and transportation of products) and is increasing the use of renewable energy within its infrastructure (for instance, our Manaus factory has been certified carbon neutral for many years).

MARKET POSITION IN 2021

As of September, Technicolor achieved a market share of c. 14% worldwide excluding China (sources: Dell'Oro, IHS Markit, Technicolor estimates). The Group's market position differs depending on market segments and geography.

As of September 2021, Technicolor is worldwide number one in its target segment (Broadband solutions + Android TV).

In 2021, the Connected Home Division has strengthened its leadership in key market segments:

- in DOCSIS 3.1, Connected Home reached the milestone of over 20 million RDK broadband gateways deployed, and won deals with major operators across Europe and the Americas, confirming its leadership across the RDK community;
- in Fiber, Connected Home has won new customers in EMEA, and a first deal outside of Brazil in Latin America;
- in Wi-Fi 6/6E, the latest in-home wireless technology, Connected Home has made good strides in EMEA and Americas winning several projects to design the next generation of CPE devices;
- on Android TV, Connected Home has shipped over 10 million Set-Top Box worldwide, winning customers in Europe and Latin America. The division continued to show its innovation capabilities by launching:
  - SKY Connect, the first hands-free voice control STB integrating Google Assistant far-field voice technology for Sky Brazil,
  - the U+tv Soundbar Black, a high-end, multi-service home-entertainment platform developed in partnership with HARMAN's Embedded Audio group and LGU Plus, with Dolby Vision and Dolby Atmos sound experience.

Technicolor's key competitors in the CPE market include CommScope, Sagemcom, Arcadyan, Humax, Huawei, and ZTE.

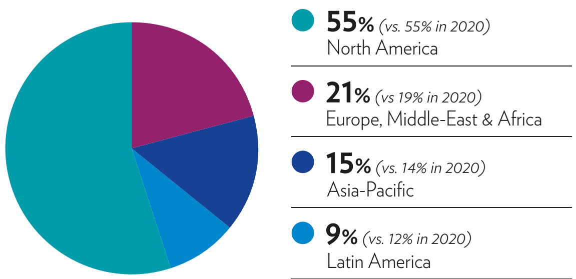
REVENUE HIGHLIGHTS

The Connected Home Division generated consolidated revenues of €1,544 million in 2021 (€1,764 million in 2020), accounting for 53% of the Group's reported consolidated revenues (59% in 2020).

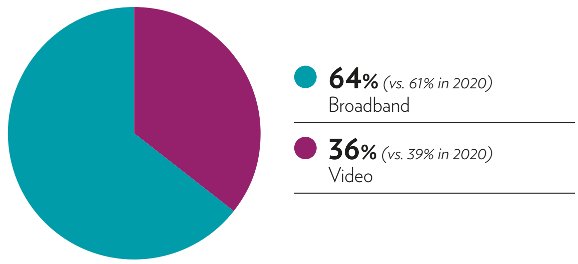
Connected Home shipped a total of 26.2 million products in 2021 (29 million in 2020), or more than 500,000 devices per week. By product category, video devices represented 53% of total volumes in 2021 (2020: 54%), while broadband devices represented 47% of total shipments (2020: 46%) of which 3.8% of total volumes from Manaus.

On the video side, Ultra-High-definition products represented around 70% of the Group's digital Set-Top Box revenues in 2021 (60% in 2020).

REVENUES BY REGION



REVENUES BY PRODUCT



Customer concentration

Technicolor's customer base includes most of the largest Pay-TV operators and Network Service Providers worldwide.

Connected Home top 20 customers make up approximatively 75% of the total market (excluding China), and Technicolor holds a material market share position with each of them.

Technicolor's main customers include America Movil, AT&T (DIRECTV), CenturyLink, Charter, Comcast, Cox, Liberty Global, Megacable, Proximus, Tata Sky, Telecom Italia, Telefonica, Telstra, Telus and Vodafone.

By Geography

		North America	Latin America	Europe, Middle-East & Africa	Asia-Pacific
Revenues	**2021**	855	139	324	226
(in million euros)	2020	980	206	336	242

Connected Home recorded strong commercial activity in 2021 in North America, in particular with major cable operators in broadband solutions, despite logistics and component challenges. Driven by this North American broadband activity, Connected Home is continuing to take the worldwide leadership role in DOCSIS 3.1 deployments, both in volume and value.

In Europe, Middle-East and Africa, Connected Home continued to add new Android TV and DOCSIS 3.1 wins, both product groups adding revenue fuel for the coming years. The segment succeeded in maintaining a solid position in telecom and cable gateways and in all categories of Set-Top Box.

Connected Home is well established in Latin America, serving the major operators in this region. New wins in both broadband and Video have put us on a path for growth in 2022.

In Asia-Pacific, Connected Home is focusing on the markets with high volumes and added value products. The largest product categories in this market are Android TV products and Satellite Set-Top Box, while Broadband gateways are large in some areas.

Transformation Plan

During 2018, Connected Home decided to launch a three-year transformation program to adapt itself to prevailing market conditions and subsequent consolidation facing our industry. This program includes a customer "selectivity" plan to better achieve product synergies and develop stronger partnerships with key suppliers and partners to improve product costing, competitiveness, and time to market. The plan includes reducing the annual fixed cost structure by 40% over a three-year period, representing c. €140 million savings versus 2017. Total costs associated with this plan amount to c. €90 million, with an average pay-back of less than 15 months.

At the end of December 2020, the division completed successfully the transformation plan. Selective investments in key customers, and a platform-based products approach focused on broadband and Android TV segments, combined with strategic partnerships with key suppliers and aggressive investment in process re-engineering, have generated a significant increase in the productivity and competitiveness of Connected Home in the marketplace. Connected Home has improved its margins and its market share over the last years, despite facing many market, industry and global challenges.

Connected Home continued to launch programs during 2020 and 2021 to improve productivity and efficiencies in all parts of its operation.

1.2.3 DVD Services

GRI *[102-2] [102-6] [103-1 Market presence] [103-2 Market presence] [103-3 Market presence]*

BUSINESS OVERVIEW

Technicolor DVD Services is the worldwide leader in replication, packaging and supply chain solutions for packaged media and related products serving global content producers across film, television, games and music. The division provides turnkey integrated supply-chain solutions including mastering, replication, packaging, direct-to-retail and direct-to-consumer distribution of both new releases and catalog products, returns handling and freight management, as well as procurement and selected other inventory management and related services. The DVD business of DVD Services has established deeply integrated customer relationships and a highly scalable, optimized low-cost operational platform. The division is increasingly focused on diversifying its customer base outside of Media & Entertainment, leveraging its manufacturing and supply chain capabilities for other markets and applications.

Technicolor DVD Services runs strategically positioned key manufacturing facilities in Guadalajara (Mexico) and Piaseczno (Poland), while associated supply chain services (*e.g.*, packaging and distribution) in the United States, Europe and Australia are supported by a multi-region/multi-site facility platform. In the U.S., the Group operates primarily from its Memphis and Nashville (Tennessee) facilities, while disc manufacturing is performed from its Guadalajara facility, and from its growing packaging and distribution platform in Mexicali (Mexico), located on the U.S. border. All Technicolor facilities and supply chain operations employ rigorous security processes to help ensure against piracy and other data loss of our customer's valuable Intellectual Property.

Technicolor DVD Services believes it has the most efficient cost base in the packaged media industry, and the division continuously seeks to implement further operational and productivity improvements, including the ability to adjust to the heavily seasonal nature of the packaged media industry via the use of temporary labor, automation and other flexible cost strategies.

The division continues to actively diversify its business outside of packaged media, offering end-to-end supply chain solutions, comprising distribution, fulfillment, freight-brokerage and transportation management services, for both business-to-business and direct-to-consumer clients across a variety of segments, including consumer electronics, music and merchandising, apparel, food and beverage, educational materials, and gift cards.

Furthermore, the division is accelerating development of non-disc related manufacturing business, including production of polymer-based microfluidic devices for use in medical diagnostic and life science applications, leveraging the Group's existing expertise in precision polymer and plastic moulding, milling and clean-room manufacturing capabilities. Recent investments in vinyl record production capability leverages DVD Services' core "wheelhouse" capabilities, underpinning its entrance in 2022 into this growing and capacity-constrained segment of the global music industry.

David Holliday, President of the DVD Services Business Division, has been tasked with further in-depth transformation and revenue growth sources of the business. Enjoying strong business relationships with all the major Studios, the DVD Services team continues its acceleration of the DVD Services transformation with on-going cost optimization, enhancements of internal processes and a disciplined approach to contract negotiations. Four significant facility closures (mainly in North America) were completed in 2021 as part of the ongoing transformation plan.

INDUSTRY TRENDS AND MARKET POSITION

While at an industry level global shipments of packaged media products have declined in recent years and are expected to continue to decline, Technicolor believes it is well positioned to outperform overall market trends, driven by increased penetration, and strong relations with existing customers and the addition of new customers.

The package media business remains a large and profitable revenue source for content creators, and Technicolor believes there will be continuing significant consumer demand for physical ownership of content. Given a highly variable cost structure, activity optimization, automation, and cost reductions, as well as its encouraging ongoing revenue diversification efforts, Technicolor expects DVD Services to maintain profitability in this maturing market environment.

As a global market leader, Technicolor's key customers include major Hollywood studios such as Studio Distribution Services ("SDS", the newly formed joint venture between Warner Bros and Universal), The Walt Disney Company, Sony, Fox, Lionsgate, and Paramount, as well as independent film studios, software and games publishers, and major music publishers. Most major customers are covered by multi-year contracts, which typically contain volume exclusivity and/or time commitments. Major client relationships typically consist of multiple contractual arrangements for specific types of services within specific geographical areas.

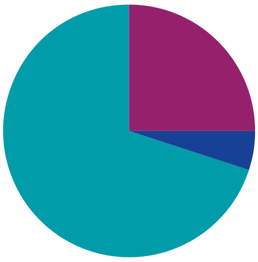
Technicolor's remaining key competitors in the DVD market include Arvato and Sony, both of which now have the majority of their activity concentrated in the European market.

DVD Services continued to progress its previously announced structural division-wide initiatives to adapt distribution and replication operations and related customer contract agreements in response to continued volume reductions. Multiple successful contract renegotiations were completed from 2019-2021, and similar efforts with other customers will occur in line with contract expirations.

REVENUE HIGHLIGHTS

DVD Services revenues totaled €701 million in 2021, up 1.6% at constant rate and down (0.7)% at current rate compared to 2020. Despite slightly lower disc volumes year-on-year (-2.7%), revenue growth was driven by increased revenues from new growth businesses in the US mainly (distribution and freight revenues).

VOLUMES BY FORMAT

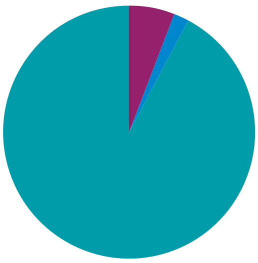


70% *(vs 68% in 2020)*
SD-DVD

25% *(vs 27% in 2020)*
Blu-ray™

5% *(vs 5% in 2020)*
CD

VOLUMES BY SEGMENT



92% *(vs 91% in 2020)*
Studio/Video

6% *(vs 6% in 2020)*
Music & Software

2% *(vs 3% in 2020)*
Games

Selected major feature film titles produced by Technicolor in 2021 included mainly:

- *Soul* and *Raya and the Last Dragon* from Disney; *The Boss Baby: Family Business*, *No time to Die*, *Fast and Furious 9*, *Halloween Kills* from Universal; *Godzilla vs. Kong*, *The Suicide Squad*, *Dune* and *Wonder Woman 1984* from Warner Bros.; *Venom: Let There be Carnage* from Sony; *The Hitman's Wife's Bodyguard* from Lionsgate and *A Quiet Place Part II* from Paramount.
- Major games titles included *Call of Duty: Vanguard* from Activision, *FIFA 2022* and *Madden NFL 22* from Electronic Arts and *Far Cry 6* from Ubisoft.

1.2.4 Corporate & Other

GRI [102-2]

The "Corporate & Other" Division comprises unallocated corporate functions and all other continuing activities.

Corporate & Other operations are as follows:

- Trademark Licensing business which monetizes valuable brands such as RCA™ and Thomson™ which were operated by the Group when it was a leading stakeholder in the consumer electronics business. Trademarks create business and market opportunities for licensing partners around the globe, which benefit from a complete brand service including rights management & protection, quality insurance, marketing and design. Main product categories developed are Television, Tablets, Home appliances with an increased market and awareness presence in EMEA, North and South America. On February 24, 2022, Technicolor announced that it had received a binding offer to sell its Trademark Licensing operations. The total agreed consideration amounts to approximately €100 million, to be paid in cash at the closing of the transaction. This transaction will allow the Group to further simplify its structure with the sale of non-core assets, and to increase Technicolor financial flexibility. The sale, which is subject to closing conditions, is expected to close in the first half of 2022;
- Patent Licenses, which have not been sold to InterDigital and which monetize valuable patents such as MPEG-LA and various others;
- Post-disposal service operations and commitments related to former consumer electronics operations, mainly pension costs;
- Unallocated Corporate functions, which comprise the operation and management of the Group's Head Office, together with various Group functions centrally performed, such as Human Resources, IT, Finance, Marketing and Communication, Corporate legal operations and real estate management, and that cannot be strictly assigned to a particular business within the three divisions.

1.2.5 Discontinued operations

GRI [102-10][102-49]

Technicolor has finalized a number of disposals over the last few years, the results of which are, under certain criteria, reported as discontinued operations under IFRS.

For a description of the financial implications of discontinued operations on the Group's results of operations, please refer to Chapter 2: "Operating and Financial Review and Prospects", section 2.2.7: "Profit (loss) from discontinued operations".

The sale to InterDigital of the Research & Innovation ("R&I") activity was completed on May 31, 2019.

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1.3 STRATEGY

GRI *[102-10] [102-15] [103-1 Economic performance] [103-2 Economic performance] [103-3 Economic performance]*

Technicolor's Strategic Plan aims at better serving clients and taking advantage of market opportunities. Its pillars are:

- concentrate resources on areas of the business offering profitable growth;
- take a more disciplined approach to business selection and focus on new projects which drive attractive returns;
- continue to produce market leading products and solutions;
- divest business units which are unprofitable or do not generate acceptable margins, and where there is no opportunity to improve them organically;
- significantly streamline operations from an organizational point of view and continue the implementation of a new cost savings plan which will improve margins;
- increase transparency providing tangible financial targets.

This Strategic Plan includes measures that will improve the cost structure, and drive profit and cash flow, without compromising our top line growth prospects.

CLEAR STRATEGIC PRIORITIES FOR EACH DIVISION

Technicolor Creative Studios key pillars are:

1. strengthen the employee value proposition, while making significant investments in recruitment, retention, training and development;
2. standardize technology tools, frameworks and workflows to enable the business lines to produce and deliver quality content at scale;
3. continue to grow utilization of Technicolor Creative Studios' large-scale production platform in India.

- At MPC (Film & Episodic VFX): exploit burgeoning demand for VFX content: expand production capacity, secure volume agreements with key players, and grow order book with the key streaming & episodic players.
- At The Mill (Advertising): continue to grow higher margin VFX market share, while expanding its Total Available Market (TAM) by investing in new or emerging services like consultancy, design, and experience (*e.g.*, Extended Reality (XR), metaverse).
- At Mikros Animation: grow production capacity to meet market demand for high-end CG animation.
- At Technicolor Games: scale Art & Animation revenue capacity and expand into adjacent addressable markets like functional testing and co-development.

Connected Home key pillars are:

- continue to pivot from Video to Broadband;
- exploit growth in Android TV;
- focus growth on scale customers using platform model.

DVD Services key pillars are:

- continue significant business transformation, cost-optimization and automation in this specialist manufacturing, supply change and fulfillment services division;
- leverage the expertise, facilities, existing supply chain infrastructure and manufacturing capability and capacity to expand our presence within the four current strategically selected growth-oriented market segments: Microfluidics, Supply Chain Services & Fulfillment, Freight Brokerage, and Vinyl (record) Manufacturing and Distribution Services;
- add significant expansion of/adjacent addition to, DVD Services growth business each year, leveraging the skills and facilities and end-to-end Unique Selling Proposition ("USP") of DVD Services;
- maximize cash potential of the DVD business.

Transversal functions:

- streamline the business model in each function;
- reduce organizational complexity;
- centralize functions where appropriate;
- achieve step change reduction in costs.

While conducting its daily operations, the Group is constantly reviewing various potential strategic options to further create value to its stakeholders.

RECENT STRATEGIC EVOLUTIONS

On february 24 2022, technicolor announced its intention to list technicolor creative studios to enable its further growth and development, creating two independent market leaders, and to refinance technicolor's existing debt.

<u>**Rationale of the contemplated transactions**</u>

Over the past 2 years, Technicolor's management has transformed the Group by restructuring operations and restoring profitability, despite the challenges brought by COVID-19. Today Technicolor operates three profitable businesses, each a leader in its respective market. As the operational and financial transformation of our businesses progressed, our Board of Directors and management team have continuously reviewed strategies to unlock value to all of Technicolor's stakeholders. Today's announcement on the proposed spin-off of a 65% stake in TCS, and the intention to refinance our existing debt, allows the Group to set out on a path towards unleashing the full potential of our businesses. It also marks, along with the Mandatory Convertible Notes, a further and significant expected deleveraging of both new entities, notably for TCS on a stand-alone basis which is expected to benefit from a leverage in line with market peers.

Within the framework described above, Technicolor's Board of Directors has approved the plan to list and partially spin off TCS. The current perimeter of Technicolor activities would therefore be divided into:

- Technicolor Creative Studios ("TCS");
- Technicolor Ex-TCS, which will comprise Connected Home and DVD Services, and is expected to retain up to a 35% stake in TCS at the time of the spin-off.

TCS and Technicolor Ex-TCS have distinct characteristics in terms of growth, margins, capital intensity, and cash flow generation. The contemplated transaction will allow each entity to pursue its own strategic path independently, consistent with its underlying business dynamics and financial fundamentals, and thereby achieve its full value potential. Furthermore, the spin-off of TCS should help to reduce the conglomerate discount of Technicolor Ex-TCS and create a strong basis for TCS full valuation.

TCS is a global leader in VFX, offering a unique 'pure play' equity story in a market experiencing exponential growth driven by burgeoning demand for content. TCS will have a Board of Directors and a management team independent from Technicolor Ex-TCS. As a separate company with direct access to capital markets, TCS will be able to accelerate the execution of its strategic agenda and growth trajectory.

Technicolor Ex-TCS will strengthen market leader status in Connected Home and DVD Services. The company is expected to have a stronger balance sheet following the contemplated refinancing, with lower leverage and greater liquidity than today, hence significantly de-risking its financial profile. Connected Home and DVD Services will therefore be in a strong financial position to reinforce their status as global players.

Contemplated spin-off details

Technicolor intends to list TCS on Euronext Paris, and to make a concurrent distribution of a 65% stake in TCS to Technicolor shareholders (the "Distribution").

The spin-off structure allows Technicolor shareholders to receive Technicolor Creative Studios shares, while remaining shareholders of Technicolor Ex-TCS. In view of the analysis to date of the composition of Technicolor SA's net equity and in particular its negative retained earnings which the projected 2022 income (including the capital gain on the transfer of the TCS shares) is not expected to absorb, it is to-date anticipated that this distribution-in-kind would be made out of Technicolor's share premium account, and that it should, from a French tax perspective, be considered as a tax-free return of share premium under article 112 of the French tax code (*remboursement de prime d'émission*). This Distribution should therefore not be subject to tax in France whether by way of a French levy, a French withholding tax or otherwise (subject to specific situations). Additional information will be provided in this respect ahead of the actual distribution.

As far as the remaining 35% TCS stake retained by Technicolor Ex-TCS is concerned, its disposal will be considered ahead of or following the spin-off, depending on market conditions, with a view to further and significantly deleverage both new entities. The spin-off resolutions will be submitted to the Company's Annual and Extraordinary Shareholders Meeting that it is anticipated will be convened in late June 2022.

It is expected that the spin-off will take place during the later part of Q3, 2022 subject to the conditions outlined below. The company will request the admission of the TCS shares on Euronext Paris by way of a prospectus to be approved by the AMF. The company has retained Finexsi as independent financial appraiser in order to provide shareholders with an independent valuation of the TCS shares prior to the vote at the Company annual shareholders' meeting referred to above.

Contemplated refinancing package details

Concurrently, Technicolor is announcing its intention to fully refinance the Group's debt.

As part of the refinancing, Technicolor intends to issue Mandatory Convertible Notes ("MCN") for €300 million in the form of separate reserved issuances. Angelo Gordon, Bpifrance and other selected subscribers have committed to subscribe to the full amount of the MCN. The MCN would automatically be converted into Technicolor shares if a Technicolor Extraordinary General Meeting approves the Distribution, and the Board of Directors decides such Distribution. The conversion price of €2.60 per share is equal to a 5% discount to the 3-month VWAP ("*Volume-Weighted Average Price*") per Technicolor ordinary share as of February 23rd, 2022.

The fairness of the condition of the Mandatory Convertible Notes conversion will be addressed prior to the vote at the MCN Extraordinary General Meeting by a report to be prepared by Finexsi as independent financial appraiser.

The issuance of the MCN is subject to 2/3rd majority approval at an Extraordinary General Meeting of shareholders, which is expected to take place early Q2 and, in any case, no later than May 25th, 2022. Shareholders subscribing to the MCN have committed to not dispose of their shares before the MCN Extraordinary General Meeting.

In parallel, consistent with the proposed transaction, the Group is launching negotiations to refinance its existing debt, with a view to putting in place two distinct and optimized financing packages for TCS and Technicolor Ex-TCS respectively.

The refinancing and the spin-off are expected to be completed by Q3 2022, subject to (i) the shareholders' approval of the issuance of the MCN, (ii) the shareholders' approval of the terms of the spin-off, (iii) the completion of the refinancing discussions with creditors on terms satisfactory to Technicolor Ex-TCS and TCS and (iv) customary conditions, consultations and regulatory approvals.

Technicolor Creative Studios: a collaborative global VFX leader driving innovation and creativity

TCS provides its clients with the highest quality VFX artistry and cutting-edge technology in the industry. Following the appointment of Christian Roberton as President in 2020, TCS has been fully reorganized to run in a more efficient and agile way. The studios have been integrated under dedicated business lines with MPC for Film & Episodic VFX, The Mill for Advertising, Mikros for Animation and Technicolor Games to serve the gaming industry, achieving significant synergies and efficiencies. Each of the business line is supported by fast growing markets, together with a unique opportunity to play a central role in new areas such as the creation of the metaverse.

In addition, the newly listed company will benefit from unique technological expertise, longstanding customer relationships, a large-scale production platform in India, a unified pipeline toolset, and access to unique talent pools supported by its world-leading Academy training programs.

With the proposed spin-off, TCS is making a further step to accelerate organic growth and expand into scalable markets, capitalizing on the wave of burgeoning demand for content. Its ambition is to reinforce its status as the leading collaborative global VFX player, driving innovation and creativity through growing and evolving environments for filmmakers, brands, games companies, streamers and the metaverse.

Technicolor Creative Studios is led by an experienced, proven management team, and industry-leading creative talent and technologists. Christian Roberton will be appointed CEO of the new entity, and Anne Bouverot will be proposed as Chairperson of the Board of Directors.

As an independent company, TCS will have greater agility and flexibility to achieve its financial targets. It will be well-positioned for EBITDA expansion and strong cash flow generation, enabling it to become a consolidator in its markets, unlocking value for its current and future stakeholders.

TCS will be headquartered in Paris, France and will apply for listing on the regulated market of Euronext in Paris.

Technicolor Ex-TCS: a leader in its segments with a stronger balance sheet

Technicolor Ex-TCS core activities will be composed of two businesses having leading positions in their respective markets and with solid fundamentals ahead:

- Connected Home is the leader in Broadband and Android TV.
- DVD Services is the worldwide leader in replication, packaging and supply chain solutions for packaged media and related products, serving global content producers accross film, television, games, and music.

The Group will benefit from a stronger balance sheet, and greater liquidity, significantly de-risking its financial profile and providing the foundations for value creation potential.

Over the past 2 years, our renewed and experienced management team has driven the transformation of the Group. We have improved the resiliency of the business models of both Connected Home and DVD Services and proved our ability to react fast and to adapt efficiently in facing headwinds such as supply shortage.

At Connected Home, under the leadership of Luis Martinez-Amago, we adopted a platform-based approach, optimizing our product lines, and refocusing our customer portfolio, as well as streamlining our operations through supplier selectivity and cost reduction. This has enabled Connected Home to successfully reposition itself towards two growing markets: high end broadband gateway products and diversification into Android TV in the set-top-box segment, leveraging best-in-class supply chain and integrated R&D capabilities to reduce time-to-market.

DVD Services has evolved into a Specialist Manufacturing & Supply Chain Services division under David Holliday, President since 2020. To accomplish this, he and his team have been working since the start of 2020 on a complete business transformation of the division, which has involved the closure of 13 facilities and relocation of several operations along with cost reduction and efficiency measures. It has repositioned its disc activity into a profitable volume-based business. In parallel, the division has rapidly evolved its vision and established four new growth businesses which leverage existing assets, proven capabilities and expertise. Diversification is now being accelerated, through manufacturing services, including vinyl and biodevices, and supply chain and fulfillment services and solutions. These new growth businesses are expected to provide a positive contribution to the division's revenues and profitability in FY22, with significant growth anticipated for the following years.

Post separation, Mr. Luis Martinez-Amago will be appointed CEO of Technicolor Ex-TCS, and Richard Moat will be proposed as Chairman of the Board of Directors.

This process is a unique opportunity which will provide Technicolor Ex-TCS with additional financial headroom for growth, diversification and competitive positioning. The combination of spin-off and refinancing will significantly reduce the risk-profile of Technicolor Ex-TCS, providing it with a deleveraged balance-sheet and increased liquidity.

Technicolor Ex-TCS will remain listed on the regulated market of Euronext in Paris, with headquarters in Paris.

EFFICIENCY GAINS

In 2021 the Group realized €116 million of cost savings, in line with its target. The Group will continue to improve efficiency and productivity through the period and is now targeting a total of €325 million in run-rate cost savings by 2022.

SUCCESSFUL COMPLETION, ANNOUNCED ON SEPTEMBER 22, 2020, OF THE FINAL STEPS OF THE FINANCIAL RESTRUCTURING OF THE COMPANY

Implementation of the reinstated Debt Facilities: Technicolor finalized and executed the contractual documentation implementing the reinstatement of 46.5% of the previous RCF and term loan facilities (the "Debt Facilities") into new term loans in an amount equivalent to €574 million in principal, maturing on December 31, 2024.

Repayment and equitization of the non-reinstated Debt Facilities: a significant reduction of the Group's indebtedness, in an amount of c. €660 million, was finalized as part of the definitive completion of the capital increase with shareholders' preferential subscription rights, and the capital increase with cancellation of the shareholders' preferential subscription rights in favor of the creditors of the Debt Facilities. The non-reinstated Debt Facilities were therefore repaid in cash for an amount of €59,716,580.58 and equitized for an amount of €600,283,419.22.

Closing of Chapter 15: Technicolor announced that, on September 11, 2020, the U.S. Bankruptcy Court presiding over Technicolor's Chapter 15 proceedings ordered the closing of such proceedings. This marked the final step of the Company's proceedings in the United States of America.

Covid-19 situation update

For more details on Covid-19 impacts, please refer to Section 6.2 "Notes to the consolidated financial statements", Note 1.1.1.

Outlook

The Group confirms its 2022 guidance:

- demand for Technicolor Creative Studios' highest quality VFX artistry and cutting-edge technology is expected to continue to grow significantly throughout 2022. The division has been awarded multiple new projects, resulting in approximately two thirds of the revenue pipeline for MPC and Mikros Animation being already committed for 2022. Significant investment in artist recruitment, retention and training (including TCS Academy programs) will continue;
- worldwide demand for Connected Home broadband equipment is expected to remain strong in 2022. Ongoing component shortages and pricing challenges will continue to restrict our ability to serve end customer demand; nonetheless, efficiency measures, progressive improvements in delivery and continuous discussions with both suppliers and customers should help compensate for these negative factors;
- in DVD Services, improving format mix driven by higher year-on-year new release volumes as theatrical attendance continues to normalize, along with further cost efficiencies, are expected to mitigate the anticipated modest disc volume decline. The division is working on further significant expansion of non-disc activities.

The Group delivered €171 million of cost savings in 2020, and €116 million in 2021. These results, combined with continuous improvements in efficiency, are keeping Technicolor on track to deliver a cumulative €325 million in run rate cost savings by the end of 2022.

As a result, the Group Technicolor confirms its 2022 guidance:

- revenues from continuing operations are expected to grow;
- adjusted EBITDA from continuing operations of €375 million;
- adjusted EBITA from continuing operations of €175 million;
- FCF from continuing operations, before financial results and tax of €230 million.

2022 guidance assumes constant €/$ exchange rate of 1.15 and 2022 numbers have been restated to reflect changes in accounting methods (IFRIC adjustments on Saas).

1.4 SHARE CAPITAL AND SHAREHOLDING

1.4.1 Share capital

NUMBER OF SHARES AND VOTING RIGHTS AS OF DECEMBER 31, 2021

In 2021, the Company carried out the following operations which impacted the amount of the share capital.

1 Issuance of shares under the 2018 Long-Term Incentive Plan (LTIP 2018)

As presented in section 4.2.4.2 of this Universal Registration Document, conditional rights to receive performance shares were granted on April 25, 2018 and June 25, 2018 by the Board of Directors under the LTIP 2018.

On March 11, 2021, the Board of Directors reviewed the level of achievement of the performance conditions. As a result, the Board decided, on such basis, to allocate 50% of the performance shares that should have been delivered under the LTIP 2018, subject to the presence condition on April 30, 2021.

On May 6, 2021, the Chief Executive Officer decided to issue 9,800 new ordinary shares with a nominal value of €0.01, which were delivered on the same day to the LTIP 2018's beneficiaries.

The Company's share capital was thus increased to €2,358,052.83, divided into 235,805,283 shares.

2 Issuance of warrants under the delegations of authorities granted by the Shareholders' Meeting of July 20, 2020, in the context of the final step of the Safeguard Plan

On July 20, 2020, the Company's Shareholders' Meeting granted to the Board of Directors several interdependent delegations of authority necessary to carry out the transactions on the Company's share capital to permit the debt restructuring of the Company and its Group in accordance with the accelerated Financial Safeguard Plan approved by the Committee of the Company's credit institutions and assimilated entities on July 5, 2020 and approved pursuant to a judgment of the Paris commercial court on July 28, 2020.

According to these delegations of authority, the Board of Directors was authorized to proceed within a six (6) months period with the issuance and free allocation of a maximum of 15,407,114 warrants for the benefit of the Company's shareholders, to be exercised within a period of four (4) years as from the settlement/delivery date of the last of the Capital Increases, on the basis of one (1) warrant for one (1) existing share, being resolved that five (5) Shareholders Warrants shall entitle to subscribe four (4) new ordinary shares, at a price of €3.58 per new share with a nominal value of €0.01 paired with an issue premium of €3.57 (the "Shareholders Warrants").

On September 22, 2020, the Chief Executive Officer, by delegation of the Board of Directors, recorded the issuance of the Shareholders Warrants.

Following the exercise of 24,090 Shareholders Warrants issued and delivered on September 22, 2020, between January 1 and December 31, 2021, 19,272 new ordinary shares were issued and allocated to the shareholders.

On January 10, 2022, by delegation of the Board of Directors, the Chief Executive Officer recorded these subscriptions and amended accordingly the Company's by-laws as of December 31, 2021, the share capital being thus increased from €2,358,052.83 to €2,358,245.55.

As of December 31, 2021, the Company's share capital was divided into 235,824,555 shares with a nominal value of €0.01, fully paid-up (ISIN FR0013505062) 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, 2021	235,824,555	Number of Theoretical Voting Rights(1): 235,824,555 Number of Voting Rights Exercisable at Shareholders' Meeting(2): 235,824,555

(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

GRI *[102-7] [102-40]*

The table below shows the Company's shareholding structure over the past three years:

Shareholders	December 31, 2021(1)			December 31, 2020			December 31, 2019		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Public(2)(3)	71,994,547	30.52%	30.52%	120,395,332	51.06%	51.06%	322,463,332	77.81%	77.81%
Angelo, Gordon & Co., L.P.	29,811,992	12.64%	12.64%	11,808,783	5.01%	5.01%	-	-	-
Credit Suisse Asset Management	25,491,247	10.81%	10.81%	28,493,063	12.08%	12.08%	-	-	-
Briarwood Chase Management LLC	21,827,685	9.26%	9.26%	-	-	-	-	-	-
Baring Asset Management Ltd.	18,631,496	7.90%	7.90%	24,406,573	10.35%	10.35%	-	-	-
Bain Capital Credit, LP	17,785,294	7.54%	7.54%	16,593,636	7.04%	7.04%	29,062,798	7.01%	7.01%
Farallon Capital Management, L.L.C.	14,422,759	6.12%	6.12%	14,574,603	6.18%	6.18%	-	-	-
Goldman Sachs group, Inc.	10,390,314	4.41%	4.41%						
• Bpifrance Participations	10,381,145	4.40%	4.40%	10,381,145	4.40%	4.40%	21,853,869	5.27%	5.27%
• Caisse des Dépôts et Consignations	-	-	-	-	-	-	11,116,440	2.68%	2.68%
Total Bpifrance Participations + Caisse des Dépôts et Consignations	10,381,145	4.40%	4.40%	10,381,145	4.40%	4.40%	32,970,309	7.95%	7.95%
Invesco Advisers, Inc.	9,152,900	3.88%	3.88%	9,142,348	3.88%	3.88%	29,964,739	7.23%	7.23%
BNP Paribas Asset Management France SAS	5,935,176	2.52%	2.52%	-	-	-	-	-	-
TOTAL	**235,824,555**	**100%**	**100%**	**235,795,483**	**100%**	**100%**	**414,461,178**	**100%**	**100%**

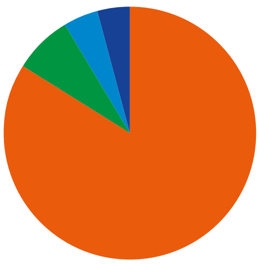
(1) *Sources: Company & Euroclear, Nasdaq - shareholder identification as of December 31, 2021.*
(2) *Estimate obtained by subtraction.*
(3) *Including equity held by major shareholding funds.*

TOP 10 HOLDERS*

Rank	Name	Number of shares	% of share capital and voting rights
1	Angelo, Gordon & Co., L.P.	29,811,992	12.64%
2	Credit Suisse Asset Management	25,491,247	10.81%
3	Briarwood Chase Management LLC	21,827,685	9.26%
4	Baring Asset Management Ltd.	18,631,496	7.90%
5	Bain Capital Credit, LP	17,785,294	7.54%
6	Farallon Capital Management, L.L.C.	14,422,759	6.12%
7	Goldman Sachs group, Inc.	10,390,314	4.41%
8	Bpifrance Participations	10,381,145	4.40%
9	Invesco Advisers, Inc.	9,152,900	3.88%
10	BNP Paribas Asset Management France SAS	5,935,176	2.52%

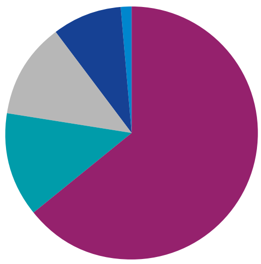
* *Sources: Company & Euroclear, Nasdaq - shareholder identification as of December 31, 2021.*

HOLDING OF SHARE CAPITAL



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

INSTITUTIONAL HOLDERS BY GEOGRAPHY



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 2021 AND UNTIL THE PUBLICATION OF THIS UNIVERSAL REGISTRATION DOCUMENT AND SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S CAPITAL AS OF DECEMBER 31, 2021

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 2021 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° 222C0595 & 222C0596)	March 10, 2022	Upwards	5%	5.18%	12,205,844
Angelo, Gordon & Co., L.P. *(D&I AMF n° 221C3121)*	November 8, 2021	Upwards	10%	10.57%	24,917,170
Barings LLC *(D&I AMF n° 221C3094)*	November 4, 2021	Downwards	10%	9.97%	23,520,230
Briarwood Chase Management LLC *(D&I AMF n° 221C1090)*	May 12, 2021	Upwards	5%	5.12%	12,064,623
BNY Alcentra group Holdings, Inc. *(D&I AMF n° 221C0777)*	April 12, 2021	Downwards	5%	4.99%	11,761,707
The Goldman Sachs group, Inc. *(D&I AMF n° 221C0472)*	February 25, 2021	Downwards	5%	4.41%	10,391,322

As of December 31, 2021:

- Angelo, Gordon & Co., L.P. held 12.64% of the share capital and voting rights;
- Credit Suisse Asset Management held 10.81% of the share capital and voting rights;
- Briarwood Chase Management LLC held 9.26% of the share capital and voting rights;
- Baring Asset Management Ltd. held 7.90% of the share capital and voting rights;
- Bain Capital Credit, LP held 7.54% of the share capital and voting rights; and
- Farallon Capital Management, LLC held 6.12% 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, 2021.

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

GRI *[102-10]*

In 2021 and as main highlight of the shareholder base, Angelo, Gordon & Co., L.P., Bain Capital Credit, LP, Barings Asset Management Ltd. and, Credit Suisse Asset Management remained as principal shareholders of the Group.

2021 is also marked by the following changes in the holdings in the share capital and voting rights:

- downward since December 31, 2020:
  - BNY Alcentra group Holdings, Inc. went from 6.59% in 2020 to 0.35% in 2021,
  - Baring Asset Management Ltd. went from 10.35% in 2020 to 7.90% in 2021,
  - Credit Suisse Asset Management went from 12.08% in 2020 to 10.81% in 2021;
- upward since December 31, 2020:
  - Angelo, Gordon & Co., L.P. went from 5.15% in 2020 to 12.64% in 2021,
  - Briarwood Chase Management LLC acquired 9.26% of the share capital and the voting rights in 2021.

TOP 5 BUYERS AND SELLERS IN 2021*

Rank	Name	Number of shares on December 31, 2021	% of share capital and voting rights		Net change
1	Angelo, Gordon & Co., L.P.	29,811,992	12.64%	↗	12,856,773
2	Briarwood Chase Management LLC	21,827,685	9.26%	↗	10,725,255
3	The Carlyle group	4,678,140	1.98%	↗	4,678,140
4	BlackRock Institutional Trust Company, N.A.	3,411,135	1.45%	↗	3,411,135
5	Bardin Hill Investment Partners LP	2,323,757	0.99%	↗	1,997,340
1	BNY Alcentra group Holdings, Inc.	836,737	0.35%	↘	(10,924,970)
2	Baring Asset Management Ltd.	18,631,496	7.90%	↘	(7,828,853)
3	Credit Suisse Asset Management	25,491,247	10.81%	↘	(3,001,816)
4	ICG Advisors, LLC	4,971,049	2.11%	↘	(2,140,698)
5	Bain Capital Credit, LP	17,785,294	7.54%	↘	(1,191,658)

* *Sources: Company & Euroclear, Nasdaq - shareholder identification as of December 31, 2021.*

In 2020, share capital operations as part of the financial restructuring have brought about many changes in Technicolor's shareholder base.

During the year new shareholders entered the share capital:

- Baring Asset Management Ltd. acquired 10.35% of the share capital and voting rights;
- BNY Alcentra group Holdings, Inc. acquired 6.60% of the share capital and voting rights;
- Farallon Capital Management, LLC acquired 6.18% of the share capital and voting rights; and
- Angelo, Gordon & Co., L.P. acquired 5.01% of the share capital and voting rights.

Some shareholders have considerably modified their holdings in the share capital and voting rights in 2020:

- downward since December 31, 2019:
  - RWC Asset Management LLP went from 10.13% to 0.08%,
  - J O Hambro Capital Management Limited went from 8.48% to 0%,
  - Kinney Asset Management, LLC went from 5.53% to 0%, and
  - Fidelity International went from 5.50% to 0.10%;
- upward since December 31, 2019:
  - Credit Suisse group AG went from 1.46% to 12.08%, and
  - Bain Capital Credit went from 7.01% to 7.04%.

In 2019, two shareholders built up significant stakes through the purchase of shares on the market:

- the holding of Bain Capital Credit reached 7.01% of the share capital and voting rights; and
- Fidelity International's holding reached 5.50% of the Company's share capital and voting rights.

In May 2019, Invesco Ltd. completed the acquisition of Oppenheimer Funds, Inc. and crossed the threshold of 5% of the share capital and voting rights up to 7.23% of the share capital and voting rights as of December 31, 2019.

DNCA sold all of its shares in the Company's share capital and went from 6.40% in December 31, 2018 to 0% in December 31, 2019.

CHANGE TO THE SHARE CAPITAL

GRI *[102-10]*

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)*
Allocation of net loss for 2017 to reserves					(917,526,924)			
As of December 31, 2018			**414,461,178**		**-**		**414,461,178**	**1**
As of December 31, 2019			**414,461,178**		**-**		**414,461,178**	**1**
Reverse share split: 1 new share with a nominal value of €27 for 27 former shares with a nominal value of €1	(399,110,764)							27
Capital reduction by reducing the nominal value of the 15,350,414 shares of the Company from €27 to €0.01		(414,307,673.86)				414,307,673.86		0.01
Issuance of new shares under LTIP 2017	56,700	567				(567)		0.01
Share capital increase in cash, with preferential subscription right (DPS) through the issuance of new shares	20,039,121	200,391.21		59,516,189.37				0.01
Share capital increase with preferential subscription right by a way of a debt equitization	90,699,134	906,991.34		269,376,427.98				0.01
Reserved share capital increase without preferential subscription right by a way of a debt equitization	92,178,770	921,787.7		329,078,208.9				0.01
Exercise of Shareholders' Warrants	16,256	162.56		58,033.92				0.01
Exercise of New Money Warrants	17,455,088	174,550.88						0.01
Allocation of 10% of share capital to legal reserve				(218,324.14)				
Imputation of financial, legal and other fees incurred during financial restructuring in relation with "Right Issue"				(14,742,891.60)				
As of December 31, 2020			**2,357,954.83**		**643,067,644.43**	**414,307,106.86**	**235,795,483**	**0.01**
Issuance of new shares under LTIP 2018 by reduction from Free shares plan reserve	9,800	98		(1,034.45)				0.01
Exercise of Shareholders' Warrants	19,272	192.72		68,801.04				0.01
As of December 31, 2021			**2,358,245.55**		**643,135,411.02**	**414,307,106.86**	**235,824,555**	**0.01**

POTENTIAL MODIFICATIONS TO THE COMPANY'S SHARE CAPITAL

GRI *[102-10]*

As of December 31, 2021, a total of 76,368 stock options are outstanding in the framework of Stock Options Plans, (for details of these plans, see Chapter 4: "Corporate governance and compensation", section 4.2.4: "Stock Option Plans and Performance or Restricted Share Plans" of this Universal Registration Document). If all options granted under the Stock Option Plans were exercised, this would lead to the issuance of 76,368 shares. Technicolor's share capital would be composed of 235,900,923 ordinary shares, *i.e.*, a 0.03% increase in the number of shares from December 31, 2021.

As of December 31, 2021, a total of 5,800,019 performance and restricted shares could be vested to employees and Corporate Officers under conditions set by the Share Plans (for details of these plans, see Chapter 4: "Corporate governance and compensation", section 4.2.4: "Stock Option Plans and Performance or Restricted Share Plans" of this Universal Registration Document). If all shares granted under the Share Plans were vested and delivered with new shares to be issued, this would lead to the issuance of 5,800,019 shares. Technicolor's share capital would be composed of 241,624,574 ordinary shares, *i.e.*, a 2.46% increase in the number of shares from December 31, 2021.

As of December 31, 2021, a total of 15,362,704 Shareholders Warrants (for details of the Shareholders Warrants, see above in this Chapter, section 1.4.1.2) could be exercised. If all these Shareholders Warrants were exercised, this would lead to the issuance of 12,290,163 shares. Technicolor's share capital would be composed of 248,114,718 ordinary shares, *i.e.*, a 5.21% increase in the number of shares from December 31, 2021.

The cumulative exercise of the totality of the above-mentioned stock options, the vesting of the totality of the above-mentioned shares, and the exercise of the totality of above-mentioned shareholder warrants would lead to the issuance of 18,166,550 shares. Technicolor's share capital would be composed of 253,991,105 ordinary shares, *i.e.*, a 7.70% increase in the number of shares from December 31, 2021. As of the date of publication of this Universal Registration Document, no other securities giving access to capital are in circulation.

TECHNICOLOR SHARES SUBJECT TO A SECURITY INTEREST

To the Company's knowledge, as of the date of publication of this Universal Registration Document, no shares of the Company are pledged.

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 agreements governing the New Money debt, and the Reinstated Term Loans to which Group companies are parties contain change of control clauses. For more information on these agreements, please refer to Chapter 2: "Operating and financial review and prospects", section 2.3.3: "Financial resources" of this Universal Registration Document.

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 2021.

SHARE MANAGEMENT AGREEMENT

The last share purchase program in force ended on September 25, 2019, with the termination at the same date of the share management agreement signed between Technicolor SA and Natixis and suspended since April 26, 2018.

HOLDING AND ALLOCATION OF TREASURY SHARES AS OF DECEMBER 31, 2021

As of December 31, 2021, the Company did not hold any treasury shares.

TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SHARES BETWEEN JANUARY 1, 2021 AND DECEMBER 31, 2021

The Company did not carry out any transactions on its own shares in 2021.

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, 2021 and the use made of these delegations during the 2021 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
Issuance without preferential subscription right					
Issuance, without preferential subscription rights and by way of a public offering, of shares and/or equity-linked securities giving access, immediately or over time, to the Company's share capital **(18th resolution of the AGM of June 30, 2020)**	26 months August 30, 2022	200 million	€235,795.48 representing 10% of the share capital on December 31, 2020	None	100% of the ceiling
Issuance, without preferential subscription rights, of shares and/or equity-linked securities giving access, immediately or over time, to the Company's share capital, by way of an offering in accordance with Article L. 411-2 1° of the French Monetary and Financial Code **(19th resolution of the AGM of June 30, 2020)**	26 months August 30, 2022	200 million	€235,795.48 representing 10% of the share capital on December 31, 2020	None	100% of the ceiling
Issuance, without preferential subscription rights, of shares and/or equity-linked securities giving access, immediately or over time, to the Company's share capital in consideration for contributions in kind to the Company **(21st resolution of the AGM of June 30, 2020)**	26 months August 30, 2022	200 million	€235,795.48 representing 10% of the share capital on December 31, 2020	None	100% of the ceiling
In the event of an over-subscription (Greenshoe)					
Increase in the number of shares to be issued under the 18th and 19th above mentioned resolutions of the AGM of June 30, 2020 **(20th resolution of the AGM of June 30, 2020)**	26 months August 30, 2022	N/A	15% of the initial issuance	None	100% of the ceiling
Overall limits on issuances					
Overall limits on the amounts of issuances made under 18th to 23rd resolutions of the AGM of June 30, 2020 **(24th resolution of the AGM of June 30, 2020)**	N/A	200 million	€235,795.48 representing 10% of the share capital on December 31, 2020	None	N/A

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
Grant of free shares to all employees or certain categories of employees and/or officers **(25th resolution of the AGM of June 30, 2020)**	36 months June 30, 2023	3.6% of the share capital as of the date of use of such authorization	4,254,045 shares granted(1)	4,235,638 shares available for allocation, on the basis of the capital as of December 31, 2021(2)
Grant of free additional performance shares to all employees or certain categories of employees and/or officers **(26th resolution of the AGM of June 30, 2020)**	36 months June 30, 2023	1.4% of the share capital as of the date of use of such authorization	1,744,416 shares granted	1,557,127 shares available for allocation, on the basis of the capital as of December 31, 2021

(1) 2,829,146 and 1,424,899 shares were respectively granted by the Board of Directors in 2020 and 2021 (See section 4.2.4: "Details on Stock Option Plans and Performance or Restricted Share Plans" under Chapter 4: "Corporate governance and compensation").

(2) In consideration of the 2,829,146 shares granted in 2020 and 1,424,899 shares granted in 2021, 4,235,638 shares remain available for allocation by the Board of Directors under this authorization on the basis of the capital as of December 31, 2021. This figure is given only for information purpose and shall involve, being noted that the maximum number of shares and percentage likely to be issued under this resolution is to be calculated at the date of use of the authorization.

1.4.4 Dividend policy

GRI *[201-1]*

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, 2021, to pay any dividend with respect to fiscal year 2021.

Upon proposal of the Board of Directors, with respect to fiscal year 2020, the General Shareholders' Meeting of May 12, 2021 decided not to pay a dividend.

Upon proposal of the Board of Directors with respect to fiscal year 2019, the General Shareholders' Meeting of June 30, 2020 decided not to pay a dividend.

Furthermore, the New Money Documentation and the Reinstated Term Loans contain clauses restricting the Company's ability to declare or pay dividends (see note 8.2 to the consolidated financial statements: "Financial liabilities").

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

2021 ADJUSTED EBITDA FROM CONTINUING OPERATIONS

Technicolor Creative Studios
€113 million

DVD Services
€67 million

Connected Home
€103 million

Corporate & Other
€(14) million

For 2020 and 2021, financial figures in this Chapter are adjusted of the impacts related to the new IFRIC decision dated April 2021, addressing how costs of configuring and customizing a software in a Saas arrangement should be accounted for.

2.1 SUMMARY OF RESULTS

GRI *[103-3 Economic performance] [201-1]*

Revenues from continuing operations totalled €2,898 million in 2021, down 3.6% at current currency and down 1.7% at constant currency compared to 2020. For more information, please refer to section 2.2.1: "Analysis of revenues from continuing operations" of this Chapter.

Adjusted EBITDA from continuing operations reached €268 million in 2021, up 64.9% at current currency and up 67.2% at constant currency compared to 2020. The Adjusted EBITDA margin amounted to 9.3%, up by 384 basis points (bps) year-on-year at current currency. This strong improvement reflects the rebound of Technicolor Creative Studios, along with cost savings and operational efficiencies at DVD Services and Connected Home. For more information, please refer to sections 2.2.2: "Analysis of Adjusted EBITDA and adjusted EBITA" and 2.2.9: "Adjusted indicators" of this Chapter.

Profit from continuing operations before tax and net finance costs was €30 million in 2021 compared to a loss of €267 million in 2020. 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 net financial result was a loss of €127 million in 2021 compared to an income of €77 million in 2020. For more information, please refer to section 2.2.4: "Net financial expense" of this Chapter.

The Group's total income tax charge was €24 million in 2021 compared to a charge of €5 million in 2020. For more information, please refer to section 2.2.5: "Income tax" of this Chapter.

Loss from continuing operations was €121 million in 2021 compared to a loss of €196 million in 2020. For more information, please refer to section 2.2.6: "Profit (loss) from continuing operations" of this Chapter.

The result from discontinued operations was a loss of €19 million in 2021 compared to a loss of €15 million in 2020. For more information, please refer to section 2.2.7: "Profit (loss) from discontinued operations" of this Chapter.

The Group's consolidated net income was a loss of €140 million in 2021 compared to a loss of €211 million in 2020. 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 2020 AND 2021

GRI *[103-3 Economic performance] [201-1]*

For the full year 2021, Technicolor met its 2021 guidance, with adjusted EBITDA reaching €268 million, adjusted EBITA €95 million and Free Cash Flow before Tax and Financial €(2) million.

This was achieved despite a decline in revenues at constant exchange rate of 1.7%. The strong improvement of Technicolor Creative Studios revenues was more than offset by lower revenues at Connected Home impacted by key component shortages and supply chain disruption which prevented the business from fully servicing strong customer demand. This has been offset by significant cost savings and operating efficiencies from all business. As a result, all business divisions contributed to the improvement at constant exchange rate of €109 million in the Adjusted EBITDA and €155 million in the Adjusted EBITA. EBITDA margin went up 379 basis points at constant rate to reach 9.3% of revenues.

Operational improvement was reflected in the €119 million Free Cash Flow improvement at constant rate, resulting in an €(2) million Free Cash Flow (before financial results and tax) from continuing operations.

IFRS net debt amounted to €1,039 million as of December 31, 2021, compared with €812 million at the end of December 2020, leading to a Net Debt/EBITDA ratio of 3.87x at constant exchange rate, in line with the guidance.

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.

2.2.1 Analysis of revenues from continuing operations

(in million euros)	FY 2021	FY 2020	Change(1)
Total revenues from continuing operations	**2,898**	**3,006**	**(1.7)%**
Technicolor Creative Studios	629	513	22.5%
Connected Home	1,544	1,764	(10.0)%
DVD Services	701	706	1.6%
Corporate & Other	23	23	0.5%

(1) Change at constant currency.

2021 Revenues stood at €2,898 million, representing a 1.7% decrease at constant exchange rate. Technicolor Creative Studios recorded a strong improvement in revenue while Connected Home was impacted by key component shortages and supply chain disruption which prevented the business from meeting strong customer demand in full.

TECHNICOLOR CREATIVE STUDIOS

Technicolor Creative Studios revenues amounted to €629 million in the full year 2021, up 22.5% at constant rate year-on-year. Excluding the Post-production business divested in April 2021, year-on-year revenue growth at constant rate would have been 37.2%. This improvement, notably in the second half, resulted from a massive demand for original content for all business lines compared with a year 2020 which suffered from pandemic-related impacts on production in Hollywood and around the world. More precisely in 2021:

- at MPC, revenues grew significantly thanks to the continued ramp-up in productions of major theatrical projects as well as increasing contributions from all the major streaming platform;
- at The Mill, advertising revenues grew across all key markets year-on-year, driven by a faster recovery in advertising spend from Covid-19 than anticipated;
- at both Mikros Animation and Technicolor Games, revenues grew significantly, driven by higher volumes across all segments.

The shortage of talent which impacted the entire industry was partly mitigated by significant retention and hiring action plans implemented during the year, with intense activity in the fourth quarter. During the year, TCS staff increased from approximately 7,700 at the end of December 2020 to approximately 10,540 at the end of December 2021.

Business Highlights

MPC

In January 2022, Technicolor Creative Studios announced the consolidation of its Film & Episodic VFX brands (MPC Film, MPC Episodic and Mr. X) under the MPC brand, and the appointment of MPC Episodic Managing Director Tom Williams as the President of the consolidated MPC business.

Theatrical Films	Episodic and/or Streaming	Awards & Nominations
Over 30 theatrical films, incl.: 2021 releases: • CruellAa (Disney) • Ghostbusters: Afterlife (Sony) • Godzilla vs. Kong (Legendary/Warner Bros.) • House of Gucci (MGM) • The Last Duel (20th Century) • Mortal Kombat (Warner Bros.) • Nightmare Alley (Searchlight) • Snake Eyes (Paramount) • Spider-Man: No Way Home (Marvel/Sony) • Resident Evil: Welcome to Raccoon City (Constantin Film/Sony) • West Side Story (Amblin/20th Century) 2022 and beyond releases: • Aquaman and the Lost Kingdom (Warner Bros.) • Dungeons & Dragons (Entertainment One/Paramount) • The Little Mermaid (Disney) • The Lion King prequel (Disney) • Sonic the Hedgehog 2 (Paramount) • Top Gun: Maverick (Paramount) • Transformers: Rise of the Beasts (Paramount)	Over 60 Episodic and/or Streaming projects, incl.: • American Gods season 3 (Fremantle/Starz) • Chip 'n' Dale: Rescue Rangers (Disney+) • Cowboy Bebop (Netflix) • Foundation (Skydance/Apple TV+) • Hawkeye (Marvel/Disney+) • House of the Dragon (HBO) • La Brea (NBCUniversal) • Lost in Space season 3 (Netflix) • The Nevers (HBO) • Pennyworth season 2 (Epix) • Star Trek: Discovery season 4 (Paramount+) • Vikings: Valhalla (MGM/Netflix) • WandaVision (Marvel/Disney+) • The Wheel of Time (Amazon/Sony) • The Witcher season 2 (Netflix)	Oscar® nominations for VFX on Paramount's *Love and Monsters* and Disney's *The One and Only Ivan* BAFTA nomination for Disney's *The One and Only Ivan* 5 VES nominations, including a win for Outstanding Animated Character in a Photoreal Feature for its work on Disney's *The One and Only Ivan* HPA Award nomination for Outstanding Visual Effects - Theatrical Feature for its work on Legendary's Godzilla vs. Kong Emmy nomination for Outstanding Special Visual Effects in a Single Episode for its work on Vikings "The Signal"

The Mill

Technicolor contributed to over 3,000 projects for advertising, including approximately 20 Super Bowl spots.

Another year of industry accolades, including:

- three VES Awards, including Outstanding Visual Effects in a Commercial for Walmart *Famous Visitors*;
- six British Arrows, including Gold Arrows in VR/360/AR for Tate Modern *Untold Stories*, in CGI for Hennessy X.O *"The Seven Worlds"*, and in Colour for BMW X7 *"Legend"*;
- MPC Advertising recognized as Ad Age's VFX Company of the Year for the second year running;
- three Cannes Lions for contributions to Burberry *Festive* and PlayStation *"Feel the Power of Pro"*;
- two Adweek Experiential Awards by The Mill for Best Use of Video in an Experiential Activation for Respawn Entertainment's *Apex Legends at the Game Awards* and Best Use of Virtual Event Technology for HBO's *HBO: Lovecraft Country Sanctum*;
- seven Creative Circle Awards, including The Mill winning Gold for Most Creative Post Production Company;
- four Kinsale Shark Awards, including Gold for Best CGI/Visual Effects for its contribution to Burberry *Festive*; and
- The Mill being ranked the #1 Post House in *Televisual's* Commercial Producers poll.

Notable projects during 2021 include LEGO's latest global *Rebuild the World* campaign, Nike's latest *Play New* campaign featuring Megan The Stallion, *Pentakill: Lost Chapter: An Interactive Album Experience* – a metaverse concert for Riot Games, BMW *The Ultimate Self-Driving Machine*, Dell *Youniverse*, Ford *Ford F-150 Lightning*, Samsung *Chromebook*, Verizon *The Reset*, Amazon Prime's *An Unlikely Friendship*, Burberry *Open Spaces*, and M&S *Percy's First Christmas*.

In January 2022, TCS announced the consolidation of its Advertising studios (The Mill and MPC Advertising) under The Mill, with Josh Mandel, previously CEO of The Mill, appointed President of the consolidated business.

Mikros Animation

Features	Episodic

Mikros was in production on:
• *PAW* Patrol: The Movie (Spin Master Entertainment/Paramount) released in August 2021
• *Thelma the Unicorn* (Netflix)
• *The Tiger's Apprentice* (Paramount)
• *Ozi* (GCI Film)
Beginning to ramp-up production on 3 additional feature films.
	Mikros was in production on several series and specials, including:
	• The Chicken Squad (Wild Canary/Disney)
	• *The Croods: Family Tree* (DreamWorks/Hulu/Peacock)
	• *Fast & Furious: Spy Racers* season 5 (DreamWorks)
	• *Kamp Koral: SpongeBob's Under Years* (Nickelodeon/Paramount+)
	• *Mickey and Minnie Wish Upon a Christmas* (Disney)
	• *Mickey Mouse Funhouse* (Disney)
	• *Mickey's Tale of Two Witches* (Disney)
	• *Minnie's Bow-Toons* season 1 (Disney)
	• *Mira, Royal Detective* season 2 (Wild Canary/Disney)
	• *Rugrats* season 1 (Nickelodeon/Paramount+)
	• Star Trek: Prodigy season 1 (Nickelodeon/Paramount+)
	• And IP projects including:
	  • ALVINNN!!! and the Chipmunks season 5 (M6)
	  • The Coop Troop (Sixteen South/Tencent co-production)
	  • Gus – the Itsy Bitsy Knight (TF1)

In 2021, TCS announced the consolidation of its Animation businesses (Mikros Animation, Technicolor Animation, and Technicolor Animation Productions) under the Mikros Animation banner, with Andrea Miloro appointed as its President.

Technicolor Games was subsequently carved-out of the previous Animation & Games perimeter in order for TCS to establish a dedicated service line for the games industry. In October 2021, Jeaneane Falkler joined TCS as President of Technicolor Games.

Technicolor Games

Technicolor Games contributed to AAA 2021 releases like:

- *FIFA 22* (EA);
- *Mass Effect Legendary Edition* (EA/BioWare);
- *NBA 2K22* (2K);
- *NHL 22* (EA).

CONNECTED HOME

Connected Home revenues totalled €1,544 million in the full year 2021, down 10.0% at constant exchange rates compared with 2020. Sales volume were severely impacted by the worldwide semiconductor crisis combined with supply chain disruption, limiting our ability to fully satisfy the strong demand from our customers. The underlying demand for 2021 was higher than our actual sales in 2020. Since the summer, the division has intensified its collaboration with clients and suppliers to maximize deliveries, and to mitigate potential profitability and working capital impacts, which paid off notably in the fourth quarter.

The division continued to focus on selective investments in key customers, platform-based products and partnerships optimizing fixed costs that will lead to improved margins over the year.

REVENUE BREAKDOWN BY REGION AND PRODUCT

	Full Year			
(in million euros)	2021	2020	Actual Change	Change at constant rate
Revenues	**1,544**	**1,764**	**(12.4)%**	**(10.0)%**
o/w by region				
o/w Americas	*994*	*1,186*	*(16.2)%*	*(14.1)%*
North America	855	980	(12.8)%	(11.0)%
Latin America	139	206	(32.5)%	(28.6)%
o/w Eurasia	*550*	*578*	*(4.8)%*	*(1.9)%*
Europe, Middle East & Africa	324	336	(3.6)%	(0.3)%
Asia-Pacific	226	242	(6.6)%	(3.9)%
o/w by product				
Video	549	693	(20.8)%	(18.8)%
Broadband	996	1,071	(7.0)%	(4.5)%

Despite supply chain difficulties the division managed to move a significant volume of Broadband products to cable operators in North America and video products in Asia. During the second half of the year we moved to a local production in India to satisfy customer and government requests. Several wins in LATAM are putting us on a growth path for this region in 2022.

Business Highlights

New wins and product launches were driven by better user experience in the home with Wi-Fi 6, while innovation is coming with new technologies in the field of sound and far-field voice. In 2021, the Connected Home Division strengthened its leadership in key market segments:

- in DOCSIS 3.1, over the second quarter Connected Home reached the milestone of over 20 million RDK broadband gateways deployed, and won deals with major operators across Europe and the Americas, confirming its leadership across the RDK community;
- in Fiber, Connected Home won new customers in EMEA, and a first deal outside of Brazil in Latin America;
- in Wi-Fi 6/6E, the latest in-home wireless technology, Connected Home made good strides in EMEA and Americas winning several projects to design the next generation of CPE devices;
- on Android TV, Connected Home shipped over 10 million Set-Top Box worldwide, winning customers in Europe and Latin America. The division continued to show its innovation capabilities by launching:
  - SKY Connect, the first hands-free voice control STB integrating Google Assistant far-field voice technology for Sky Brazil,
  - the U+tv Soundbar Black, a high-end, multi-service home-entertainment platform developed in partnership with HARMAN's Embedded Audio group and LGU Plus, with Dolby Vision and Dolby Atmos sound experience.

DVD SERVICES

DVD Services revenues totalled €701 million in 2021, up 1.6% compared with 2020 at constant exchange rate. Despite slightly lower disc volumes year-on-year (2.7%), revenue growth was driven by increased revenues from new growth businesses mainly in the US (distribution and freight revenues).

Business Highlights

VOLUME BREAKDOWN

(in million units)		FY 2021	FY 2020	Change
Total volumes		**795**	**817**	**(2.7)%**
By format	DVD	557	560	(0.5)%
	Blu-ray™	202	218	(7.3)%
	CD	36	39	(7.7)%
By segment	Studio/Video	732	741	(1.2)%
	Games	19	27	(29.6)%
	Music & Software	44	49	(10.2)%

DVD Services volumes were only down 2.7% YoY compared to previous pre-pandemic annual decline of 11%.

CORPORATE & OTHER

Corporate & Other includes the Trademark Licensing business.

Corporate & Other recorded revenues of €23 million in 2021, in line with revenues of €23 million in 2020.

2.2.2 Analysis of Adjusted EBITDA and Adjusted EBITA

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 million euros)	FY 2021	FY 2020	Change[(1)]
Total Adjusted EBITDA from continuing operations	**268**	**163**	**67.2%**
Technicolor Creative Studios	113	18	na
Connected Home	103	106	0.0%
DVD Services	67	53	28.3%
Corporate & Other	(14)	(14)	(2.6)%

(1) *Change at constant currency.*

2021 Adjusted EBITDA amounted to €268 million, up 64.9% year-on-year or 67.2% (or €109 million) at constant rate. The EBITDA margin increased by 379 basis points at constant rate to reach 9.3% of revenues. This strong improvement reflects the rebound of Technicolor Creative Studios, along with costs savings and operational efficiencies at DVD Services and Connected Home.

(in million euros)	FY 2021	FY 2020	Change[(1)]
Total Adjusted EBITA from continuing operations	**95**	**(59)**	**na**
Technicolor Creative Studios	41	(78)	na
Connected Home	45	38	21.3%
DVD Services	27	(1)	na
Corporate & Other	(18)	(17)	1.7%

(1) *Change at constant currency.*

2021 Adjusted EBITA of €95 million represented a €155 million year-on-year improvement at constant rate. This resulted from the EBITDA increase and the positive impact of efficiency measures, in particular lower D&A, following lower equipment spend and lower IP depreciation in Technicolor Creative Studios and DVD Services. This led the Group to overachieve its EBITA guidance of €60 million.

TECHNICOLOR CREATIVE STUDIOS

Adjusted EBITDA amounted to €113 million (17.9% margin), up €94 million year-on-year at constant rate, and **Adjusted EBITA** was €41 million, up €119 million year-on-year at constant rate. On top of the increase in revenues, significant margin improvement resulted from the positive impacts of multiple operational transformation programs in conjunction with permanent cost reduction measures.

CONNECTED HOME

Adjusted EBITDA amounted to €103 million in 2021, or 6.7% of revenue, flat at constant exchange rate. Margin was up 67 basis point as operating efficiencies and fixed cost savings offset lower volumes and the additional cost impact. 2021 **Adjusted EBITA** was €45 million, representing a 21.3% increase year-on-year at constant rate.

DVD SERVICES

Adjusted EBITDA amounted to €67 million, or 9.5% of revenues compared with 7.5% in 2020, up €15 million at constant exchange rate. Margin improvement mainly resulted from the significant year-on-year footprint optimization, further headcount reductions and higher activity in the North American non-disc activities. This upside was partially offset by the impacts of lower activity in the disc distribution business, higher labor costs in North America and Mexico, and higher raw material costs. DVD Services continued to adapt distribution and manufacturing operations, and related customer contract agreements, in response to continued volume reductions. Four significant facility closures (mainly in North America) were completed in 2021 as part of the ongoing transformation plan. Lower depreciation & amortization and renewal of contracts helped to deliver an **Adjusted EBITA** of €27 million compared to €(1) million in 2020.

CORPORATE & OTHER

Adjusted EBITDA amounted to €(14) million and **Adjusted EBITA** was €(18) million.

2

2.2.3 Analysis of operating expenses and profit (loss) from continuing operations before tax and net financial expense

COST OF SALES

Cost of sales amounted to €2,494 million in 2021 or 86.1% of revenues, compared to €2,729 million in 2020, or 90.8% of revenues.

Cost of sales decreased by €235 million compared with 2020, reflecting lower revenue in Connected Home explained by key component shortages and supply chain dislocation which prevented the business from fully servicing strong customer demand. Cost of sales in percentage of revenue is decreasing due to the proportion of Technicolor Creative Studios sales increasing in total Technicolor revenue.

The principal components of the Group's cost of sales were the costs of finished goods for resale (mainly in the Connected Home segment), raw materials (mostly in the Connected Home and DVD Services segments), labor costs (mostly in Technicolor Creative Studios and in DVD Services segments), as well as costs related to real estate and fixed asset depreciation (mainly in Technicolor Creative Studios and DVD Services segments).

Gross margin from continuing operations amounted to €404 million in 2021, or 13.9% of revenues, compared to €278 million in 2020, or 9.2% of revenues. This higher gross margin mainly reflects the higher sales impact in Technicolor Creative Studios segment.

SELLING & ADMINISTRATIVE EXPENSES

Selling and marketing expenses amounted to €87 million in 2021, or 3.0% of revenues, compared to €92 million in 2020, or 3.1% of revenues.

General and administrative expenses amounted to €175 million in 2021, or 6.0% of revenues compared to €191 million in 2020, or 6.4% of revenues.

This decrease reflects the cost structure optimization done throughout the Group with the Panorama plan.

For more information, please refer to note 3.3.2 to the Group's consolidated financial statements.

NET RESEARCH AND DEVELOPMENT EXPENSES

Net research and development ("R&D") expenses amounted to €84 million in 2021, or 2.9% of revenues, compared to €94 million in 2020, or 3.1% of revenues.

For more information, please refer to note 3.3.1 to the Group's consolidated financial statements.

RESTRUCTURING COSTS

In 2021, the Group continued its efforts to reduce costs through facilities optimization and headcount reductions, which generated high restructuring costs, but they are much lower than in 2020, in line with Panorama plan phasing.

Restructuring costs for continuing operations amounted to €37 million in 2021, or 1.3% of revenues, including €6 million in Technicolor Creative Studios on cost streamlining actions, €4 million in Connected Home, pursuant to the three-year transformation plan, €17 million in DVD Services, mainly resulting from optimization of sites, and €10 million for Corporate and Other (Group's Transversal Functions).

In 2020, restructuring costs for continuing operations amounted to €100 million, or 3.3% of revenues.

NET IMPAIRMENT LOSSES ON NON-CURRENT OPERATING ASSETS

In 2021, Technicolor recorded a net impairment charge of €5 million, compared to a net impairment charge of €75 million in 2020 (mainly coming from a depreciation of DVD Services business goodwill).

For more information, please refer to notes 4.5 to the Group's consolidated financial statements.

OTHER INCOME (EXPENSE)

Other income (expense) was a gain of €14 million in 2021, compared to a gain of €8 million in 2020.

For further information, please refer to note 3.3.3 to the Group's consolidated financial statements.

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

Profit from continuing operations before tax and net financial expense amounted to €30 million in 2021, or 1.0% of revenues, compared to a loss of €267 million, or (8.9)% of revenues in 2020 mostly explained by higher gross margin of €126 million, lower selling and administrative expenses by €20 million, lower R&D costs of €10 million, higher other income for €6 million, lower restructuring costs of €63 million, and lower net impairment losses on non-current operating assets of €70 million.

2.2.4 Net financial expense

The Group's net financial result from continuing operations was a loss of €(127) million in 2021 compared to an income of €77 million in 2020.

NET INTEREST EXPENSE

Net interest expense amounted to €126 million in 2021 compared to €78 million in 2020, reflecting the full year impact of the debt restructuring plan completed mid 2020.

For further information, please refer to note 3.4 to the Group's consolidated financial statements.

OTHER FINANCIAL INCOME (EXPENSE)

Other financial income amounted to €0 million in 2021 compared to €155 million in 2020 mostly explained by a non-cash gain in 2020 on the equity and debt initial valuations, in application of IFRS Standards, following the financial restructuring process.

For further information, please refer to note 3.4 to the Group's consolidated financial statements.

2.2.5 Income tax

The Group total income tax expense from continuing operations, including both current and deferred taxes, amounted to a loss of €24 million compared to a loss of €5 million in 2020.

The current income tax charge in 2021 was mainly attributable to current tax due in Canada, India, and Mexico.

Net deferred tax was a charge of €(2) million in 2021 compared to an income of €10 million in 2020.

2.2.6 Profit (loss) from continuing operations

Loss from continuing operations amounted to a loss of €121 million in 2021 compared to a loss of €196 million in 2020.

2.2.7 Profit (loss) from discontinued operations

The result from discontinued operations amounted to a loss of €19 million in 2021 compared to a loss of €15 million in 2020.

2.2.8 Net income (loss) of the Group

Net loss totalled €140 million in 2021 compared to a loss of €211 million in 2020. There was no net income attributable to non-controlling interests in 2021 as in 2020. Accordingly, the net loss attributable to the shareholders of Technicolor SA amounted to €140 million in 2021 compared to €211 million in 2020.

Net losses per share, basic and diluted, were €0.51 in 2021 compared to €2.66 in 2020, taking retrospectively into account the consolidation of shares.

2.2.9 Adjusted indicators

In addition to its published results presented in accordance with IFRS and with the aim of providing a more comparable view of the changes in its operating performance, the Group presents a set of adjusted indicators, which excludes impairment charges, restructuring charges and other income and expenses with respect to Adjusted EBIT, cloud rendering expenses and amortization charges as well as the impact of provisions for risks, warranties and litigation with respect to Adjusted EBITDA (in addition to adjustments included in Adjusted EBIT). Technicolor considers that this information may help investors in their analysis of the Group's performance by excluding factors it considers to be non-representative of Technicolor's normal operating performance.

Technicolor uses Adjusted EBIT and Adjusted EBITDA to evaluate the results of its strategic efforts. This definition of Adjusted EBITDA is comparable to the definition as per Technicolor's Credit Agreements and is used in calculating applicable financial covenants.

These adjustments for 2021 and 2020 are directly identifiable in the Group's consolidated financial statements, except for the heading "depreciation and amortization."

The additional indicators have inherent limitations as performance indicators. Adjusted profit from continuing operations before tax, finance costs, plus depreciation and amortization (Adjusted EBITDA) and adjusted profit from continuing operations before tax and net finance costs (Adjusted EBIT) are not indicators recognized by IFRS and are not representative of the cash generated by these activities for the periods indicated. In particular, Adjusted EBITDA does not reflect the Group's working capital needs for its operations, interest charges incurred, payment of taxes, or capital expenditures necessary to replace depreciated assets. Adjusted EBITDA and Adjusted EBIT indicators do not have standard definitions and, as a result, Technicolor's definition of Adjusted EBITDA and Adjusted EBIT may not correspond to the definitions given to these terms by other companies. In evaluating these indicators, please note that Technicolor may incur similar charges in future periods. The presentation of these indicators does not mean that Technicolor considers its future results will not be affected by exceptional or non-recurring events. Due to these limitations, these indicators should not be used exclusively or as a substitute for IFRS measures.

These adjustments, the reconciliation of which is detailed in the following table, amounted to an impact on EBIT from continuing operations of €28 million in 2021 compared to €168 million in 2020.

Technicolor defines "Free Cash Flow" as net operating cash generated from continuing activities plus proceeds from sales of property, plant and equipment ("PPE") and intangible assets, minus purchases of PPE, purchases of intangible assets including capitalization of development costs.

(in million euros unless otherwise stated)	2021	2020	Change[1]
Profit (Loss) from continuing operations before tax and net finance costs/EBIT (a)	**30**	**(267)**	**297**
Total adjustments on EBIT (b)	28	168	(140)
Of which restructuring costs, net	*37*	*100*	*(63)*
Of which net impairment losses on non-current operating assets	*5*	*75*	*(70)*
Of which other income/(expense)	*(14)*	*(8)*	*(6)*
Adjusted EBIT from continuing operations (a)+(b)	**57**	**(99)**	**156**
As a % of revenues	+2.0%	(3.3)%	
Depreciation & amortization[2]	211	260	(49)
IT capacity use for rendering in Technicolor Creative Studios	0	2	(2)
Adjusted EBITDA from continuing operations	**268**	**163**	**106**
As a % of revenues	+9.3%	+5.4%	

(1) Change at current currency
(2) Including reserves (risk, litigation, and warranty reserves)

(in million euros unless otherwise indicated)	2021	2020	Change[1]
Profit (Loss) from continuing operations before tax and net finance costs	**30**	**(267)**	**297**
As a % of revenues	+1.0%	(8.9)%	991 bps
of which:			
Technicolor Creative Studios	27	(103)	129
As a % of revenues	+4.3%	(20.0)%	ns
Connected Home	11	(25)	35
As a % of revenues	+0.7%	(1.4)%	69 bps
DVD Services	0	(112)	112
As a % of revenues	+0.0%	(15.8)%	ns
Corporate & Other	(8)	(28)	20
Adjusted EBIT from continuing operations	**57**	**(99)**	**156**
As a % of revenues	+2.0%	(3.3)%	528 bps
of which:			
Technicolor Creative Studios	33	(87)	119
As a % of revenues	+5.2%	(16.9)%	ns
Connected Home	23	14	9
As a % of revenues	+1.5%	+0.8%	72 bps
DVD Services	19	(9)	28
As a % of revenues	+2.7%	(1.3)%	399 bps
Corporate & Other	(18)	(17)	(0)
Adjusted EBITDA from continuing operations	**268**	**163**	**106**
As a % of revenues	+9.3%	+5.4%	384 bps
of which:			
Technicolor Creative Studios	113	18	94
As a % of revenues	+17.9%	+3.6%	ns
Connected Home	103	106	(3)
As a % of revenues	+6.7%	+6.0%	67 bps

(in million euros unless otherwise indicated)	2021	2020	Change[(1)]
DVD Services	67	53	14
As a % of revenues	+9.5%	+7.5%	201 bps
Corporate & Other	(14)	(14)	-

(1) Change at current currency.

(in million euros)	2021	2020
Adjusted EBITDA from continuing operations	**268**	**163**
Changes in working capital and other assets and liabilities*	(81)	(103)
Pension cash usage of the period	(26)	(28)
Restructuring provisions – cash usage of the period	(70)	(46)
Interest paid	(64)	(51)
Interest received	-	3
Income tax paid	(16)	(12)
Other items	2	(11)
Net operating cash generated from continuing activities	**14**	**(86)**
Purchase of property, plant and equipment (PPE)	(45)	(33)
Proceeds from sale of PPE and intangible assets	2	-
Purchase of intangible assets including capitalization of development costs	(52)	(71)
Net operating cash generated from discontinuing operations	(18)	(18)
Free Cash Flow	**(100)**	**(207)**

* *Including IT capacity use for rendering in Technicolor Creative Studios of €(0) million in 2021 and €(2) million in 2020.*

2.3 LIQUIDITY AND CAPITAL RESOURCES

GRI [103-2 Economic performance] [201-1]

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 operations:** 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 debt:** at each debt maturity date, the Group must either repay or refinance the maturing amounts;
- **dividends:** in 2021 no dividend was paid, but the Group may have to fund future dividends.

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:** the amount of cash and cash equivalents was €196 million at December 31, 2021. In addition, €55 million in cash collateral and security deposits was outstanding at December 31, 2021 to secure credit facilities and other Group obligations;
- **cash generated from operating activities**;

- **proceeds from sales of assets:** in accordance with the Group's debt documentation, the proceeds from the sale of assets must be used in some cases to repay debt;
- **committed credit lines:** at December 31, 2021 the Group had one of credit line for an amount of €110 million secured by trade receivables the availability of which varies depending on the amount of receivables. For more information about the Group's credit lines please refer to note 8.5.5 to the Group's consolidated financial statements.

2.3.2 Cash flow

(in million euros)	2021	2020
Cash and cash equivalents at January 1	**330**	**65**
Net operating cash generated (used) in continuing activities (I)	14	(86)
Net investing cash generated (used) in continuing activities (II)	(67)	(133)
Net financing cash generated (used) in continuing activities (III)	(68)	522
Net cash used in discontinuing activities (IV)	(29)	(23)
Net decrease in cash and cash equivalents (I+II+III+IV)	**(149)**	**280**
Exchange gain (losses) on cash and cash equivalents	16	(16)
CASH AND CASH EQUIVALENTS AT DECEMBER 31	**196**	**330**

NET CASH GENERATED (USED) IN OPERATING ACTIVITIES

Continuing operations

Net loss from continuing operations amounted to €121 million in 2021 compared to a loss of €196 million in 2020. Net operating cash from continuing operations amounted to €14 million in 2021, compared to €(86) million used in 2020. The variations between 2021 and 2020 are analyzed in the table below:

(in million euros)	2021	2020
Profit (Loss) from continuing operations	**(121)**	**(196)**
Summary adjustments to reconcile profit from continuing operations to cash generated from continuing operations:		
• non-cash depreciation, amortization, and impairment of assets	222	350
Profit from continuing operations before depreciation, amortization, and impairment of assets	**101**	**154**
Cash payments of the period related to provisions	(98)	(84)
Non-cash P&L impact of the provisions of the period	44	100
Net gain on financial restructuring	-	(158)
Other various adjustments	45	(38)
Operating cash generated (used) in continuing operations	**93**	**(26)**
Net interest paid and received	(64)	(48)
Income tax paid	(16)	(12)
NET OPERATING CASH GENERATED (USED) IN CONTINUING ACTIVITIES (I)	**14**	**(86)**

NET CASH USED IN INVESTING ACTIVITIES

Continuing operations

Net investing cash used in continuing activities was €67 million in 2021 compared to €133 million in 2020, and included:

- net capital expenditures, which amounted to €95 million in 2021 (compared to €104 million in 2020), due to cash expended relating to tangible and intangible capital expenditures. In 2021, net capital expenditure amounted to €26 million in the Technicolor Creative Studios segment and was mainly related to intangible asset spending and production capacity increase, €60 million in the Connected Home segment, mainly due to capitalized R&D projects and new product introduction tools and €9 million in the DVD Services segment, mainly from patents and capacity maintenance;

- acquisition of businesses (net of cash acquired), which amounted to €0 million in 2021, compared to €(3) million in 2020;
- proceeds from sales of investments, net of cash, which amounted to €27 million in 2021 (Post Production activity disposal) compared to €7 million in 2020 (net of cash in companies disposed of);
- net granting of loans & security deposits amounted to €2 million in 2020 compared to €(34) million in 2020.

NET CASH USED IN FINANCING ACTIVITIES

Continuing operations

Net financing cash used in continuing activities was €(68) million in 2021 compared to €522 million of cash generated in 2020.

In 2021, the net cash used resulted from the repayment of lease debts.

In 2020, the net cash generated resulted from the new debt raised as part of the Group's financial restructuring.

For more information, please refer to note 11.2 to the Group's consolidated financial statements.

Net cash used in discontinued activities

Net cash used in discontinued operations was €29 million in 2021 compared to €23 million of cash used in 2020.

2.3.3 Financial resources

Gross financial IFRS debt totalled €1,235 million at the end of 2021, compared with €1,142 million at the end of 2020. At December 31, 2021 and at December 31, 2020 debt consisted primarily of (i) term loans issued by Technicolor USA Inc. in U.S. dollars and New York law based notes issued by Tech 6 in euros (together, the "New Money" debt), (ii) Reinstated Term Loans issued by Technicolor SA in U.S. dollars and euros (the "Reinstated Term Loans") comprising the remaining term loan and revolving credit facility debt following their partial conversion to equity in the Group's financial restructuring in 2020 and (iii) lease liabilities. Financial debt due within one year amounted to €65 million at the end of 2021 and €72 million at the end of 2020.

At December 31, 2021 the Group had €196 million of cash and deposits, compared with €330 million at December 31, 2020.

For more detailed information please see the notes to the Group's consolidated financial statements and for the Group's debt, please refer to note 8.2.

	Type of interest rate	Amount at December 31, 2021 *(in million euros)*	First maturity	Existence of hedges
New Money/Reinstated debt	Floating	1,008	2024	No
New Money/Reinstated debt – accrued interest	NA	34	2024	No
Lease liabilities	Fixed	192	2022	No
Other debt	Various	1	2022	No
TOTAL DEBT		**1,235**		
Available cash and deposits	Floating	196	0 to 1 month	No
Committed credit facilities[1]	Floating	110		
TOTAL LIQUIDITY		**306**		

(1) Availability varies depending on the amount of receivables (please refer to note 8.5.5 to the consolidated financial statements).

PROVISIONS FOR PENSIONS AND ASSIMILATED BENEFITS

In addition to the debt position described above, the Group has reserves for post-employment benefits that it provides to its employees and former employees, which amounted to €295 million at December 31, 2021 (compared with €355 million at December 31, 2020). For more information on the Group's reserves for post-employment benefits, please refer to note 9.2 to the Group's consolidated financial statements.

LIQUIDITY RISK

For more information about the Group's liquidity risk, please refer to note 8.5.5 of the Group's consolidated financial statements.

RATINGS

The Group uses the services of rating agencies to help investors evaluate the credit quality of the Group's debt.

In September 2021, Standard & Poor's (S&P) affirmed the CCC+ rating on Technicolor SA (corporate rating), the B rating on the New Money debt and the CCC rating on the Reinstated Term Loans. All ratings have a stable outlook.

In September 2021, Moody's affirmed the Caa2 rating on Technicolor SA (corporate rating), the Caa1 rating on the New Money debt and changed to Caa3 the rating on the Reinstated Term Loans. All ratings have a positive outlook.

None of the Group's debt has clauses referring to the Group's credit ratings.

2.4 SUBSEQUENT EVENTS

GRI *[102-10] [103-1 Economic performance] [103-2 Economic performance]*

Spin-off and Refinancing Plans

On February 24th, 2022, Technicolor announced its intention to create two independent market leaders in their respective sectors and to refinance Technicolor's existing debt.

Technicolor intends to list TCS on Euronext Paris, and to make a concurrent distribution of a 65% stake in TCS to Technicolor shareholders (the "Distribution").

The spin-off structure allows Technicolor shareholders to receive Technicolor Creative Studios shares, while remaining shareholders of Technicolor Ex-TCS. This distribution-in-kind should be made out of Technicolor's share premium account and should be, from a French tax perspective and in view of the analysis to date of the composition of Technicolor SA's net equity, considered as a tax-free return of share premium under article 112 of the French tax code *(remboursement de prime d'émission)*. This distribution should therefore not be subject to tax in France whether by way of a French levy, a French withholding tax or otherwise (subject to specific situations).

As far as the remaining 35% TCS stake retained by Technicolor Ex-TCS is concerned, its disposal will be considered ahead of or following the spin-off, depending on market conditions, with a view to further and significantly deleverage both new entities. The spin-off resolutions will be submitted to the Company's Annual and Extraordinary Shareholders Meeting that it is anticipated will be convened in late June 2022. It is expected that the spin-off will take place during the later part of Q3, 2022 subject to the conditions outlined below. The Company will request the admission of the TCS shares on Euronext Paris by way of a prospectus to be approved by the AMF. The company has retained Finexsi as independent financial appraiser in order to provide shareholders with an independent valuation of the TCS shares prior to the vote at the Company annual shareholders' meeting referred to above.

Concurrently, Technicolor is announcing its intention to fully refinance the group's debt.

As part of the refinancing, Technicolor intends to issue Mandatory Convertible Notes ("MCN") for €300 million in the form of separate reserved issuances. Angelo Gordon, Bpifrance and other selected subscribers have committed to subscribe to the full amount of the MCN. The MCN would automatically be converted into Technicolor shares if a Technicolor Extraordinary General Meeting approves the Distribution, and the Board of Directors decides such Distribution. The conversion price of €2.60 per share is equal to a 5% discount to the 3-month VWAP ("Volume-Weighted Average Price") per Technicolor ordinary share as of February 23rd, 2022.

The fairness of the condition of the Mandatory Convertible Notes conversion will be addressed prior to the vote at the MCN Extraordinary General Meeting by a report to be prepared by Finexsi as independent financial appraiser.

The issuance of the MCN is subject to 2/3rd majority approval at an Extraordinary General Meeting of shareholders, which is expected to take place early Q2 and, in any case, no later than May 25th, 2022. Shareholders subscribing to the MCN have committed to not dispose of their shares before the MCN Extraordinary General Meeting.

In parallel, consistent with the proposed transaction, the Group is launching negotiations to refinance its existing debt, with a view to putting in place two distinct and optimized financing packages for TCS and Technicolor Ex-TCS respectively.

The refinancing and the spin-off are expected to be completed by Q3 2022, subject to (i) the shareholders' approval of the issuance of the MCN, (ii) the shareholders' approval of the terms of the spin-off, (iii) the completion of the refinancing discussions with creditors on terms satisfactory to Technicolor Ex-TCS and TCS and (iv) customary conditions, consultations and regulatory approvals.

TCS and Technicolor Ex-TCS have distinct characteristics in terms of growth, margins, capital intensity, and cash flow generation. The contemplated transaction will allow each entity to pursue its own strategic path independently, consistent with its underlying business dynamics and financial fundamentals, and thereby achieve its full value potential. Furthermore, the spin-off of TCS should help to reduce the conglomerate discount of Technicolor Ex-TCS and create a strong basis for TCS full valuation.

Sale of Trademark Licensing operations

Technicolor received a binding offer to sell its Trademark Licensing operations. The total agreed consideration amounts to approximately €100 million, to be paid in cash at the closing of the transaction.

This transaction will allow the Group to further simplify its structure with the sale of non-core assets, and to increase Technicolor financial flexibility.

The sale, which is subject to closing conditions, is expected to close in the first half of 2022.

2.5 INFORMATION ON COVID-19

For more details on Covid-19 impacts, please refer to Section 6.2 "Notes to the consolidated financial statements", note 1.1.1.

RISKS, LITIGATION, AND CONTROLS

3

Strong risk monitoring & mitigation **efforts**

268 security audits supported in 2021

2021 Internal Control 8TIC'S campaign
2,679 self-assessments controls supported by **269** control owners

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

***GRI** [102-15]*

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 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.

We currently view the two following emerging risks identified by the Group as likely to have the most significant impact on the businesses in the future:

- economic, geopolitical & social environment;
- raw material & key component dependency in the supply chain.

Top three risks faced by the Group:

- supplier and key component dependency;
- cybersecurity;
- attract talents & invest in culture.

Global market & industry risks

• Health and Safety	• Skills & Knowledge Management, Development & Retention ✪
• Economic, Geopolitical & Social Environment	• Cybersecurity ✪
• Attract Talents & Invest in Culture ✪	• Business Continuity
• Diversity and Human Rights	

Operational risks

Technicolor Creative Studios	Connected Home	DVD Services
• Customer Project Management ✪	• Supplier and Key Component Dependency ✪	• Raw Material and Other Key Input Dependency
• Tax Credits Evolution	• Client Concentration and Dependency ✪	• Customer Concentration and Contract Negotiation ✪
		• Supply Chain and Manufacturing
		• Labor Force Availability

Financial risks

• Liquidity ✪	• Impairment of non-current assets, including goodwill
• Indebtedness ✪	• Restructuring plan
• Interest rate and exchange rate fluctuations	

Litigation

• Antitrust Procedures	• Toxic Tort Lawsuits in Taiwan

3.1.1 Global market and industry risks

GRI [102-15]

HEALTH AND SAFETY

GRI [103-1 Occupational health and safety] [103-2 Occupational health and safety] [403-5]

Risk identification	Risk monitoring and management
Most of the Group's employees typically work in office buildings, so the environment, health and safety risks are limited to this perimeter. Regarding manufacturing sites, the Group operates three DVD and Blu-ray™ replication sites (two main locations in Mexico and Poland, and a smaller one in Australia) and one CPE (Consumer Premises Equipment) assembling site (Brazil). The distribution centers of the DVD Services Division are also an area of exposure to the environmental, health and safety risks, and they are located mainly in the U.S., Mexico, Canada, United Kingdom and Australia. Nevertheless, the advent of the Covid-19 pandemic, and associated guidance issued by the World Health Organization, has negatively impacted the Technicolor group. Beyond the major human impact on Technicolor employees, the Group had to temporarily close, reopen, and close some facilities following local government restrictions. The supply chain was impacted, especially in China, due to the reduced capability of Technicolor's suppliers to produce and deliver the products. Moreover, our customers have been impacted as well, due to national and local lockdowns resulting in significant reduction in demand, particularly in Technicolor Creative Studios and DVD Services (with some exceptions). The pandemic could have a further negative impact on the Group's financial results given the significant uncertainty remaining around the duration and ongoing magnitude of the disruption which it is causing.	Normally, standard and regular health and safety training are delivered to the Group's employees as well as to the agency workers and contractors working in our locations to prevent injuries and accidents as part of global injury prevention programs. Considering the Covid-19 pandemic, increased cleaning and screening measures were implemented to minimize the risk of Covid-19 contamination of our workers. Injuries and severity rates are monitored with remediation actions. Industrial sites are regularly audited to review and assess health and safety risks and implemented prevention measures. Technicolor is closely monitoring the evolution of the Covid-19 pandemic and is taking all appropriate measures to support its customers throughout this ongoing difficult period and to ensure the safety of its employees. The Group is also evaluating any potential impacts to production and deliveries and will try to mitigate *via* alternative plans where necessary. The Group has successfully implemented work from home arrangements to ensure continuity and productivity across the Group, including in Technicolor Creative Studios and Connected Home. Supply chains in China resumed activity relatively quickly, which provided strong support to Technicolor's Connected Home Division. Finally, in order to react quickly and to take all necessary measures, the Group set up a Covid-19 task force to address daily/weekly required actions and monitor ongoing developments (please refer to Chapter 2, section 2.5: "Information on Covid-19"). For further details on health and safety actions conducted by Technicolor, see Chapter 5, section 5.1.5: "Covid-19", and section 5.2.5: "Safety at work" of this Universal Registration Document.

ECONOMIC, GEOPOLITICAL & SOCIAL ENVIRONMENT

GRI *[103-1 Economic performance] [103-2 Economic performance]*

Risk identification	Risk monitoring and management
Any further deterioration in the macroeconomic and geopolitical environment may adversely affect supply chain, consumer confidence, licensing revenue, disposable income and spending, and result in decreased volumes for some of the Group's products/services or increased demand for lower-end products at the expense of higher-end products/services we provide. For example, Technicolor is well established in Latin America through the Connected Home and DVD Services segment, and the economic uncertainties as well as impact on the value of local currency in this area may negatively impact the revenue and results. In addition, local labor regulations forbidding more flexible types of contracts could induce more benefit charges and thus increase the total cost of labor. More specifically, 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. Supply chain disruption may not be covered by insurance as a result of market tightening. Also, Technicolor Creative Studios activities have been set up certain locations attractive to its customers, for production related tax incentives as an example. Any material change to the incentive programs available in such locations may impact significantly the decisions by customers on where they outsource production services like VFX and Animation. Furthermore, weakness in general economic conditions may result in an increasing number of the Group's customers becoming delinquent on their obligations to the Group or being unable to pay, which in turn could result in a higher level of receivables write-offs. Any prolonged global economic downturn may therefore have adverse effects on the Group's operating results or financial condition. 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; 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. Specific to Covid-19, the Group established a Covid task force that immediately prepared and circulated a Covid-19 playbook and continues to convene weekly to monitor the impact of the pandemic on the Group's operations and coordinates actions required to ensure best practices and compliance with local regulations. 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.

SPECIFIC RISKS RELATED TO THE RUSSIAN-UKRAINIAN CONFLICT

This information is not included in the management report approved by the Board of Directors on February 24, 2022.

Even more recently and after the close of the fiscal year, Russia's invasion of Ukraine on February 24, 2022, and the subsequent international sanctions against Russia were identified as events whose geopolitical impact and consequences on the global economy may be very significant. Consequently, disruption of global access to Ukrainian minerals and natural resources utilized in global manufacturing as well as the need to modify transportation routes by avoiding Russian, Belarusian and Ukrainian territory, places additional strain on logistical and supply chain operations.

With regard to the Russo-Ukrainian conflict and in the specific case of Technicolor, no significant potential impact has been identified at this stage, as the Group has no - or almost no – business relationship with either of these two countries and does not hold there any assets. In addition, any new business relationships that may be established, as well as, financial and material flows to and from these countries and Belarus, are closely monitored in all operating divisions and are complying with all the international sanctions imposed against Russia. With particular regard to Connected Home and its operations, transport of products to Europe from Asia which entailed transit across Russia is temporarily suspended and is under review while regular communications with the key suppliers is ongoing in order to assess the impact on the supply chain.

ATTRACT TALENT & INVEST IN CULTURE

GRI *[103-1 Employment] [103-2 Employment] [103-1 Training and education] [103-2 Training and education] [103-1 Diversity and equal opportunity] [103-2 Diversity and equal opportunity]*

Risk identification	Risk monitoring and management
The Group depends on the continued recruitment and engagement of key team members, with strong skills set (creative, technical, operational, *etc.*) depending on what business division or transversal function they belong to, and industry knowledge (entertainment, logistic, telecommunication/IOT, *etc.*). In addition, the technology experts are essential team members in order to improve the quality of the products we develop. Furthermore, the talent pool from which the business draws much of its staff is highly geographically mobile. Technicolor Creative Studios are particularly dependent on the continuous recruiting of many artists, production staff and technical talent, while competing with new players and traditional clients who are vertically integrating post-production services activities (bringing activities in-house) and increasing market shares, as well as talents. Any material delays in the immigration process for new hires may also negatively impact the Group's operations. The absence of a strong People & Talent (formerly known as Human Resources) strategy/value proposition, cultural initiatives for inclusion plus challenged financial results may lead the Group to be less attractive. Coupled with the current external pandemic challenges (which may result in required furlough and/or lay-offs), the Group may experience a longer recruitment process and/or talent may be less motivated to join the Group. The new working environment will entail significant work from home scenarios. Lack of initiatives to strengthen the collaborative culture and creativity could result in a sense of isolation, mental health challenges, unethical behavior and/or inefficiencies. Some employees may be reluctant to go back to office, 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, in 2018 Technicolor Creative Studios launched The Focus to consolidate talent recruitment across all business units to make more efficient the global recruiting process, identify new talent pools, facilitate international mobility and fill capacity across sites. In 2021, about 1,600 artists (employees and potential employees) received training in the Technicolor Creative Studios Academy, mostly through virtual sessions, or on site on its primary hubs in Montreal (Canada) and Bangalore (India). Since 2020, and under the restrictions generated by the pandemic, these sessions were migrated to live virtual delivery ensuring flexibility and scalability. New Virtual Academies are supporting artist development across studios globally to ensure a consistent show-ready skill set. The Focus team continues to build university partnerships to provide curriculum guidance to help ensure skill alignment with market needs, to provide mentoring to students, 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. The contract was expanded to DVD Services and Connected Home and the process of redesign is ongoing. Together with the new onboarding process going live in all countries with our current tools (HR Online and People Doc) as an intermediary process until the new tool deployment end of 2022, 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.

ATTRACT TALENT & INVEST IN CULTURE

GRI *[103-1 Employment] [103-2 Employment] [103-1 Training and education] [103-2 Training and education] [103-1 Diversity and equal opportunity] [103-2 Diversity and equal opportunity]*

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DIVERSITY AND HUMAN RIGHTS

GRI *[103-1 Training and education] [103-2 Training and education] [103-1 Diversity and equal opportunity] [103-2 Diversity and equal opportunity] [103-1 Non-discrimination] [103-2 Non-discrimination] [103-1 Human Rights assessment] [103-2 Human Rights assessment] [103-1 Supplier social assessment] [103-2 Supplier social assessment]*

Risk identification	Risk monitoring and management
Creative and innovative industries require diversity of talent to be able to differentiate from the competition: gender, culture, and experience are key elements and must be present in the same location. Obstacles to diversity create a risk in the ability to compete or develop new products. This is valid from the software development to the Visual Effects or Animation industries, as our products and services are equally used or watched by women and men, around the world. Obstacles can be internal and internal policies ensure gender mix and equality. But they also can be external to the Group, preventing the recruitment of talent from diverse origins in a location. In a growing market, access to talent is key, and modification of these rules (*e.g.*, such as immigration rules, national educational system, gender mix, *etc.*) can create tensions in the countries where the Group operates. As in any organization, discrimination and harassment may occur. Beyond the fact that these behaviors are totally unacceptable, such behaviors are also detrimental to the attractiveness and retention of talent, or the safety of the operations, as well as, to the reputation of the Group. Supply chains and logistics are becoming more complex, with an increased number of stakeholders and levels of subcontracting. Detection and prevention of human rights violations in the chain is essential, together with remediation in case of occurrence.	Internal proactive policies to increase the proportion of women in management position in the Group is the first lever. Developing the Group's attractiveness as a place to work (responsibility, engagement, development) allows us 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 organized to raise awareness on harassment and discrimination, and to help prevent them. In certain countries, training sessions of self-defense are also organized for women. A whistleblowing hotline is open to receive harassment and discrimination alerts. Sanctions may be taken after investigation and conviction. A supplier's risk mapping is maintained on a regular basis, together with physical on-site audits of suppliers presenting the higher risk (country and activity). The Group Whistleblowing procedure is open to collect alerts in this area. Contracts with suppliers include terms and conditions forbidding human rights violations with sanctions, including immediate termination for the most serious violations. Alternative suppliers are always considered to prevent production disruption.

SKILLS & KNOWLEDGE MANAGEMENT, DEVELOPMENT & RETENTION

GRI [103-1 Training and education] [103-2 Training and education]

Risk identification	Risk monitoring and management
The Group relies significantly on the talent strategy based on three main pillars: **1.** define the right mix of unlimited and limited contracts to mitigate reasonability effect and optimize labor cost structure in DVD Service and Technicolor Creative Studios; **2.** define the right footprint to optimize efficiency, ensure customer proximity and cost scalability; **3.** identify critical positions and skills instrumental to achieve the 3 years strategy plan, ensure backup 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 of not being able to retain employees. More than ever, retention of key people is a sensitive topic. Transformation, current financial status, 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 experiences and employees in critical positions.	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: • implementation of new Learning Management System (LMS) has begun with successful launching in July 2021, followed by global training campaigns. In order to drive engagement to LMS, a Group Learning & Development service offering has been put in place. Within this initiative, a pilot was launched with digital curriculums catalog on the LMS for soft skills. A compliance learning program will be launched in 2022 and coaching will be supported throughout the platform as well; • the completion of the first phase LEAP (Lead Energize Accelerate Performance) training initiative for managers in Technicolor Creative Studios has been performed with first objective to create the proper manager status in HR Online to identify the specific skills needed for each manager depending on its level and type. Succession plans and identification of key experts is part of the reengineering of the People & Talent's organization. Therefore, succession planning for ExCom, ExCom of every business and Service lines will be presented to the Governance and Corporate Social Responsibility Committee. Our 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, keeping 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.

CYBERSECURITY

GRI [103-1 Customer privacy] [103-2 Customer privacy]

Risk identification	Risk monitoring and management
The secure maintenance and transmission of Technicolor and customers' information is an essential component of the Group's operations due to highly sensitive and confidential content. In that optic, cloud enablement and usage/support continue to evolve. The failure to have sufficient and effective content security systems and protocols both onsite and during remote working scenarios may lead to loss, disclosure, misappropriation, alteration and unauthorized sharing and access to sensitive information and assets (Intellectual Property). Product developments may become more expensive or take a longer time than initially planned due to unexpected challenges in the development cycle, potential quality issues linked to the technological complexity of the products, resource constraints or dependency on third party deliveries. Products and data may be vulnerable due to the increase in volume and sophistication of hacking or other types of malicious attacks (*e.g.*, phishing) which expose the Group to liabilities, extra cost for remediation, or compensation for prejudices. New vulnerabilities must be identified and monitored appropriately to avoid successful operational attacks. 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. 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. The current pandemic environment 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. Failure of employees' awareness on cyber risks increases risk of phishing campaigns and introducing malwares in our systems. Those consequences may drive key customers to withdraw work from Technicolor and are likely to expose the Group to significant financial burdens, liability, loss of reputation and loss of revenues.	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. The Connected Home centers for product development or implementation of services include quality assurance functions that are responsible for establishing and measuring suitable quality indicators and developing action plans to improve the quality of the products and services with management reviews at key milestones. To ensure high security standards, a security approval procedure is in place for the new products delivered by the Connected Home Segment. This procedure is part of the product development project management methodology. Once products are delivered, an incident response procedure is in place to support customers. This procedure includes a vulnerability disclosure protocol, to allow security researchers to report any weakness in Connected Home products and allow us to address risks before public disclosure and/or materialization of said risk. The 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 2021, 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 security standards are continuously reviewed and updated to stay current with the industry and with established security policies. Overall, in 2021, Technicolor supported over 268 security audits, which included a combination of internal and external audits. Audit findings are tracked and managed by internal teams. In 2021, 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. Technicolor Cyber Security (TCS) since its introduction in 2015 is being recalibrated quarterly and its initiatives are tracked regularly. TCS 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. On the other hand, tracking and management of items identified for remediation, led by internal teams within Service Now central repository are managed and reported by the Technicolor Security Operations Center (TSOC).

3

BUSINESS CONTINUITY

GRI *[102-34]*

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. 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. As of now, individual Business units have Business Continuity Plans. However, additional work remains to develop a Group-level plan that facilitates sharing of infrastructure across divisions in the event of a major business disruption. 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 Disaster Recovery (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 by division exists across Technicolor, supported by the Technicolor 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, process and resources are in place to anticipate the unforeseen risks (*i.e.*, 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.

3.1.2 Operational risks

GRI [102-15]

TECHNICOLOR CREATIVE STUDIOS

CUSTOMER PROJECT MANAGEMENT

Risk identification	Risk monitoring and management
Projects in Technicolor Creative Studios vary greatly in size, with several large projects that can last 12-18 months and numerous small ones that require much quicker turnarounds. Difficulty resides in the proper anticipation and allocation of resources to deliver a production on time and on budget, mitigating gaps between projects, and managing changes by clients in their production schedules and release dates. The projects can also be executed across multiple geographies and time zones, which may create challenges for the management of such projects. • 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.*, delayed delivery of elements from the client). • Production failing to flag to Management when there are issues (*e.g.*, delays, unachieved quotas) 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 this year as management looks for ways to streamline and centralize key operational processes while delivering key projects across several regions and/or service lines.	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, robust 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. 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. 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. 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 (TCS) 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 groups while roll-out of a resourcing platform called (DASH) is being performed. In addition, by increasing investment in Talent Recruitment, Learning & Development (including TCS Academies), and its Global Workforce Planning group, TCS 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.

TAX CREDITS EVOLUTION

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 division's clients). These production incentive programs offer financial incentives, such as refundable tax credits, tax rebates or grants, based on the eligible production costs incurred in the production location. As a result, key Technicolor Creative Studios activities have been installed in certain locations attractive to its customers. 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 Technicolor Creative Studios 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 are likely to expose the Group to potential loss of revenue.	Technicolor 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 Technicolor 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 organizations in order to be a leading participant early in any discussions regarding the evaluation and implementation of any changes in production incentives.

CONNECTED HOME

SUPPLIER AND KEY COMPONENT DEPENDENCY

GRI [103-1 Procurement practices] [103-2 Procurement practices]

Risk identification	Risk monitoring and management
Connected Home is a volume business, and as such, the relevance of suppliers is very critical for its performance and success. Connected Home outsources extensive operational activities, including manufacturing and logistics, except for the manufacturing facility in Manaus, Brazil. Reliance on external suppliers and manufacturing partners means Connected Home may be exposed to the effects of production delays or other performance failures of its suppliers. Any delays in the availability of key components and sub-assembly parts, production, quantity, or delivery could adversely affect Connected Home's reputation or operating performance. Technicolor manufactures and integrates products that are highly dependent on the procurement of key components (DRAM, Flash memories and passive electronic components/MLCC), sub-assembly parts, and on the design by a very limited number of suppliers and sub-contractors. In 2021, the division's top 5 suppliers provided 55% of components. This dependence on suppliers involves several risks, including limited control over pricing, terms, and conditions availability, quality, and delivery schedules. Given the short supply chain, shortages of raw materials or components, quality control problems, production capacity constraints or delays by suppliers caused by any kind of source create a risk of interruptions in the availability of our products, which could reduce our net sales, adversely affect our results of operations and deteriorate our customer relationship. In addition, if our suppliers experience such problems, they may possibly give priority to other customers to Technicolor's disadvantage. Dependency on external resources regarding the management of Agile Product Lifecycle Management (PLM) should also not be neglected as it is a critical solution for Connected Home in reducing scrap and rework caused by building faulty or incorrect revisions of products. General supply shortages across the industries & restrictions imposed to prevent the spread of Covid-19 did limit Connected Home business and have impacted the supply chain. Most impacting categories were Integrated Circuits & logistics. Nevertheless, the demand for Connected Home products stayed at high levels and only supply challenges prevented us from growing. The market price increases and shortages for DRAM, Flash memories and passive electronic components/MLCC (capacitors, resistors), which started end of 2016 for DRAM and Flash memories, and end of H1 2017 for MLCC are an illustration of this dependency of the Connected Home business on a very limited number of strategic component suppliers.	To mitigate the risks inherent to its suppliers, the Sourcing Department has established detailed procedures for operational, quality, and contractual monitoring of our main suppliers, including Contract Electronic Manufacturers in Asia and Latin America, and suppliers of key components such as integrated circuits or memory chips. An automation and optimization initiative relating to the global supply chain process to support sales and operations planning, customer forecast, commitments, Materials Resources Planning (MRP), EDI, and logistics started end of 2019 and first capabilities have been made available during 2020, delivering greater efficiency and transparency. Regular meetings are held with vendors to review supply chain performance and customer demand. Third party production vendors' facilities are required to maintain Disaster Recovery and Business Continuity Plans. The selection process of suppliers is made after careful assessment of their production capacity, quality standards, financial health, and respect of social and environmental standards. To reduce dependency and allow business continuity, the procurement is diversified with some preferred vendors present in different geographies. The Group strives to foster a strong collaboration with its key suppliers to properly integrate all activities. Some longstanding suppliers have become partners with whom a strong contract management process is in place to allow flexibility in the creation of supply. Scorecards with vendors are implemented to allow a proper monitoring of the vendor performance. When possible and in line with the procurement strategy, the Connected Home Division has identified alternative sources for some of its key materials and components. Though it may limit its ability to negotiate the most favorable terms, these alternative sources are established to reduce dependency on key suppliers. In the case of sole or very limited source suppliers, as this is the case for memories and passive components, the Company has put in place a monitoring structure in charge of keeping watch of the price pressure of some components and anticipate possible shortages. In case those risks materialize, the Company initiated mitigation actions such as the inclusion of key material price index provisions in the customer contracts or negotiations with customers to compensate for sudden unexpected price variation.

SUPPLIER AND KEY COMPONENT DEPENDENCY

GRI *[103-1 Procurement practices] [103-2 Procurement practices]*

In 2020, tensions have appeared on the Integrated Circuits (ICs) market, leading to significant extension of delivery lead times (e.g., from 18 weeks beginning of 2020 to 26 weeks in 2020 H2, and extending even more to 50 weeks for the majority of IC purchasing in 2021), increasing challenges to deliver to our customers.

These products are used in a much broader range of products than for the Connected Home business, such as smartphones, PCs, tablets, automotive applications and the global imbalance between supply and demand has created a material price increase of their costs. The difficulty in mitigating this risk can significantly impact the profitability of Connected Home.

Currently, supplier dependency is aggravated by the pandemic and current market given electronic demand surge, shortage across many categories, supply chain disruption, limited capacity of semiconductors and surge demand for non-Chinese manufacturing which may adversely affect activities of Connected Home.

In 2020, the Company implemented an automated supplier risk assessment tool, and is investing in an additional Supply Chain risk monitoring tool. Deployment of these tools will improve the assessment of current supply base, risk, and opportunities' robustness with category strategy development. Furthermore, enterprise level agility is increased by introducing Weekly Sourcing and procurement meetings led by Category Director to focus on supply issues, actions and monitor and assess component risks. In addition Weekly or "breaking news" reports are distributed to CH management to monitor market risk, mitigation plan and progress, while development of PowerBI Dashboard enables us to monitor high risk components in product – including single source, old technology and unique usage risk.

SPECIFIC RISKS RELATED TO THE RUSSIAN-UKRAINIAN CONFLICT

This information is not included in the management report approved by the Board of Directors on February 24, 2022.

Even more recently and after the close of the fiscal year, Russia's invasion of Ukraine on February 24, 2022, have brought additional concerns to the semiconductors market. Ukraine and Russia are major exporters of various minerals and noble gas for semiconductor chip manufacturing, as well as, other raw materials used for cables, wires, terminals, batteries, and plastic housing in relation to the petrochemical products and its price increase. While it appears Asian chip manufacturers presently have sufficient supply, if the war continues it could limit access to the natural resources used as inputs to manufacture chips, placing upward pressure on pricing due to supply constraints.

Connected Home is in regular communication with its key suppliers to assess the impact of the war in Ukraine on their operations. Currently, the chip suppliers and suppliers of other components relying on raw materials (that could be impacted by the war in Ukraine) appear to have sufficient inventory to satisfy demand. To ensure business continuity, suppliers are activating secondary sources of inputs to secure future needs. Connected Home is actively collaborating with suppliers to secure pricing and assess potential of raw material pull-in to mitigate future price increases. In addition, Connected Home is monitoring the impact of rising oil prices on petrochemicals and working with suppliers to ensure continuity of supply.

CLIENT CONCENTRATION AND DEPENDENCY	
Risk identification	**Risk monitoring and management**
Possible revenue concentration around a few clients may challenge our negotiation power during the competitive bidding process and face us to unfavorable prices and other conditions. Due to the current components supply market, we are forced to negotiate new commercial conditions with all our clients. It is likely shortages will impact supply demand and increase prices for Service Providers. In 2021, the division's top 5 customers accounted for 48% of the Connected Home segment's revenue and 26% of the Group's consolidated revenue. This concentration of revenues around a few companies in the CPE (Customer Premises Equipment) industry has accelerated with the consolidation that has taken place in recent years such as Charter Communications (acquisition of Time Warner Cable), AT&T (acquisition of DIRECTV), and Comcast's X1 syndication activities. This concentration has created opportunities for Connected Home to expand activities among these ever-larger customers while simultaneously increasing risk should entities switch to competitors. Connected Home's forecasts (sales, production…) are highly dependent on its customers' performances and commitments: **1.** a decrease in demand from large customers could significantly impact cash flow and working capital and lead to excess components and finished goods inventories; **2.** higher than anticipated demand can be difficult to fulfil due to long procurement lead times (average 8+ months) for components.	Client concentration requires suppliers to become global partners and to increase depth of relationship. Technicolor's 2015 acquisition of the Cisco Connected Devices Division is a response to the industry consolidation with efforts to deliver more value through innovation and competitive pricing through economies of scale and greater market share. Technicolor strives to foster collaboration with its customers by increasing intimacy and proximity; key account teams oversee anticipation of customer needs to deliver better services and solutions. A strong customer offer review process is in place to properly manage large requests for quotation, identify risks and mitigating actions to stay ahead of competition. Sales force implementation has been reinforced with business development team engaged in bringing new contracts and strengthening existing ones worldwide. Consolidating account management by using new processes, monthly management reviews and diversification strategy is the proper response in ensuring our negotiation position.

DVD SERVICES

RAW MATERIAL AND OTHER KEY INPUT DEPENDENCY

GRI *[103-1 Procurement practices] [103-2 Procurement practices] [103-1 Materials] [103-2 Materials]*

Risk identification	Risk monitoring and management
The division purchases approximately 65% of its materials, components, and services from its top 10 suppliers. In addition, certain raw materials such as polycarbonate and DVD cases come from a limited number of key suppliers. Any change, delay or disruption in supply, or reallocation of capacity to a different market, product line or customer by a key supplier could cause material delays in the division's production or operations, increase its production costs or harm customer relationships. DVD Services previously managed some of its inventory on a just-in-time basis but due to the increase in supply-chain dislocations and single supplier risks the division has moved away from this practice. In addition to delays or other performance failures of its suppliers, DVD Services' operations may be disrupted by external factors beyond its control, including price volatility risks. DVD Services' operations (particularly replication activity in Mexico, Poland & Australia) are significant consumers of electricity, and thus are exposed to utility cost/regulatory volatility in these local markets.	The selection process of suppliers is made after careful assessment of the sustainable production capacity, quality standards, financial health, and respect of social and environmental standards. The division systematically monitors price volatility of its suppliers. To reduce dependency and allow business continuity, the procurement is diversified with some preferred vendors present in different geographies. When possible, and in-line with the procurement strategy, the division has identified alternative sources for many of its key materials. In the case of sole or very limited source suppliers, the division has put in place a monitoring structure designed to track potential price pressure of select raw materials (and their constituent components) to anticipate possible shortages and/or price volatility. In some cases, the division has further mitigation potential for sudden unexpected price variation *via* the inclusion of key material price index/pass-through provisions in certain customer contracts. The division has mitigated selected supply risks by engaging in longer-term agreements and ensuring extended buffer inventories are kept both within the division and at the vendor. Moreover, given the supply-chain risks the division completes periodic assessments of all inventory items/stock levels/lead-times and proactively adjusts/increases holdings/order frequencies of certain critical items.

CUSTOMER CONCENTRATION AND CONTRACT NEGOTIATION

Risk identification	Risk monitoring and management
The DVD Services Division operates in a specialized market with a limited number of significant customers. A significant percentage of the division's revenue is derived from its major customers. In 2021, the division's top 5 customers accounted for approximately 61% of the segment's revenue, which represents approximately 15% of the Group's consolidated revenue. The DVD Services Division, has signed multi-year contracts with all its major customers, which involve multiple contractual arrangements with varying terms, conditions, and expiration dates. In addition, the division's strategy has included acquiring competitors, increasing volume/scale, and driving cost reductions *via* automation and site consolidations. The division's operating results could be adversely affected, if its customers decide to terminate these contractual arrangements (in accordance with their terms), or if the division is unable to renew them when they expire or renew them on significantly less favorable terms.	The division monitors these contractual arrangements through a robust customer offer review process, including Investment Committee/Management reviews to ensure that risks are adequately monitored and mitigated. Contract renewal timing is tracked proactively by the division's PCA team and its Senior Management Team. In 2021, the division proactively renegotiated an early contract extension with a major studio, through June 2025. Specific to disc volume, the Senior Management Team constantly looks for opportunities to attract additional volume. More broadly, the division continues to try and attract small and mid-sized video, game, and music disc customers. The division proactively collaborates with all industry participants to maintain the viability of the physical media home entertainment ecosystem across its customers and retailers. An example of this collaboration and stickiness is the division's continued manufacturing support for all its Studio customers. The number of suppliers/manufacturers for optical media continues to decrease over time. Technicolor's commitment to this sector is well understood and appreciated by all its customers. The Division is actively pursuing multiple initiatives to diversify its business activities and thereby further reduce the risk associated with a concentrated customer base. These initiatives include an existing and ongoing effort to grow supply chain related services (warehousing, fulfillment, transportation, *etc.*) for customers outside the Media & Entertainment industry, as well as an initiative of actively diversifying its manufacturing activity to include vinyl, and polymer-based microfluidic devices for use in diagnostics, life science and other applications.

SUPPLY CHAIN AND MANUFACTURING

GRI *[103-1 Procurement practices] [103-2 Procurement practices]*

Risk identification	Risk monitoring and management
Manufacturing and Distribution facilities are subject to operational risks, including mechanical and IT system failure, theft of assets while in transit, work stoppage, transportation disruption and capacity shortage, customs blockages/delays, and natural disasters. For instance, transport demand in peak season triples as compared to low season requirements. The DVD Services Division's inability to obtain timely delivery of raw materials of acceptable quantity and quality could result in material delays, increased costs, and reductions in shipments of its products, any of which could increase its operating costs, harm customer relationships, or materially and adversely affect the DVD Services Division's business and results of operations. See more details on suppliers' dependency in the risk related to "Raw material and other key input dependency".	To mitigate the risks inherent to its suppliers, the Sourcing Department has established procedures for operational and contractual monitoring of principal suppliers including raw materials used in the production and transportation of DVD and Blu-ray™ discs/products. All the main sites have a Business Continuity Plan, and the reactivity of the organization is enhanced by Transversal Incident Response Plans which were tested successfully in 2021. These plans aim at minimizing the impact of any incident or supply chain disruption. The quality of the manufacturing and supply-chain process is constantly monitored, and each production facility has developed a high expertise in ensuring robust industrial processes. The division tracks quality performance with a wide variety of KPIs. In addition, covering its internal operations, the DVD Services Division, and the Group have insurance coverage that mitigates the risk of business disruption in case of natural disaster or other types of disaster such as fire in major production sites.

LABOR FORCE AVAILABILITY

GRI [103-1 Employment] [103-2 Employment]

Risk identification	Risk monitoring and management
Given the seasonality of its business, DVD Services relies heavily on temporary labor resources during peak periods. Insufficient temporary labor resources could cause work slowdowns or stoppages leading to the inability to adequately meet customer service levels and demand and create material adverse effect on the division's business, financial condition, operations or prospects. Overall, in 2021, Technicolor employed between 2,100 and 3,300 full-time equivalent temporary labor resources depending on the time of the year. In addition, local employment environments could be impacted by regulatory actions such as minimum wage requirements and employer competition, which may have an impact on the division's ability to hire the required number of temporary labor resources. These factors make it challenging to scale-up and quickly flex temp labor during peak periods, while on the other hand, external factors such as the pandemic and periodic governmental stimulus packages are inherently reducing the pool of labor force availability. Lastly, higher than expected labor costs, may result in a deterioration of the operating margin of DVD Services.	For temporary labor, the division utilizes a multi-faceted approach to minimize potential risks of labor shortage, including maintaining relationships with multiple staffing agencies in each major operating area, establishing and maintaining direct relationships with local seasonal workers, and proactively seeking alternative labor pools wherever possible. The division is proud to offer a clean, safe work environment and its long-term contracts enable it to provide year-round work. The division has increased its focus on the employee experience to differentiate it from other employers. The division did have to increase pay rates for selected job areas in 2021 to fulfill requisite staffing levels.

3.1.3 Financial risks

GRI [102-15]

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. In order to identify and quantify this risk the Group has put in place regular cash forecasting, on a short-term 13-week basis, as well as monthly cash forecasts covering longer periods. This forecasting allows the Group to compare its forecasted liquidity with its forecasted cash needs, in particular working capital requirements, investments, and debt repayments.	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 puts in place confirmed credit facilities and executes borrowings on the banking and financial markets and raises equity in the capital 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 (corporate ratings at December 31, 2021: S&P: CCC+ stable outlook/Moody's: Caa2 positive 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.

INDEBTEDNESS

Risk identification	Risk monitoring and management
At December 31, 2021, the Group had €1,306 million of total gross nominal debt (corresponding to €1,235 million in IFRS, taking into account the fair value adjustment) comprising mainly the "New Money" debt and the "Reinstated Term Loans", both issued in the framework of the Group's financial restructuring in 2020, for a total nominal amount of €1,079 million (€1,008 million in IFRS) and lease liabilities for €192 million (see note 8.2 to the consolidated financial statements). The Group has a committed receivables facility with Wells Fargo (the "Committed Receivables Facility") under which it may borrow up to $125 million on the basis of the amount of receivables available. For further information on the terms of these debt facilities and instruments, see Chapter 2: "Operating and Financial Review and Prospects", section 2.3.3: "Financial Resources" of this Universal Registration Document and note 8 to the consolidated financial statements. The level of debt may have significant negative consequences for the Group and its shareholders. For example, the terms of its New Money debt require the Group to dedicate a large portion of any net proceeds from disposals, that is not used for reinvestment, towards repayment of outstanding principal, thereby reducing the availability of cash flow for other purposes. In 2021, there were no disposals that required mandatory debt repayment. In addition, the significant level of debt (€1,306 million) relative to the Group's Free Cash Flow generation (€(100) million in 2021): • increases the Group's vulnerability to adverse general economic conditions and industry developments; • may limit the Group's flexibility in planning for, or reacting to, changes in the business and the industries in which the Group operates; • may limit the Group's ability to raise additional debt or equity capital; • may limit the Group's ability to make strategic acquisitions and take advantage of business opportunities; and • may place the Group at a competitive disadvantage compared to competitors with less debt. Any of the foregoing could limit the Group's ability to grow its business. The financial loans documentation of the Group's USD New Money debt and Reinstated Term Loans as well as its Committed Receivables Facility use the London Interbank Offered Rate ("LIBOR") as a reference rate. LIBOR is scheduled to be phased out in 2023. When LIBOR ceases to exist, the Group will need to agree upon a replacement index with its lenders and such new rates may not be as favorable as those in effect previously. Failure to manage these risks effectively could adversely affect the financial condition and results of operations of the Group. The financial loans documentation of the Group's debt as well as its credit facilities includes provisions which limit the Group's flexibility in operating its business, a breach of which may (in certain cases following the expiration of a grace period) constitute a default hereunder.	The risks related to indebtedness are managed by a close monitoring of the level of the Group's debt and debt maturity schedule, and the compliance with all covenants and restrictions (including operational restrictions) in the Group's debt documentation. This monitoring is part of the Group's management of its liquidity risk. With specific regard to indebtedness, it consists of using the Group's 13 week and monthly cash forecasts to project future leverage ratios, covenant ratios and respect of scheduled debt maturity payments. 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.

INDEBTEDNESS

In particular, the documentation of the Group's New Money debt and Committed Receivables Facility contains financial covenants that the Group must respect:
• a ratio of total net debt to EBITDA, tested on June 30 and December 31 starting in 2021, must be less than or equal to the levels given below:
  • June 30, 2021: ≤ 6.00,
  • December 31, 2021: ≤ 5.00,
  • June 30, 2022: ≤ 4.50,
  • December 31, 2022 and thereafter: ≤ 3.50;
• a minimum liquidity covenant requires the Group to maintain at least €30 million of cash and available credit lines on certain dates.
Failure to respect these financial covenants would constitute a default.
Moreover, the financial loans documentation includes so-called "cross default" clauses which, absent a waiver from the creditors, would provide them with the right to declare amounts that are outstanding thereunder at the time of any default under other financial loans documentation (plus accrued interest, fees, and other amounts due hereunder) immediately due and payable.
Upon the occurrence of a change of control of the Group, any outstanding amounts under the financial loans documentation would become immediately due and payable.
The Group cannot ensure that it would have sufficient liquidity to reimburse or be able to refinance all or part of the amounts that came due following an event of default or change of control.

INTEREST RATE AND EXCHANGE RATE FLUCTUATIONS

Risk identification	Risk monitoring and management
The Group is mainly exposed to interest rate risk on its deposits and indebtedness. At December 31, 2021, 87% of the Group's debt was at floating rates. Failure to manage interest rate fluctuations effectively in the future, or changes in interest rates, may have a material adverse impact on the Group's financial charges. A 100-basis point increase in short-term interest rates would cause the Group's net cash interest payments to increase by €7 million. The Group incurs foreign currency translation risk because a significant part of its consolidated revenues as well as a portion of its assets are in subsidiaries that use currencies other than the euro and in particular the U.S. dollar as their functional currency. In 2021, 68% of the Group's consolidated revenues were in U.S. dollars. To the extent that the Group has costs in one currency and has sales in another, the Group incurs foreign currency transaction risk, and its profit margins may be affected by changes in the exchange rates between the two currencies. Most of Technicolor's sales are in U.S. dollars and in euro; however, certain expenses are denominated in other currencies. The largest transaction exposure of the Group is its net purchase of U.S. dollar *versus* the euro which totaled $136 million in 2021. Although the Group may hedge against currency transaction risk, given the volatility of currency exchange rates and the occasional illiquidity in some emerging market currencies, together with the potential for changes in exchange control regulations in such emerging markets, the Group cannot ensure that it will be able to manage these risks effectively. Foreign exchange rate fluctuations have had and may in the future have an adverse impact on the Group's operating results and financial condition, especially when the euro fluctuates significantly against the U.S. dollar or other foreign currencies. The Group's largest currency exposure is to the U.S. dollar versus the euro. A 10% increase in the U.S. dollar versus the euro, assuming no hedging was in place, would cause the Group's profit from continuing operations before tax and finance costs to decrease by €18 million. A 10% decrease in the U.S. dollar versus the euro would have a symmetrical impact in the opposite amount.	Management of interest rate and exchange rate risks is done by the Group treasury in accordance with Group policies and procedures. All financial market risks are monitored continually and reported regularly to the Chief Financial Officer, the Investment Committee and the Audit Committee *via* various reports showing the Company's exposures to these risks with details of the transactions undertaken to reduce them. For each type of transaction, specific limits and authorizations are approved by the Investment Committee. To reduce interest rate and currency exchange rate risk, the Group enters into hedging transactions using derivative instruments. See note 8.5.3 to the consolidated financial statements for more information about this risk and its management.

IMPAIRMENT OF NON-CURRENT ASSETS, INCLUDING GOODWILL

Risk identification	Risk monitoring and management
If management's estimates change or market conditions adversely evolve, the estimate of the recoverable value of the Group's assets could decrease significantly. If the Group does not generate revenues from its businesses as anticipated, the businesses may not generate sufficient positive Operating Cash Flows. This, or other factors, may lead to a decrease in the value of the Group's intangibles assets, including goodwill, resulting in impairment charges, which could have a material adverse effect on the Group's results of operations or financial position. At December 31, 2021, the Group's accounted for €773 million of goodwill and €510 million of intangible assets. In 2021, the Group did not identify any triggering event leading to an impairment charge (see note 4.5 to the Group's consolidated financial statements). The Group may experience significant further impairment charges in future periods, particularly in the event the markets for the Group's products and services experience further deterioration. For additional information on the impairment tests, see note 4.5 to the Group's consolidated financial statements.	The Group's management periodically assesses the carrying amount of the tangible and intangible assets using certain key assumptions, including budgeted data, cash flow projections and growth rates. The Group assesses the carrying amount of these assets more frequently if events or changes in circumstances indicate that their carrying amounts may not be recoverable.

RESTRUCTURING PLAN

Risk identification	Risk monitoring and management
Panorama restructuring plan will lead to major costs savings and transformation throughout the Group. Risk of inefficiencies in executing or monitoring the implementation of the plan may result in unexpected restructuring expenses or lower than planned costs savings resulting in potential lower profitability of some business division(s) of the Group.	Panorama actions plans and related savings and costs are closely monitored by a Steering Committee. Each of the divisions CEOs and CFOs have set up specific plans with sufficient granularity to ensure a strict and timely monitoring of the plan's execution. These granular plans by the divisions have been reviewed in detail by the Group COO and CFO. On a monthly basis, the COO is reviewing with each division's management the progress and execution of the plan. When a deviation is observed, actions steps are taken to mitigate the risk of missing savings or additional restructuring costs. Every month, the plans are consolidated and reviewed by the Group CEO.

3.1.4 Litigation

GRI *[102-15] [103-2 Socioeconomic compliance] [103-3 Socioeconomic compliance] [419-1]*

In the ordinary course of business activities, the Group has been involved, and in the future, might become involved, in legal and regulatory proceedings and is subject to tax, customs and administrative audits. The fines, damages, settlement amounts or amounts otherwise due in connection with these legal proceedings, may be significant. There can be no assurance that any of the legal proceedings and audits in which the Group is involved or becomes involved in the future will not result in payments being made by the Group, including possibly in excess of amounts provisioned, or that any such payments will not have a material adverse effect on the Group's results of operation and financial condition.

The main legal proceedings and governmental investigations in progress or envisaged, are described in note 10.2 to the Group's consolidated financial statements in this Universal Registration Document.

Except for the litigations described below, there are no other governmental, judicial or arbitration proceedings of which the Group is aware, that are currently pending or threatened, which could have, or have had over the past 12 months, a material effect on the financial situation or profitability of the Group.

The Company and its former Chief Executive Officer, Mr. Frédéric Rose, were indicted *(mis en examen)* by a French criminal judge in December 2019 in connection with an action lodged in 2012 by Quinta Communications targeting Technicolor. Quinta Communications was alleging *inter alia* that Technicolor would have led Quinta Communications' subsidiary, Quinta Industries, into bankruptcy. Technicolor considers that this action has no substantial ground since it was only a minority indirect shareholder of Quinta Industries and was not in any way involved in the management of Quinta Industries. Following the indictments, the Company and its former CEO filed a motion in March 2020 before the Investigating Chamber of the Court of Appeals of Versailles. Through a ruling by the Investigating Chamber of the Court of Appeals of Versailles in May 2021, both indictments were purely quashed for a lack of serious or concordant evidence. Since that decision, the Company and its former CEO have the status of assisted witness *(témoin assisté)*. Under such status, they could not be prosecuted before the Criminal Court.

3.1.4.1 ANTITRUST PROCEDURES

GRI *[103-2 Anti-competitive behavior] [103-3 Anti-competitive behavior] [206-1]*

United States

Between 2014 and 2017, Technicolor settled with all plaintiffs in the legal actions that Technicolor had been defending in the United States pertaining to alleged anticompetitive conduct in the Cathode Ray Tubes ("CRT") industry.

However, the U.S. District Court decision approving Technicolor's June 2015 settlement with a class of indirect purchasers of CRT for $14 million was remanded in February 2019 to the District Court by the Court of Appeals so that the District Court could reconsider its approval of the settlement. As part of the remand process, the indirect purchasers' settlement agreements with defendants were amended by agreement of the parties in September 2019, which resulted in an agreement that a small part of the settlement amounts would be returned to the defendants, including Technicolor, and plaintiffs from nine U.S. states would be excluded from the settlements. While the amended settlement agreements were approved by the District Court, the excluded indirect purchaser plaintiff classes appealed that approval, as well as the District Court's decision to deny their motion to intervene in the settlement approval proceedings, to the Court of Appeals. The Court of Appeals upheld both decisions and declined the appellants' motion for rehearing. Technicolor anticipates that the excluded indirect purchaser plaintiffs will seek review by the Supreme Court in the first quarter of 2022 but continues to believe that its exposure is limited in size and that it has valid means of defense.

Europe

Since 2014, Technicolor has also been defending, along with other defendants (Samsung, LG, Philips, *etc.*), several similar legal actions in various European jurisdictions alleging damages suffered as a result of anticompetitive behaviour in the CRT industry until 2005. All such cases are in the wake of the EU Commission decision of December 2012 pursuant to which Technicolor was fined €38.6 million as a result of alleged involvement in a cartel. The cases remaining are as follows.

In the Netherlands, a case filed by Vestel, a Turkish TV manufacturer, under Turkish law. Vestel also brought suit in Turkey, which was dismissed on procedural grounds by the Court of First Instance as well as by the Regional Court of Appeals in December 2020. Vestel's request to bring an appeal against the Regional Court of Appeals decision has been rejected. In February 2021, Vestel has brought an appeal to the Supreme Court against the rejection of its request to bring an appeal.

At this time, Technicolor is unable to assess the potential outcome from those cases and the resulting potential liability due to the complexity of the cases, as Technicolor is still defending certain of these on procedural grounds and/or as the claims have not all been fully substantiated. Depending on jurisdictions, decisions on quantum are not expected before the second quarter 2022.

Technicolor also defended (i) a case in the United Kingdom against Arcelik, a Turkish manufacturer, which was settled in February 2020, (ii) two cases in Germany against three German former TV manufacturers (Grundig and Loewe/Metz) which were settled in December 2020 and (iii) three cases in the Netherlands against three Brazilian TV manufacturers which were settled in November 2021.

3.1.4.2 TOXIC TORT LAWSUITS IN TAIWAN

GRI *[103-2 Environmental compliance] [103-3 Environmental compliance] [307-1]*

Technicolor, certain of its subsidiaries and General Electric are being sued by an association of former employees (or heirs of former employees) at a former manufacturing facility in Taiwan (TCETVT). They allege exposure to various contaminants while living or working at the facility, which allegedly caused them to suffer various diseases, including cancer, or caused emotional distress from fear that living and working at the facility increased their risk of contracting diseases.

After a first ruling of the Taiwan court and an appeal before the Taiwan High Court (first appeals court), the Taiwan Supreme Court, in August 2018:

(i) confirmed the Taiwan High Court decision of awarding NTD518 million (c. €16 million at the exchange rate as of December 31, 2021) in damages to 260 claimants plus interest; and

(ii) remanded the claims of 246 claimants for further proceedings at the High Court.

General Electric paid nearly the full amount of the decision in December 2019.

On March 5, 2020, the Taiwan High Court ruled on the 246 remanded claims and awarded NTD54.7 million (c. €1.7 million at the exchange rate as of December 31, 2021) in damages plus interest. This ruling is on appeal to the Taiwan Supreme Court.

In 2016, the association brought a second lawsuit against Technicolor and certain of its subsidiaries and General Electric on behalf of additional former workers making virtually identical allegations as were made in the first lawsuit. The Taipei District Court announced its ruling on December 27, 2019, and awarded approximately NTD2.3 billion (c. €73.2 million at the exchange rate as of December 31, 2021) plus interest. Technicolor and General Electric were held jointly and severally liable. Technicolor filed its appeal of this decision to the Taiwan High Court in January 2020.

Technicolor and its subsidiaries claim, among other reasons, that TCETVT operated for less than four years after its purchase from General Electric, while General Electric and its predecessor-in-interest RCA Corporation, ultimately owned TCETVT for approximately twenty years of operations.

Should the Group or any of the subsidiaries ultimately be held liable or settle the claims, the amounts of any such liability or settlement could be high. There are currently too many uncertainties to assess the extent of any liability that Technicolor or its subsidiaries may incur as a consequence of this lawsuit. Technicolor also has various avenues to mitigate any risk, including contractual indemnities owed to it by General Electric and others.

3.2 INTERNAL CONTROL

GRI *[102-29] [102-30] [102-33] [103-1 Socioeconomic compliance] [103-2 Socioeconomic compliance] [103-3 Socioeconomic compliance] [205-1]*

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 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.

In March 2011, the Company voluntarily delisted from the New York Stock Exchange (NYSE). As a consequence, it is no longer subject to the Sarbanes Oxley Act obligations (SOX).

Following the delisting, 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. The 2021 annual campaign has been successfully performed and completed, and a new campaign has commenced in January 2022.

3.2.1 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 2021, despite the unexpected events of the pandemic (Covid-19), 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 EBITDA and other financial and non-financial indicators function of each nature of risk). In 2021, about 269 control owners were designated to perform a self-assessment on 2,679 controls over 56 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 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.

3.2.2 General control environment

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

GRI *[102-16] [102-17] [103-1 Anti-corruption] [103-2 Anti-corruption] [103-3 Anti-corruption] [205-1] [205-2] [412-1] [412-2]*

The values and principles of conduct for the Group's managers and employees are defined in two of the Group's three principal internal documents: the Group's Code of Ethics, the Financial Ethics Charter, and the Anti-bribery and Anti-corruption Policy.

Code of Ethics

Created in 1999 and last updated in 2020, 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 translated in 5 languages (English, French, Spanish, Portuguese and Polish). All employees were required to individually acknowledge the Code of Ethics during 2021. Technicolor has also updated several additional key policies including a Whistleblower Policy, Anticorruption Policy and Manual, and Ethical Sourcing Policy. Indeed, Technicolor is committed to uncompromising integrity in all of our actions. A reputation for integrity benefits Technicolor in countless large and small ways – we are a trusted advisor and service provider to our customers, a dependable collaborator for our business partners, a valuable member of our communities, and a reliable long-term investment for our shareholders. Ethical behavior and observance of laws are two main ingredients in building our reputation for uncompromising integrity.

The Group also created an Ethics Compliance Committee in 2006, which reports to the Audit Committee and is currently composed of six members representing different functions such as People & Talent, CSR, Internal Audit, Compliance and business divisions. This Committee is governed by its own charter (last updated in 2021). The Ethics Compliance Committee is responsible for all ethical issues related to Technicolor'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.

Over the last several years, the Group has deployed many ethics training programs. Several training sessions were launched to educate employees on various ethical rules and obligations, including bribery, competition, and fraud.

Financial Ethics Charter

To reinforce awareness of the ethical dimension of finance activities, Technicolor 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.

First published in December 2005, the Financial Ethics Charter is sponsored by the Chief Financial Officer and sent out bi-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's website at www.technicolor.com or upon request to the Company.

GROUP MANAGEMENT AND DECISION-MAKING PROCESSES

GRI [102-19] [102-26]

The Group Management is organized around 2 principal bodies:

- the Executive Committee;
- the Management Committee.

Placed under the authority of the Group's Chief Executive Officer, the Executive Committee currently comprises 8 members consisting of Senior Executive Vice-Presidents and Executive Vice-Presidents in charge of Technicolor's major businesses and of the principal corporate functions (Strategy, Finance, People & Talent, Communication). The Executive Committee meets to analyze 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 Management Committee includes the Executive Committee Members as well as leaders of Technicolor's main functions and business operations. Its responsibilities are to ensure achievement of the Group's objectives and to provide leadership across Technicolor. Depending on the topics, these Management Committee Meetings can be extended to some specific internal or external guests.

Together, the 2 senior management bodies help 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, new product introduction, operational performance, transformation programs, cost reduction, and HR-related programs.

The Group established an Investment Committee in 2010 to drive prioritization and optimization of resource allocation across the Company's organization. The Investment Committee is composed of the CEO, the CFO, the COO, the People & Talent Director, and the Group General Counsel. The Investment 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 Investment 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

GRI [102-15] [102-30] [102-33] [102-34]

The Group started evaluating its risks on a worldwide basis in 2005, 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 using large support of the Management Committee 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 will implement a new Governance, Risk and Compliance (GRC) tool, which will streamline the risk management process, allowing further efficiency in capturing, assessing, and monitoring Technicolor risks.

3.2.3 Internal Audit

GRI [102-33] [102-34]

As defined in the "Internal Audit Charter", Internal Audit performs independent and objective assurance, and advisory audits that are dedicated to adding value and improving Technicolor'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 11 auditors who have associated professional certifications (*i.e.*, CPAs, CIA, CFE, *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), Norcross, Georgia (US), Memphis, Tennessee (US), New York (US), Montreal (Canada), Guadalajara (Mexico), and Bangalore (India). The Chief Audit Executive administratively reports to the Chief Executive Officer, and functionally to the Audit Committee.

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 2021, 10 audit engagements were performed and completed (both assurance and advisory).

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 2022, 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.

3.2.4 Internal control procedures relating to the preparation and treatment of accounting and financial information

GRI *[103-2 Economic performance]*

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'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, based on four segments (Technicolor Creative Studios, Connected Home, DVD Services and Corporate & Other), 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, Group CFO and BDs' CEOs: 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 BDs and presentation to Group CEO and Group CFO;
- in December additional review meetings between Group CEO, Group CFO & division's CEOs to focus on specific issues if necessary;

- 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 analyzed 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 each business including main income statement indicators such as revenue, Adjusted EBITA, Adjusted EBITDA, 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 analyzed 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 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.

3.2.5 Other internal control procedures

INFORMATION TECHNOLOGY SECURITY PROCEDURES

GRI *[103-2 Customer privacy]*

The Chief Information Officer (hereafter the "CIO") leads the Technicolor's 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 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 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 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 project 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

GRI *[103-1 Customer privacy]*
[103-2 Customer privacy]
[103-3 Customer privacy]

Security is a key priority and an overall enterprise topic that affects each of our Business groups in different ways. For Entertainment Services, Studios assign their projects only to companies that meet their content security standards. Technicolor'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) plays a strong role in preparing and assisting in such audits.

Security is also important for the Connected Home business. As devices are increasingly more open and complex, they are exposed to greater security risks. Security can be a real market differentiator. TSO helps Connected Home to deliver secure devices to their customers, and to adapt its product security posture to current threat levels.

As such the TSO, was established in 2011 to define the Security Strategy at the Group level. 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 the Group.

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: Protect, Detect, Respond & Recovery. 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), TSO-Physical Security, Content Security, Security Operating Center (SOC), Security and Governance, Risk and Compliance (GRC), and Business/Product Security.

The TSO-AT act as internal security assessors and advisors. The TSO-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 arm of the TSO manage policies, global awareness program, tools, vendor assessments and the design of new processes and/or policies, as needed. The Product Security organization establish policies, procedures, and best practices around security for the product development lifecycle.

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

In 2021, over 268 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, within the GRC arm of the TSO a formal awareness program was developed to include on-line training program (GEM) 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.

3.3 INSURANCE

ORGANIZATION AND POLICY

The "Corporate Insurance" Department arranges global insurance programs covering the major risks related to Technicolor's activities that are underwritten with well-known insurers *via* global brokers.

These programs, established at Group level, are implemented through a "Master" insurance policy that strengthens the coverage offered by local policies and provides "difference in conditions" and "difference in limits" over these policies.

The total amount of premiums represents less than 0.5% of the Group's total sales by the end of 2021.

In addition, in partnership with its insurers, Technicolor has developed a loss prevention program to reduce its exposure to its assets and operating losses that may occur in case such risks should materialize. Thanks to this program, several key sites have obtained the "Highly Protected Risk" status (which is the best grade in the assessment implemented by the Group's insurer) and the Group's loss prevention level has globally improved.

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 throughout the world.

The Group intends to continue its policy of comprehensive coverage for all its exposure to major risks, expand its coverage when necessary, and reduce costs through self-insurance when it is deemed appropriate.

To date, the Group does not have an insurance captive or reinsurance company.

CORE INSURANCE PROGRAMS

The Group insurance policies are issued on an "all risks" basis, with standard market exclusions.

The deductible levels are determined and applied according to the assets and operational risks of the business units.

The main insurance policies contracted by Technicolor are:

- **property insurance:** this program provides cover for risks of fire, water damage, natural events, terrorism (depending on the legal restrictions in each relevant country or state) and business interruption resulting from these events.

  This cover is generally set on the basis of property value; Where this is impossible, cover is set at a level corresponding to the worst-case scenario subject to market constraints.

  Generally, when damage to insured assets could lead to a business interruption, insurance is taken out to cover the financial consequences, such as operating losses and/or additional costs. The amount of cover reflects the expected downtime at the damaged site based on the worst-case scenario and on the recovery plans in place.

  The Group carries exposures in high-risk natural hazard areas and has purchased adequate specific insurance coverage in this regard.

  In addition, Technicolor has also covered the risk of damage to goods in transit;
- **liability insurance:** this program provides cover for general and professional liability in the course of business operations as well as product liability for the entire Group. Technicolor has an insurance coverage for the risks associated with the liability of its Directors and officers and also a liability coverage related to any environmental damage caused by pollution;
- **workplace accident:** insurance policies are purchased whenever 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, especially in legal disputes, the amount of premiums and terms of cover are kept strictly confidential, especially in the case of liability insurance.

4 CORPORATE GOVERNANCE AND COMPENSATION

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

- **11** Directors
- **44%** women
- **89%** independents

Extension of the missions and responsibilities of the Governance & Social Responsibility Committee to **Corporate Social Responsibility** with a focus on diversity, equity, inclusion and limitation of the environmental impact

4.1 CORPORATE GOVERNANCE

GRI [102-18] [102-22]

Technicolor'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 Technicolor's main challenges while balancing the interests of its stakeholders.

Very few changes were made in 2021 in the composition of the Board and its committees since this composition was thoroughly renewed in 2019.

On December 31, 2021, the Board of Directors was composed of 10 Directors including 2 Directors representing employees, and 2 Observers.

The transactions announced on February 24, 2022, and in particular the proposed spin-off of Technicolor Creative Studios, point to further developments during the year.

GOVERNANCE & SOCIAL RESPONSIBILITY COMMITTEE

3 MEMBERS
5 MEETINGS

Participation: 100%
Independence: 100%

STRATEGY COMMITTEE

4 MEMBERS
7 MEETINGS

Participation: 100%
Independence: 80%

BOARD OF DIRECTORS

11 DIRECTORS
including **8 independent Directors**
and **2 Directors representing employees**

9 **MEETINGS** in 2021

98% **AVERAGE PARTICIPATION RATE** in 2021

3 **EXECUTIVE SESSIONS** in 2021

REMUNERATIONS COMMITTEE

4 MEMBERS
5 MEETINGS

Participation: 100%
Independence: 100%

AUDIT COMMITTEE

5 MEMBERS
7 MEETINGS

Participation: 100%
Independence: 100%

Board of Directors skilled in the fields of Media & Entertainment, Technology, Finance, Connected Home, Strategy, Cybersecurity, Mergers & Acquisitions, Telecoms, Group knowledge and Corporate Social Responsability.

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

Anne Bouverot
🔴 🟡 P
Independent Chairperson of the Board of Directors

Richard Moat
🟡
Chief Executive Officer & Director

Dominique D'Hinnin
🔴 🟡
Independent Director

Marc Vogeleisen
🔵
Director representing employees

Christine Laurens
🟣 🔵
Independent Director

Loïc Desmouceaux
🟣
Director representing employees

Bpifrance Participations
🔴 P 🟡
Represented by Thierry Sommelet Independent Director

Brian Sullivan
Independent Director

Xavier Cauchois
🟣 P 🔵
Independent Director

Melinda J. Mount
🔵 P 🟣
Vice-Chairperson and Independent Director

Katherine Hays
🔵
Independent Director

44% OF WOMEN & 56% OF MEN DIRECTORS(1)

89% OF INDEPENDENT DIRECTORS(1)

57 years AVERAGE AGE OF DIRECTORS

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

Gauthier Reymondier
Board Observer

P COMMITTEE'S CHAIR

🔴 GOVERNANCE & SOCIAL RESPONSIBILITY COMMITTEE 🟡 STRATEGY COMMITTEE 🟣 REMUNERATIONS COMMITTEE 🔵 AUDIT COMMITTEE

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

4.1.1 Board of Directors

4.1.1.1 CORPORATE GOVERNANCE STRUCTURE

GRI [102-18] [102-19] [102-20] [102-23] [102-26]

The Company is governed by a Board of Directors and a Chief Executive Officer.

The choice to separate the offices of Chairperson of the Board and Chief Executive Officer was made in 2009 in order (i) to allow the Chief Executive Officer to focus on the implementation of the Group's strategy and management and (ii) to ensure the best balance of powers between the Board of Directors and the executive management. The separation of roles has been considered again in 2019 to be best suited to the current circumstances and needs of Technicolor.

4.1.1.2 COMPOSITION AND EXPERTISE OF THE BOARD OF DIRECTORS

GRI [102-22] [102-23] [102-24] [102-25] [405-1]

As of the date of publication of this Universal Registration Document, the Board of Directors is composed of 11 Directors, including the Chairperson of the Board of Directors, and 2 Observers who attend the Board's meetings in an advisory capacity.

2021's highlights are:

- the reappointment on May 12, 2021, of Mr. Richard Moat as a Director(1);
- the appointment on May 10, 2021, by the Company's Works Council of Mr. Loïc Desmouceaux as Director representing employees further to Mr. Florent Chabaud's departure.

Early 2022, Ms. Katherine Hays was appointed by the Board of Directors on February 23, 2022 as a new Director, in replacement of Ms. Cécile Frot-Coutaz who resigned as of September 1, 2021. This appointment was agreed by cooptation and will be submitted to the next General Shareholders' Meeting.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2021 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 whose term of office was renewed at the 2021 AGM(2)	Melinda J. Mount	F	American	April 2016	2024 AGM(2)
	Bpifrance Participations, rep. by Thierry Sommelet	M	French	January 2016	2024 AGM(2)
Directors who left the Board of Directors since January 1, 2021	Florent Chabaud	M	French	July 2020	March 2021
	Cécile Frot-Coutaz	F	French	March 2020	September 2021
Directors who joined the Board of Directors since January 1, 2021	Katherine Hays	F	American	February 2022	2023 AGM(2)
	Loïc Desmouceaux	M	French	May 2021	May 2024
	Richard Moat	M	English and Irish	May 2021(1)	2024 AGM(2)

(1) Mr. Richard Moat has been appointed as Chief Executive Officer and Director of the Board on November 5, 2019. The fact that Mr. Richard Moat could not acquire the statutory number of shares required by Article 11.2 of the Company's by-laws within six months after his appointment led, as a purely mechanical application of Article L. 225-25 of the French Commercial Code, to his automatic resignation as a Director on May 2020.
(2) Annual General Shareholders' Meeting.

CHANGES IN THE COMPOSITION OF THE COMMITTEES OF THE BOARD OF DIRECTORS IN 2021, 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	Katherine Hays	February 2022	N/A
	Brian Sullivan	June 2019	February 2022
	Marc Vogeleisen	May 2021	N/A
Governance & Social Responsibility Committee	Cécile Frot-Coutaz	September 2020	September 2021
Remunerations Committee	Loïc Desmouceaux	May 2021	N/A
	Florent Chabaud	July 2020	March 2021
Strategy Committee	Brian Sullivan	June 2019	March 2022
	Richard Moat	May 2021(1)	N/A
	Cécile Frot-Coutaz	June 2019	September 2021

(1) Mr. Richard Moat first joined the Strategy Committee in November 2019. His directorship was suspended between May 2020 and May 2021. During this period Mr. Richard Moat attended the Strategy Committee's meetings as a guest.

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 favour 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 2021

Age	Gender	Nationality	Start of term of office	Expiration of term of office	Length of service *(in years)*	Number of terms in public companies *(including Technicolor)*	Technicolor Shareholding	Attendance rate at Board meetings	Attendance rate at committees' meetings	Audit Committee	Governance & Social Responsibility Committee	Remunerations Committee	Strategy Committee
										As of December 31, 2021			
Current members of the Board:													
Anne Bouverot, Independent Chairperson of the Board of Directors													
56	F	French	June 2019	2022 AGM	3	2	49,533	100%	100%		Member		Chairperson
Melinda J. Mount, Independent Director and Vice-Chairperson													
62	F	U.S.	April 2016	2024 AGM	6	3	21,000 ADR(1)	100%	100%	Chairperson		Member	
Richard Moat, Chief Executive Officer and Director													
67	M	English and Irish	November 2019(2)	2024 AGM	2.5	1	585,825(2)	100%	100%				Member
Bpifrance Participations, represented by Thierry Sommelet, independent Director													
52	M	French	January 2016	2024 AGM	6	4	12,852,278	89%	100%		Chairperson		Member
Xavier Cauchois, Independent Director													
64	M	French	June 2019	2022 AGM	3	2	6,030	100%	100%	Member		Chairperson	
Loïc Desmouceaux, Director representing employees													
59	M	French	May 2021	May 10, 2024	1	1	1227(4)	100%	100%			Member	
Dominique D'Hinnin, Independent Director													
62	M	French	June 2019	2022 AGM	3	4	12,370	89%	100%		Member		Member
Katherine Hays, Independent Director													
46	F	American	February 2022	2023 AGM	N/A	1	-(3)	N/A	N/A				
Christine Laurens, Independent Director													
51	F	French	June 2019	2022 AGM	3	1	555	100%	100%	Member		Member	
Brian Sullivan, Independent Director													
60	M	U.S.	June 2019	2023 AGM	3	1	2,250	100%	100%	Member			Member
Marc Vogeleisen, Director representing employees													
54	M	French	December 2020	December 23, 2023	1.5	1	4	100%	100%	Member			
Members who left the Board in 2021:													
Florent Chabaud, Director representing employees													
52	M	French	July 2020	March 31, 2021	0.5	1	888	100%	100%				
Cécile Frot-Coutaz, independent Director													
55	F	French	March 2020	September 1, 2021	1.5	1	4,475	100%	100%				

(1) Ms. Melinda J. Mount holds 21,000 Technicolor American Depositary Receipts, equivalent to 778 shares.
(2) Mr. Richard Moat has been appointed as Chief Executive Officer and Director of the Board on November 5, 2019. The fact that Mr. Richard Moat could not acquire the statutory number of shares required by Article 11.2 of the Company's by-laws within six months of his appointment led, as a purely mechanical application of Article L. 225-25 of the French Commercial Code, to his automatic resignation as a Director on May 2020. He was reappointed in May 2021.
(3) Ms. Katherine Hays had been appointed as a Director with effect after the Board held on February 24, 2022 and shall acquire Company's shares in accordance with the Internal Board Regulations.
(4) Mr. Loïc Desmouceaux holds 1,227 shares and 5,006 Technicolor FCPE units equivalent to 364 shares

4

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 Governance & Social Responsibility Committee and the Board of Directors reviewed in February 2022 the independence of its members 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.*).

Concerning Bpifrance Participations (represented at the Board of Directors by Mr. Thierry Sommelet), the Governance & Social Responsibility Committee and the Board of Directors reviewed and assessed the criteria of "business relationship" as follows.

As of December 31, 2021, Bpifrance Participations ("Bpifrance") which took part in 2020 to the Group financial restructuring hold 4.40% of the Company's share capital. Technicolor group's debt to Bpifrance in the amount of €22.3 million is weighing less than 1% of the Group's assets and shareholder equity. This part represents only 1.7% of the total amount of the debt of the Group.

From the perspective of both parties, the business relationship was therefore not considered as significant enough to be an obstacle to the Director's independence.

As of the date of publication of this Universal Registration Document, 8 of the 11 Directors were deemed to be independent. See below the summary of the assessment made at the Board of Directors meeting of February 23, 2022.

Name	Discussion							Independent
Anne Bouverot	Ms. Anne Bouverot meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Melinda J. Mount	Ms. Melinda J. Mount meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Richard Moat	Mr. Richard Moat is Chief Executive Officer of the Company.							No
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	x	✓	✓	✓	✓	✓	✓	
Bpifrance Participations, represented by Thierry Sommelet	Bpifrance Participations holds less than 10% of the share capital.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	

Name	Discussion							Independent
Xavier Cauchois	Mr. Xavier Cauchois meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Loïc Desmouceaux	Mr. Loïc Desmouceaux is a Director representing employees.							No
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	x	✓	✓	✓	✓	✓	✓	
Dominique D'Hinnin	Mr. Dominique D'Hinnin meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Katherine Hays	Ms. Katherine Hays meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Christine Laurens	Ms. Christine Laurens meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Brian Sullivan	Mr. Brian Sullivan meets all requisite criteria to be considered as an independent Director.							Yes
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	✓	✓	✓	✓	✓	✓	✓	
Marc Vogeleisen	Mr. Vogeleisen is a Director representing employees.							No
	Not an employee/ Executive Officer over the last five years	**No cross-directorships**	**No significant business relations**	**No Family ties**	**No Statutory Auditor**	**Term of office of less than 12 years**	**Shareholding below 10% of Technicolor share capital**	
	x	✓	✓	✓	✓	✓	✓	

✓ *Condition met.*
x *Condition not met.*

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

Expertise of Board Members

Members of the Board of Directors were selected by the Governance & Social Responsibility Committee (previously named "Nominations & Governance 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 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
Melinda J. Mount	• Financial skills* • Good knowledge and understanding of cybersecurity matters • Specific experience in the Media & Entertainment sector • In-depth experience with mergers & acquisitions deals
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
Loïc Desmouceaux	• In-depth knowledge of the Group and its history through his 35-years career at Technicolor, including 12 years as a Board member • Expert in Corporate Social Responsibility (CSR) and Sustainable Development • Financial education and skills • Publicly recognized expertise in employee stock ownership programs, compensation and saving plans • Good knowledge of Technology and Media & Entertainment markets
Dominique D'Hinnin	• Strong financial skills • Thorough knowledge of the Technology sectors • Extensive experience in the Media & Entertainment sector
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
Christine Laurens	• International financial profile* • High competence in mergers and acquisitions • Strong leadership skills • Good knowledge and understanding of Cybersecurity matters
Richard Moat	• Strong knowledge of the Media & Entertainment sector • In-depth experience with the US and UK markets • Good strategic skills • Strong leadership in business transformation
Thierry Sommelet	• Significant experience in the Technology, Connected Home and Media industries • Financial background accentuated by private-equity experience • Good strategic skills
Brian Sullivan	• More than 30 years of experience in the Media & Entertainment sector • Financial skills, particularly in mergers and acquisitions • Extensive experience in Connected Home • Strategic skills through several executive positions
Marc Vogeleisen	• In-depth experience in the Group • Perfect knowledge of Connected Home, due to the various positions he has held in this business division

* *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 renewal of the Board of Directors in 2019 was undertaken with the mindset to create a skillful, complementary and committed Board. The additional changes which occurred since are 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.

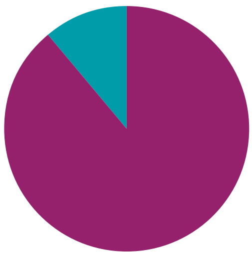
The involvement of the Board Members in the Board's activity (see section 4.1.2.3 below the individual Board meeting attendance rates) is also an indication of the effective functioning of the Board.

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

** As Board Observer.*

DIVERSITY POLICY WITHIN THE BOARD OF DIRECTORS AND ITS COMMITTEES

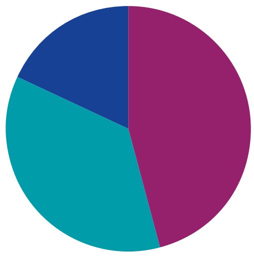
AN INDEPENDENT BOARD OF DIRECTORS*



89% Independent

11% Non-independent

AN INTERNATIONAL BOARD OF DIRECTORS



46% French Directors residing in France

36% Foreign Directors

18% French Directors resident abroad or with a highly international profile

A BALANCED BOARD*

56% Men

44% Women

** Pursuant to the French Commercial Code and the AFEP-MEDEF Corporate Governance Code, the Directors representing employees are 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 examines 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, the Board always seeks 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 is composed of 11 Directors, from which:

- 8 are independent;
- 4 are women;
- 4 are foreign Directors;
- 7 are French Directors including one based in the US and another, the Chairperson of the Board of Directors, with a highly international profile.

The Board of Directors also includes 2 Observers which are also shareholders and lenders of the Company, and which attend the Board's meetings in an advisory capacity.

As corroborated by the results of its self-assessment performed for 2021, the Board of Directors considered during its February 23, 2022 meeting that:

- its members' skills cover a large panel of expertise in line with the different businesses, challenges and long-term strategy of the Group;
- a majority 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 (44% of the Directors are women, including the Chairperson of the Board).

Gender promotion and diversity within the other management bodies

For some years, significant work, programs and action plans have been completed, and some remain ongoing, with regard to the non-discrimination, gender promotion and diversity policy to be applied within the Group.

This work, which is further described in section 5.2.3 of this Universal Registration Document, covers in particular female representation on our management bodies, including the Executive Committee and the Management Committee, as well as the executive committees of the business divisions and the corporate functions (employees of band levels 4, 5 and 6).

One of the Board's mission is to ensure that gender and diversity promotion is centered on relevant objectives with appropriate action plans to achieve them. It will regularly monitor the results of their implementation.

The Board of Directors has set up the following targets to be reached in 2023 in order to increase female representation in the top management of the Group:

- 35% of women in the combined Executive Committee and Management Committee;
- 40% of women in the combined Executive Committee, the Management Committee and the executive committees of the business divisions and corporate functions (employees with band levels 4, 5 and 6).

At the end of 2021, the Group had 16,676 employees, 29.1% of them being women.

With 2 members, women represent 25% of the Executive Committee and with 18 members, they represent 40% of the Management Committee. Within the combined Executive Committee and Management Committee, there are 20 women representing 38% of the membership. This represents an increase of 5% of women compared to the end of 2020.

In the executive committees of the business divisions and transversal functions, there are 16 women representing 43% of the membership, a proportion significantly higher than the overall representation of women among employees. This represents an increase of 6% of women compared to the end of 2020.

Women represent 38% of the membership of the combined Executive Committee and Management Committee, together with the executive committees of the business divisions and transversal functions.

Notwithstanding the above, the Board of Directors is aiming to accelerate women's access to positions of responsibility within the Group.

An extra-financial objective based on gender promotion and diversity is included in the performance objectives of the Chief Executive Officer since 2018.

4.1.1.3 OTHER INFORMATION ABOUT MEMBERS OF THE BOARD OF DIRECTORS

GRI *[102-22]*

Biographies, positions and directorships of Directors

This section contains the biographies and information about the directorships held by Directors in office during fiscal year 2021.

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

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

Nationality: French

Born: March 21, 1966

Start of term of office: June 2019

Expiration of term of office: 2022 AGM

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

Anne Bouverot

Independent Chairperson of the Board of Directors

Main position: Chairperson of the Board of Directors of Technicolor and Senior Advisor for TowerBrook Capital Partners and Company Director

Length of service: 3 years

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

Skills:

- Connected Home
- Corporate Social Responsibility
- Cybersecurity
- Strategy
- Technology
- Telecoms

Committees' memberships:

- Governance & Social Responsibility Committee
- Strategy Committee (Chairperson)

Biography

Ms. Anne Bouverot is currently a Senior Advisor for TowerBrook Capital Partners, as well as a Company Director. She previously was Chair and Chief Executive Officer of Morpho (then Safran Identity & Security), a world 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. Shebegan her career as IT project manager with Telmex in Mexico before spending 19 years with Orange in various positions.

Ms. Anne Bouverot is the co-founder and Chair of Fondation Abeona (Championing a Responsible AI). Graduate of École Normale Supérieure and of Télécom Paris and holding a PhD in Artificial Intelligence (1991), she has received the awards of *Chevalier de l'Ordre National du Mérite* and *Chevalier de la Légion d'Honneur* (France).

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
Abroad	
Cellnex Telecom(1)	Director
TowerBrook Capital Partners	Senior Advisor
Thomson Reuters Founders Share Company	Trustee

Directorships held during the past five years

Company	Office and directorship held
In France	
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.

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

Nationality: American

Born: June 29, 1959

Start of term of office:
April 2016

Expiration of term of office:
2024 AGM

Number of shares held as of the date of publication of this URD:
21,000 American Depositary Receipt equivalent to 778 shares

Melinda J. Mount

Independent Director and Vice-Chairperson of the Board of Directors

Main position: Company Director

Length of service: 6 years

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

Skills:

- Cybersecurity
- Finance
- In-depth Group Knowledge
- Media & Entertainment
- Mergers & Acquisitions

Committees' memberships:

- Audit Committee (Chairperson)
- Remunerations Committee

Biography

Ms. Melinda J. Mount, who currently is a Company Director, is the former President of Jawbone, a company that develops wearable technology. Prior to that she spent 7 years at Microsoft in various finance and operational roles including Corporate Vice-President and Chief Financial Officer for the Online Services Division (Bing, MSN and the data centers) and Corporate Vice-President and Chief Financial Officer for the Entertainment & Device Division (Xbox, Windows Phone, and Mediaroom).

Prior to Microsoft, Ms. Melinda J. Mount spent 9 years at Time Warner in various finance and strategy management leadership roles and spent 8 years at Morgan Stanley as an investment banker specializing in mergers and acquisitions.

Ms. Melinda J. Mount is currently an independent Director of Cerner Corporation, a company that provides health information technology solutions and services to health care providers around the world. She is also on the Board of Directors of the Learning Care group, the second largest day care provider in the U.S. in terms of revenue. Ms. Melinda J. Mount is also an independent Director of Group Nine Acquisition Corp (GNAC). GNAC is a publicly traded blank check acquisition corporation focused on the digital media sector and is also on the Board of Zayo Group Holdings. Zayo is a privately owned global provider of broadband-based communication solutions. Ms. Melinda J. Mount also advises a variety of start-ups on business strategy, business models and rapidly scaling operations.

Ms. Melinda J. Mount has an M.B.A. with distinction from Harvard and a BBA from the University of Wisconsin-Madison.

Current Directorships	
Company	**Office and directorship held**
Abroad	
The Learning Care group	Director
Cerner Corporation[(1)]	Director
Group Nine Acquisition Corp[(1)]	Director
Zayo Group Holdings	

(1) Listed companies.

Directorships held during the past five years
None

Main business address:
Technicolor
8-10, rue du Renard
75004 Paris
Nationalities: British and Irish
Born: September 8, 1954
Start of term of office:
November 2019
Expiration of term of office:
2024 AGM
Number of shares held as of the date of publication of this URD: 585,825*

Richard Moat

Non-independent Director
Main position: Chief Executive Officer of Technicolor SA

Length of service (as Director): 2.5 years
Attendance rate at the Board of Directors' meetings: 100%

Skills:
- Connected Home
- Finance
- Media & Entertainment
- Strategy
- Telecoms

Committees' memberships:
- Strategy Committee

Biography

Mr. Richard Moat was appointed as Chief Executive Officer (CEO) of Technicolor SA by the Board of Directors on November 5, 2019.

Mr. Richard Moat has a strong track record as a CEO who has successfully led business transformations in the telecoms and media industries.

His most recent role was as CEO of Eir Limited, the largest telecom operator in Ireland, where he led a successful turnaround creating shareholder value in excess of €1 billion. He joined Eir as Chief Financial Officer (CFO) in 2012 and was its CEO from 2014 to 2018.

Previously, Mr. Richard Moat was Deputy CEO and CFO of Everything Everywhere Limited, the largest UK mobile telecoms company. Before that he spent 17 years at Orange group, including as CEO of Orange Romania, CEO of Orange Denmark and CEO of Orange Thailand.

Mr. Richard Moat holds a Diploma in Corporate Finance and Accounting from London Business School and has a master's degree in Law from St Catharine's College, Cambridge. Mr. Richard Moat holds both British and Irish citizenships.

* *Mr. Richard Moat has been appointed as Chief Executive Officer and Director of the Board on November 5, 2019. The fact that Mr. Richard Moat could not acquire the statutory number of shares required by Article 11.2 of the Company's by-laws within six months after his appointment led, as a purely mechanical application of Article L. 225-25 of the French Commercial Code, to his automatic resignation as a Director on May 2020. He was reappointed in May 2021 after personally investing in the Company's shares in December 2020.*

Current Directorships

Company	Office and directorship held
Tiaxa Inc.	Director

Directorships held during the past five years

Company	Office and directorship held
Eircable Limited	Director
Eircom (Holdings) Limited	Director
Eircom (Infonet Ireland) Limited	Director
Eircom (UK) Limited	Director
Eircom Cloud Limited	Director
Eircom Finance Designated Activity Company	Director
Eircom Finco SARL	Director
Eircom group Plc[1]	Director
Eircom Holdco SA	Director
Eircom Limited	Director
Eircom Limited Jersey (Irish Branch)	Director
Eircom Limited (Jersey)	Director
Eircom Lux Holdings 1 SARL	Director
Eircom Lux Holdings 2 SARL	Director
Eircom MEP Intermediary SCS	Director
Eircom Sport Limited	Director
Irish Telecommunications Investments Designated Activity Company	Director
Lan Communications Unlimited Company	Director
Lercie	Director
Meteor Ireland Holdings LLC	Director
Meteor Mobile Communications Limited	Director
Meteor Mobile Holdings Limited	Director
Tetra Ireland Communications Limited	Director
The Peter Jones Foundation	Director
Eircom MEP SA	Director
Eircom Holdings (Ireland) Limited	
International Personal Finance PLC[1]	Director

(1) Listed companies.

Xavier Cauchois

Independent Director

Main position: Company Director

Length of service: 3 years

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

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

Committees' memberships:
- Audit Committee
- Remunerations Committee (Chairperson)

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

Nationality: French

Born: August 4, 1957

Start of term of office: June 2019

Expiration of term of office: 2022 AGM

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

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.

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	
PwC Business Services	Manager
GIE PricewaterhouseCooper	Director
PwC Audit	Partner

Loïc Desmouceaux

Director representing employees

Main position: Vice-President CSR Reporting & Communication

Length of service: 1 year

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

Skills:
- Corporate Social Responsibility
- Finance
- In-depth Group Knowledge
- Media & Entertainment
- Technology

Committees' memberships:
- Remunerations Committee

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

Nationality: French

Born: February 13, 1963

Start of term of office: May 2021

Expiration of term of office: May 2024

Number of shares held as of the date of publication of this URD: 1,227 shares and 5,006 FCPE units(1)

Biography

Mr. Loïc Desmouceaux is Vice-President, in charge of the Company's CSR communication and reporting since 2016. He joined Technicolor in 1987. During his 35-year career with the Group, he has held numerous international management positions in the areas of product management, technology and innovation, market foresight, marketing and communication, sustainable development and Corporate Social Responsibility.

As part of his long-standing commitment to Technicolor, Mr. Loïc Desmouceaux served four successive directorships and censorship on the Board of Directors of Technicolor SA, from 2003 to 2014, as a representative of employee shareholders, elected by the General Meeting of Shareholders. He currently chairs the Supervisory Boards of the FCPE Employee Mutual Funds and is Chairperson and co-founder of the Technicolor Employee Shareholders Association.

In an associative and voluntary capacity, he has been Chairperson of the French Federation of Employee Shareholders' Associations (FAS) since June 2017, after having served as General Delegate from 2011 to 2017, and previously as a member of the Federal Council since 2004. As a qualified personality in this field, he is regularly consulted by public authorities and market players on issues related to value sharing in companies, employee stock ownership programs and saving plans.

Mr. Loïc Desmouceaux is a graduate of the Institut d'Études Politiques of Bordeaux in Economics and Finance and a graduate of the École Supérieure de Commerce et d'Administration des Entreprises of Bordeaux (Kedge Business School).

(1) Mr. Loïc Desmouceaux holds 1,227 shares and 5006 Technicolor FCPE units equivalent to 364 shares.

Current Directorships
None

Directorships held during the past five years
None

Main business address:
Technicolor
8-10, rue du Renard
75004 Paris
Nationality: French
Born: August 4, 1959
Start of term of office:
June 2019
Expiration of term of office:
2022 AGM
Number of shares held as of the date of publication of this URD: 12,370

Dominique D'Hinnin

Independent Director
Main position: Chairperson of Eutelsat Communications SA

Length of service: 3 years
Attendance rate at the Board of Directors' meetings: 89%

Skills:
- Connected Home
- Finance
- Media & Entertainment
- Strategy
- Technology

Committees' memberships:
- Governance & Social Responsibility Committee
- Strategy Committee

Biography

Mr. Dominique D'Hinnin, now Company Director, began his career as a civil servant in 1986 but soon joined the Lagardère group, where he held several executive positions, starting as Chief Internal Auditor, then becoming Executive Vice-President with Grolier Inc., then Chief Financial Officer of Lagardère group. Mr. Dominique D'Hinnin held the position of Co-Managing Partner of the Lagardère group SCA between 2009 and 2016. After more than 25 years at Lagardère and with his expertise in the media and technology sectors, he decided to build a portfolio of non-executive mandates by joining the Board of Eutelsat Communications SA, which he has been chairing since 2017, the U.S. company Golden Falcon Acquisition Corporation as well as Edenred and the retail group Louis Delhaize SA (Belgium).

Mr. Dominique D'Hinnin is a graduate of École Normale Supérieure and École Nationale d'Administration.

Current Directorships

Company	Office and directorship held
In France	
Eutelsat Communications SA(1)	Director and Chairperson
Edenred SA(1)	Director
Abroad	
Louis Delhaize SA	Director
Golden Falcon Acquisition Corp.(1)	Director

Directorships held during the past five years

Company	Office and directorship held
In France	
Promotora de Informaciones SA(1)	Director
Marie-Claire Album	Director
Holding Evelyne Prouvost	Director

(1) Listed companies.

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

Nationality: American

Born: September 23, 1975

Start of term of office:
February 2022

Expiration of term of office:
2023 AGM

Number of shares held as of the date of publication of this URD: 0(1)

Katherine Hays

Independent Director

Main position: Company Director

Length of service: N/A

Attendance rate at the Board of Directors' meetings: N/A

Skills:

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

Committees' membership

- Audit Committee

Biography

Ms. Katherine Hays 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. Ms. Katherine Hays graduated from Princeton University and The Harvard Business School.

(1) Ms. Katherine Hays had been appointed as a Director with effect after the Board held on February 24, 2022 and shall acquire Company's shares in accordance with the Internal Board Regulations.

Current Directorships
None

Directorships held during the past five years	
Company	**Office and directorship held**
Abroad	
Vivoom, Inc.	Chief Executive Officer

Main business address:
Technicolor
8-10, rue du Renard
75004 Paris
Nationality: French
Born: August 8, 1970
Start of term of office:
June 2019
Expiration of term of office:
2022 AGM
Number of shares held as of the date of publication of this URD: 555

Christine Laurens

Independent Director

Main position: Global CFO and Partner at Spencer Stuart

Length of service: 3 years

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

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

Committees' memberships:
- Audit Committee
- Remunerations Committee

Biography

Ms. Christine Laurens 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, based in Chicago since 2014.

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.

Ms. Christine Laurens is a Certified Public Accountant, a graduate of HEC Paris (Master's Degree in Management), of the CEMS program at ESADE Barcelona (Master's Degree in International Management). She also completed the Leading Professional Services Firms program at Harvard Business School Executive Education.

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
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

Main business address:
Bpifrance Investissement SA
6-8, Boulevard Haussmann
75009 Paris
Nationality: French
Born: December 10, 1969
Start of term of office:
January 2016
Expiration of term of office:
2024 AGM
Number of shares held as of the date of publication of this URD: 12,852,278

Bpifrance Participations, represented by Thierry Sommelet

Independent Director

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

Length of service: 6 years

Attendance rate at the Board of Directors' meetings: 89%

Skills:

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

Committees' memberships:

- Governance & Social Responsibility Committee (Chairperson)
- Strategy Committee

Biography

Mr. Thierry Sommelet is Managing Director within the Capital Development Department of Bpifrance Investissement, in charge of the technology, media and telecom sector.

Mr. Thierry Sommelet has twenty 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.

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

Directorships held as Permanent representative of Bpifrance Participations

Company	Office and directorship held
Current Directorships	
In France	
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	

Main business address:
Technicolor
8-10, rue du Renard
75004 Paris
Nationality: American
Born: January 7, 1962
Start of term of office:
June 2019
Expiration of term of office:
2023 AGM
Number of shares held as of the date of publication of this URD: 2,250

Brian Sullivan

Independent Director
Main position: Company Director

Length of service: 3 years
Attendance rate at the Board of Directors' meetings: 100%

Skills:
- Connected Home
- Finance
- Media & Entertainment
- Merger & Acquisitions
- Strategy
- Technology
- Telecoms

Committees' memberships:
None

Biography

Mr. Brian Sullivan has more than 30 years of experience in the television and entertainment sector, beginning with Showtime Networks, where he stayed 5 years, in roles of increasing responsibility. In 1994, he joined the database marketing firm Eagle Direct as Vice-President Sales & Marketing, then moved to Sky UK, where he stayed 14 years. There he held several senior management positions covering Strategy, Product, Content, Sales & Marketing, Streaming and CRM, culminating as the Managing Director of the Customer group. In 2010, he became Chief Executive Officer of Sky Deutschland, managing one of the largest turnarounds in European media history. In 2015, he moved to 21st Century Fox in LA to run the Digital Consumer group, including serving on the Hulu and National Geographic Partners Boards, and subsequently became President and Chief Operating Officer for Fox Networks group. In 2019 he left Fox to become a Senior Advisor to McKinsey & Co. within the Consumer, Media & Technology sector. In 2020 Mr. Brian Sullivan took on the CEO role with NEP group, the world's leading Broadcast Services, Live Events and Virtual Production organization.

Mr. Brian Sullivan is a former student of Villanova University in Business Administration and Management.

Current Directorships

Company	Office and directorship held
Abroad	
NEP group	Chief Executive Officer
Astrolabs LLC	Director

Directorships held during the past five years

Company	Office and directorship held
Abroad	
Hulu	Director
National Geographic Partners	Director
Sky Deutschland(1)	Director

(1) Listed company.

Main business address:
Technicolor
8-10, rue du Renard
75004 Paris
Nationality: French
Born: November 10, 1967
Start of term of office:
December 2020
Expiration of term of office:
December 2023
Number of shares held as of the date of publication of this URD: 4

Marc Vogeleisen

Director representing employees
Main position: Head of Business Office

Length of service: 1.5 year
Attendance rate at the Board of Directors' meetings: 100%

Skills:
- Connected Home
- In-depth Group Knowledge
- Strategy

Committees' memberships:
- Audit Committee

Biography

Mr. Marc Vogeleisen is Head of Business Office within the Connected Home Business Division. He has been working for Technicolor since 2002, at various positions, such as strategy expert assisting Senior Management at Corporate Group level, supporting group's major divestments (TV, IC's & Components) to business diversification (acquisitions of Technicolor, Grass Valley, Cisco…) before joining Connected Home in 2016.

In his current scope, Mr. Marc Vogeleisen is actively involved in 3 years Plan, Strategic Planning, Portfolio Strategy, Product Management, Marketing & Communication.

Besides these years working for Technicolor, from 2008 to 2010, Mr. Marc Vogeleisen founded a start-up company in the Renewable Energy sector where he is now acting as a non-executive President.

Mr. Marc Vogeleisen graduated from the Paris University of Laws & Economics, and from the ESSEC Business School.

Current Directorships

Company	Office and directorship held
In France	
Enersolar	President
Enerqos France	Chief Executive Officer
Montauban Solar	Managing Director
Moissac Solar	Chief Executive Officer

Directorships held during the past five years

None

Board Observers as of the date of this Universal Registration Document

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: December 2020
Expiration of term of office: June 2022
Number of shares held as of the date of publication of this URD: Angelo, Gordon & Co., L.P. held 29,811,992 shares

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

Board Observer

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

Length of service: 1.5 year

Skills:
- Finance
- Media & Entertainment
- Mergers & Acquisitions
- Strategy
- Telecoms

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	
None	
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

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

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Main business address:
Bain Capital
1 Mayfair Pl
London W1J 8AJ
Nationality: French
Born: November 22, 1976
Start of term of office: September 2020
Expiration of term of office: September 2023
Number of shares held as of the date of publication of this URD: Bain Capital held 17,785,294 shares as of the date of publication of this Universal Registration Document

Gauthier Reymondier

Board Observer

Main position: Managing Director at Bain Capital

Length of service: 1.5 year

Skills:
- Finance
- Media & Entertainment
- Mergers & Acquisitions
- Strategy
- Telecom

Biography

Mr. Gauthier Reymondier joined Bain Capital Credit in 2008. He is a Managing Director based in Bain Capital Credit's London office. He is Head of European Liquid and Structured Credit and Portfolio manager, specifically Bain Capital Credit's European CLOs and separate accounts. Previously, Mr. Gauthier Reymondier was a manager at Bain & Company supporting private equity funds in Europe and worked at Schroder Salomon Smith Barney.

Mr. Gauthier Reymondier received a BA from HEC Paris.

Current Directorships
None

Directorships held during the past five years	
Company	**Office and directorship held**
Abroad	
Metal & Waste Recycling Limited	Director

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

Florent Chabaud

Main business address: Technicolor
8-10, rue du Renard
75004 Paris
Nationality: French
Born: February 21, 1970
Start of term of office: July 2020
Expiration of term of office: March 2021
Number of shares held as of the date of publication of this URD: 888

Director representing employees until March 31, 2021
Main position: Vice-President Business Security

Length of service: 0.5 year
Attendance rate at the Board of Directors' meetings: 100%

Skills:
- Cybersecurity
- In-depth Group Knowledge

Biography

Mr. Florent Chabaud joined Technicolor at the end of 2014, where he formed the internal IT security assessment team. He also established the Group's governance for personal data protection and GDPR compliance. Additionally, he initiated the ISO 27001 certification of the incident response and cryptographic key management activities for Connected Home products obtained at the end of 2019.

Mr. Florent Chabaud began his career at the French General Delegation for Armament (DGA) as an expert in public key infrastructure and secure messaging. In 2000, he joined the department that was to become the French National Information Security Agency (ANSSI), where he was appointed Deputy Director in 2004, in charge of research and innovation expertise. In 2010, he was appointed Chief Information Security Officer (FSSI) of the French Ministry of Defence.

Mr. Florent Chabaud graduated from École Polytechnique (1989) and is holder of a PhD in computer science and cryptography (1996) under the supervision of Jacques Stern (École Normale Supérieure).

Current Directorships
None

Directorships held during the past five years
None

Cécile Frot-Coutaz

Main business address: Grant Way
Isleworth TW7 5QD
Nationality: French
Born: April 18, 1966
Start of term of office: March 2020
Expiration of term of office: September 2021
Number of shares held as of the date of publication of this URD: 4,475

Independent Director until September 1, 2021
Main position: Chief Executive Officer of Sky Studios

Length of service: 1.5 year
Attendance rate at the Board of Directors' meetings: 100%

Skills:
- Media & Entertainment
- Strategy

Biography

Ms. Cécile Frot-Coutaz is the Chief Executive Officer of Sky Studios, after having been Head EMEA of YouTube. She started her career in strategy consulting at Mercer Management Consulting, in London, where she stayed for four years. In 1994, after obtaining her M.B.A., she joined the Pearson group headquarters in London. She was subsequently named Corporate Strategy Executive for Pearson TV, where she spearheaded the acquisition and integration of All American Fremantle into the Pearson Television group. In 2001, she relocated to Burbank as the U.S. commercial lead for the renamed FremantleMedia group. She held several executive roles and positions within the group, and ultimately became Chief Executive Officer in 2012. There she led a restructuring of the business and the strategy and was able to drive a successful transformation. She joined YouTube in October 2018 as Head of EMEA.

Ms. Cécile Frot-Coutaz is a graduate of ESSEC (B.A., 1988) and of INSEAD (M.B.A., 1994).

Current Directorships
None

Directorships held during the past five years

Company	Office and directorship held
In France	
Groupe M6[(1)]	Director
Abroad	
Fremantle Ltd. (subsidiary of RTL group)	Director

(1) Listed company.

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

GRI *[102-25] [102-44]*

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 Board Regulations, as modified on July 24, 2019, the Board considers that for the purpose of aligning Directors' interests with those of the shareholders, it is desirable that each Director personally holds a substantial number of shares. Consequently, each Director must acquire Technicolor shares in an amount equivalent to at least one-third of the fixed annual compensation due to him/her as Director. Such acquisition must occur within 12 months from the date of his/her appointment. Should a Director fail to do so, 50% of his/her fixed compensation as Director will be forfeited.

Under the terms of a decision of the Board of Directors of October 24, 2013, the Chairperson and the Chief Executive Officer are bound by a minimum investment requirement in Technicolor shares equivalent to the investment of one year of the average compensation due as Director (previously named "Director's fees"). This number of shares is doubled in the event of a renewal of the term of office.

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 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 (i) are not authorized to carry out risk hedging transactions in accordance with the AFEP-MEDEF Corporate Governance Code and (ii) 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 shares
Anne Bouverot	49,533
Melinda J. Mount	21,000 ADR(1)
Bpifrance Participations	12,852,278
Xavier Cauchois	6,030
Loïc Desmouceaux(2)	1,227(3)
Dominique D'Hinnin	12,370
Katherine Hays(4)	-
Christine Laurens	555
Richard Moat	585,825
Brian Sullivan	2,250
Marc Vogeleisen(2)	4
TOTAL	**13,510,850**

(1) Ms. Melinda J. Mount holds 21,000 Technicolor American Depositary Receipts, equivalent to 778 shares.
(2) Directors representing employees, who do not receive any compensation as Directors, are out the scope of shareholding requirements.
(3) Mr. Loïc Desmouceaux holds 1,227 shares and 5,006 Technicolor FCPE units equivalent to 364 shares.
(4) Ms. Katherine Hays had been appointed as a Director with effect after the Board held on February 24, 2022 and shall acquire Company's shares in accordance with the Internal Board Regulations.

The table below shows the transactions in Technicolor securities carried out during fiscal year 2021 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	March 25, 2022	Acquisition	Share	24,068	3.3430	80 459.32
Bpifrance Participations	March 18, 2022	Acquisition	Share	86,410	3.0056	253,702.70
Bpifrance Participations	March 17, 2022	Acquisition	Share	188,629	3.0193	569,527.54
Bpifrance Participations	March 16, 2022	Acquisition	Share	77,704	2.9955	232,762.33
Bpifrance Participations	March 15, 2022	Acquisition	Share	56,448	2.9058	164,026.60
Bpifrance Participations	March 14, 2022	Acquisition	Share	26,766	2.9270	78,344.08
Bpifrance Participations	March 11, 2022	Acquisition	Share	67,664	2.8951	195,894.05
Bpifrance Participations	March 10, 2022	Acquisition	Share	548,183	2.8984	1,588,853.607
Bpifrance Participations	March 9, 2022	Acquisition	Share	44,504	2.7989	124,562.25
Bpifrance Participations	March 8, 2022	Acquisition	Share	15,488	2.7496	42,585.80
Bpifrance Participations	March 7, 2022	Acquisition	Share	115,824	2.6614	308,253.99
Bpifrance Participations	March 4, 2022	Acquisition	Share	117,661	2.7769	326,732.83
Bpifrance Participations	March 3, 2022	Acquisition	Share	29,517	2.9261	86,369.69
Bpifrance Participations	March 2, 2022	Acquisition	Share	63,315	2.9422	186,285.39
Anne Bouverot	March 2, 2022	Acquisition	Share	10,000	2.9000	29,000.00
Bpifrance Participations	March 1, 2022	Acquisition	Share	846,394	3.0025	2,541,297.98
Bpifrance Participations	February 28, 2022	Acquisition	Share	43,813	2.8838	126,347.93
David Patton	April 23, 2021	Acquisition	Share	19,244	2.6253	50,521.27
Timothy Spence	April 22, 2021	Acquisition	Share	19,243	2.5982	49,997.16
Luis Martinez-Amago	April 21, 2021	Acquisition	Share	85,429	2.6671	227,847.69
Timothy Spence	April 12, 2021	Acquisition	Share	47,895	3.1398	150,380.72
David Patton	April 7, 2021	Acquisition	Share	58,289	3.0664	178,737.39

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 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.

4.1.1.8 LOANS AND GUARANTEES GRANTED TO BOARD MEMBERS

None.

4.1.2 Preparation and organization of the Board of Directors' work

GRI [102-18] [102-26] [102-31]

4.1.2.1 COMPLIANCE WITH THE AFEP-MEDEF CORPORATE GOVERNANCE CODE

GRI [102-12]

The Company refers to the AFEP-MEDEF Corporate Governance Code, last updated on January 2020 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 except the one mentioned in §25.3.3 applicable to Long-term compensation of executive officers and according to which the Board of Directors should ensure that awards are made at the same calendar periods[(1)].

4.1.2.2 ORGANIZATION OF THE BOARD OF DIRECTORS' WORK – INTERNAL BOARD REGULATIONS

GRI [102-18] [102-19] [102-20] [102-21] [102-23] [102-26] [102-27] [102-31]

The Board of Directors reviews at least once a year its membership, organization, operation and committees. In 2021, committees' memberships were reviewed in May.

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

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 Internal Board Regulations
• can elect one or two Vice-Chairpersons;
• may select up to two Board Observers (*Censeurs*);
• approves the Strategic Plan prepared and presented by the Chief Executive Officer;
• 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 to that end receive all information necessary to fulfil its remit, especially from the Executive Officers;
• ensures the compliance of the Group with all regulations relating to bribery and influence peddling and any other compliance matter;
• obtains assurance that senior management is applying a policy of non-discrimination and diversity, especially in terms of gender balance on executive bodies;
• seeks assurance that the cyber risk management program is adequate and reduces the risk of attacks and, when necessary, will detect, respond and recover from any attack that may happen;

(1) *Comply or explain: see the corresponding explanation in section 4.2.4.2 of this Universal Registration Document.*

The Board of Directors

- authorizes the Chief Executive Officer to carry out the following strategic transactions:
  - **(i)** any material transaction outside the scope of Technicolor's stated strategy or that is likely to materially affect the operational or financial situation of the Group,
  - **(ii)** the conclusion of any material strategic partnership,
  - **(iii)** any transaction (contribution, acquisition, disposal, merger, transfer of any entity, activity or assets) by any member of the Group for an amount of more than €25 million, either per operation or per series of related operations,
  - **(iv)** the conclusion of new finance contracts increasing the Group's level of indebtedness by more than €25 million,
  - **(v)** the appointment of a statutory auditor who is not part of a network of international repute,
  - **(vi)** any decision, by any member of the Group, to settle litigation where such settlement would result in a payment of more than €10 million to the relevant counterparty, and
  - **(vii)** any significant changes to accounting principles applied by the Company or any company of the Group, other than changes made in application of applicable law or required by the statutory auditors of Technicolor SA or the relevant company.

For any of the above decisions that request the Board's approval, the Chairperson will make sure that the Board is informed sufficiently promptly in the process and on a regular basis (information to include relevant financial, legal, name of advisors and other) so as to be able to make an informed judgement when decision time comes.

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 Internal Board Regulations

- can be regularly consulted by the Chief Executive Officer on all events of significance regarding the Group's strategy, external growth projects or financial transactions;
- monitors extraordinary transactions (external and internal) affecting the Group's scope or structure;
- monitors the implementation of the strategic plans decided by the Board;
- organizes her activity in such a way that she ensures his availability and shares her knowledge of the market and her deep experience with the Chief Executive Officer (at the invitation of the Chief Executive Officer, the Chairperson can participate to internal meetings with managers and teams of the Company, so as to bring her opinion and experience on strategic issues);
- meets the main executives of the Group;
- promotes the values and image of Technicolor, both internally and externally;
- coordinates the work of the Board of Directors with its committees; and
- has sole authority, among Directors, to meet investors on behalf of the Company during roadshows and one-to-one meetings, so as to discuss long-term strategy, governance and compensation matters of the Company, it being understood that any such discussions should be in the presence of a Company's representative (Head of Investor Relations, the Board Secretary, *etc.*) and that the Chairperson shall update the Board on any such discussions.

The Chair's duty is to chair the Board of Directors and this is a non-executive role.

Chief Executive Officer
Mr. Richard Moat

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.

Limits imposed by Board Internal Regulations

- 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.

Board committees

The Board of Directors is assisted in the performance of its tasks by four committees: the Audit Committee, the Governance & Social Responsibility Committee (previously the "Nominations & Governance Committee"), the Remunerations Committee and the Strategy Committee.

In 2021, on the proposal of the Nominations & Governance Committee, the Board of Directors decided to extend the scope of this Committee to social responsibility and to change its name accordingly. This decision was taken in consideration of the results of the Board of Directors' assessment performed at the beginning of 2021. As an area of improvement, it had been noted that ESG matters should be further addressed at the Board and for example at the Nominations & Governance Committee.

Each Committee formulates proposals, recommendations and assessments 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.

The Chairperson of each Committee draws up the agenda for the meetings, which is then communicated to the Chairperson of the Board of Directors. Proposals, recommendations and assessments produced by committees are compiled in a report to the Board of Directors.

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 Board Regulations stipulates that *"other than in connection with Board meetings, Directors shall be kept informed, on a regular basis and by any means, of the financial and liquidity situation, of the Company's commitments, as well as any significant event and transaction 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 the deliberations of the Board and its committees, and any information that is confidential in nature or presented by its Chairperson as such.

The Internal Board Regulations 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. If necessary, the Lead Independent Director shall ask for an assessment from the Governance & Social Responsibility Committee.

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, there were 4 business sessions in 2021 (one by quarter), focusing equally on each business unit of the Group: Technicolor Creative Studios, Connected Home and DVD Services.

In addition, each new member of the Board benefits from an induction session in corporate governance and is provided with the Technicolor *Vademecum*. This document allows each new Director to be up to date with:

1. the Company's life and especially Board and committees' composition, Board Members contacts, Board schedule for the year ahead;
2. all corporate documents such as the by-laws, the Internal Board Regulations or the Insider Trading Policy;
3. corporate governance documentation such as the AFEP-MEDEF Corporate Governance Code to which the Company refers or an explanation of their duties and responsibilities;
4. the Group Directors & Officers Insurance Policy.

4.1.2.3 BOARD OF DIRECTORS' ACTIVITIES IN 2021

GRI [102-18] [102-26] [102-27] [102-31] [102-34]

ATTENDANCE RATES TO BOARD MEETINGS HELD IN 2021

Name	Attendance rate
Ms. Anne Bouverot	100%
Ms. Melinda J. Mount	100%
Bpifrance Participations represented by Thierry Sommelet	89%
Mr. Xavier Cauchois	100%
Mr. Loïc Desmouceaux (since May 2021)	100%
Mr. Dominique D'Hinnin	89%
Ms. Christine Laurens	100%
Mr. Richard Moat (since May 2021)	100%
Mr. Brian Sullivan	100%
Mr. Marc Vogeleisen	100%
Mr. Florent Chabaud (until March 2021)	100%
Ms. Cécile Frot-Coutaz (until September 2021)	100%
AVERAGE	**98%**

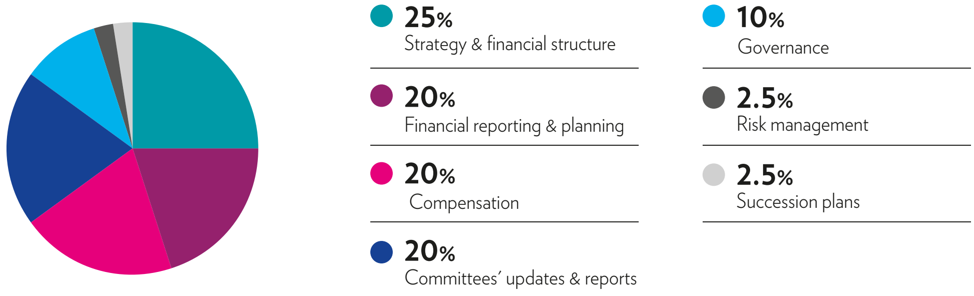
Board activities in 2021

9 MEETINGS IN 2021	11 THEN 10 MEMBERS	98% AVERAGE PARTICIPATION RATE	89% INDEPENDENCE RATE*

Activities in 2021 (recurring issues)

- **Financial issues:** reviewed the Company's quarterly, half-yearly and annual financial information and the preparation process (2021 annual budget, consolidated and statutory financial statements for 2020 and for the first half of 2021, revenues for the first and third quarters of 2021), reviewed the provisional accounting and financial information pursuant to Article L. 232-2 of the French Commercial Code, reviewed major accounting issues, reviewed press releases to be issued after Board meetings, as well as major parts of the Universal Registration Document (Board's reports especially), after examination by the Audit Committee, the Remunerations Committee and the Governance & Social Responsibility Committee for the sections falling under their respective areas of expertise.
- **Strategy of the Group:** monitored the Company's Strategic Plan and corresponding action plans, was regularly updated and involved in business and strategic overviews.
- **Compensation and governance:** decided on the compensation of the Chairperson and the Chief Executive Officer, reviewed the Board's composition and the independence of each Board Member, deliberated on the Company policy regarding equal employment and wages, deliberated on the Board of Directors' assessment.

* *This percentage does not include Directors representing employees.*



MAIN BOARD DECISIONS FOR 2021 (IN ADDITION TO RECURRING ISSUES DESCRIBED ABOVE)

BOARD MEETING HELD ON JANUARY 21, 2021 — ATTENDANCE OF 100%

- allocated 2020 Directors fees
- reviewed the main terms of the Long-Term Incentive Plan 2020 (LTIP 2020) for Executive Committee members

BOARD MEETING HELD ON FEBRUARY 5, 2021 — ATTENDANCE OF 100%

- examined the preliminary 2021 budget and 2021-2023 business plan
- reviewed and discussed the projects presented in the Strategy Committee's report

BOARD MEETING HELD ON MARCH 11, 2021 — ATTENDANCE OF 100%

- approved the 2020 consolidated and statutory financial statements and relevant reports
- approved the 2021 budget and 2021-2023 business plan
- reviewed the related-party agreements in accordance with the Internal Charter adopted in 2020
- reviewed and deliberated on the following issues addressed by the Remunerations Committee:
  - group variable compensation plan: 2020 results & 2021 targets
  - LTIP 2018: performance achievements
  - executive session to assess the performance of the Chief Executive Officer for the year 2020 and set the performance objectives for his variable compensation for 2021
  - say on Pay:
    - 2021 CEO, Chairperson of the Board and Directors' compensation policy (say on pay *ex ante*)
    - report on the 2020 CEO, Chairperson of the Board & Directors' compensation (say on pay *ex post*)
  - pay equity ratio
  - annual review of Company's policy regarding equal employment and wages
- reviewed and deliberated on the following issues addressed by the Nominations & Governance Committee:
  - annual review of Directors' independence
  - board & committees' composition
  - board & committees' self-assessment for 2020
- was updated and discussed various figures and initiatives in the Corporate Social Responsibility area such as climate change and gender promotion and diversity
- reviewed and discussed the projects presented in the Strategy Committee's report
- convened the Shareholders' Annual General Meeting on May 12, 2021

BOARD MEETING HELD ON MARCH 24, 2021 — ATTENDANCE OF 100%

- granted performance shares to the Executive Committee Members under LTIP 2020

BOARD MEETING HELD ON APRIL 15, 2021 — ATTENDANCE OF 100%

- approved the Group variable compensation plan 2021 targets
- held an executive session to review and set the 2021 extrafinancial objectives of the CEO variable compensation
- confirmed the figures for the financial targets tied to annual variable compensation and 2020 LTIP as resulting from the budget approved by the Board in March and the correlative financial forecast provided to the market
- granted additional performance shares to the Chief Executive Officer and other eligible senior executives under the Investment & Incentive Plan authorized in 2020 and postponed to 2021 (ASP 2021)

BOARD MEETING HELD ON APRIL 23, 2021 — ATTENDANCE OF 89%

- granted additional performance shares to eligible senior executives under the Investment & Incentive Plan authorized in 2020 and postponed to 2021 (ASP 2021)

BOARD MEETING HELD ON MAY 11, 2021	ATTENDANCE OF 100%

- granted delegation to the CEO for the purpose of granting sureties, endorsements and guarantees up to an overall limit of €450 million
- was given an update on the preparation of the Annual General Shareholders' Meeting to be held on May 12, 2021
- approved the proposal of the Nominations & Governance Committee to extend its duties to Corporate Social Responsibility and to change its name accordingly into "Governance & Social Responsibility Committee"
- amended slightly the composition of the committees
- reviewed and discussed the projects presented in the Strategy Committee's report

BOARD MEETING HELD ON JULY 29, 2021	ATTENDANCE OF 100%

- approved the 2021 half-year financial statements and report
- approved the revised Charter of the Governance & Social Responsibility Committee
- was provided with a report from the Remunerations Committee
- reviewed and discussed the projects presented in the Strategy Committee's report
- held an executive session

BOARD MEETING HELD ON NOVEMBER 4, 2021	ATTENDANCE OF 90%

- was updated by the Governance & Social Responsibility Committee on its last meeting and discussed the reported topics: succession plans for the Corporate Officers and Executive Committee members, replacement of Ms. Cécile Frot-Coutaz as Director
- reviewed and discussed the projects presented in the Strategy Committee's presentation
- discussed the anti-bribery compliance program of the Group

Executive sessions

3 executive sessions were held in 2021, from which 2 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 2021

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 Board Regulations (see section 4.1.2.2: "Organization of the Board of Directors' work – Internal Board Regulations" of this Universal Registration Document).

In 2021, in accordance with the powers vested to her by the law and by the Internal Board Regulations, the Chairperson of the Board especially:

1. coordinated the work of the Board and its different committees;
2. led the Strategy Committee's meetings, as Chairperson, and other strategy discussions held during the year on growth projects and financial restructuring transactions;
3. engaged in meetings or discussions with main investors and shareholders on behalf of the Company and discussed mid and long-term strategy, governance and compensation matters, and updated the Board of such meetings and discussions;
4. engaged regularly in discussions with general management and main executives of the Group on various subjects (governance, growth, strategy, finance, *etc.*).

4.1.2.5 COMPOSITION AND ACTIVITIES OF THE BOARD COMMITTEES

GRI *[102-18] [102-26] [102-31] [102-34] [102-36]*

The composition of the Board committees was reviewed and slightly amended by the Board of Directors on May 11, 2021 in light of the latest changes in employee directorships.

Mr. Marc Vogeleisen, appointed by the Group's European Works Council as second Director representing employees in December 2020, joined the Audit Committee. Mr. Loïc Desmouceaux, appointed as Director representing employees by the Company's Works Council in May 2021, joined the Remunerations Committee further to the departure of his predecessor Mr. Florent Chabaud.

In addition, Mr. Thierry Sommelet was appointed as Chairperson of the Governance & Social Responsibility Committee in replacement of Ms. Cécile Frot-Coutaz who resigned as Director as of September 1, 2021.

Concerning the fields of responsibilities of the Board's committees, it is to be noted that in May 2021, the Board of Directors decided to extend the scope of the Nominations & Governance Committee to the CSR area and to change its name accordingly into "Governance & Social Responsibility Committee". The Internal Charter of such Committee was revised accordingly.

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.

7 MEETINGS IN 2021	5 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Composition

- Ms. Melinda J. Mount (Chairperson, Independent)
- Mr. Xavier Cauchois (Independent)
- Ms. Katherine Hays (Independent)
- Ms. Christine Laurens (Independent)
- Mr. Marc Vogeleisen (Non-independent)

Meets the requirements of Article L. 823-19 of the French Commercial Code. Three members have specific skills in finance or accounting.
All the Committee members are independent under AFEP-MEDEF Corporate Governance Code, except the Director representing employees who is not included for the calculation of the independence rate.

Individual attendance rates to Audit Committee meetings held in 2021

Current members:
- Ms. Melinda J. Mount: 100%
- Mr. Xavier Cauchois: 100%
- Ms. Katherine Hays (newly appointed)
- Ms. Christine Laurens: 100%
- Mr. Marc Vogeleisen: 100%

Previous members who left in 2021 or 2022
- Mr. Brian Sullivan: 100%

Mission

Defined by the applicable law, its charter, and the Internal Board Regulations:
- 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 draft parent company financial statements and consolidated 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 & Compliance Committee, such as whistleblowing procedure investigations (see Chapter 3, section 3.2.2: "General control environment" above).

Organization of the Audit Committee's activities

At least four meetings per year, and whenever necessary before a Board of Directors' meeting, according to a predetermined annual workplan.

The Committee can:
- directly discuss with the Statutory Auditors in the absence of officers or individuals contributing to the preparation of the financial statements;
- upon request, directly discuss matters with the internal auditors in the absence of Executive Management;
- call upon the services of internal or external experts, in particular lawyers, accountants or other advisors or independent experts.

The Statutory Auditors participate in each Audit Committee meeting.

Review process for annual and interim financial statements:
- initial meeting to review the initial closing items;
- second meeting to review the financial statements (for practical reasons due to the attendance of Directors on the Audit Committee who live abroad, such second meeting may at times take place on the day before the meeting of the Board of Directors).

7 MEETINGS IN 2021	5 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Main activities in 2021

- reviewed parent company and consolidated financial statements for 2020 and for the first half of 2021, and revenue for the first and third quarters of 2021 (the review having been the subject of presentations by the Company's Chief Financial Officer and the Statutory Auditors);
- reviewed the financial press releases and investor presentations for the closing of fiscal year 2020, the first quarter of 2021, the first half of 2021 and the third quarter of 2021;
- examined accounting issues related to the closing of accounts for fiscal year 2020, the first half of 2021 and fiscal year 2021, and furthermore for the fiscal year 2021, examined the annual financial documentation process review and pre-closing items (including impairment review, liabilities, IFRS update and litigations);
- reviewed the related-party agreements in accordance with the Internal Charter adopted in 2020;
- reviewed the projected accounting financial information;
- reviewed the budget 2021 and the business plan 2021-2023;
- carried out an in-depth review of impairment tests of goodwill and key accounting issues surrounding the closing of accounts;
- reviewed the debt & treasury management;
- reviewed the Group's litigations;
- reviewed the Company insurance policy;
- reviewed the pension plans;
- reviewed the organization of Internal Audit, the biannual audit plans and their results, the internal control procedures (including the review of the 2021 internal control self-assessment), and security procedures for the Group;
- carried out an in-depth review of certain risks (Technicolor Risk Management);
- reviewed the cybersecurity program and strategy;
- reviewed the anti-corruption program and discussed compliance;
- examined the Statutory Auditors' audit approach and audit plan and reviewed the matter of their independence;
- reviewed and approved when required the Statutory Auditors' non-audit services;
- reviewed the Statutory Auditors' assessment on Group internal controls;
- set up its annual workplan;
- heard regularly the Chief Financial Officer, the Director of Norms and Consolidation, the Director of Treasury and Credit Management and the Director of Central Controlling;
- met in executive sessions and met with Statutory Auditors without management on a regular basis.

The Governance & Social Responsibility Committee

5 MEETINGS IN 2021	3 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Composition

- Mr. Thierry Sommelet (Chairperson, Independent)
- Ms. Anne Bouverot (Independent)
- Mr. Dominique D'Hinnin (Independent)

- All 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 Nominations & Governance Committee meetings held in 2021

Current members:
- Mr. Thierry Sommelet: 100%
- Ms. Anne Bouverot: 100%
- Mr. Dominique D'Hinnin: 100%

Previous members who left in 2021:
- Ms. Cécile Frot-Coutaz: 100%

Mission

Corporate governance & 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.

Main activities in 2021

- reviewed the composition of the committees and the Board of Directors and recommended changes;
- performed the annual review of Directors' independence before submitting this analysis to the Board;
- proposed to extend its scope to Corporate Social Responsibility and to revise accordingly its Internal Charter;
- reviewed succession plans*;
- launched and supervised the recruitment process of a new Director in replacement of Ms. Cécile Frot-Coutaz;
- reviewed the self-assessment performed for 2020 and prepared and followed-up the new assessment of the Board of Directors for 2021;
- reviewed the CSR action plan;
- reviewed the CSR strategy with a focus on climate change;
- reviewed the 2021 employee engagement survey;
- set up its annual workplan.

* *Succession plans: the Governance & Social Responsibility Committee is in charge of setting up succession plans for the Corporate Officers. The Chairperson of the Board, who is also member of this Committee, is involved in this mission. In addition to the review of the succession plan for the Chief Executive Officer, the Committee reviewed in 2021 the succession plans for each other member of the Executive Committee. The Chief Executive Officer was involved in the setting-up of these plans. In 2020 the Committee already reviewed the succession plans for the Executive Committee members, and in 2019 succession plans were set-up for the other Corporate Officers, the Chairperson of the Board and the Directors.*

The Remunerations Committee

5 MEETINGS IN 2021	4 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Composition

- Mr. Xavier Cauchois (Chairperson, Independent)
- Mr. Loïc Desmouceaux (Non-Independent)
- Ms. Christine Laurens (Independent)
- Ms. Melinda J. Mount (Independent)

All the Committee members, except the Director representing employees who is not included for the calculation of the independence rate, are independent under AFEP-MEDEF Corporate Governance Code.

Individual attendance rates to Remunerations Committee meetings held in 2021

Current members:
- Mr. Xavier Cauchois: 100%
- Mr. Loïc Desmouceaux: 100%
- Ms. Christine Laurens: 100%
- Ms. Melinda J. Mount: 100%

Previous members who left in 2021:
- Mr. Florent Chabaud: 100%

5 MEETINGS IN 2021	4 MEMBERS	100% AVERAGE PARTICIPATION RATE	100% INDEPENDENCE RATE

Mission

- 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.

Main activities in 2021

- reviewed the Group's variable compensation plan and its application (2020 results and 2021 targets);
- reviewed the Company's policy regarding equal employment and wages;
- reviewed and proposed to the Board of Directors the compensation policies for the Corporate Officers (Chief Executive Officer, Chairperson of the Board and Directors) to be approved by the General Shareholder's Meeting under the say on pay *ex-ante*;
- studied the compensation of the Chief Executive Officer and, in particular, proposed variable compensation targets;
- recommended to the Board of Directors the issuance of the Long-Term Incentive Plan 2020 (LTIP 2020) for Executive Committee's members: terms and conditions of granting proposals;
- completed its works on the elaboration of an Incentive & Investment Plan for the Chief Executive Officer and other eligible members of the Executive Committee and recommended the grant of additional performance shares (Additional Share Plan 2020);
- was given an update by an external consultant on say on pay 2021 Annual General Meetings seasons and a benchmark and future trends analysis on executive compensation.

The Strategy Committee

7 MEETINGS IN 2021	4 MEMBERS	100% AVERAGE PARTICIPATION RATE	80% INDEPENDENCE RATE

Composition

- Ms. Anne Bouverot (Chairperson, Independent)
- Mr. Dominique D'Hinnin (Independent)
- Mr. Richard Moat (Non-independent)
- Mr. Thierry Sommelet (Independent)

Ms. Melinda J. Mount attends this Committee as permanent guest.

Individual attendance rates to Strategy Committee meetings held in 2021

Current members:

- Ms. Anne Bouverot: 100%
- Mr. Dominique D'Hinnin: 100%
- Mr. Richard Moat: 100%
- Mr. Thierry Sommelet: 100%

Previous members who left in 2021 or 2022:

- Ms. Cécile Frot-Coutaz: 100%
- Mr. Brian Sullivan: 100%

Mission

- assists the Board in monitoring the implementation of the Company's Strategic Plan;
- prepares the Board's decisions in relation to the monitoring of the implementation of the Strategic Plan under execution and, generally speaking, reviews the Company's overall strategy.

Main activities in 2021

- examined strategic options related to the various Technicolor businesses;
- examined specific strategic projects;
- examined the question of the refinancing of Technicolor's debt in liaise with the strategic options.

It is to be noted that any Board Member can attend the Strategy Committee's meetings, even if he or she is not a member of such Committee.

4.1.2.6 PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS

GRI *[102-28]*

In accordance with AFEP-MEDEF Corporate Governance Code and section 16 of the Internal Board Regulations, 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 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.

Since several years, the Board of Directors conducts a formal evaluation once a year.

The two successive evaluations conducted at the beginning of 2018 and 2019 (as detailed respectively in 2018 and 2019 registration documents) were performed externally. Spencer Stuart has been chosen by the Governance & Social Responsibility Committee to conduct these successive evaluations (made by online surveys followed by live interviews) as to ensure a better follow-up from the first year's assessment to the next one's.

For 2019 and 2020 fiscal years (as detailed respectively in 2019 and 2020 Universal Registration Documents), the Board's evaluation was performed internally under the supervision of the Governance & Social Responsibility Committee, using a questionnaire reviewed by the Committee to be answered by the Directors. After analysis of the answers, the results of the evaluation were provided to the Governance & Social Responsibility Committee and to the Board of Directors. Each restitution to the Board specifically highlights the improvements noted by the Directors since the previous evaluation as well as the areas of improvement for the ongoing year.

Evaluation for 2021

Procedure

An evaluation was conducted internally using the same process as for 2019 and 2020 under the supervision of the Governance & Social Responsibility Committee.

The questionnaire was the same as for the previous evaluation subject to minor and necessary adjustments.

The questionnaire covers the self-assessment by each Director on the following topics: Board composition and structure – Board effectiveness – Working methods – Relationship between Board Members, executive management, shareholders and stakeholders – Succession planning – Committees' duties and activities with a part of the questionnaire dedicated to each Committee – Self-development and individual contribution – Approval and oversight of corporate strategy.

In addition to the questionnaire, the Directors were provided with the executive summary of the previous evaluation and especially the points which were highlighted as areas for improvement for 2021.

As a reminder, these areas of improvement were the following:

- spend more time on the mid to long-term strategic vision, plans and objectives;
- continue working on succession planning for the CEO and Executive Committee;
- further address CSR matters at the Board and for example at the Nominations & Governance Committee;
- strengthen reviews of risks at the Audit Committee and for presentation at the Board;
- the Board should hold Executive sessions on a regular basis;
- information materials for Board Members should still be sent in a more timely and more synthetic manner.

Result and analysis

The analysis of the answers and the restitution were made to the Governance & Social Responsibility Committee and to the Board of Directors in February 2022.

The following key points were highlighted:

- after a difficult year 2020 with both Covid-19 and Technicolor's financial restructuring, the Board refocused its attention on mid to longer term strategy in 2021;
- significant improvements were noted in terms of organization of the works of the Board and of its committees, in particular with one Committee addressing now ESG matters (the Nominations & Governance Committee was renamed "Governance & Social Responsibility Committee");
- information and materials are also sent to members in a timely manner;
- a consensus exists among Board Members that their respective involvement and individual contribution are adequate. Board Members consider themselves as strongly involved and committed.

Areas for improvement

The following points were also highlighted and approved as areas of improvement for 2022:

- improve format of financial documentation sent to the Board with crisper and more concise information;
- further address talent strategy and risks, succession planning, Company strategy and risks, not only in committees but at Board level;
- continue working on succession planning for the CEO and Executive Committee members;
- proposal to move talent management from the scope of Governance & Social Responsibility Committee to Remunerations Committee.

4.1.3 Regulated agreements

4.1.3.1 REGULATED AGREEMENTS – CONFLICTS OF INTEREST

GRI *[102-25] [102-44]*

French law provides specific rules for all "regulated 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 Regulated Agreements and Commitments" below.

Regulated agreements and commitments authorized by the Board of Directors during the fiscal year 2021

None.

Regulated agreements and commitments authorized since the end of the fiscal year 2021

Subsequent to the close of the fiscal year 2021, AG International Investment Opportunities Platform Fund I Designated Activity Company (Angelo Gordon), Credit Suisse Asset Management and Bpifrance Participations SA have each entered into an agreement to subscribe to the mandatory convertible notes (MCN) in the context of the contemplated refinancing of the Group's entire existing debt structure, and in light of the Company's intention to list and spin-off around 65% of the total outstanding share capital of Technicolor Creative Studios, through a distribution-in-kind to the Company's shareholders. Concurrently with the entry into those commitment letters, a fee letter was entered into with Angelo Gordon. These four agreements were authorized by the Board of Directors at its meeting of February 23, 2022.

Regulated agreements and commitments approved by the shareholders in the previous years and that remained in force during the fiscal year 2021

The agreements to which Bpifrance Participations SA had an indirect interest, priorly authorized by the Board of Directors on July 15, 2020, and approved by the Shareholders' Meeting on May 12, 2021, remained *de facto* in force during the fiscal year 2021 as the New Money financing to which Bpifrance Participations took part in virtue of such agreements was still in force during this year.

The above-mentioned agreements are reported and described in Technicolor 2020 Universal Registration Document (pages 114 and 115) and in the Statutory Auditors' special report on regulated agreements for 2021 (see section 4.1.3.2 below).

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 SA of March 9, 2020. 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 SA 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 2021 was performed by the Audit Committee on February 23, 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 and their private interests and/or other obligations.

4.1.3.2 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS *GRI* *[102-56]*

This is a translation into English of the statutory auditors' report on regulated agreements issued in French, and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, 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 for by the French Commercial Code and that the report does not apply to those related-party transactions described in IAS 24 or other equivalent accounting standards.

To the Technicolor SA Shareholders' Meeting,

In our capacity as statutory auditors of your Company, we hereby report on the regulated agreements.

We are required to inform you, based on information provided to us, on the principal terms, conditions and the interests 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 nor ascertaining whether any other agreements exist. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the benefits resulting from the conclusion of these agreements prior to their approval.

Moreover, it is our responsibility, if any, to give you the information specified in Article R.225-31 of the French Commercial Code relating to the implementation, during the past year, of agreements that have already been approved by previous Shareholders' Meetings.

We conducted the procedures we deemed 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. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the shareholders' meeting

Agreements authorized and entered into during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements authorized and entered into since the year-end

We have been advised of the following agreements authorized and entered into since the year-end that were previously authorized by the Board of Directors.

Commitments to subscribe to the issue of Mandatory Convertible Notes ("MCN") and fee letter

Persons involved

- AG International Investment Opportunities Platform Fund I Designated Activity Company ("**Angelo Gordon**"), Company shareholder with over 10% of voting rights;
- Credit Suisse Asset Management ("**CSAM**"), Company shareholder with over 10% of voting rights;
- BPI France Participations SA ("**Bpifrance**"), member of the Company's Board of Directors represented by Thierry Sommelet.

Nature and purpose:

Three letters of commitment to subscribe to the issue of MCN (together the "**Letters of Commitment**") were signed on February 23, 2022 in the context of the planned refinancing of the Group's entire existing debt structure (the "**Refinancing"**), and in light of the Company's intention to list and distribute around 65% of the share capital of Technicolor Creative Studios to the Company's shareholders (the "**Distribution**").

As part of the Refinancing, the Company intends to issue mandatory convertible notes (MCN) for a total amount of €300 million, in the form of separate issuances reserved for Angelo Gordon, CSAM and Bpifrance which have pledged to subscribe to the total issuance amount.

The conversion of the MCN into shares of the Company would be effective upon completion of the Distribution.

Under the Letters of Commitment, each subscriber respectively commits:

- to subscribe to the MCN in the following amounts:
  - BPI France: €45 million,
  - CSAM: €12.5 million,
  - Angelo Gordon: a maximum amount of €300 million, less the sum of the amounts committed by other subscribers, that is €129,634,782.02;
- not to purchase, assign, sell or transfer by whatever means any MCN until the earlier of (i) the completion of the Distribution (ii) December 15, 2022, subject to certain exceptions;
- not to assign or sell by whatever means any shares it holds in the Company until the Extraordinary General Meeting that will decide on the issuance of the MCN, subject to certain exceptions; and
- to vote in favor of the resolutions to be submitted to the Shareholders' Meeting in order to carry out the Distribution.

In addition, the key terms of the MCN set forth in the Letters of Commitment are listed below:

- MCN to be issued and subscribed by each subscriber for its respective commitment amount, for up to 97.5% of their nominal amount;
- the conversion price is equal to €2.60 per share, based on a 3-month VWAP ("Volume-Weighted Average Price") per ordinary share of the Company as of February 23, 2022, minus a 5% discount;
- the annual cash coupon amounts to 4.5%;
- a 1.5% up-front fee is included to the benefit of Angelo Gordon;
- a break fee is payable to each subscriber on its respective commitment amount if the Company fails to complete the MCN issuance in the circumstances set out below and in accordance with the following computation formulas:
  - if the Shareholders' Meeting has not approved the issuance: 5% +0.35% multiplied by (N/365)x12, and
  - if the Shareholders' Meeting has approved the issuance: 9% +0.35% multiplied by (N/365)x12.

At the same time as the signing of the Letters of Commitment, a fee letter (the "**Fee Letter**") was entered into with Angelo Gordon on February 23, 2022, which restates the above-mentioned fee amounts.

The signing of the Letters of Commitment and the Fee Letter (together the "**Agreements**") was authorized by the Board of Directors on February 23, 2022.

Reasons:

The Letters of Commitment and the Fee Letter were signed in the context of the planned Refinancing of the Technicolor Group's entire existing debt structure and the planned Distribution following the listing of Technicolor Creative Studios to ensure its success.

The MCN is a key component of both the Refinancing and the Distribution. The two processes are closely intertwined and together aim to create a path towards unleashing the full potential of the Company's various businesses while unlocking value for all of the Company's stakeholders.

Agreements previously approved by the shareholders' meeting

Previously approved agreements that remained in force during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

Transactions carried out as part of the interim transaction for the New Financing (2020)

Person involved: Bpifrance Participations SA, member of the Company's Board of Directors represented by Thierry Sommelet.

Nature and purpose: Issues of bonds and collateral to guarantee this agreement with bondholders, including Bpifrance Participation.

Terms and conditions: These agreements were entered into under the debt restructuring plan announced on June 22, 2020, and more specifically as part of the interim transaction for the "New Financing".

As part of an accelerated financial safeguard procedure, New Financing in the amount of €420,000,000 (net of costs and fees) was made available to the Group to finance the continuation of the 2020-2022 strategic plan, the Group's operational requirements and the repayment of the bridge loan that was payable on July 31, 2020.

A portion of the New Financing, i.e. around €320 million, was made available in July and September 2020 in accordance with a bond issue entered into by the Company as parent company with Tech 6 as issuer, certain entities, including Bpifrance Participations, as bondholders and Wilmington Saving Funds Society, FSB as agent. Bpifrance Participations subscribed to the bonds in the amount of €20 million.

To guarantee the bond issue, collateral was granted by the Company and certain subsidiaries to the bondholders. Your Company entered into several agreements and commitments under which Bpifrance Participations holds an indirect interest.

These agreements were authorized by your Board of Directors on July 15, 2020 and approved by the Shareholders' Meeting of May 12, 2021.

Sums paid by the Company during the year to Bpifrance Participations SA under the bond issue:

- Cash interest paid: €1,280,701.76;
- PIK interest (capitalized and paid at maturity): €1,280,701.76.

The Statutory Auditors

Paris-La Défense, March 9, 2022

Mazars	Deloitte & Associés
Jean-Luc Barlet, Partner	Bertrand Boisselier, Partner
Charlotte Grisard, Partner	

4.1.4 Internal Board Regulations

GRI [102-18] [102-19] [102-21] [102-25] [102-26] [102-28] [102-29]

The Internal Board Regulations 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 July 24, 2019.

ARTICLE 1. MEMBERSHIP

1.1. The Board shall be composed of at least five (5) members. Save for the Employee Director, Directors are elected by the General Shareholders' Meeting upon recommendation by the Board.

1.2. In the event of a vacancy due to the death, incapacity or resignation of one or more Directors, the Board may, in between General Shareholders' Meetings, nominate Directors on a provisional basis. Such nominations shall be subject to ratification by the next General Shareholders' Meeting. A Director appointed in replacement of another Director shall serve for the duration of the term of the Director being replaced.

1.3. Directors shall serve for a term of three (3) years, subject to any legal provision relating to age limitations. Save for the Employee Director, a Director's term shall expire at the close of the General Shareholders' Meeting having approved the accounts of the prior fiscal period and held in the year of the expiration of such Director's term.

ARTICLE 2. CHAIRPERSON OF THE BOARD

2.1. The Board shall elect from among its members a Chairperson. The Board can also elect one or two Vice-Chairpersons. The Vice-Chairperson can qualify as "Lead Independent Director".

2.2. The Board determines the term of office of the Chairperson and Vice-Chairperson, which may not in any case exceed their respective terms as Director. They may be re-elected.

2.3. Notwithstanding the provisions of the previous section, the office of the Chairperson shall 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, the Board shall designate for each meeting a Director to chair the meeting.

2.5. In addition to the powers vested to him by applicable laws and other provisions of this Internal Board Regulations, the Chairperson:

- can be regularly consulted by the Chief Executive Officer on all events of significance regarding the Group's strategy, external growth projects or financial transactions (the Group meaning the Company and its consolidated affiliates, hereafter altogether the "Group");
- monitors exceptional operations (external and internal) affecting the Group's scope or structure;
- monitors the implementation of the Strategic Plans decided by the Board;
- organizes his activity in such a way that he ensures his availability and shares his knowledge of the market and his deep experience with the Chief Executive Officer (at the invitation of the Chief Executive Officer, the Chairperson can participate to internal meetings with managers and teams of the Company, so as to bring his opinion and experience on strategic issues);
- can meet the main executives of the Group;
- promotes the values and image of Technicolor, both internally and externally;
- coordinates the work of the Board of Directors with its committees; and
- has sole authority, among Directors, to meet investors on behalf of the Company during roadshows and one-to-one meetings, so as to discuss long-term strategy, governance and compensation matters of the Company, it being understood that any such discussions should be in the presence of a Company's representative (Head of Investor Relations, the Board Secretary, *etc.*) and that the Chairperson shall update the Board on any such discussions.

ARTICLE 3. COMBINATION OR SEPARATION OF THE OFFICES OF CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

When appointing or renewing the term of the Chairperson or the Chief Executive Officer, the Committee responsible for governance shall submit to the Board an opinion on whether the Company is best served by separating or combining the offices of Chairperson and Chief Executive Officer.

ARTICLE 4. BOARD OBSERVERS *(CENSEURS)*

4.1. The Board may select up to two Board Observers *(Censeurs)*. The Board Observers are appointed for a term of up to 18 (eighteen) months, and are eligible for re-appointment, as stated in Article 11.5 of the by-laws.

4.2. Board Observers shall be convened in the same manner as Directors and shall participate in meetings of the Board in an advisory capacity only. The Board may appoint Board Observers as Committee members.

ARTICLE 5. SECRETARY

Upon recommendation by the Chairperson, the Board may appoint a Secretary. Each Board Member can consult the Secretary and benefit from his/her services. The Secretary ensures the observance of the procedures related to the Board's functioning and draws up the minutes of each meeting.

The Secretary is empowered to certify the copies or extracts of the minutes of the Board.

ARTICLE 6. DUTIES OF THE BOARD

6.1. The Board shall deliberate on issues that are within its competence by law or under the by-laws or these Internal Board Regulations. It shall in all circumstances act in the corporate interests of the Company, seeking to promote long-term value creation in all aspects of the Company's operations. Subject to the authority expressly granted to Shareholders' Meetings and within the limit of the corporate purpose, the Board shall address any issue of relevance to the proper conduct of the Company's affairs and shall, through its deliberations, settle matters concerning the Company.

6.2. The Board 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. The Board gives its opinion on all decisions relating to the Company's general strategic, financial and technological policies and supervises the implementation of these policies by senior management. The strategic direction of the Group is 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 in line with the Strategic Plan. The Chief Executive Officer implements the Strategic Plan. The Chief Executive Officer shall notify the Board promptly of any problem or, more generally, any event that could affect the implementation of a direction of the Strategic Plan. This implementation is overseen by the Board.

6.3. In addition to the remits mentioned in Article 6.1 and 6.2 above and decisions listed in Article 8 below which require its approval, the Board shall have *inter alia* the following powers:

- **(i)** appoint and dismiss the Company officers, sets their compensation, selects the form of organization and governance (separation of the offices of Chairperson and Chief Executive Officer or combination of such offices);
- **(ii)** oversee the quality of the information supplied to shareholders and to the markets, in particular through the financial statements and in connection with major transactions;
- **(iii)** 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 determined by the Board and the measures taken as a consequence, and to that end receive all information necessary to fulfil its remit, especially from the Executive Officers;
- **(iv)** ensure the compliance of the Group with all regulations relating to bribery and influence peddling and any other compliance matter;
- **(v)** obtain assurance that senior management is applying a policy of non-discrimination and diversity, especially in terms of gender balance on executive bodies;
- **(vi)** seek assurance that the cyber risk management program is adequate and reduces the risk of attacks and, when necessary, will detect, respond and recover from any attack that may happen.

ARTICLE 7. MEETINGS OF THE BOARD – AGENDA

7.1. The Board shall meet as often as necessary and as may be required in the interest of the Company and pursuant to applicable legal and regulatory requirements. The Board shall meet no fewer than four (4) times per year.

7.2. Each year, upon recommendation by the Chairperson, the Board shall approve a calendar of regular Board meetings for the coming year. In addition to the regular Board meetings, specific meetings may be organized as needed.

7.3. The Board shall be convened by the Chairperson, or if the Chairperson is prevented from performing his/her duties, by the Vice-Chairperson or if the Vice-Chairperson is prevented from performing his/her duties, by the Chairperson of the Nominations & Governance Committee.

In all circumstances, the Board can also be convened by half of the Directors.

7.4. Meetings of the Board shall be held at the corporate headquarters, or at any other location indicated in the convening notice. Convocations of Board meetings may be provided by any means, including by letter, facsimile, email or orally.

7.5. The Chairperson is responsible for setting the agenda for each meeting in consultation with the Chairpersons of the committees of the Board and the Chief Executive Officer and communicates the agenda to the Directors in a timely manner by any appropriate means. Upon recommendation by the Chairperson, the Board may deliberate on issues not on the agenda which have been brought to the attention of the Board.

7.6. Upon request by the Chairperson, members of the Group's management, internal and external auditors and outside advisors may attend meetings of the Board as appropriate in light of the agenda.

7.7. Upon request by the Chairperson, Non-Executive Directors may meet in "executive" sessions, in which the Chief Executive Officer does not participate. An executive session is scheduled once a year for the Chairperson and Chief Executive Officer's performance review.

7.8. The duration of the meetings of the Board shall be sufficient to permit an in-depth review and discussion of the issues by the Board. The Chairperson is responsible for guiding the discussion at Board meetings.

7.9. Meetings of the Board may be held by videoconference or other telecommunications facilities. In such case, the Board ensures that the videoconference or telecommunication facilities are compliant with applicable legal requirements and standards. First, appropriate measures shall be taken to ensure the identification of each participant and the verification of the quorum. Failing this, the meeting shall be adjourned. Second, the facilities used must permit continuous and simultaneous transmission of the discussions.

Members of the Board participating in a meeting by videoconference or other telecommunication means 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 (approval of the Company financial statements and management report and approval of the Group consolidated financial statements and management report) are addressed.

ARTICLE 8. LIMITATIONS OF THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In addition to decisions that require Board approval under applicable laws, the Chief Executive Officer must obtain prior Board approval for:

- **(i)** any material transaction outside the scope of Technicolor's stated strategy or that is likely to materially affect the operational or financial situation of the Group;
- **(ii)** the conclusion of any material strategic partnership;
- **(iii)** any transaction (contribution, acquisition, disposal, merger, transfer of any entity, activity or assets) by any member of the Group for an amount of more than €25 million, either per operation or per series of related operations;
- **(iv)** the conclusion of new finance contracts increasing the Group's level of indebtedness by more than €25 million;
- **(v)** the appointment of a Statutory Auditor who is not part of a network of international repute;
- **(vi)** any decision, by any member of the Group, to settle a litigation where such settlement would result in a payment of more than €10 million to the relevant counterparty; and
- **(vii)** any significant changes to accounting principles applied by Technicolor or any company of the Group, other than changes made in application of applicable law or required by the Statutory Auditors of Technicolor or the relevant company.

For any of the above decisions that request Board approval, the Chief Executive Officer will make sure that the Board is informed sufficiently promptly in the process and on a regular basis (information to include relevant financial, legal, name of advisors and other) so as to be able to make an informed judgement when decision time comes.

ARTICLE 9. DIRECTORS' AND BOARD OBSERVERS' RIGHT TO INFORMATION

9.1. Each Director shall receive all information needed to perform his/her duties and may request any documents he or she considers appropriate. The Chairperson may deny such requests for additional documents when such request does not appear reasonably warranted by the corporate interest or useful to the Director in carrying out his or her duties. The Chairperson shall inform the Board regarding the follow-up provided to each such request.

9.2. Directors shall be provided in advance with the documents necessary to cast an informed vote based on full knowledge of the facts regarding the matters on the agenda.

9.3. Other than in connection with Board meetings, Directors shall be kept informed, on a regular basis and by any mean, of the financial and liquidity situation, of the Company's commitments, as well as of any significant event and transaction relating to the Company.

9.4. Directors may request to visit a place of business of the Company, as may be required to perform their duties. Such requests shall be sent to the Chairperson and to the Chief Executive Officer. Any visit of a company place of business shall be organized so as to minimize disruptions to the functioning of the business.

9.5. Any Director shall be entitled to meet with the Group's senior management without the presence of Executive Officers *(dirigeants mandataires sociaux)* of the Company, after having informed the Chairperson and the Chief Executive Officer.

ARTICLE 10. BOARD COMMITTEES

10.1. The Board shall create one or more specialized committees and shall define their composition, powers and responsibilities. Members of the committees shall be chosen among Board Members. The role of the committees shall be to examine and prepare matters to be put to the Board and to assist the Board in its work. Each Committee presents its opinions, proposals and recommendations to the Board.

10.2. The following matters shall be subject to a preparatory work carried out by a specialized Board Committee:

- **(i)** the examination of the financial statements and internal procedures to verify compliance with applicable laws and regulations;
- **(ii)** the follow up of the Internal Audit;
- **(iii)** the review of the internal and risk management procedures;
- **(iv)** the selection of the Statutory Auditors, the control of their independence and the follow-up of their work;
- **(v)** corporate governance;
- **(vi)** nomination of the members of the Board of Directors and its committees;
- **(vii)** remuneration; and
- **(viii)** the monitoring of the implementation of the Strategic Plan.

10.3. As of the date hereof, there are four committees of the Board:

- **(i)** the Audit Committee;
- **(ii)** the Nominations and Governance Committee;
- **(iii)** the Remunerations Committee; and
- **(iv)** the Strategy Committee. The number of committees may change as decided by the Board. The matters set forth in Article 10.2 must however remain covered.

10.4. Each Committee shall draw up a draft charter defining its duties and responsibilities, its powers, and its method of functioning, which shall be presented to the Board for approval. The charter of each Committee shall, among other things, define the number of independent Directors who shall serve on each Committee.

10.5. In the performance of their duties, and after informing the Chairperson, the committees may conduct or commission, at the Company's expense, any studies or investigations that such Committee deems useful in the fulfilment of its mission and which may be useful in assisting the Board in its deliberations. The committees shall report to the Board on the results of any study or investigation carried out pursuant hereto. The committees can request, under the conditions described above, the assistance of external counsels.

10.6. The committees shall also have access to Group's executives and internal and external auditors as they may deem useful in preparing their works.

10.7. The Chairperson of each Committee shall report to the Board on its works. The opinions, proposals and recommendations made by each Committee shall, if necessary, be recorded in minutes.

ARTICLE 11. DIRECTORS' AND BOARD OBSERVERS' DUTY OF CONFIDENTIALITY

11.1. Directors and Observers are bound by a general duty of confidentiality with respect to the deliberations, discussions and resolutions of the Board and its committees and any information presented at Board meetings.

11.2. The Chief Executive Officer informs the Directors of the information to be disclosed to the markets as well as the text of statements or releases issued for this purpose on behalf of the Company.

11.3. The Chief Executive Officer shall take appropriate measures to ensure that employees of the Group who, by virtue of their functions, have access to material non-public information keep such information confidential.

ARTICLE 12. DIRECTORS' DUTY OF INDEPENDENCE AND CONFLICTS OF INTEREST

12.1. In the performance of their duties, each Director must make decisions in consideration of the sole interest of the Company.

12.2. 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 could create a conflict of interests with the Company or one of the companies of the Group and must refrain from taking part in discussions and voting on any related resolutions. A Director must resign in the event of a permanent conflict of interests.

12.3. The Lead Independent Director, or in its absence the Chairperson, must disclose to the Board any situation of conflict of interest for which he/she has been informed.

12.4. The Board shall review any "regulated agreements" governed by Section L. 225-38 of the French Commercial Code to ensure that the interest of the Company is protected in all respects in the event of a possible conflict of interest between the Company and persons covered by Article L. 225-38 of the French Commercial Code. If there is any doubt regarding the application of Section L. 225-39 of the French Commercial Code to a particular transaction, the Board shall assume that such provision applies.

ARTICLE 13. DIRECTORS' DUTY OF DILIGENCE

13.1. The Board collectively represents all shareholders and shall act in the interests of the Company in all circumstances.

13.2. Prior to accepting an appointment as Director, each Director is responsible for familiarizing himself or herself with the laws, regulations and duties relating to their office, the Company's by-laws, these Internal Board Regulations, the Group's Code of Ethics and Financial Ethics Charter, the Insider Trading Policy, as well as the charter of any Committee on which such Director is intended to serve.

13.3. Each Director undertakes to discharge fully the duties and responsibilities of his/her office, including:

- devoting the necessary time, care and attention to his/her duties and to analyze the issues brought before the Board and any Committee on which such Director serves;
- ensuring that these Internal Regulations are meticulously followed;
- attending all meetings of the Board and of committees on which such Director serves, and all Shareholders' Meetings;
- requesting any additional information he/she may deem necessary to perform his/her duties and to form an opinion on matters on the agenda of any meeting of the Board or any Committee on which he/she serves;
- working continually to improve the effectiveness of the Board and any committees on which such Director serves and to advance the interests of the Company and the shareholders.

13.4. Each Director undertakes to resign his/her position on the Board when such Director believes in good faith that he/she is no longer capable of faithfully executing the duties and obligations of the position.

ARTICLE 14. COMPANY SHARES HELD BY DIRECTORS

14.1. Directors must hold at a minimum the number of shares stipulated in the Company's by-laws promptly after they become Directors.

14.2. The Board considers that for the purpose of aligning Directors' interests with those of shareholders, it is desirable that each Director personally holds a substantial number of shares. Consequently, each Director must acquire Technicolor shares in an amount equivalent to at least one-third of the fixed annual compensation due to him/her as Director. Such acquisition must occur within 12 months from the date of his/her appointment. Should a Director fail to do so, 50% of his/her fixed compensation as Director will be forfeited. The 200 shares the holding of which is imposed by the Company's by-laws are taken into account for the purposes of this paragraph.

14.3. Directors shall hold any shares they hold in the Company in registered form.

14.4. Directors must declare to the *Autorité des marchés financiers* and to the Board any transactions in the Company's securities pursuant to and in compliance with the terms of Article L. 621-18-2 of the French Monetary and Financial Code and the General Regulations of the *Autorité des marchés financiers*. The Company may, upon request, declare those transactions on behalf and in the name of Directors.

14.5. Directors shall refrain from:

- engaging in any transaction involving securities of the Company or the Group while in possession of material, non-public information regarding the Group;
- directly or indirectly conducting short sales involving the Company's shares.

As a general rule, Directors shall comply with the provisions of the Company's Insider Trading Policy.

ARTICLE 15. DIRECTORS' COMPENSATION

15.1. Directors shall receive an annual compensation, the maximum amount of which is determined by the Shareholders' Meeting. The Remunerations Committee proposes to the Board the global Directors' compensation to be submitted for approval to the Shareholders' Meeting, as well as the allocation of such amount amongst the Directors.

15.2. The annual allocation of Directors' compensation is determined by the Board according to the effective attendance of Directors at meetings of the Board and its committees.

15.3. As permitted by law, Directors may be entitled to compensation for the execution of a mandate or a specific mission. The amount of this compensation is determined by the Board upon recommendation of the Remunerations Committee.

15.4. Board Observers may be entitled to compensation. The amount of this compensation is determined by the Board upon recommendation of the Remunerations Committee, using the same principles as those applicable to Directors' compensation.

15.5. Directors shall be entitled to reimbursement for any reasonable expenses incurred in connection with their attendance of meetings of the Board or any Committee on which they serve.

15.6. As a general matter, the remuneration of Directors must be determined in such a manner as for their independence to be preserved.

ARTICLE 16. PERFORMANCE EVALUATION

16.1. The Board shall conduct an evaluation of its composition, organization and that of its committees on a regular basis, the objective being once a year. 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 purposes of the formal evaluation shall be notably to assess the way the Board 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.

16.2. The Board may require the assistance of an external company for the conduction of such evaluation.

16.3. The Board shall consider the opportunity to review those Internal Board Regulations according to the results of the evaluation.

16.4. The results of the evaluation carried out are reported in the Company's Annual report communicated to the shareholders.

4.1.5 Executive Committee

4.1.5.1 MEMBERS OF THE EXECUTIVE COMMITTEE

GRI [102-32] [405-1]

As of the date of publication of this Universal Registration Document, the Executive Committee comprises of 8 members. The following table shows their responsibilities and year of appointment.

Name of Executive Committee member	Age	Responsibility	Appointed
Richard Moat	67	Chief Executive Officer	2019
Irène Cambourakis	59	Group General Counsel and Corporate Secretary	2020
Laurent Carozzi	57	Chief Financial Officer	2018
Olga Damiron	53	Chief People & Talent Officer & Corporate Social Responsibility	2020
David Holliday	65	President of DVD Services	2020
Luis Martinez-Amago	59	Deputy CEO, President of Connected Home	2016
Christian Roberton	49	President of Technicolor Creative Studios	2019
Timothy Spence	50	Chief Operating Officer	2020

4.1.5.2 BIOGRAPHIES OF EXECUTIVE COMMITTEE MEMBERS

Mr. Richard Moat was appointed to the position of Chief Executive Officer in November 2019. For more information about his biography, please refer to section 4.1.1.3 above.

Ms. Irène Cambourakis is the Group General Counsel and Corporate Secretary. In such capacity, she is in charge of legal, compliance and insurance matters for the Group and assists the Board of Directors in their work. Irène Cambourakis joined Technicolor in August 2020 and was appointed to the Executive Committee. She is the former Group General Counsel and corporate secretary of Zodiac Aerospace, a world manufacturer of systems and equipment for the aerospace industry, listed on the Paris stock exchange, where she spent 9 years and, prior to that, was Group General Counsel and member of the French Executive Committee of the retail group Marionnaud, part of the Chinese retail group AS Watson. Earlier, Ms. Irène Cambourakis practiced as a qualified French lawyer for 15 years in top-tier international law firms in Paris and London where she focused on M&A, Private Equity and general commercial matters.

Mr. Laurent Carozzi is Chief Financial Officer and a member of the Executive Committee since he joined the Group in March 2018. Previously, he was deputy of the CFO at Publicis from early 2017. Prior to this, he spent 12 years at Lagardère group, where he held the positions of Head of Investor Relations, then of Head of Group Financial Control. From 2011, he focused on the turnaround of the Sports & Entertainment Business Unit as Chief of Operations and Chief Financial Officer. As part of his responsibilities, Mr. Laurent Carozzi was a member of the Executive Committee of Lagardère Sports & Entertainment.

Ms. Olga Damiron was appointed as Chief People & Talent Officer & Corporate Social Responsibility and a member of the Executive Committee in February 2020. Prior to joining Technicolor in April 2017 as Connected Home Human Resources Business Partner, she held significant Chief Human Resources Officer positions within global organizations such as Keolis, Algeco Scotsman, Honeywell, and ESI group, some of them publicly listed. She brings a wide experience of managing diverse workforce, organic and external growth projects, change and turn-around initiatives. Ms. Olga Damiron holds a master's degree in labor law from Paris Assas University and is certified in a number of programs including Lean Management (Kaizen, Ishikawa), System Thinking Leadership and Licensed Human Element Practitioner (LHEP). She is also General Secretary of RH&M and a member of Féminin Pluriel network.

Mr. David Holliday was appointed President of DVD Services in May 2020. David Holliday brings a wealth of leadership experience to this division, having spent nearly 40 years overseas in the Middle East, Europe, Asia, SE Asia, Africa and South America – building, leading or restructuring mobile, fixed and broadband telecoms companies in the public and private sectors. Recently, David Holliday has been CEO of Digicel in El Salvador, CEO of TelBru in the Sultanate of Brunei (Sovereign Wealth Fund Brunei), Group CEO of Mobicom (a KDDI and Sumitomo company), and CEO of Zain Zambia PLC. In all assignments, he has earned praise from shareholders and Boards for consistently exceeding their expectations. As a British Citizen, Mr. David Holliday believes in the value of positive corporate engagement in the communities where he has operated and has worked to bring together government Ministers with agencies like UNICEF in successfully establishing nationwide mechanisms to protect vulnerable young children.

Mr. Luis Martinez-Amago is President of the Connected Home Division since January 2018 and Deputy CEO since March 2019. He joined Technicolor in October 2015 as Head of Connected Home North America and has been a member of the Executive Committee since January 2016. Coming to Technicolor from Alcatel-Lucent, Mr. Luis Martinez-Amago has carried out multiple roles and responsibilities during his 27 years with Alcatel. Most recently he was the CEO of Alcatel-Lucent Shanghai Bell in China. Prior to this, he spent several years as President of the Europe, CIS, Middle East and Africa region. Prior to that, he held the responsibility for several worldwide Business Divisions as President, from Fixed Broadband Networks Division, to Applications Business Division, to Wireless Transmission Division. Before this, he was COO of the Integration and Services Division of the Company. Mr. Luis Martinez-Amago holds a Technical degree in Telecommunications Engineering from the University La Salle, Barcelona; as well as PDD in General Management from IESE Business School.

Mr. Christian Roberton is President of Technicolor Creative Studios Division since October 2020 and a member of the Executive Committee since April 2019. Prior to that, he was head of Film & Episodic Visual Effects, Production Services, since November 2017. He 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 2,000 artists and production crew working with them. Mr. 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.

Mr. Timothy Spence joined Technicolor in December 2019 as Chief of Staff to the CEO and was appointed Chief Operating Officer and a member of the Executive Committee in March 2020. Mr. Tim Spence has over 18 years' experience in the communications industry, holding senior roles in finance and operations. He started his career at Price Waterhouse in Melbourne, and after moving to Europe in 2000 worked for 12 years at T-Mobile UK/Everything Everywhere Ltd. (EE) where he held various roles in finance. His most recent role was as Managing Director Customer Operations at Eir Ireland where he led the transformation of the Company's service operations and customer experience. Mr. Tim Spence has extensive experience in initiating and leading complex organizations, digital and IT transformation programs to deliver efficiency and customer experience improvements.

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

GRI [102-35] [102-36] [102-37]

This report on the compensation policy for Corporate Officers *(mandataires sociaux)* was adopted on February 24, 2022, 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 and the Chief Executive Officer.

The compensation policy will apply from January 1, 2022 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, the creation or termination of a significant business activity or a change in accounting principles, this list being non exhaustive.

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, 2021.

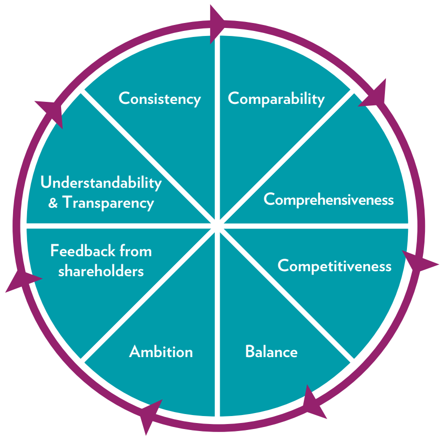
4.2.1.1.1 General principles for Corporate Officers' compensation

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 entirely comprised of independent Directors, except for the Director representing employees 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.

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's medium and long-term performance and competitiveness. This policy respects Technicolor'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),
  - the financial performance criteria applicable to the Chief Executive Officer's variable and long-term compensation are the same for the Chief Executive Officer and for other executives.
- **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 half 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 being a worldwide Technology leader operating in the Media & Entertainment industry, the peer group is made up of direct competitors or clients in its key operating segments and of other companies in the broader Technology, Media & Entertainment industries;

The peer group thus determined is made up of the following companies[1]:

- Arnoldo Mondadori Editore SpA;
- Cineworld group Plc;
- CommScope, Inc.;
- Criteo;
- Daily Mail and General Trust Plc;
- ITV Plc;
- JCDecaux SA;
- Lagardère SCA;
- Mediaset SPA;
- Millicom International Cellular SA;
- Pearson Plc;
- Prosiebensat.1 Media;
- Telenet Group Holding NV;
- TF1.

- **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 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, tie compensation to the results achieved, and partly align the 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 2,000 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.

  The Board of Directors noted a very strong support from the shareholders at the last General Meeting held on May 12, 2021 with the say on pay resolutions (resolutions 9 to 11 for the "ex post" and 12 to 14 for the "ex ante") widely approved as follows:

Resolution No	Purpose	For
9	Approval of the information on the Corporate Officers' compensation paid or granted for the fiscal year 2020	99.89%
10	Approval of the compensation paid during or awarded for the fiscal year 2020 to Ms. Anne Bouverot, Chairperson of the Board of Directors	99.88%
11	Approval of the compensation paid during or awarded for the fiscal year 2020 to Mr. Richard Moat, Chief Executive Officer	88.61%
12	Approval of the Directors' compensation policy for fiscal year 2021	99.89%
13	Approval of the Chairperson' compensation policy for fiscal year 2021	99.85%
14	Approval of the Chief Executive Officer' compensation policy for fiscal year 2021	99.37%

(1) The composition of the peer group is reviewed once a year. It remains unchanged since 2020 as still considered as appropriate.

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 current total annual envelope for Directors' compensation is €850,000 and has remained unchanged since the Annual General Meeting held on April 29, 2016.

Rules of allocation

The overall compensation awarded to Directors is made up of a fixed and variable compensation, and a travel allowance for Directors traveling overseas.

The levels of compensation, defined in the compensation policy, shall remain reasonable and competitive.

Directors are not eligible to any other compensation item such as stock-options, performance shares or any other long-term compensation items, nor will they benefit from any commitment in the event of termination of their duties.

It is also restated that the Directors must comply with an obligation to hold shares of the Company over their term of office in accordance with the Internal Board Regulations (see section 4.1.2.5 above) and should a Director fail to do so, 50% of his/her fixed compensation will be forfeited.

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, which is predominant, depends exclusively on the level of attendance of the Directors in the meetings of the Board and its committees.

The rules governing the allocation of the Directors' compensation for 2022 remain unchanged from 2021, as follows:

- a fixed compensation of €30,000 for each Director;
- a variable compensation of €3,000 for each meeting of the Board of Directors;
- a fixed compensation for each Committee Chairperson of:
  - €15,000 for the Audit Committee's Chairperson,
  - €10,000 for the other committees' Chairpersons;
- a variable compensation for each meeting of the Committee of:
  - for the Audit Committee, €2,500,
  - for the other committees, €1,500;
- a travel allowance of €2,500 for each Board meeting requiring from a Director overseas or U.S. coast to coast travel;
- a maximum of €15,000 could be granted to Directors who handled a specific mission during the year.

It is to be noted that:

- there will be no payment of variable compensation for exceptional meetings lasting under one hour;
- no compensation will be paid to the Chief Executive Officer and to Employee Directors;
- all of the above compensation items are a maximum which could be reduced in case of a high number of meetings in order to respect the envelope of fees granted by the Annual General Meeting.

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).

The Board of Directors shall be entitled to review during the fiscal year 2022 the rules of allocation and, especially to adjust slightly the levels of variable compensation (with an amount that could be adjusted upward in case of physical attendance and/or downward in case of remote attendance), in line with the evolution of the Covid-19 pandemic and the faculties to attend again physically the Board of Directors and Committee's meetings under satisfactory health safety conditions.

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)	(in compliance with the rules applicable to all Directors of the Company except the Chief Executive Officer and the Directors representing employees)	

The Board of Directors has chosen to compensate its Chairperson *via* (i) the grant of a fixed compensation as Chairperson and (ii) the grant of a compensation as Director, and to exclude any other compensation item in order to guarantee her total independence in the exercise of her duties.

The Chairperson of the Board will not be awarded any annual or multi-annual variable compensation and stock options or performance shares, nor will she benefit from any commitment in the event of termination of her duties.

(1) The Board Observers appointed in 2020, Mr. Gauthier Reymondier and Angelo Gordon & Co., L.P. represented by Mr. Julien Farre, do not receive any compensation.

- **The fixed compensation** will aim at adequately remunerating her specific involvement as Chairperson of the Board. Upon recommendation by the Remunerations Committee, the Board of Directors decided to set the fixed compensation at €150,000 for 2022 (unchanged from previous years), this amount taking into consideration the extended scope of the Chairperson's responsibilities (see Article 2.5 of the Internal Board Regulations, available on sub-section 4.1.4: "Internal Board Regulations" above).
- **Directors' compensation** (formerly referred to as "Directors' fees") will be due as for all other Directors. As a reminder, the rules governing the allotment of the Directors' compensation include a significant variable portion in line with the AFEP-MEDEF Corporate Governance Code (see above sub-section 4.2.1.1.2: "Compensation policy for the Directors").

This compensation was determined after benchmarking the proposed compensation policy with those of the non-executive independent Chairpersons of the peer group detailed above in sub-section 4.2.1.1.1: "General principles for Corporate Officers' compensation".

The Chairperson of the Board of Directors is not linked to the Company, nor to any other company of the Group, by an employment contract.

He/She is however assimilated to an employee for social security purposes, and he/she is therefore eligible to benefits in kind which are usual for all Group managers and employees (mandatory pension scheme, health insurance and disability coverage), excluding unemployment coverage.

The Board of Directors may also decide to grant to the Chairperson of the Board a benefit in kind relating to transportation (car allowance or similar benefit).

4.2.1.1.4 Compensation policy for the Chief Executive Officer

The compensation policy for the Chief Executive Officer was thoroughly reviewed in the context of the appointment of Mr. Richard Moat as Chief Executive Officer in November 2019. It has been renewed for 2021 without major changes and received a strong support from Shareholders at the General Meeting held on May 24, 2021.

The Board of Directors thus believes that this compensation policy is aligned with the expectations of the shareholders and may be reconducted in its main terms for 2022.

Compensation items of the Chief Executive Officer during his term of office

Fixed compensation

The Chief Executive Officer benefits from a fixed annual compensation which is determined by taking into account the level and complexity of his responsibilities, his experience in similar positions and market practices for comparable companies.

The Board of Directors reviews the amount of the fixed compensation at relatively long intervals. However, should it be decided to revise the fixed compensation, the rationale for such revision would be clearly disclosed to shareholders.

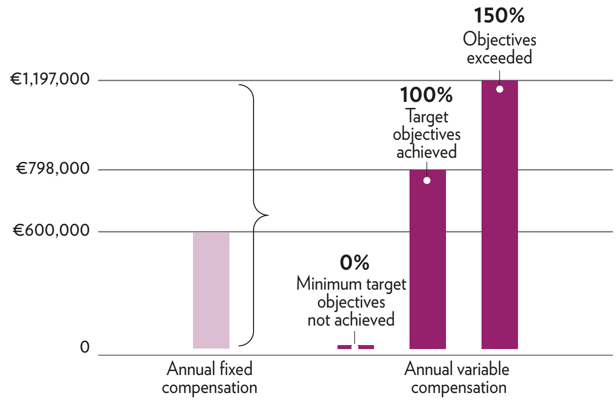
The Chief Executive Officer's fixed annual compensation remains at €600,000 payable in 12 monthly installments.

Annual variable compensation

The Chief Executive Officer is entitled to an annual variable compensation for which the Board of Directors, upon recommendation of the Remunerations 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.



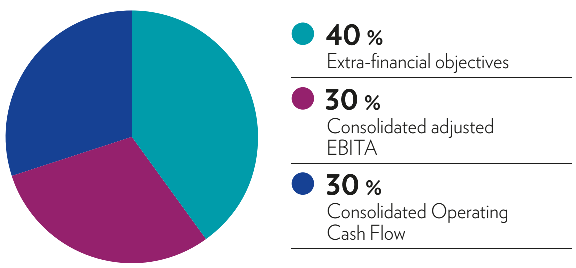
Subject to the achievement of the performance objectives, the annual variable compensation will amount to:

- €0 in case of non-achievement of the objectives;
- a target bonus of €798,000 in case of achievement of 100% of the objectives (representing 133.33% of is fixed compensation);
- up to 150% of the target bonus in case of overachievement of the objectives (*i.e.* €1,197,000 representing 199.5% of his fixed compensation).

The Board of Directors defined the performance objectives for the Chief Executive Officer's 2022 variable compensation as follows:

- **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 a minimum objective set by the Board of Directors, no compensation will be paid in respect of that objective,
    - if the consolidated adjusted EBITA 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 EBITA exceeds this target objective, 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 a minimum objective set by the Board of Director, no compensation will be paid in respect of that objective,
  - if the consolidated Operating Cash Flow 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 Operating Cash Flow exceeds this target objective, the compensation paid in respect of that objective could be up to 150% of the target bonus;
- **extra-financial objectives** (the fulfillment of each of the three extra-financial 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 projects publicly announced on February 24, 2022 and the setting up of both listed companies for success with a 3-year plan for each of them,
  - 10% of the target bonus will depend upon a Talent management objective including (i) in the context of the contemplated spin-off, the presentation of succession plans for the Chief Executive Officers of both listed companies and a plan to ensure that proper executive leadership teams are in place with mitigations plans when needed, and (ii) specific targets for the recruitment and retention of key talents,
  - 10% of the target bonus will dependupon a CSR objective ensuring further progress on the pillars of Diversity Equity and Inclusion (for 50%) 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 public objectives set by the Board. They are usually announced to the market in February or March when publishing the past year annual results. The criteria are therefore transparent and measurable.

The **extra-financial 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 assessement for each extra-financial 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.

Payment to the Chief Executive Officer of his variable compensation will be subject to approval of his 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 benefitting all Group personnel, health insurance and disability coverage, Directors and officers' liability insurance) and benefits consistent with the policies applied within the Group for senior manager expatriation and mobility (advisors' fees).

Additional compensation to offset a loss of net compensation due to an involuntary change in tax residence

Unforeseeable events such as the Covid-19 pandemic, which makes cross-border travel impossible or more difficult, may have impacted or may impact the effective tax residence of the Chief Executive Officer from one country to another (specifically, United Kingdom vs. France for Mr. Richard Moat). This unexpected change in tax residence is likely to affect the level of net compensation received by the beneficiary in comparison with the one initially targeted when the compensation package, and more especially the amount of gross compensation, was set by the Board. In the event that such level is significantly affected, the Board of Directors, on the recommendation of the Remunerations Committee, may allocate to the beneficiary an additional compensation. Such compensation would be calculated in such a way as to strictly compensate, as of the triggering event, for the difference in net compensation resulting from the change in tax residence. The proposed allowance, and in particular its amount will have to be supported by the legal opinion of a tax advisor to be submitted and approved by the Remunerations Committee before any payment.

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 preset 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).

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.

<u>Directors' compensation</u>

The Chief Executive Officer does not receive compensation in his capacity as a Director.

<u>Exceptional compensation</u>

The Chief Executive Officer shall not be entitled to receive any exceptional compensation.

<u>Supplementary pension plan</u>

The Chief Executive Officer does not benefit from any supplementary pension plan.

Compensation items of the Chief Executive Officer upon leaving office

<u>Severance indemnity and non-compete indemnity</u>

The Chief Executive Officer will not benefit from a severance indemnity nor a non-compete indemnity.

<u>Impact of the Chief Executive Officer's departure on compensation</u>

In the event of the departure of the 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, if the Chief Executive Officer left the Group before the expiration of the vesting period, he would forfeit his rights to the long-term compensation.

By exception, the Chief Executive Officer will keep his 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.

<u>Compensation items of the Chief Executive Officer on taking up of his office</u>

In the event of the appointment of a new Chief Executive Officer, the Board of Directors, on the recommendation of the Remunerations Committee, will determine the fixed and variable components and the criteria for variable remuneration 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

GRI *[102-35] [102-37] [201-3]*

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 2021 of a fixed compensation and Directors' 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, 2021).

Compensation items paid or granted to Ms. Anne Bouverot for fiscal year 2021

	Gross amounts	Comments
FIXED COMPENSATION	**€150,000**	Ms. Anne Bouverot's fixed compensation, set at €150,000 for 2021, aims to adequately remunerate her involvement as Chairperson of the Board, taking into consideration the extended scope of her responsibilities.
DIRECTORS' COMPENSATION	**€79,333**	Ms. Anne Bouverot received Directors' compensation (formerly referred to as "Directors' fees"), for a total amount of €79,333, following the same allocation rules as any other Director, *i.e.*: • a fixed amount of €30,000; • a fixed amount of €10,000 for the Chairpersonship of the Strategy Committee; • a fixed amount of €3,333 for the Chairpersonship of the Nominations and Governance Committee (as a *prorata* until April 2021); • a variable amount depending on her attendance at Board and committees' meetings, set at €3,000 per Board meeting and at €1,500 per meeting of the Nominations & Governance Committee and the Strategy Committee, in a total amount of €36,000.

For 2021 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)	2020	2021
Compensation due	242,625	229,333
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	**242,625**	**229,333**

TABLE SUMMARIZING THE COMPENSATION OF MS. ANNE BOUVEROT (TABLE NO. 2 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	2020		2021	
(in euros)	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed	140,625	140,625	150,000	150,000
Variable	N/A	N/A	N/A	N/A
Directors' fees(1)	102,000	49,667	79,333	102,000
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**242,625**	**190,292**	**229,333**	**252,000**

(1) *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. Richard Moat, 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. Richard Moat 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, 2021).

Compensation items paid or granted to Mr. Richard Moat for fiscal year 2021

<table>
<tr><th></th><th>Gross amounts</th><th>Comments</th></tr>
<tr><td>FIXED COMPENSATION</td><td>€600,000</td><td>Mr. Moat's total fixed compensation for his position as Chief Executive Officer, is set at €600,000 payable in 12 monthly installments.</td></tr>
<tr><td>ANNUAL VARIABLE COMPENSATION</td><td>€958,717</td><td>The variable compensation of Mr. Moat depended upon the achievement of objectives which were precisely defined and determined according to the results of the Group after the close of the fiscal year. The target bonus amounted to 133.33% of the annual gross fixed compensation if the target objectives were achieved, and up to 150% of the target bonus if the target objectives were exceeded.

Reminder of the performance objectives set by the Board of Directors for 2021:

The variable portion of Mr. Moat's compensation for 2021 was subject to the following performance objectives:

<u>Financial objectives (accounting for 60% of the amount of the target bonus)</u>:
(i) a consolidated adjusted EBITA objective accounting for 30% of the target bonus:
• if the consolidated adjusted EBITA does not amount to more than €40 million, no compensation will be paid in respect of that objective,
• if the consolidated adjusted EBITA amounts to €70 million, 100% of the target bonus will be paid in respect of that objective,
• if the consolidated adjusted EBITA exceeds €110 million, the compensation paid in respect of that objective could be up to 150% of the target bonus;
(ii) 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 €55 million, no compensation will be paid in respect of that objective,
• if the consolidated Operating Cash Flow amounts to €85 million, 100% of the target bonus will be paid in respect of that objective,
• if the consolidated Operating Cash Flow exceeds €130 million, the compensation paid in respect of that objective could be up to 150% of the target bonus.
The financial objectives are based on the forecast approved by the Board and the performance indicators set out by the Group in its financial communication.
They are also those used for determining the variable compensation of all Group employees who receive this type of compensation.

<u>Extra-financial objectives (accounting together for 40% of the amount of the target bonus)</u>:
• 15% depending upon a strategic objective providing to the Board of Directors with a 3-to-5-year vision and strategy for Technicolor;
• 15% depending upon an objective relating to talent management ensuring that the transformation is conducted in a manner that inspires and motivates the workforce (People survey), attracts and retains key talents, and mitigates human capital risks by ensuring that robust succession action plans are implemented;
• 10% depending upon a CSR target of promotion of diversity across the organization and limitation of the environmental impact.</td></tr>
</table>

	Gross amounts	Comments

ANNUAL VARIABLE COMPENSATION		**Achievement of the 2021 performance objectives:**
		
		Upon the Remunerations Committee´s recommendation, the Board of Directors held on February 23, 2022, reviewed as follows the performance of Mr. Richard Moat for 2021.
		
		Financial objectives (accounting for 60% of the amount of the target bonus):
		• as the **consolidated adjusted EBITA** amounted to €95.5 million, the consolidated adjusted EBITA objective set at €70 million was achieved with a grade of 1.32 (on a scale of 0 to 1.5);
		• as the **consolidated Operating Cash Flow** amounted to €104.7 million, the consolidated Free Cash Flow objective set at €85 million was achieved with a grade of 1.22 (on a scale of 0 to 1.5).
		
		Extra-financial objectives (accounting together for 40% of the amount of the target bonus):
		With regard to the extra-financial objectives, it is to be noted that in its meeting held on April 15, 2021, the Board of Directors set precise contents and/or deliverables and a method of assessment for each financial objective.
		In February 2022, the Board acknowledged, *inter alia*, the following deliverables:
		• for the first **objective related to strategy** (accounting for 15%):
		  • The main content for such objective as set by the Board was to develop a 3-to-5-year vision and strategy for Technicolor, and in particular a vision and an organic and inorganic growth strategy for Technicolor Creative Studios, including steps to get there.
		  • A plan for Technicolor Creative Studios covering both organic and inorganic growth opportunities was presented to the Strategy Committee and to the Board of Directors in March 2021.
		  • The Board of Directors took also into consideration various projects and tangible proposals made on the M&A pillar and acknowledged the assets deal for the sale of the trademarks business which was successfully led and publicly announced on February 24, 2022.
		  • Considering the above, the Board considered that the first objective was achieved with a grade of 1.1 (on a scale of 0 to 1.5).
		• for the second **objective related to talent management** (accounting for 15%):
		three main contents for this objective had been formally identified by the Board when setting the objectives:
		  • the presentation to the Nominations & Governance Committee (now the Governance & Social Responsibility Committee) of succession plans for the Executive Committee, the Management Committee and Executive Teams of the Business divisions, with immediate and mid-term successors, ensuring all key roles have successors;
		  • employee engagement: launch of a global employee engagement survey with a minimum target of 50% participation by eligible employees
		  • Talent recruitment and development: pipeline a minimum of 500 new graduates with a target of 750 graduates from the Academy @ The Focus program offered by Production Services
		All these contents having been delivered slightly above expectations (with, for example the presentation of a comprehensive talent review with the succession plans), the Board considered that the second objective was achieved with a grade of 1.1 (on a scale of 0 to 1.5).
		• for the third extra-financial **objective based on CSR** (accounting for 10%):
		On the first pillar "Diversity, Equity and Inclusion (DEI)" accounting for 50%, the Board of Directors had set the following targets:
		(i) maintain an overall equal (+/- 5%) number of training hours per employee between women and men;
		(ii) validation of the 2020 DEI Survey action plan by the Executive Committee and a follow-up through the launch of a DEI Survey;
		(iii) increase to a minimum of 26 women by 2021, or 38% (compared to 25 women in 2020, or 37%), the number of women on the Executive Committee, Management Committee and Executive Teams of the business divisions and corporate functions (bands 4, 5 and 6).
		The Remunerations Committee and the Board of Directors considered that these targets were met. The DEI survey was duly launched as part of the Group employment survey and the women belonging to the highest levels of the management mentioned above reached 38% in 2021.

	Gross amounts	Comments
ANNUAL VARIABLE COMPENSATION		On the second pillar "limit environmental impact" accounting for 50%, the Board of Directors had set the following targets: (i) define an ambitious medium and long-term strategy aimed at reducing carbon and greenhouse gas emissions per division, in compliance with the United Nations (UN) Global Compact Science Based Targets initiative. This strategy should include medium-term (2030-2050) quantifiable and measurable targets and trajectories consistent with the UN climate change objectives. Typical objectives would be a 50% reduction in carbon emissions by 2030 and 80% by 2050 for scopes 1 and 2, and a 50% reduction by 2030 for manufacturing and product use in absolute values and/or per customer; (ii) percentage of renewable electricity in total electricity: 15% increase year-on-year of the percentage, i.e. at least 22.5% by 2021 (from 20% in 2020). These objectives were considered as slightly overachieved as follows: • strategy and preliminary achievable objectives of carbon emission reduction for 2025, 2030 and 2050 presented to the Governance & Social Responsibility Committee in December 2021 and approved; • commitment made in December 2021 to Science Based Target initiative (SBTi) for near term (2030) and Net Zero target (2050) and published on SBTi website; • Quantitative objectives to be finalized and submitted to SBTi in March-April 2022 based on 2021 emissions ; • estimated reduction of carbon emission of Scope 1 & 2 by 65% by 2025 and 80% by 2030 for the Group. Average of 8% per year, above average of companies' commitment to SBTi (6.4%) and almost double of minimum SBTi requirements; • for Scope 3: Decrease of 30% of emissions generated by devices by 2030, 100 % renewable electricity for external center (2025) and Top Technicolor suppliers representing 50% of total spend will have their own SBTi engagement by 2025; • 25.2% increase (target at 15%) for the percentage of renewable electricity in total electricity from 2020 (at 20.0%) to 2021 (at 22.5%). Thus the Board of Directors assessed the CSR objective with a grade of 1.1 (on a scale of 0 to 1.5). In consideration of the above assessments for each objective and following the recommendation of the Remunerations Committee, the Board of Directors set at 110% of the target bonus, i.e. €351,120, the amount of 2021 variable compensation to be paid to the Chief Executive Officer under the extra-financial objectives Employer contributions paid by the Group's companies in respect of Mr. Richard Moat's compensation amounted to €194,962 in 2021. 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, 2021 of his compensation package, in accordance with Article L. 22-10-34 II of the French Commercial Code. It is reminded that an amount of €863,835 was paid in 2021 to Mr. Richard Moat in respect of his variable compensation for fiscal year 2020, after its approval by the General Shareholders' Meeting of May 12, 2021 (see page 131 of the 2020 Universal Registration Document)

Annual variable compensation of Mr. Richard Moat (2021 fiscal year)

	Rules set at the beginning of the fiscal year				Appraisal by the Board	
	Target amount		Maximum amount			
	As % of fixed compensation	Target amount *(in euros)*	As % of fixed compensation	Maximum amount *(in euros)*	Achieved	Corresponding amount *(in euros)*
EBITA objective	30%	€239,400	45%	€359,100	39.6%	€315,769
Operating Cash Flow objective	30%	€239,400	45%	€359,100	36.6%	€291,829
Extra-Financial objectives	40%	€319,200	60%	€478,800	44%	€351,120
Total variable	**100%**	**€798,000**	**150%**	**€1,197,000**	**120.1%**	**€958,717**
Annual variable compensation *(in euros)*						**€958,717**

	Gross amounts	Comments
ADDITIONAL PERFORMANCE SHARES	**€1,900,686**	Mr. Richard Moat, as 3 other senior executives who are members of the Executive Committee, was the beneficiary in 2021 of the 2020 Additional Performance Shares Plan (ASP), which is the Incentive & Investment Plan originally announced for 2020 and postponed to 2021. This plan was implemented by the Board of Directors on April 15, 2021 under the authorization granted by the Annual General Meeting of June 30, 2020 in its twenty-sixth resolution. Upon the Remunerations Committee's recommendation, the Board, after having acknowledged the personal investment of the Chief Executive Officer in Technicolor's shares for an amount of more than €1 million granted to Mr. Richard Moat 1,027,398 performance shares (*i.e.* 0.43% of the share capital on December 31, 2021) subject to the ASP 2020 plan rules. For more details about the ASP 2020, see below sub-section 4.2.4.2: "Performance or Restricted Share Plans" of this Universal Registration Document.
SEVERANCE PACKAGE	**N/A**	Mr. Richard Moat does not benefit from a severance package.
NON-COMPETE INDEMNITY	**N/A**	Mr. Richard Moat does not benefit from a non-compete package.
BENEFITS IN KIND	**€21,057**	Tax advisor fees consistent with the policies applied within the Group for senior manager expatriation and mobility.

For 2021, Mr. Richard Moat was not awarded, nor did he benefit from multi-annual variable compensation, exceptional compensation, stock options, welcome bonus, or supplemental retirement plan or Directors' compensation.

Employer contributions paid by the Group's companies in respect of Mr. Richard Moat's compensation amounted to €233,929 in 2021.

TABLE SUMMARIZING THE COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO MR. RICHARD MOAT (TABLE NO. 1 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

Gross amounts *(in euros)*	**2020**	**2021**
Compensation due	1,433,029	1,558,717
Value of options granted	N/A	N/A
Value of performance shares granted	554,613	1,900,686
Value of other long-term compensation plans	N/A	N/A
TOTAL	**1,987,642**	**3,459,403**

TABLE SUMMARIZING THE COMPENSATION OF MR. RICHARD MOAT (TABLE NO. 2 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	2020		**2021**	
Gross amounts (in euros)	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed	562,500	562,500	600,000	600,000
Annual variable	863,835	124,133	958,717	863,835
Multi-annual variable	N/A	N/A	N/A	N/A
Directors' fees	N/A	N/A	N/A	N/A
Benefits in kind	6,694	6,694	21,057	21,057
TOTAL	**1,433,029**	**693,327**	**1,579,774**	**1,484,892**

SUMMARY OF THE COMPENSATION OF MR. RICHARD MOAT

	2020	2021
	Amounts due	Amounts due
Fixed	562,500	600,000
Variable	863,835	958,717
Directors' fees	N/A	N/A
Benefits in kind	6,694	21,057
Multi-annual variable	N/A	N/A
TOTAL	**1,433,029**	**1,579,774**
Performance shares (LTIP): number of performance shares granted	543,833	1,027,398
Value of the shares on the grant date	554,613	1,900,686

STOCK OPTIONS GRANTED TO MR. RICHARD MOAT DURING 2021 (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. RICHARD MOAT DURING 2021 (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. RICHARD MOAT DURING 2021 (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
ASP 2020 (April 15, 2021)	1,027,398	1,900,686	April 15, 2023	No later than June 30, 2023	Yes (see section 4.2.4)

PERFORMANCE SHARES GRANTED TO MR. RICHARD MOAT THAT HAVE BECOME AVAILABLE IN 2021 (TABLE NO. 7 OF ANNEX 4 TO THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

Performance shares that became available in 2021	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. RICHARD MOAT (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

GRI [102-35] [102-37]

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 €850,000 by the Annual General Meeting held on April 29, 2016.

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 2020 and paid in 2021 *(in euros)*			Gross amounts due in respect of fiscal year 2021 and paid in 2022 *(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	102,000	57,000	140,625(1)	79,333	36,000	150,000(1)
Bpifrance Participations	83,000	53,000	-	69,333	36,000	
Xavier Cauchois	100,500	60,500	-	83,000	43,000	
Loïc Desmouceaux(2)	-	-	-	-	-	-
Marc Vogeleisen(3)	-	-	-	-	-	-
Dominique D'Hinnin	80,000	50,000	-	63,000	33,000	
Cécile Frot-Coutaz(4)	50,000	36,000	16,000	51,333	28,000	
Ana García Fau(5)	46,000	26,000	-	-	-	-
Christine Laurens	74,000	44,000	-	78,000	48,000	
Richard Moat	-	-	-	-	-	-
Melinda J. Mount	108,000	63,000	-	93,000	48,000	
Brian Sullivan	78,000	48,000	-	81,000	51,000	
TOTAL	**721,500**	**437,500**	**156,625**	**598,000**	**323,000**	**150,000**

(1) In compliance with the compensation policy applicable to the Chairperson of the Board, Ms. Anne Bouverot receives a fixed compensation of €150,000. For the year 2020, this amount was reduced due to Covid-19 crisis. The fixed compensation due for year N is paid in year N.

(2) Mr. Loïc Desmouceaux succeeded to Florent Chabaud as Employee Director in May 2021.

(3) Mr. Marc Vogeleisen was appointed as second Employee Director in December 2020.

(4) Ms. Cécile Frot-Coutaz who was Board Observer until her appointment as Director by the Annual General Meeting held on June 30, 2020, was paid according to the same principles that those apply to Directors (as provided by the Board of Directors Internal Regulations). As Observer, she received an amount of €16,000 for her participation to the Board of Directors' meetings in 2020. She resigned from the Board of Directors as of September 1, 2021.

(5) Ms. Ana García Fau's term of office as Director ended in June 2020.

Mr. Gauthier Reymondier and Angelo, Gordon & Co., L.P. represented by Mr. Julien Farre, did not receive any compensation as Board Observers.

4.2.2 Pay equity ratio

GRI [102-38] [102-39]

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 SA);
- 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 SA;
- the evolution of these ratios over the last 5 financial years from earliest to latest;
- the comparison of such evolution with the one of the financial performances of Technicolor over the same period.

Per the AFEP guidelines, the compensation items taken into account for the calculation of the pay equity ratios below include:

- for the employees: fixed compensation, fixed premiums, variable compensation paid in year N and due for the year N-1, 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, Director's compensation paid in year N and due for the year N-1, benefits in kind;
- for the Chief Executive Officer: fixed compensation, variable compensation paid in year N and due for the year N-1, 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.

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CHAIRPERSON OF THE BOARD OF DIRECTORS

Financial year	2017	2018	2019	2020	2021
Evolution (%) of the compensation of the Chairperson of the Board	74%	15%	(9)%	(8)%	15%
Perimeter: Technicolor SA *(full-time equivalent employees)*					
Evolution (%) of the average compensation	(6)%	(9)%	(1)%	13%	7%
Ratio - average compensation	1.9	2.4	2.2	1.8	1.9
N/N-1 change in %	85%	26%	(8)%	(19)%	6%
Ratio - median compensation	2.8	3.4	3.0	2.6	2.9
N/N-1 change in %	73%	19%	(10)%	(15)%	12%
Perimeter: France *(full-time equivalent employees)*					
Evolution (%) of the average compensation	(1)%	(5)%	5%	2%	10%
Ratio - average compensation	3.0	3.6	3.1	2.8	2.9
N/N-1 change in %	76%	20%	(14)%	(10)%	4%
Ratio - median compensation	3.8	4.4	3.9	3.5	3.7
N/N-1 change in %	71%	16%	(11)%	(12)%	6%

CHIEF EXECUTIVE OFFICER

Financial year	2017	2018	2019	2020	2021
Evolution (%) of the compensation of the CEO(1)	(25)%	(53)%	(5)%	28%	96%
Perimeter: Technicolor SA *(full-time equivalent employees)*					
Evolution (%) of the average compensation	(6)%	(9)%	(1)%	13%	7%
Ratio - average compensation	25.6	13.1	12.6	14.3	26.2
N/N-1 change in %	(20)%	(49)%	(4)%	13%	84%
Ratio - median compensation	37.8	18.2	17.2	20.4	38.6
N/N-1 change in %	(25)%	(52)%	(5)%	19%	89%
Perimeter: France *(full-time equivalent employees)*					
Evolution (%) of the average compensation	(1)%	(5)%	5%	2%	10%
Ratio - average compensation	39.9	19.5	17.7	22.2	39.6
N/N-1 change in %	(24)%	(51)%	(9)%	26%	78%
Ratio - median compensation	50.6	23.7	22.3	27.3	49.8
N/N-1 change in %	(26)%	(53)%	(6)%	22%	83%

TECHNICOLOR'S 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 Executive Committee compensation

GRI *[102-35]*

4.2.3.1 EXECUTIVE COMMITTEE COMPENSATION

In 2021, the total compensation paid by the Company and/or companies of the Group to Members of the Executive Committee (including that paid to the Chief Executive Officer) present on December 31, 2021 amounted to €8.1 million for a total of 8 members (excluding charges and including variable components – short-term plans – of €3.5 million, partly calculated on the basis of the 2020 Group financial results).

In 2020, the total compensation paid by the Company and/or companies of the Group to Members of the Executive Committee (including that paid to the Chief Executive Officer) present on December 31, 2020 amounted to €8.2 million for a total of 12 members (excluding charges and including variable components – short-term plans – of €3.2 million, partly calculated on the basis of the 2019 Group financial results).

The total amount provided for pensions and retirement and other similar benefits granted to the Members of the Executive Committee amounted to €92,194 in 2021.

4.2.3.2 LOANS AND GUARANTEES GRANTED OR ESTABLISHED FOR THE MEMBERS OF THE EXECUTIVE COMMITTEE

None.

4.2.4 Stock Options Plans and Performance or Restricted Shares Plans

***GRI** [102-35][201-3][401-2]*

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 2021;
- 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 2021.

As mentioned in the following tables and especially in Table no. 9 related to existing performance and restricted shares plans, the Board of Directors allocated and may allocate such stock options and shares at different calendar periods from one year to another, and thus deviates from the provisions of AFEP-MEDEF Corporate Governance Code with this regard. This practice can be explained by different factors. Firstly the allocations made under the same plan can be made in several times along the year, to different beneficiaries or categories of beneficiaries. Concerning the LTIP 2020 which was initially planned for the first half of 2020, its issuance had to be postponed to the end of 2020 in liaise with the new schedule of the financial restructuring in the context of the Covid-19 crisis at the beginning of the pandemic. However the Board of Directors is prohibited from granting any share or option during the blackout periods defined in section 10-A of the Group's policy entitled "Corporate policy on the purchase and sale of company shares, insider trading and protection of inside information". Also and in any event the Board appreciates before each grant if the time period is duly appropriate or not for such grant.

4.2.4.1 STOCK OPTION PLANS

The Shareholders' Meeting of May 23, 2013, in its 15th resolution, authorized the Board of Directors to proceed with the allocation, in one or several times, in favor of employees or executive officers of the Company and its French and foreign subsidiaries, of share subscription or purchase options. This authorization was valid until July 23, 2016. Options granted under this authorization would not give right to a total number of shares greater than 26,843,507 representing 8% of the share capital at the date of the Shareholders' Meeting held on May 23, 2013.

All the stock options in existence as of December 31, 2021 have been allocated between 2013 and 2015 in virtue of such authorization as detailed below.

The Board of Directors did not allocate any stock options since this date.

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STOCK OPTIONS IN EXISTENCE AS OF DECEMBER 31, 2021 (TABLE NO. 8 OF THE ANNEX 4 OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	Plan MIP 2015	Plan MIP 2016	Plan MIP June 2017	Plan MIP October 2017
Date of Shareholders' Meeting	**May 23, 2013**	**May 23, 2013**	**May 23, 2013**	**May 23, 2013**
Date of Board of Directors' meeting	May 23, 2013 June 7, 2013 October 24, 2013 December 18, 2013 March 26, 2014	June 20, 2014 October 21, 2014 April 9, 2015	June 26, 2015	October 19, 2015
Type of options	Subscription			
Number of options initially granted, including:	17,188,000	5,145,000	250,000	1,710,000
Number of options initially granted, after adjustment(2)(3) if applicable, including:	653,893	197,028	9,612	63,334
Number of options granted to Corporate Officers(1):				
Frédéric Rose (CEO until November 5, 2020)	**103 217**			
Number of options granted to the first ten employee beneficiaries	*166,335*	*68,817*	*9,612*	*48,522*
Beginning of the exercise period	May 23, 2015	June 20, 2016 October 21, 2016	June 26, 2017	October 19, 2017
Plan life	8 years	8 years	8 years	8 years
Expiration date	May 23, 2021	June 20, 2022 October 21, 2022	June 26, 2023	October 19, 2023

	Plan MIP 2015		Plan MIP 2016		Plan MIP June 2017		Plan MIP October 2017	
Date of Shareholders' Meeting	**May 23, 2013**		**May 23, 2013**		**May 23, 2013**		**May 23, 2013**	
Performance Conditions and beginning date of exercibility	Generation of consolidated Free Cash Flow		Generation of consolidated Free Cash Flow		Generation of consolidated Free Cash Flow		Generation of consolidated Free Cash Flow	
Tranche 1	for fiscal year 2014 equal or greater than €100 million	50%: May 23, 2015	for fiscal year 2015 equal or greater than €100 million	50%: June 20, 2016 October 21, 2016	for fiscal year 2016 equal or greater than €100 million	50%: June 26, 2017	for fiscal year 2016 equal or greater than €240 million	50%: October 19, 2017
Tranche 2	for fiscal year 2015 equal or greater than €100 million	75%: May 23, 2016	for fiscal year 2016 equal or greater than €100 million	75%: June 20, 2017 October 21, 2017	for fiscal year 2017 equal or greater than €75 million	75%: June 26, 2018	for fiscal year 2017 equal or greater than €260 million	75%: October 19, 2018
Tranche 3	for fiscal year 2016 equal or greater than €100 million	100%: May 23, 2017	for fiscal year 2017 equal or greater than €75 million	100%: June 20, 2018 October 21, 2018	for fiscal year 2018 equal or greater than €100 million	100%: June 26, 2019	for fiscal year 2018 equal or greater than €320 million	100%: October 19, 2019
Number of shares subscribed as of December 31, 2021 (after adjustments)(2)(3)	256,288		1,538		-		-	
Number of options cancelled since the beginning of the plan (after adjustments)(2)(3)	397,605		131,082		6,728		54,258	
Number of options cancelled during the 2021 exercise (after adjustments)(2)(3)	161,734		41,330		0		0	
Number of outstanding options at the end of the exercise (after adjustments)(2)(3)	-		64,408		2,884		9,076	
Exercise price (after adjustments)(2)(3)	May 23, 2013: €86.13 June 7, 2013: €86.13 October 24, 2013: €106.11 December 18, 2013: N/A(4) March 26, 2013: €122.31		June 20, 2014: €156.33 October 21, 2014: €132.84 April 9, 2015: €157.41		June 26, 2015: €158.76		October 19, 2015: €191.97	

(1) Information provided pursuant to Article L. 225-184 of the French Commercial Code.
(2) November 2015 - capital share increase - adjustment coefficient: 1,037937866.
(3) 2020 reverse share split - adjustment coefficient: 27 (Number of options before/after adjustment divided by 27 rounded to the superior unit - Exercise price of the options before/after adjustment multiplied by 27 rounded to the superior decimal).
(4) All beneficiaries of this attribution have left the Company.

As of December 31, 2021, the total outstanding options under the plans amounted to 76,368 subscription options to the benefit of 33 beneficiaries. If all subscription options under the Stock Option Plans mentioned above were exercised, Technicolor's share capital would be composed of 235,900,923 ordinary shares, *i.e.* a 0.03% increase in the number of shares from December 31, 2021.

In accordance with Article L. 225-184 of the French Commercial Code, it is noted that no option was granted nor exercised in 2021.

4.2.4.2 PERFORMANCE OR RESTRICTED SHARE PLANS

The Shareholders' Meeting of April 29, 2016, in its 28th resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 26-month period and was valid until June 29, 2018. The shares to be issued pursuant to this authorization shall not represent more than 2% of the share capital on February 29, 2016.

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on April 29, 2016, on January 6, 2017 and on April 25, 2018 the implementation of respectively **2016, 2017 and 2018 Long-Term Incentive Plan (LTIP)**.

These three-year plans provided conditional rights to the beneficiaries to receive Performance Shares, the delivery of which was subject to the cumulative achievement of Adjusted EBITDA and Free Cash Flow targets. The 2016 and 2017 LTIP came to their end respectively in 2019 and 2020 after a 3-year vesting period. The only LTIP implemented in virtue of this authorization which remained active during fiscal year 2021 is 2018 LTIP.

The Board of Directors of March 11, 2021 reviewed the level of achievement of the performance conditions set by the 2018 LTIP and noted that while the total adjusted EBITDA target for fiscal year 2020 was met, the total Group Free Cash Flow target for such year was not achieved. As per the LTIP 2018 rules, the Board subsequently stated that 50% of the Performance Shares could vest subject to the Presence Condition on April 30, 2021. Consequently, 9,800 shares were definitively acquired at this date and were delivered.

The Shareholders' Meeting of June 14, 2019, in its 20th resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 12-month period and was valid until June 13, 2020. The shares to be issued pursuant to this authorization shall not represent more than 0.72% of the share capital as of December 30, 2018.

Upon recommendation by the Remunerations Committee, on June 14, 2019, the Board of Directors, making use of this authorization, approved the establishment of the **2019 Long-Term Incentive Plan**.

The Shareholders' Meeting of June 30, 2020, in its 25th resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 36-month period and is valid until June 30, 2023. The shares to be issued pursuant to this authorization shall not represent more than 3.6% of the share capital at the date of use of the authorization.

Upon recommendation by the Remunerations Committee, on December 17, 2020, the Board of Directors, making use of this authorization, approved the establishment of the **2020 Long-Term Incentive Plan**. A further allocation of Performance Shares under this Plan to the benefit of the Executive Committee's members was decided by the Board of Directors on March 24, 2021.

The above plans designed to retain and recognize key Group employees while aligning their interests with those of the Company and its shareholders, shall allow Technicolor 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 talent is a key factor to success.

In addition to the above Long-Term Incentive Plans, an Additional Performance Shares Plan was implemented by the Board of Directors in 2021 (the **2020 Additional Shares Plan** or **2020 ASP**). This plan which is further described hereunder was issued in virtue of the authorization given by the Shareholders' Meeting of June 30, 2021, in its 26th resolution.

PERFORMANCE AND RESTRICTED SHARE PLANS IN EXISTENCE AS OF DECEMBER 31, 2021 (TABLE NO. 9 OF THE ANNEX 4 OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE)

	LTIP 2018	LTIP 2019	LTIP 2020		ASP 2020
Date of Shareholders' Meeting	**April 29, 2016**	**June 14, 2019**	**June 30, 2020**		**June 30, 2020**
Date of Board of Directors' meeting	Apr. 25, 2018 June 25, 2018	June 14, 2019 Jul. 24, 2019 Nov. 5, 2019 Jan. 30, 2020	Dec. 17, 2020 March 24, 2021	Dec. 17, 2020	Apr. 15, 2021 Apr. 23, 2021
Type of shares	Performance shares	Restricted shares	Performance shares	Restricted shares	Performance shares
Number of shares initially granted:	637,000	2,907,000	3,499,389	754,656	1,744,416
Number of shares granted after adjustment including[1]:	23,586	107,601	N/A	N/A	N/A
Number of shares granted to Corporate Officers[2]:					

(1) 2020 reverse share split - adjustment coefficient: 27 (Number of shares before/after adjustment divided by 27 rounded to the inferior unit).
(2) Information provided pursuant to Article L. 225-184 of the French Commercial Cod51

	LTIP 2018	LTIP 2019	LTIP 2020		ASP 2020
Date of Shareholders' Meeting	**April 29, 2016**	**June 14, 2019**	**June 30, 2020**		**June 30, 2020**
Frederic Rose (CEO until November 5, 2020)	-	-	-	-	-
Richard Moat (CEO since November 5, 2020)	-	-	**543,833**	**N/A**	**1,027,398**
Number of shares granted to the top ten employee beneficiaries	*21,291*	*40,733*	*1,591,703*	*196,788*	*1,744,416*
Vesting date	Apr. 30, 2021	June 14, 2022	Dec. 17, 2023 Apr. 30, 2024	Dec. 17, 2023	Apr. 15, 2023 Apr. 21, 2023
End of the holding period	N/A	N/A	N/A	N/A	
Performance conditions	Yes	No	Yes	No	Yes
	50% if the sum of the annual adjusted EBITDA assessed over a three-year period (from 2018 to 2020) is equal or greater to €557 million		50% if the sum of the annual adjusted EBITA assessed over a two-year period (from 2021 through 2022) is equal or greater to the target cumulative objective		50% if the sum of the annual adjusted EBITA assessed over a two-year period (from 2021 through 2022) is equal or greater to the target cumulative objective
	50% if the sum of the annual Group Free Cash Flow assessed over a three-year period from 2018 to 2020) is equal or greater to €245 million		50% if, the average share price of the 20 closing share prices of the 20-day trading period preceeding December 31, 2022, is equal or greater to the target TSR objective		50% if, the average share price of the 20 closing share prices of the 20-day trading period preceeding December 31, 2022, is equal or greater to the target TSR objective
Number of shares acquired as of December 31, 2021 (after adjustments)(1)	9,800	-	-	-	-
Number of forfeited shares since the beginning of the plan (after adjustments)(1)	13,786	26,670	192,174	87,199	-
Number of forfeited shares cancelled during the 2021 exercise (after adjustments)(1)	12,046	11,678	192,174	87,199	-
Number of shares susceptible to be acquired on December 31, 2021 (after adjustments)(1)	-	80,931	3,307,215	667,457	1,744,416

(1) 2020 reverse share split - adjustment coefficient: 27 (Number of shares before/after adjustment divided by 27 rounded to the inferior unit).
(2) Information provided pursuant to Article L. 225-184 of the French Commercial Code.

As of December 31, 2021, the total outstanding shares under the plans amounted to 5,800,019 shares, to the benefit of 253 beneficiaries. If all the shares under the Plans mentioned above were acquired, Technicolor's share capital would be composed of 241,624,574 ordinary shares, *i.e.* a 2.46% increase in the number of shares from December 31, 2021.

In accordance with Article L. 225-184 of the French Commercial Code, it is noted that 9,800 shares were acquired in 2021 under those plans.

Long-Term Incentive Plan – LTIP 2020

Upon recommendation of the Remunerations Committee, the Board of Directors, making use of the authorization given by the Shareholders' Meeting of June 30, 2020 in its 25th resolution, granted Performance Shares and Restricted Shares.

Restricted Shares are submitted to all the terms and the conditions of the LTIP 2020 plan rules, except to the performance conditions which apply only to Performance Shares.

The Chief Executive Officer and the members of the Executive Committee are entitled to receive only Performance Shares.

The table below summarizes the characteristics of these grants.

Long-Term Incentive Plan 2020 – LTIP 2020

Shareholders' Meeting authorizing the attributions	June 30, 2020 (25th resolution)	
Remunerations Committee recommending the grants	December 16, 2020 & January 20, 2021	
Board of Directors approving grants (grant date)	• December 17, 2020: grant to the CEO and 100 Group employees (executives and critical talents) • March 24, 2021: grant to 8 Executive Committee members	
Characteristics of the shares *(see details in the table below)*	Performance Shares (representing 82% of the total allocations)	Restricted Shares (representing 18% of the total allocations)
Number of beneficiaries, as of December 31, 2021	95	86
Number of outstanding shares, as of December 31, 2021	3,307,215 representing 1.4% of the share capital	667,457 representing 0.28% of the share capital
Vesting period	At grant 3rd anniversary date	
Acquisition date	• December 17, 2023 (CEO and Group employees) • March 24, 2024 (Executive Committee members)	
Holding Period	None except for: • the CEO who should retain in registered form, until the end of his term of office, 20% of the vested Performance Shares; • the members of the Executive Committee who should retain, until the term of their contracts, at least 10% of the vested Performance Shares.	
Delivery Date	No later than April 30, 2024	

Characteristics of the LTIP 2020 – Performance conditions

<table>
<tr><td rowspan="2">Performance conditions
(Applicable only to Performance Shares)</td><td colspan="2">2 complementary objectives reflecting the key indicators tracked by investors and analysts</td></tr>
<tr><td>The delivery of a maximum of 50% of the Performance Shares will be subject to an adjusted EBITA objective assessed over a two-year (2) period from 2021 through 2022 (the “Two-year period”).
The Board of Directors of Technicolor will have set at Grant Date:
(i) a minimum cumulative EBITA threshold (“EBITA Minimum Threshold”);
(ii) an intermediary cumulative EBITA threshold (“EBITA Intermediary Threshold”);
(iii) a medium cumulative EBITA threshold (“EBITA Medium Threshold”);
(iv) a maximum cumulative EBITA threshold (“EBITA Maximum Threshold”).
The number of Performance Shares to vest under this condition shall be determined as follows:
• if the cumulative EBITA achievement over the Two-year (2) period is inferior to the EBITA Minimum Threshold, 0% of the Performance Shares will vest;
• if the cumulative EBITA achievement over the Two-year (2) period is equal to the EBITA Intermediary Threshold, 5% of the Performance Shares will vest;
• if the cumulative EBITA achievement over the Two-year (2) period is equal to the EBITA Medium Threshold, 40% of the Performance Shares will vest;
• if the cumulative EBITA achievement over the Two-year (2) period is equal or superior to the EBITA Maximum Threshold, 50% of the Performance Shares will vest.
The Performance Shares will vest progressively, on a linear basis, inside the brackets.</td><td>The delivery of a maximum 50% of the Performance Shares will be subject to the achievement by Technicolor of a Total Shareholder Return (“TSR”) objective.
The TSR objective will be assessed and determined on December 31, 2022 (the “Point of reference”), at the expiration of a two (2) financial year period from 2021 through 2022 (the “TSR period”).
The TSR objective shall be determined over the 20-day trading period preceding the Point of reference and calculated as the average share price of the 20 closing share prices of this 20-day trading period.
The Board of Directors of Technicolor will have set at Grant Date:
(i) a minimum TSR objective threshold (“TSR Threshold”);
(ii) a medium TSR objective threshold (“TSR Medium Threshold”);
(iii) a maximum TSR objective (“TSR Maximum Threshold”).
The number of Performance Shares to vest under this condition shall be determined as follows:
• if the TSR objective achievement is equal to the TSR Threshold, 5% of the Performance Shares will vest;
• if the TSR objective achievement is equal to the TSR Medium Threshold, 20% of the Performance Shares will vest;
• if the TSR objective achievement is equal or superior to the TSR Maximum Threshold, 50% of the 0.Performance Shares will vest.
The Performance Shares will vest progressively, on a linear basis, inside the brackets.</td></tr>
<tr><td>Detailed objectives/Targets</td><td colspan="2">The detailed objectives (targets) have been determined by the Board of Directors in December 2020. These will be disclosed in 2023.</td></tr>
<tr><td>Review of the level of achievement of the performance conditions</td><td colspan="2">Review of this achievement shall be realized in 2023 by the Board of Directors.</td></tr>
</table>

Characteristics of the LTIP 2020 – Presence condition applicable to both Performance Shares and Restricted Shares

Cases of forfeiture	Beneficiary who would leave the Group before the expiration of the vesting period.
Exceptions	Case of legal premature exit (including cases of death, disability, retirement, termination without cause) and other customary exceptions decided upon by the Board of Directors.
Specific exception for the Chief Executive Officer	Case of termination (except for serious cause) or resignation after January 1, 2022 in which case the rights shall be maintained on a *prorata*-basis subject to the achievement of the minimum thresholds for the performance conditions for the last civil year before departure.

The plan prevents beneficiaries who are members of the Executive Committee from using hedging instruments for the performance shares during the vesting period and until the end of the holding period.

Additional Performance Shares Plan – ASP 2020

Using the authorization given by the Shareholders' Meeting of June 30, 2020, in its twenty-sixth resolution and upon recommendation of the Remunerations Committee, the Board of Directors approved on April 15, 2021, the implementation of the 2020 Additional Performance Shares Plan (ASP) for the benefit of the Chief Executive Officer & other senior executives eligible beneficiaries.

2020 ASP is the one-off Incentive & Investment Plan the implementation of which was initially scheduled in 2020 but actually took place in 2021 due to the postponed agenda of the financial restructuring as mentioned in the 2021 compensation policy for the Chief Executive Officers (see 2020 Universal Registration Document p. 128 and 129).

This two-year plan actually intends to encourage and promote personal investments and equity ownership from the Chief Executive Officer and other eligible senior executives (the "beneficiaries") with the main objective to ensure that they are fully committed to the Group's transformation and long-term strategy while aligning them with shareholders' interests.

It provides conditional rights to the beneficiaries to receive Additional Performance Shares. The term "Additional" means that the grant of these shares, which are Performance Shares, is subject and therefore additional to the prior significant and personal investment by each beneficiary in ordinary shares of the Company.

In consideration of these personal investments in Company's shares that were made by the Chief Effective Officer and 3 other members of the Executive Committee between December 2020 and April 2023[(1)], the Board of Directors granted on April 15 and April 23, 2021, to each beneficiary Additional Performance Shares in an amount representing, based on the day before grant date's closing price, three times the amount of the investment with a cap for such investment set at 1 million for the CEO.

THE TABLE BELOW SUMMARIZES THE CHARACTERISTICS OF THESE GRANTS.

Additional Performance Shares Plan 2020 – ASP 2020

Shareholders' Meeting authorizing the attributions	June 30, 2020 (26th resolution)
Remunerations Committee recommending the grants	April 15 & April 23, 2021
Board of Directors approving grants (grant date)	• April 15, 2021: grant to the CEO and 2 eligible executives (Executive Committee's members) • April 23, 2021: additional grant to 3 eligible executives (Executive Committee's members)
Characteristics of the shares *(see details in the table below for the performance conditions)*	Additional Performance Shares
Number of beneficiaries, as of December 31, 2021	4 including the CEO and 3 Executive Committee's members
Number of outstanding shares, as of December 31, 2021	1,744,416 representing 0.74% of the share capital
Vesting period	At grant 2nd anniversary date
Acquisition (vesting) date	• April 15, 2023 (first grant) • April 23, 2023 (additional grant)
Holding Period	None except for: • the CEO who should retain in registered form, until the end of his term of office, 20% of the vested Additional Performance Shares; • the members of the Executive Committee who should retain, until the first anniversary from vesting date, at least 10% of the vested Performance Shares.
Delivery Date	No later than June 30, 2023

(1) Refer to section 4.1.1.5 of the 2020 Universal Registration Document and of the present Universal Registration Document for the details of the acquisitions of Company's shares respectively made by the Chief Executive Officer in 2020 and the other senior executives in 2021 as disclosed to the Autorité des marchés financiers.

Characteristics of the ASP 2020 – Performance conditions

Performance conditions *(Applicable only to Performance Shares)*	2 complementary objectives reflecting the key indicators tracked by investors and analysts	
	The delivery of a maximum of 50% of the Performance Shares will be subject to an adjusted EBITA objective assessed over a two-year (2) period from 2021 through 2022 (the "Two-year period"). The Board of Directors of Technicolor will have set at Grant Date: **(i)** a minimum cumulative EBITA threshold ("EBITA Minimum Threshold"); **(ii)** an intermediary cumulative EBITA threshold ("EBITA Intermediary Threshold"); **(iii)** a medium cumulative EBITA threshold ("EBITA Medium Threshold"); **(iv)** a maximum cumulative EBITA threshold ("EBITA Maximum Threshold"). The number of Performance Shares to vest under this condition shall be determined as follows: • if the cumulative EBITA achievement over the Two-year (2) period is inferior to the EBITA Minimum Threshold, 0% of the Performance Shares will vest; • if the cumulative EBITA achievement over the Two-year (2) period is equal to the EBITA Intermediary Threshold, 5% of the Performance Shares will vest; • if the cumulative EBITA achievement over the Two-year (2) period is equal to the EBITA Medium Threshold, 40% of the Performance Shares will vest; • if the cumulative EBITA achievement over the Two-year (2) period is equal or superior to the EBITA Maximum Threshold, 50% of the Performance Shares will vest. The Performance Shares will vest progressively, on a linear basis, inside the brackets.	The delivery of a maximum 50% of the Performance Shares will be subject to the achievement by Technicolor of a Total Shareholder Return ("TSR") objective. The TSR objective will be assessed and determined on December 31, 2022 (the "Point of reference"), at the expiration of a two (2) financial year period from 2021 through 2022 (the "TSR period"). The TSR objective shall be determined over the 20-day trading period preceding the Point of reference and calculated as the average share price of the 20 closing share prices of this 20-day trading period. The Board of Directors of Technicolor will have set at Grant Date: **(i)** a minimum TSR objective threshold ("TSR Threshold"); **(ii)** a medium TSR objective threshold ("TSR Medium Threshold"); **(iii)** a maximum TSR objective ("TSR Maximum Threshold"). The number of Performance Shares to vest under this condition shall be determined as follows: • if the TSR objective achievement is equal to the TSR Threshold, 5% of the Performance Shares will vest; • if the TSR objective achievement is equal to the TSR Medium Threshold, 20% of the Performance Shares will vest; • if the TSR objective achievement is equal or superior to the TSR Maximum Threshold, 50% of the Performance Shares will vest. The Performance Shares will vest progressively, on a linear basis, inside the brackets.
Detailed objectives/Targets	The detailed objectives (targets) have been determined by the Board of Directors in April 2021 and aligned on the performance conditions set for the LTIP 2020. These will be disclosed in 2023.	
Review of the level of achievement of the performance conditions	Review of this achievement shall be realized in 2023 by the Board of Directors.	

Characteristics of the ASP 2020 – Presence condition

Cases of forfeiture	Beneficiary who would leave the Group before the expiration of the vesting period
Exceptions	Case of legal premature exit (including cases of death, disability, retirement, termination without cause) and other customary exceptions decided upon by the Board of Directors.
Specific exception for the Chief Executive Officer	Case of termination (except for serious cause) or resignation after January 1, 2022 in which case the rights shall be maintained on a *prorata*-basis subject to the achievement of the minimum thresholds for the performance conditions for the last civil year before departure.

The plan prevents beneficiaries from using hedging instruments for the performance shares during the vesting period and until the end of the holding period when applicable.

Long-Term Incentive Plan – LTIP 2019

Upon recommendation by the Remunerations Committee, the Board of Directors, making use of the authorization given by the Shareholders' Meeting of June 14, 2019 in its 20th resolution, granted Restricted Shares. The table below summarizes the characteristics of these grants.

Long-Term Incentive Plan 2019 – LTIP 2019

Shareholders' Meeting authorizing the attributions	June 14, 2019 (20th resolution)			
Remunerations Committee recommending the grants	April 16 & 24, 2019	July 23, 2019	November 4, 2019	January 23, 2020
Board of Directors approving grants	June 14, 2019	July 24, 2019	November 5, 2019	January 30, 2020
Number of beneficiaries (as of December 31, 2021)	150			
Number of outstanding shares (as of December 31, 2021)	80,931 representing 0.03% of the share capital			
Vesting period	3 years			
Holding Period	None except for the members of the Executive Committee who should retain, until the term of their contracts, at least 10% of the vested Performance Shares.			
Delivery Date	June 14, 2022 or as promptly as possible thereafter (subject to presence condition on that date).			

Characteristics of the LTIP 2019 – Performance conditions

Performance conditions	None.

Characteristics of the LTIP 2019 – Presence condition

Cases of forfeiture	Beneficiary of Restricted shares who would leave the Group before the expiration of the vesting period.
Exceptions	Case of legal premature exit (including cases of death, disability, retirement, termination without cause) and other customary exceptions decided upon by the Board of Directors.

The plan prevents beneficiaries who are members of the Executive Committee from using hedging instruments for the restricted shares and requires that they retain a significant number of shares up until the termination of their positions within the Group.

Long-Term Incentive Plan – LTIP 2018

Upon recommendation of the Remunerations Committee, the Board of Directors, making use of the authorization given by the Shareholders' Meeting of April 29, 2016 in its 28th resolution, granted Performance Shares. The table below summarizes the characteristics of these grants.

Long-Term Incentive Plans 2018 – LTIP 2018

Shareholders' Meeting authorizing the attributions	April 29, 2016 (28th resolution)	
Remunerations Committee recommending the grants	-	June 21, 2018
Board of Directors approving grants	April 25, 2018	June 25, 2018
Number of beneficiaries as of April 30, 2021 (Vesting date)	10	
Number of vested shares delivered on May 6, 2021	9,800 representing 0,004% of the share capital	
Vesting period	3 years	
Holding Period	None except for the members of the Executive Committee who should retain, until the term of their contracts, at least 10% of the vested Performance Shares.	
Delivery Date	April 30, 2021 or as promptly as possible thereafter (subject to presence condition on that date)	

Characteristics of the LTIP 2018 – Performance conditions

Performance conditions: 2 complementary financial objectives reflecting the key indicators tracked by investors and analysts

Adjusted EBITDA objective assessed over a three-year period:
- if the sum of the annual adjusted EBITDA realized over a three-year period were greater or equal to the sum of the objectives of the annual adjusted EBITDA for the same period, 50% of the Performance Shares would be definitively earned;
- in the opposite case, no Performance Shares would be earned.

Group Free Cash Flow objective assessed over a three-year period:
- if the sum of the Group's yearly Free Cash Flow realized over three years were greater than or equal to the sum of the annual Free Cash Flow objectives for the Group over the same period, 50% of the Performance Shares would be definitively earned;
- in the opposite case, no Performance Shares would be earned.

Detailed objectives

	2018		2019		2020		Total	
Set objectives for the plan	**Objective**	**Achieved**	**Objective**	**Achieved**	**Objective**	**Achieved**	**Cumulative objective**	**Achieved**
Adjusted EBITDA	€250 million	€270 million	€206 million	€244 million	€101 million	€106 million	€557 million	€620 million
Group Free Cash Flow	€40 million	€(47.9) million	€(22) million	€(161) million	€(263) million	€(255) million	€(245) million	€(463,9) million

Review of the level of achievement of the performance condition: The Board of Directors of March 11, 2021 reviewed the level of achievement of the performance conditions set by the plan and noted that, as detailed above, that the adjusted EBITDA cumulated objective was achieved while the Group Free Cash Flow cumulated objective was not. It decided therefore that 50% of the shares could be acquired and delivered to the beneficiaries subject to the respect of the presence condition until vesting date.

Characteristics of the LTIP 2018 – presence condition

Cases of forfeiture	Beneficiary of Performance Shares who would leave the Group before the expiration of the vesting period of at least three years.
Exceptions	Case of legal premature exit (including cases of death, disability, retirement, termination without cause) and other customary exceptions decided upon by the Board of Directors.

The plan prevents beneficiaries who are members of the Executive Committee from using hedging instruments for the performance shares and requires that they retain a significant number of shares up until the termination of their positions within the Group.

It is noted that the Board of Directors may proceed to grants of performance conditions at different calendar periods.

DISCLOSURE ON EXTRA-FINANCIAL PERFORMANCE

5

Ambitious **Talent Acquisition** and **Development** programs

A commitment to reduce drastically Group's carbon emissions made to **Science Based Targets initiative**

Recognition of CSR performance by rating agencies (Platinum rating by EcoVadis, C+ Prime rating by ISS ESG, Top performer rating by Gaia-Ethifinance)

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.

GRI SUSTAINABILITY REPORTING STANDARDS (GRI STANDARDS) AND DISCLOSURES

GRI *[102-12] [102-54]*

Since 2014, Technicolor has been following the GRI Standards, a worldwide reporting framework on sustainability, to structure its economic, environmental and social reporting.

The Group prepares its Sustainability report **in accordance with the GRI Standards: Comprehensive option**, thereby demonstrating that its non-financial information and disclosures are exhaustive. The Sustainability report includes a GRI Content Index, which lists all reported GRI Standards and Disclosures. Technicolor Sustainability reports are available on the Technicolor website in the CSR section: https://www.technicolor.com/csr.

GRI Disclosure labels are included in both the Universal Registration Document and in the Sustainability report. Disclosure labels (for example GRI [102-1], GRI [302-3]) help readers locate the information that they are looking for as indicated in the GRI Content Index. They contribute to give more control over the transparency, comparability, quality and accountability of the Group's sustainability data.

5.1 CORPORATE SOCIAL RESPONSIBILITY'S CHALLENGES OF THE GROUP

GRI *[102-32] [103-1 Economic performance] [103-1 Market presence] [103-1 Indirect economic impacts] [103-1 Procurement practices] [103-1 Anti-corruption] [103-1 Anti-competitive behavior] [103-1 Materials] [103-1 Energy] [103-1 Water and effluents] [103-1 Emissions] [103-1 Waste] [103-1 Environmental compliance] [103-1 Supplier environmental assessment] [103-1 Employment] [103-1 Labor/Management relations] [103-1 Occupational health and safety] [103-1 Training and education] [103-1 Diversity and equal opportunity] [103-1 Non-discrimination] [103-1 Freedom of association and collective bargaining] [103 1 Child labor] [103-1 Forced or compulsory labor] [103-1 Human Rights assessment] [103-1 Local communities] [103-1 Supplier social assessment] [103-1 Public policy] [103-1 Customer health and safety] [103-1 Marketing and Labeling] [103-1 Customer privacy] [103-1 Socioeconomic compliance]*

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 People & Talent & Corporate Social Responsibility EVP, who is a member of the Executive Committee of the Group, and who defines Human Resources and CSR strategic priorities in-line with Technicolor's Strategic Plan, and drives initiatives across the Group's activities.

5.1.1 Business models

Technicolor's activities, as well as the associated business models, are presented in sections 1.1: "Overview and historical background", 1.2: "Organization and business overview", and 1.3: "Strategy".

5.1.2 The CSR risks

GRI [102-11] [102-15] [102-44] [102-46] [102-47]

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 19 CSR issues. Policies and results regarding these issues are detailed throughout this Chapter.

	Macro risk		CSR challenges at stake relating to macro risk
1	**Human capital**	1	**Management and development of talent acquisition, retention and training*** (see section 5.2.1)
	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, in creative activities, in research and development and in distribution.	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	Business transformation and social dialogue (see section 5.2.4)
		5	**Safety at work (injuries, illnesses and severity)*** (see section 5.2.5)
		6	Community impact and regional development (see section 5.2.7)
		7	Absenteeism (see section 5.2.6)
2	**Human Rights and working conditions**	8	**Human Rights and working conditions, including suppliers and sub-contractors*** (see section 5.3.1)
	The global organization and performance of our supply chain with multiple contributors require strong and consistent attention while national legislation related to human rights is increasing.	9	**Fight against discriminations*** (see section 5.3.2)
3	**Climate change**	10	**Carbon emissions generated by production, supply chain (logistics and purchasing) and data centers / decarbonized energy*** (see section 5.4.1, and 5.4.3)
	Climate change requires improvement of efficiency at every step of the life cycle of our products and services.	11	**Energy efficiency: carbon emissions generated by products' use*** (see section 5.4.2)
4	**Circular economy**	12	Recycling of waste and optimization of raw material consumption (see section 5.5.1)
	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.	13	Environmental footprint of products – eco-design of products (see section 5.5.2)
		14	Environmentally responsible procurement (see section 5.3.1)
		15	Sustainable water management (see section 5.5.3)
5	**Fairness of practices**	16	Compliance with competition rules – business ethics and anti-bribery (see section 5.8.1)
	In an internationalized and competitive business environment with increasing business ethics requirements, any non-compliance generates major risks.	17	Fight against tax evasion (see section 5.8.2)
6	**Safety of customers and protection of customers' content**	18	Product compliance and ban of hazardous materials (see section 5.7.1)
	Physical safety of end customers is vital to sustainable relationships with our customers. Intellectual Property rights of our customers are critical assets and must be highly protected in content production and in physical and digital content distribution.	19	**Cyber risks – protection of networks and of data/Content security and respect of Intellectual Property*** (see section 5.7.2 and 3.2.5)

* *Strategic CSR challenges.*

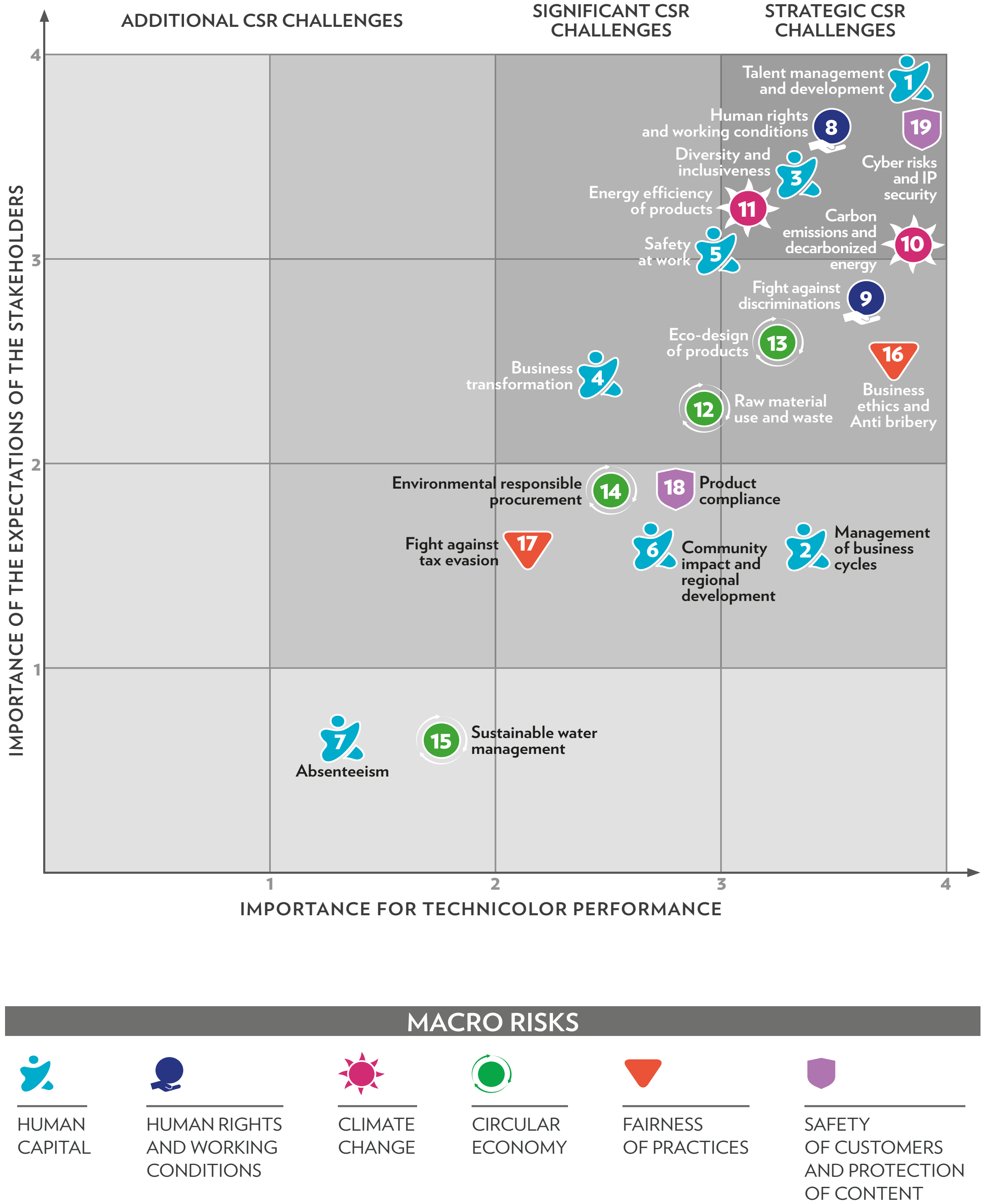
These challenges list is derived from the materiality matrix which prioritizes the 19 CSR challenges.

Identification of the CSR challenges is based on the CSR requests from customers and rating agencies, on peer evaluation, and on internal analysis of key levers to anticipate evolution of customers and markets and of regulations. It was updated in 2021 to reflect higher priority for climate change, anti harassment and discrimination, and circular economy.

In addition to these challenges, the Covid-19 pandemic has a transversal impact. In this context, Safety at work, from a prevention perspective, becomes more strategic, and its plot on the matrix reflects its importance.

5.1.3 The materiality matrix

GRI *[102-42] [102-44] [102-46] [102-47]*



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

GRI *[102-43]*

Technicolor's 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 Diversity, Equity and Inclusion framework and initiatives are therefore essential, as well as the promotion of employee health and well-being for both attraction and retention;
- **enabling sustainable content creation and distribution**

  Content distribution requires energy in all cases:

  - energy consumption based on the raw materials used within and by manufacturing and distribution operations of physical media,
  - energy consumption of products (set top box and modems) used for digital distribution and raw material for these products during production and the associated waste at end of life,
  - energy consumption to create content.

  At the same time, video content resolution and advanced visual creation increases regularly, leading to associated increases in the volume of data to create, to deliver and the energy required to achieve it.

  Innovation in electronic product design and in video technologies must support energy efficiency of modems and set top box together with improved video performances and resolution.

  The improvement of physical distribution networks, of logistic resources, the reduction in volume of packaging, and improvements in recyclable waste must provide a reduction of the environmental footprint of physical media.

  This pillar includes climate change mitigation, reduction of carbon emissions and increased use recycled materials in products together with reduction of 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 temporary employees to offset peak production periods 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

GRI *[103-1 Indirect economic impacts] [103-2 Indirect economic impacts] [103-1 Employment] [103-2 Employment] [103-1 Occupational health and safety] [103-2 Occupational health and safety] [103-1 Training and education] [103-2 Training and education] [103-1 Local communities] [103-2 Local communities] [203-2] [403-1] [403-2] [403-3] [403-4] [403-5] [403-6]*

Early in 2020, during the beginning of the pandemic and continuing throughout 2021, Technicolor 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. Two other levels of Covid-19 Global Crisis Management level were implemented:

- by business division, led by business Heads and their Chief Operating Officer;

- by Country, led by the Human Resources network.

Based on prior experience with workers in close proximity to areas of the world experiencing outbreaks of SARS and H1N1, Technicolor 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. While each main business managed in a slightly different manner due to customer needs and variations in infrastructure, the approaches taken consistently relied on multi-stakeholder working groups to update policy and to develop clear written requirements, training and communications, materials and equipment, management controls, and daily working practices adapted to the rapidly changing needs of the Covid-19 pandemic.

The guiding principle in all this work was to protect worker health and safety by following the guidance of international health organizations such as the World Health Organization or the Centers for Disease Control, while maintaining compliance with all regulatory requirements at country and local levels for every location where Technicolor operates. Because this guidance changed frequently and at times significantly, the working groups relied on a mix of internal and external subject-matter experts to manage the ongoing implementation of safe working policy and practice.

At the organizational level, decisions were taken to deploy a standard pandemic contingency plan within the business continuity plan (BCP) of each business unit, and also within the BCP at each operating location. As part of this work, written risk assessments were developed so that decisions about personal protective equipment (PPE), health screening of people (workers, guests, or contractors), training and communication requirements, cleaning and disinfecting materials and schedules, social distancing requirements, and other relevant practices could all be thoughtfully aligned with the current best practices and recommendations of all guiding bodies, while including the local operational knowledge and concerns of the affected workers at each site.

Real-time dashboards of site status were implemented along two axes. One to know the site status of open, closed, or partially open at various levels and with an indication of number of staff on-site. Two to track and monitor the organizational development and readiness concerning written pandemic plan, written risk assessment, and required training.

Once the Covid-19 pandemic was widely recognized as an emerging disease, almost all travel was blocked within Technicolor, and where possible all staff were advised to work remotely – both these actions to protect worker health and to prevent transmission of the illness. While there were many technical challenges for creating the large-scale ability to work remotely and securely, protecting the content and Intellectual Property of all customers, a new need for training and communication on the topic of worker health and safety during prolonged isolation in the remote working location was identified, and specific training and advice was developed and communicated to all staff, including frequent reminders to combat "Covid-19 fatigue" as more months passed.

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.

At different periods during this pandemic, depending on the rate of change in the Covid-19 knowledge base and regulatory environment, working groups and committees at different levels of the Group were meeting daily or weekly in order to be sure that all actions taken were well-aligned with current conditions and requirements, and that improvements in best practices were rapidly implemented at all Technicolor locations. PPE, primarily masks, were sourced and distributed globally in order to fairly manage the need for masks for all on-site personnel while managing the supply chain as it ramped up to meet the worldwide need. During 2021 the supply chain for masks stabilized and control of masks returned to the site level, while new requirements for nearby (PCR) or on-site (rapid antigen) testing were facilitated when not locally organized by governments.

Of course, factory workers did not in general have the option of working remotely, and most industrial operations of Technicolor have remained open throughout the pandemic. Factory workers were advised to check their health each day prior to traveling to the workplace, screenings were implemented upon arrival to check for recent symptoms or exposure, including temperature checks when permitted by local regulations, PPE was provided, and facility-based risk mitigations were implemented such as increased frequency for cleaning and disinfecting high-touch surfaces or revised line layouts for enhanced social distancing. Elevators and lifts were designated for reduced capacity due to social distancing requirements, and where practical, stairways were dedicated to only up or only down, in order to limit exposure risks. Ventilation systems were verified as fully maintained, with maximum filtration and introduction of fresh air. In some situations where there was no alternative to small in-person meetings with customers, additional air purifying devices were used at the studio or meeting room level to augment building air quality, and these devices utilized HEPA filtration for particle removal, UV-C irradiation for sanitization of aerosolized particles, or both.

At times, when governments issued direction to close or to lockdown or to limit operations significantly, all in order to protect public health, there were consequences for staff due to the workplace closure, shortage of work, or project delays. In these cases, Technicolor worked to retain staff by using locally available furlough programs where possible and eligible. These furlough programs were generally designed to retain staff and to subsidize pay in part or in full until such time as operations could resume. Technicolor viewed the retention of staff as a critical action so that the restart or reopening of projects and locations could begin without delay as soon as possible, without the burden of seeking and rehiring talent recently on board. In order to limit permanent lay-off, when furlough and other similar programs were not possible or eligible, when shortage of work and delays of projects happened due to this pandemic, employees were advised to consider temporarily reducing their working time or their remuneration, in jurisdictions where it was legal to do so. Information on benefits, health plan coverage and governmental assistance were also delivered to the impacted employees based on a country approach. When such programs were not possible, we had unfortunately to adapt the workforce to the new situation. Laid-off temporary foreign workers willing to go back to their home country for personal reasons were also impacted at times by the public authorities' restrictions imposed on air travel, and in these cases support was offered to find flights.

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.

Workers with personal health risk, or who were caring for or in close proximity to members of household at risk due to age or health conditions, were continually advised not to come to the workplace but to remain isolated.

Throughout the year, communications about Covid-19 were frequently made to all members of staff, using a variety of methods and media, from a well-developed Intranet page devoted to all things Covid-19, to a series of periodic town hall video meetings with the Chief Executive Officer and executive staff. Additionally, various intermediate communications were made *via* e-mail or during team meetings or *via* posters, communication boards, or other physical media.

Workers were requested to disclose to Technicolor at any time if they were feeling ill or if they received a positive test result for Covid-19. If on-site during this time, then the worker was requested to exit the facility as soon as possible, and to seek medical care according to local practices and facilities. Their workspace was then targeted for a deep cleaning and disinfection, contact tracing was done, and two levels of communication went out to the site personnel – all personnel were advised that the location had hosted a person confirmed to be infected, and anyone deemed in close contact was advised to isolate for a period according to local guidance, typically 14 days. In all cases, Technicolor remained in close contact with all affected workers in order to offer support and to clearly communicate benefits during this period of recovery as well as to define requirements for returning to work, and this follow-up contact was ongoing until each worker received the all-clear to return to work, whether working remotely or on-site.

5.2 HUMAN CAPITAL

5.2.1 Management and development of talent

GRI *[103-1 Employment] [103-2 Employment] [103-3 Employment] [103-1 Training and Education] [103-2 Training and Education] [103-3 Training and Education]*

5.2.1.1 A GLOBAL ORGANIZATION

Except for administration and support functions, most profiles of Technicolor's employees are business division specific:

- Technicolor Creative Studios: 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, and is subject to significant turnover and recruitment rates: artists move easily worldwide from one company to another, to join a more technically challenging project in order to improve their track record and experience, their employability and their remuneration, leading to the creation of some tensions in the labor market. Diversity of employees is a critical success factor for this creative industry. Therefore, volume recruitment is significant and permanent, and is managed on a worldwide basis, rendering Technicolor's attraction and retention policies critical;
- Connected Home: mainly engineer's skills, with R&D hardware and software engineers, quality engineers, technical customer support, sourcing and manufacturing engineers, sales engineers, and a limited percentage of production workers. Turnover is limited and recruitment is mainly in Asia and Americas, allowing a relative level of diversity complemented by the diversity of site locations and the internal mobility of employees;
- DVD Services: line operators, warehouse and material handling workers, content security specialists, facilities and equipment maintenance technicians, health and safety specialists, supervisors and managers. Activity is seasonal and regularly requires large staffing variations using temporary recruitment (employees and agency workers), in addition to overtime, to offset peak production requirements. Recruitment is local.

Therefore, the management and the development of talent require a flexible organization to match with these different requirements. In 2020, Technicolor launched the re-engineering of its operating model with the implementation of the People & Talent & CSR organization. The Head of People & Talent & CSR, a Member of Technicolor's Executive Committee, defines Human Resources & CSR strategic priorities in line with Technicolor's Strategic Plan, implements and adapts the People & Talent & CSR model, identifies organizational needs and related resources, and pilots People & Talent & CSR initiatives across all of the Group's activities. The organization has four dimensions:

- **Global Centers of Excellence (CoE)** who design the strategy in their respective fields. They ensure consistency and delivery of key Group HR projects and provide specialized advice and expertise across the whole organization in the following areas:
  - *Global Rewards, Wellness and Payroll* focusing on compensation & benefits, rewards, incentive programs, international mobility programs, performance management, pension schemes, medical care and other benefits, payroll and wellness framework,
  - *Digitalization, Performance and Transformation*, including information systems and processes, HR performance KPIs, leading and managing the re-engineering projects of systems and data management, and focusing on implementing user-friendly, agile, coherent and sustainable tools,
  - *Global Learning and Development* focusing on people development to enhance individual contribution to the teams' performance,
  - *Global Diversity, Equity and Inclusion (DEI)* focusing on inclusion and equity programs and initiatives to attract and retain our diverse workforce,
  - *Corporate Social Responsibility (CSR) & Compliance* focusing on all areas pertaining to Sustainable Responsibility: Human Rights, Health and Safety, Environmental care, Ethics, and Social Responsibility as well as Compliance;
- **Talent & Business Partners** who define the operational talent requirements and objectives in strong partnership with their respective business divisions. Talent & Business Partners work closely with each business leader to analyze and to plan the evolution of Technicolor's workforce skills and competencies, and to ensure they are in line with their business strategy. They have a key role in the domains of organizational design, define career paths and specific development strategies aligned with business priorities. On the basis of the Resource & Development Plans drawn up each year by the divisions, the Talent and Business Partners define and lead, hand-in-hand with the management of their organization, a HR strategy for their scope which is based on 4 pillars: Talent Acquisition and Development, People and Teams Performance, Recognition and Retention;
- **People Partners** who deliver regionally and locally the Human Resources services to the businesses such as:
  - talent identification and development,
  - employee relations,
  - Performance Management,
  - Global Rewards,
  - Payroll, time & attendance,
  - employment compliance and labor relations,
  - local DEI or Wellness initiatives.

  They ensure a consistent HR approach across sites and functions within each geographical region, and guarantee that Technicolor remains compliant with local employment laws and practices. People Partners also contribute to the implementation of Corporate People & Talent programs and facilitate coherent local communications. They are organized as four regions: Americas, including North and South America, Europe, India-Australia, and Asia. Within each country, People Partners can be shared between businesses and transversal functions or dedicated to a single business when site's business is specific;
- **Global People Services** is focusing on delivering data management, transactional and hiring services as a global tiered operating and service delivery model for all countries. It is located in India.

5.2.1.2 TALENT ACQUISITION

Within each division, 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 & Talent 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).

In the case of 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 Film & Episodic VFX Division 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's 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 sourcer model to accompany recruitment efforts allows the team to pivot where resources are needed most. In 2021, the team achieved +6,500 direct hires amid a global pandemic, compared to 3,100 people in 2019 and 722 in 2020. With the demand for the world's best VFX artists being more significant than ever as the pandemic continues, 75 recruiters and sourcers 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 2021, about 1,600 Artists were enrolled through TCS Talent to the Academy, of which about 1,200 were subsequently hired or retained after the Academy session completion (see section 5.2.7.1 about the Academy).

Due to the important number of projects and the related needed skills who must be located 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 to build short and medium headcount and hiring plan. 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 detailed full year headcount forecasts to establish hiring requirements, attrition forecasts, location strategy & real estate requirements, software licensing and any other headcount related insights. This headcount forecast is then used as the budget target moving forward, and divisional performance against these targets is monitored. Within a 6 months window the Resource Management function works with divisions to assign resources to shows, and dynamically manage peaks and troughs in schedules to ensure optimal utilization of resources and cost management.

For other businesses (Connected Home and DVD Services) and transversal functions, 10 recruiters and sourcers have access to and benefit from support in their professional use of online applicant tracking platforms and access to external recruitment sites (such as LinkedIn).

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 as an employer of choice due to its culture and values.

5.2.1.3 PERFORMANCE, RECOGNITION AND RETENTION

GRI *[102-36] [401-2] [403-6] [404-3]*

Since 2010, Technicolor has been evaluating the individual performance of all employees.

Committed to offer the best support possible in alignment with the constant evolution of businesses (project mode, constant technological changes, continuous improvement…) and the needs of employees (purpose, transparency, feedback in real time…), in March 2018 the Group launched a project to overhaul the system of performance evaluation and employee development. This tool called "TEAM" is based on 4 fundamental principles:

- contribution replaces the notion of performance: the contribution is defined in this tool as the global appreciation of the concrete contribution of an individual to the results and successes of the collective;
- observed behaviors (the "how") are taken into account in the evaluation of the contribution as well as the results obtained (the "what");
- "continuous" conversations aim at ensuring frequent exchanges between employees and their managers: setting or modifying objectives or missions, feedback loops on obtained results and observed behaviors; and finally
- for those who wish to do so, integration into the contribution assessment of the justified and formalized opinions of relevant stakeholders who collaborated with the person evaluated (multi source feedback).

36% of the employees are now using it, as well as 89% of the employees having a variable compensation.

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 uses a classification structure based upon Willis Towers Watson methodology, with grades and bands that ultimately emphasize and reinforce the strong link between contribution and remuneration. Technicolor is steadily reviewing its job definitions and levels and reflects the evolutions of the Group. Such classification allows the Group to ensure the internal equity of remuneration packages. Moreover, Technicolor participates to relevant salary surveys to assess the competitiveness of remuneration in the proper marketplaces. This provides Technicolor with sustainable, objective and equitable means of remunerating employees while closely 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. As this business evolves rapidly, a new update is under preparation for a roll-out during 2022.

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 to offer competitive compensation packages to employees in accordance with competitive pressures in the marketplace. This ensures that Technicolor continues to attract, motivate and retain high potentials and key contributors for which Technicolor competes in an international marketplace, while controlling cost structures;
- **equitable approach/internal fairness**: Technicolor believes that it remunerates its employees on a fair basis in each of its geographical locations in a way that aligns with both local market standards and proposed corporate programs. 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 professionals, engineers and managers is a sound, market-driven policy and ultimately administered to stimulate business performance. A substantial part of the total remuneration package is composed of variable elements which drive a performance culture and support the Company's strategy. These variable elements are meant to stimulate, recognize and reward not only individual contribution, especially innovation and risk-taking, but also and in particular, solid and consistent Group and division performances.

In accordance with the principles and rules established by the Group, any group or division entity is entitled to recognize the potential and 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), and on the evolution of the base salary payroll mass (without variable elements and social contributions paid by the employer).

	2021	2020	2019
Evolution of remuneration	8.15%	1.62%	5.01%

As part of this total remuneration policy, Technicolor regularly expands its benefits policy with the double objective of fairness and equity between employees of the different countries and divisions and of attractiveness.

In 2021, the following extensions were implemented:

Area of action	Type of action	Description of the extension	Country
Health	Covid-19	Implementation of a Covid-19 specific policy with sum insured of INR500,000 each covering Employee, Spouse & Children (Fully employer paid). For parents, Technicolor made available a voluntary options with sum insured of INR300,000, INR400,000 & INR500,000 (Employee paid).	India
Health	Benefits Enhancement	New benefits added to Group medical policy: 1. Uterine Artery Embolization and HIFU up to INR75,000/- per family. 2. Balloon Sinuplasty covered up to INR40,000/- per incidence. 3. Stereotactic Radio Surgeries covered up to 50% of base sum insured. 4. Vaporization of the Prostrate (Green laser treatment holmium laser treatment) covered at actual up to 50% of base sum insured. 5. Animal/Serpent attack covered on IPD treatment up to FSI (Family Sum Insured). 6. Claim to be processed without any deduction in case of death of member during hospitalization up to FSI (Covering all non-medicals and waiver of co-pay).	India
Accident	Benefits Enhancement	Sum Insured was enhanced from minimum of INR1,000,000/- to INR2,000,000/- & from 2 times of annual cost of company (CTC) to 3 times of CTC under current year policy.	India
Critical Illness	Benefits Enhancement	2 new critical conditions covered in the critical illness policy: Severe Crohn's Disease & Severe Ulcerative Colitis - from 28 to 30 diseases covered	China
All benefits plan	Communication & Engagement	Communication campaign around existing services available to employees (assistance, social fund, medical network and telemedicine) through their individual healthcare membership account.	France
Life	Benefits modification	Alignment of the Directors plan with other white collar employees' plan *via* a reduction of the benefit design from 100 to 52 months of salary in case of death.	Mexico

Area of action	Type of action	Description of the extension	Country
Life	Benefits modification	Change from Group Term Life policy to Individual policies (following decrease in headcounts and no longer eligible to Group policy).	Japan
Health, Retirement & Social	Wellbeing	Enhancement of the Wellbeing & Lifestyle Rewards program: a series of 20 activities targeted towards medical & dental prevention, telemedicine, financial webinars & consultations. Expanded activities towards 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
Income Replacement	Disability	Provide a new and enhanced company paid short-term disability and long-term disability coverage to a certain group of employees (Home Entertainment Services Hourly) at no cost to employees	US
Health	Medical	Access to Centers of Excellence available to Cigna members: healthcare facilities that are highly rated in delivering safe, effective treatment for complex medical procedures, such as heart conditions, knee or hip replacement, back surgery or cancer conditions.	US
Life	Benefits Enhancement & Digitalization	Implementation of MyADP self-service beneficiary designation to add/or update beneficiary(ies) for life insurance. A required feature in order to confirm benefit elections enrollment.	US
Medical	Digitalization	Implementation of MyADP decision tool to compare medical plans side-by-side, estimate yearly medical needs and better assist our employees in making informed decisions in regard to their medical plan options.	US
All Benefit Plans	Communications Sale of Technicolor Post-Production Business	Coordinate benefits information webinars to employees who transitioned to Streamland Media. Coordinate one-on-one consultations with Fidelity to discuss financial situations and transition impact of their retirement plans.	US
All Benefit Plans	Benefits Enhancement & Communications	Development and implementation of targeted benefits guides (9 versions), live webinars (6 sessions), various email campaigns & countdown, and videos during the Open Enrollment period to inform employees, from all business units, about the benefits harmonization and enhancements effective January 1, 2022.	US
Health	Medical, Dental & Vision	Implementation of the COBRA Subsidy Period under ARPA (The American Rescue Plan Act of 2021) that includes 100% company paid healthcare coverage to individuals who have been involuntary terminated from employment or experienced a reduction in hours. COBRA Subsidy Period on or after April 1, 2021 through September 30, 2021.	US
All Benefit Plans	Communications & Digitalization	Launch Bilingual Group Benefits Guides (4 versions) and targeted flyers to educate employees on all benefit programs with easy and interactive navigation, valuable “at a glance” information available at www.TechnicolorPlus.com.	Canada
All Benefit Plans	Communications Sale of Technicolor Post-Production Business	Coordinate benefits webinars to employees who transitioned to Streamland Media. Create FAQs for the Group benefits and retirement plans.	Canada
All Benefit Plans	Communications Closure of DVD Services Canada site	Coordinate benefits webinars with carriers (EAP and SunLife) to impacted employees.	Canada

The severity of impact and consequences of the pandemic in India were or particular concern and several more specific initiatives were implemented to support our employees and their family:

- Corona Kavach for employees tested Covid + ve;
- arranged hospital beds with oxygen provision at the Bangalore location;
- vaccination drive;
- breakfast and lunch organized for return to work employees;
- monthly allowance for working from home;
- days of Covid leaves for recovery over and above the sick leaves;
- support to bereaved Families of employees;
- transport facility arranged.

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 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 long periods, due to the likely effects of the different lockdowns and restrictions;
- survey the diversity or our employees and understand their perception about the way diversity is managed by the Company and their expectations. As diversity was understood in a very 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).

Early September 2021, with the return to the workplace in most locations, all employees were invited to answer to an on-line global engagement survey, covering all topics: Strategic alignment, Career (Growth and Development), Compensation, Communications, Job Enablement, Performance Management, Belonging and Wellbeing, DEI and Managing change.

Based on its results, business specific action plans are prepared in order to meet expressed employees expectations.

In addition to this global approach, several specific sites surveys were launched to address particular topics: Quality of life at work in Rennes, return to work and listening sessions in several certain DVD Services sites in the USA, climate surveys in Brazil.

Apart from surveys, throughout the employee lifecycle, there are several effective processes to ensure continual feedback. This is through qualitative Onboarding and Exit Surveys as vital touchpoints on the employee journey, as well as engaging continually in the year with our employee committees (Balance and Culture Champions – more information below) who are the employees with their ears on the ground in the business.

Technicolor Creative Studios remains committed to receiving and acting on that employee feedback – utilizing an internal communications' strategy of "You Said, We Did". This ensures that employee feedback is worked into our internal strategies of Talent Management. This is then communicated to all employees to show that we are taking their feedback seriously.

5.2.1.4 TRAINING AND DEVELOPMENT

GRI [203-1] [203-2] [404-1] [404-2] [404-3]

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 as 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 in each division, resulting in an optimization of training resources and in an increased number of training opportunities. In order 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.

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. Talent & Business Partners coordinate the construction and monitoring of Development Plans at division or function level. 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. While this was still the model, the Covid-19 crisis brought specific priorities to light, in particular:

- immediate need to move all training to virtual spaces;
- an increased emphasis on soft skills' development; and
- attention to personal well-being.

Moving training to online platforms was embraced and allowed training to happen in quicker iterations. The focus on soft-skills and well-being resulted in sessions being more focused on how to adapt in this new normal. Remote Working, Change Management, and Returning to the Office campaigns were rolled-out as well as Unconscious Bias Training. An in-depth Unconscious Bias course was attended by 127 of the top executives and leaders of the Group, then cascaded through the organization with the goal of raising awareness of the connection between bias and human potential. Task Forces for Diversity, Equity, and Inclusion, Covid-19 Response, and Return to Office were formed and all worked with the training Center of excellence to make sure employees were equipped with tools, coping mechanisms, and knowledge to continue performing throughout the global crises faced in 2020 and this continued throughout 2021. The process was accelerated by implementing a new global 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.

2021 TCS Academy	Women	Men	Total
Number of hours of training delivered	49,117	279,408	328,525
Number of employees trained	125	723	848
Number of hours of training per employee trained	392.9	386,5	387.4

2021 All other training	Women	Men	Total
Number of hours of training delivered	43,292	34,680	77,972
Number of employees trained	3,749	9,189	12,949
Number of hours of training per employee trained	11.5	3.8	6.0

Overall, training initiatives offered in 2021 encompassed 415,544 hours of training for both employees and external persons working under Group supervision, of which 406,497 hours were delivered to 13,194 Technicolor employees. This represents 30.8 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.

The evolution of the business model of the TCS Academy focus trained employees in India, where the proportion of women among our workforce (14%) is drastically different from the average of the Group (30%). As the duration of TCS Academy is much longer than any other training, 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 TCS Academy to non-employees and more to the talent who were subsequently hired (see section 5.2.7.1).

Non TCS Academy training focused on five main categories:

- Technical and functional training with 51,292 hours for 1,003 employees. A significant effort was done to offer longer technical training to women for upskilling and evolution;
- Environment Health and Safety with 9,481 hours (see section 5.2.5 for more details);
- prevention of discrimination and harassment with 7,396 hours for 7,974 employees (see section 5.3.2 for more details);
- security of IT use with 115 hours for 8,928 employees;
- leadership and management with 5,057 hours for 905 employees.

Focus on divisions

<u>Technicolor Creative Studios Learning & Development and Global Artist Development</u>

- Production Services in 2018 launched The Focus to consolidate talent recruitment across all Film & Episodic VFX business units to make the global recruiting process more efficient, identify new talent pools, facilitate international mobility, and fill the expansion in capacity. 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 recruitement 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. About 1,600 junior artists (employees and non employees) were trained globally in 2021, representing 553,669 hours. Also during 2021, Technicolor Creative Studios Talent activity was enlarged to all Technicolor Creative Studios' businesses: visual effects, animation, advertising and games (see section 5.2.7.1).

A new creative artist training team was established to partner closely with departments to support up-skilling to further develop our experienced artists and help ensure the latest techniques are rapidly deployed. In 2021, onboarding/pipeline training was expanded across all brands in India to support mobility and flexibility in an effort to shorten time to competency for new hires at all levels.

<u>Connected Home</u>

Besides technical training, initiatives were focused on the development of a *curriculum* training track for managers.

<u>DVD Services</u>

Training actions were focused on:

- creating cross-trained resources;
- developing upskilling opportunities to offer a career path;
- mental health training;
- re-training of operational and support departments to implement process efficiencies.

5.2.1.4.2 Talent Review and Leadership Development

A yearly 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 during the year.

Several programs are managed at the Group level:

- the Leadership Talent Pool and 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 *curriculum* in such areas as DEI, well-being, remote work, presentation skills, change management, and foundational behavior expectations for managers. The Center also will tailor 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. The aim going forward is to create a "habit of learning" across the organization.

  2020 brought even more agility to support the development of employee soft skills with the introduction of the new LMS and the continuation of the Covid-19 pandemic. The 2021 development initiatives had more focus on well-being, DEI and people manager behaviors. All sessions in 2021 were virtually delivered, for shorter periods of time, this allowed for more participation and increased exposure across the globe. "Blended learnings" combining e-learning and virtual instructor-led sessions were introduced and proved successful in increasing awareness and participation. Employees were able to more easily fit learning into their busy schedules. Talent & Development (T & D) Center sponsored 3,724 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;

- FranklinCovey's All Access Pass:

  FranklinCovey's All AccessPass program concluded in June 2021. This program played an important role in the support provided by the Group to 600 managers in all business lines and divisions/functions. This program ran for three years incorporating the world-class methodologies like "7 Habits of Highly Effective People" and "Speed of Trust" were incorporated into management teams.

Focus on divisions

In 2019, a new feedback tool combined with a talent evaluation system was introduced in Technicolor Creative Studios to support the notion of talent development and transparent feedback. The Continuous Feedback App is accessible throughout division and has changed the way employees think about and track feedback. It empowers individuals to own their development and learning, and to take control of their career trajectory. This tool also works to promote a culture of recognition, between peers and between manager and employee.

In Connected Home, talent management has been the primary 2021 focus. 42% of the Connected Home talent pool, representing 19% of its employees has a designed Development Plan as well as 95% of the 54 emerging leaders. Also, a specific program was developed for sourcing and supply chain related jobs to assess and remedy skill job gaps.

In addition to the succession planning, DVD Services conducted a High-Potential program with 45 team members that utilized this resource for reducing unconscious bias, building trust and influence and managing change. A transformation leadership development program was implemented. Behavioral assessments were also completed with a professional coach.

5.2.1.5 EMPLOYEE PROFIT-SHARING *GRI [401-2]*

The Holding Company and eight 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 2019 for year 2018: €1,677,168;
- amounts distributed in 2020 for year 2019: €1,863,749; and
- amounts distributed in 2021 for year 2020: €2,504,847.

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

GRI *[401-2]*

As of December 31, 2021, the number of shares held by the Group's employees in the Group Saving Plan *(Plan d'Épargne Entreprise)*, by employees and former employees through Technicolor's Mutual Funds *(Fonds Communs de Placement d'Entreprise)* was 27,150, 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

GRI *[102-7] [102-8] [401-1] [405-1]*

On December 31, 2021, the Group employed 16,676 employees (70.9% male and 29.1% female), of which 491 were *intermittents*, compared to 13,289 employees on December 31, 2020, an increase of 25.5%

The highly competitive and rapidly changing Media & Entertainment sector in which the Group provides its products, technology and services requires continuing adjustment to the workforce. In 2020, the Covid-19 pandemic stopped film shooting and generated a drastic reduction of projects for the Technicolor Creative Studios Division as well as DVD releases for the DVD Services Division, while the recovery in 2021 generated an acceleration of the projects and a significative rebound.

The table below (with and without *intermittents* who are all located in France) shows Technicolor's total workforce as of December 31, 2021, 2020 and 2019, as well as the distribution of personnel across geographical regions.

	2021 with *intermittents*	2021 without *intermittents*	2020	2019
Europe	3,471	2,980	2,999	3,194
North America	3,956	3,956	4,030	6,013
Asia[(1)]	7,023	7,023	4,808	6,291
Latin America[(2)]	2,226	2,226	1,452	1,691
TOTAL NUMBER OF EMPLOYEES	**16,676**	**16,185**	**13,289**	**17,189**
Number of employees in entities accounted for under the equity method	-	-	-	42
Permanent contracts	*11,433*	*11,433*	*11,228*	*14,079*
Fixed-term contracts	*5,243*	*4,.752*	*2,061*	*3,110*
(1) *Including India:*	*6,437*	*6,437*	*4,.318*	*5,374*
(2) *Including Mexico:*	*2,067*	*2,067*	*1,255*	*1,466*

Total workforce figures above account for executives, non-executives and workers. Agency workers, trainees and apprentices are excluded. The strong increase of employees in Mexico results from the Mexican regulation change restricting the use of agency workers who now must be hired.

French *Intermittent* contracts are part of the above table only when specifically mentioned. They represent the equivalent of 341 full time jobs over 2021 while their number increased from 260 in December 2020 to 491 in December 2021. Over the year, 772 *intermittent* persons have worked for Technicolor. At the year-end, women represented 35.8% of *intermittent* employees, an increase of 3.5%.

	2021	2020	2019
Number of *Intermittents* having worked in December	491	260	225
Full time equivalent over the year	341	179	168

The following table indicates the number of Group employees by segment as of December 31, 2020. French *Intermittent* contracts are part of the table.

Segment	Number of employees	Percentage
Technicolor Creative Studios	10,544	63.2%
Connected Home	1,239	7.4%
DVD Services	3,802	22.8%
Corporate and Other	1,091	6.6%
TOTAL	**16,676**	**100%**

Split by gender and age

At the end of December 2021, the Group employed 4,848 women representing 29.1% of Technicolor headcount (an increase of 0.7%), and 11,828 men (representing 70.9% of Technicolor headcount), *intermittents* included. The breakdown per age is as follows:

Age	Women	Men	Total
<20	43	49	92
20 to 29	1,682	3,824	5,506
30 to 39	1,533	4,465	5,998
40 to 49	918	2,273	3,191
50 to 59	537	948	1,485
60+	135	269	404
TOTAL	**4,848**	**11,828**	**16,676**

Hiring and termination

During 2021, 9,631 employees have been hired of which 3,269 were retained as permanent employees. 1,394 employees were made redundant. *Intermittents* are not part of this table.

	2021	2020	2019
Hiring of permanent employees	3,269	687	2,470
Hiring of fixed-term contracts	6,362	2,005	6,030
Acquisitions		-	-
Divestitures	598	-	204
End and resignations of fixed-term contracts	2,441	2,226	5,420
Of which end of fixed-term contracts	*945*	*1,197*	
Of which resignations of fixed-term contracts	*1,496*	*1,029*	
Dismissals	1,394	3,198	1,118
Resignations of permanent employees	2,003	1,371	2,260
Other (retirement...)	39	57	54

2021 figures are again comparable to 2019 figures. The 2020 temporary increase of dismissals and reduction of hiring and resignations were direct consequences of the pandemic impacts on the activities.

Methodology

Employees and workforce figures are extracted from the Technicolor worldwide HR repository system currently implemented in all Technicolor.

5.2.2 Management of business cycles

GRI *[102-8] [103-1 Indirect economic impacts] [103-2 Indirect economic impacts] [103-3 Indirect economic impacts] [103-1 Employment] [103-2 Employment] [103-3 Employment] [203-2]*

Working time is managed according to the needs of Technicolor's various business activities 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's 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 2021, Technicolor had in average 119 employees working less than 5 days per week. Over the year, part time employees working at least half time represent 95% 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 49% of part time employees. French *intermittent* contracts are not considered as part time employees. The figures of part-time employees in 2021 are slightly lower than the figures of 2019 after the slight increase occurred in 2020 during the core of the pandemic, as we had a few more employees working 4 days a week in order to mitigate the shortage of work and project delays.

Some activities of Technicolor experience seasonal peak workloads (such as DVD Services) and require significant interim (agency workers) and temporary (fixed-term) workers to support client requirements, mainly in the distribution and warehouse sites, in addition to overtime. These seasonal workers are typically directly hired over a period of a few months (temporary) or contracted through a third-party labor services company (interim), while overtime is more achievement-related and is used to complete very time-limited peak activity (manufacturing or project development achievement). Interim workers are not included in the year-end Group headcount figures as they are not employees of the Group. The main countries employing seasonal workers were the United States, Mexico, Poland and to a lesser extent Canada and Australia. In the course of 2021, Mexico changed its agency workers legislation, and they must now be replaced by fixed-term contract employees.

Technicolor Creative Studios activities such as Visual Effects, Animation and Post-production 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.

Overall, seasonal interim workers represent about 2,549 full time equivalent jobs while at the peak they may more than double the number of workers present on the relevant sites.

Fixed-term contracts and *intermittents* represent about 3,447 full time equivalent jobs across the Group activities.

Permanent contracts employees represent about 10,996 full time equivalent jobs across the Group activities.

Across Technicolor, total overtime represents about 387 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.

	2021	2020	2019
Average number of part time employees	119	175	142
% of part time employees working at least half time	95%	97%	96%
% of part time employees working at least 4 days per week	49%	71%	59%
Full time equivalent number of fixed term contract (including *intermittents*)	3,447	2,071	3,831
Full time equivalent number of agency workers	2,549	3,069	4,415
Full time equivalent number of permanent contract employees	10,996	*not available*	*not available*
Full time equivalent of overtime (including *intermittents*)	387	316	606

5.2.3 Diversity, Equity, and Inclusion

GRI *[103-1 Diversity and equal opportunity] [103-2 Diversity and equal opportunity] [103-3 Diversity and equal opportunity] [103-1 Non-discrimination] [103-2 Non-discrimination] [103-3 Non-discrimination] [405-1] [406-1]*

DIVERSITY, EQUITY & INCLUSION IN THE WORKPLACE

At the end of 2015, a global plan for Diversity and Inclusion was launched. The objective of this plan was to improve processes globally to ensure that practices were not discriminatory at any stage in the Group, but also to promote a mindset of openness and inclusiveness globally and a willingness to bring support and assistance to persons or groups who may be under-represented compared to their regional demographics. The 4 key areas of the plan were gender diversity, disability, age, and ethnicity.

During 2020, and following the tragic events happened in the USA and the subsequent BLM (Black Live Matters) movement initiative, it became clear that a much stronger and more active culture regarding diversity, equity, and inclusion (DEI) was required from all market leaders worldwide, and so Technicolor established a global and Company-wide DEI taskforce in June in order to truly become an inclusive and supportive employer. Using the cyclic process of Listen-Learn-Lead, Technicolor 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 the common 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.

One of the first listening actions was a Group-wide, voluntary, and anonymous survey, which will be repeated every year. This initial survey helped the DEI taskforce understand the diversity of staff and their perceptions about the way DEI is managed by the Company, and also to capture their expectations about actions and support that could come from the Company. This survey also helped to determine critical as well as manageable KPIs that should be monitored. Critical questions were asked to all respondents such as have you experienced discrimination or been discriminated against in the past year or have you observed the effects of discrimination in the workplace in the last year, in order to gain a sense of the current working environment, along with as many details as the respondent was willing to share. 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. In August of 2021, the DEI survey program was folded into the Global Engagement Survey that focused on both engagement and DEI. A yearly Global Engagement Survey will take place going forward.

The initial work during 2020 was to focus on identifying opportunities to be of service and to step in when gaps were identified. Initiatives included Unconscious Bias training, "Share Our Stories" podcasts, the my.technicolor.com Intranet resource center, a global DEI research study, and working group establishment. The intent of the "Share Our Stories" series is to highlight individual stories as they relate to DEI in order to gain insight and understanding of the different issues faced around the globe. Staff can join the events live and ask questions, or they may listen to the recordings later.

In 2021 Technicolor partnered with Seramount, a leader in the definition of Diversity Best Practices. They provide research and guidance to navigate and improve DEI in organizations.

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, and a DEI-focused training *curriculum* open to all employees on the new MyDevelopment Learning Management System. There is an increased focus on policy updates, and we are working on creating a DEI-focused Sourcing and Procurement process.

GENDER PARITY

A first program was launched in 2014 under the sponsorship of the Executive Committee (EXCOM), in order to improve gender parity, and increase the ratio of women in business roles, management levels and leadership pipeline. Recognizing that, as a business, Technicolor 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 also the surrounding business communities. Technicolor will base its gender parity goals and initiatives 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. Specific actions concerning a full range of processes and progress continued during 2021:

- two women are members of the EXCOM, representing 25% of the total number of members on December 31, 2021. With 18 members, women represent 41% of the Management Committee. Within the combined Executive Committee and Management Committee, there are 20 women representing 38% of the membership;
- a recruitment policy was adopted to encourage gender parity in Senior Management positions: Technicolor requires recruitment and personnel search professionals worldwide to ensure that the *curriculum vitae* of at least one qualified woman is included in every list of finalists submitted for open Senior Management positions within the Company;
- leadership talent criteria are adapted to secure equity between men and women in leadership positions, and gender parity is integrated in each division's Talent reviews, which outcomes are presented to the EXCOM, including dedicated action plans as needed.

In 2020, two of the first "Share Our Stories" podcasts were "Women in India" and "Women in Technology", each about an hour in duration with 6 to 8 speakers currently working at Technicolor. In 2021, new podcasts entitled "Women in Creative" and "Women in Leadership" were recorded as part of the Share our Stories initiative.

Focus of the DEI task force in 2022 includes being accountable to the UN Women's Empowerment Principles, delivering preliminary results of the gender gap project, and creating a Group level point-of-view on caregiving.

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 different 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. Technicolor 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 as in France, the UK, Poland and Brazil:

- in France, since 2019, an action plan was developed relating to gender equity. In line with the collective agreement signed in 2016, it authorizes a dedicated budget to align compensation between men and women, training to support women and to promote their careers;
- 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;
- in Poland, women candidates make up at least 50% of the short list for any open permanent position, and the industrial operation actively manages lifestyle expectation concerning shift duration, physical capability, on-site restaurant offerings, and social events. Women are represented in the same proportion as employment for the site's Stakeholder Representatives Committee, which reviews operational changes and provides input to management. As a new initiative for 2020 a flexible home office (teleworking) system was planned for the Warsaw offices in response to women staff's request to improve work – life balance;
- in Brazil, pink October events include lectures, exams and medical consultations related to the prevention and early diagnosis of breast cancer, while blue November activities focus on prostate cancer in men.

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 Technicolor's goal of fostering a workplace that is diverse, inclusive, equitable, and welcoming to all. TBEN supports colleagues and community by providing a voice, by providing 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.

In January 2021, TBEN published the article *Dr. Martin Luther King, Jr. A Life Sacrificed… for Peace and Justice*.

In February 2021, for U.S. Black History Month, Technicolor welcomed Ms. Xernona Clayton, a civil rights icon and friend to Dr. Martin Luther King Jr.'s family. TBEN launched a mini site on Technicolor's Intranet to provide an interactive resource pack. Additionally, a virtual cinema club was offered featuring the films *I am not your Negro* by Raoul Peck, *One Night in Miami* by Regina King.

In April 2021, for Genocide Awareness Month TBEN published the article *Emancipation, Liberation and Freedom – in the Name of Genocide Awareness Month*. TBEN curated the following films for the virtual cinema club *Lincoln* by Steven Spielberg, *April Captains* by Maria de Medeiros, and *Cry Freedom* by Richard Attenborough.

In September 2021, TBEN began building NGO partnerships with Venice Arts and Black Film Space by making donations and vetting programs. TBEN hosted a presentation by Venice Arts about Technicolor collaborating with them to support internships as part of Los Angeles County's Creative Industries Internship program. The Creative Industries Internship program provides Los Angeles County's talented low-income young people, ages 18-25, with opportunities to gain real-world experience working in film, digital media, and related sectors, as they forge their pathway to advanced learning and/or career success. TBEN is working to obtain BIPOC (Black, Indigeneous and People Of Color) creatives from within Technicolor to form a speakers panel at Black Film Space events. Black Film Space has also opened to Technicolor posting job openings on its career opportunity platform.

In October 2021, for UK Black History we welcomed Olympian Derek Redmond as a keynote speaker. Cume Center for African and Diaspora Dance conducted two virtual live dance workshops. The virtual cinema club discussed the film His House by Remi Weekes.

LGBTQ+

All Film and Episodic VFX locations continued to work with their local Balance DEI committees during 2020, 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.

One of the initial "Share Our Stories" podcasts launching in 2021 is entitled "The G in LGBTQ+" and in June the topic was Global Pride Month. Worldwide staff profiles are now facilitated in a way that allows each member of staff to designate their preferred pronouns. There are also plans started for gender neutral bathrooms at our work sites.

ETHNICITY AND RACE

The working group surrounding ethnicity and race seeks to understand and to create recommendations for the broader Technicolor business specifically around ethnicity and race. These recommendations must have both global, national and local relevance and be able to scale and to create meaningful impact. Strategies and plans must be inclusive and consider local requirements and nuances while respecting, celebrating and mobilizing the uniqueness of individuals, along with their perspectives and talents. The desired outcome is to create impacts at Technicolor global, national and local level through, engagement, education, analysis and reporting, community outreach, philanthropy, and the recruitment and nurturing of talent. A key measure of success will demonstrate that every employee, regardless of their ethnicity or race, feels safe and respected in the workplace and has a sense of belonging. 2021 "Share Our Stories" podcasts included "Race and Ethnicity in India" and "Bi-Racial Identity". This working group also sponsored two popular external speakers: Naomi Sesay and Derek Redmond. One Mill Forum hosted an internal talk on the subject of the increasing violence towards Asian American and Pacific Islander communities.

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, labeling, 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 strives to adapt our working places, including factories, to provide equal employment opportunities with no discrimination against disabled people with regard to 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 has been and continues to be willing to integrate different needs including modified duties, adapted hours, and adapted workspaces:

- in France, a new agreement was signed in 2019 with labor representatives in support of Technicolor's *Mission Handicap – France* program. Aligned with our CSR engagements, this new agreement reaffirms the determination of Technicolor to include and support employees with disabilities. Focused on three critical aspects, the agreement aims to: increase recruitment of persons with disabilities; encourage job retention and career development of employees with disabilities; increase the use of service providers with disabled employees;
- in Canada, Technicolor policy recognizes and promotes the hiring of persons with disability, and all staff participate in awareness sessions or periodic refresher training;
- in Australia, Technicolor continues to partner with a disability employment agency to hire employees with disabilities;
- 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, and Technicolor Creative Studios 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 a number of 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 have the opportunities to work with The Mill and fulfil their potential and realize their aspirations. The Mill conducted a Diversity Questionnaire which included questions regarding disability;
- in Poland, Technicolor extended efforts into families of workers who care for children with disability, providing increased benefits to the family *via* the worker in these cases.

5.2.4 Business transformation and social dialogue

GRI *[103-1 Labor/Management relations] [103-2 Labor/Management relations] [103-3 Labor/Management relations] [103-1 Freedom of association and collective bargaining] [103-2 Freedom of association and collective bargaining] [103-3 Freedom of association and collective bargaining]*

TRANSFORMATION PLANS

GRI *[404-2] [413-2]*

Due to the continuous changes in the Media & Entertainment industry and its associated Technicolor business divisions, Technicolor 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, in order to mitigate the impact for the concerned stakeholders.

Several activities of the Group are subject to fast-changing competitive environments requiring regular adaptation of their organization and of the production tools.

A worldwide transformation plan of the Connected Home segment was launched in 2019 to globally adapt this activity and to respond to the drastic industry and market changes, and it was completed in 2021. During Its implementation in France and in Belgium a dialog was engaged with the employees' representatives about the transformation plan and its accompanying measures to minimize the impact on the employees, and agreements were signed.

The DVD Services Division strives to anticipate the evolution of the DVD markets and to optimize progressively its operational footprint. During 2021, two distribution sites in North America were closed to optimize the remaining operations among sites located in this region (see section 1.2.3).

The worldwide reorganization of the Global Business Services function (finance shared services) during 2021 between Mexico, Poland and India required remote hiring due to the pandemic, a retention program, the transfer of employees, a transfer of knowledge program and also intercultural and cross-communication training to facilitate joint working.

LABOR RELATIONS

GRI *[102-41]*

Local labor relations with Technicolor employees are the responsibility of site managers in each country, by legal entity, with the support of local Human Resources Departments.

With respect to its European operations, Technicolor entered into a labor agreement with the European council of employee representatives (the "European Council") confirming the Group's labor practices. This council, which meets several times each year, comprises union representatives or Members of local Works Councils in European countries. European Work council management is the responsibility of the Group People & Talent Officer.

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 peaceful social climate. An annual review is done at the Group Level to ensure all newly signed agreements are captured and registered.

The European Works Council is composed of:

Country	Number of European Works Council seats
France	3
Poland	1
United Kingdom	3*

* *Of whose 2 must be reappointed following Post production business divestment from the Group.*

Technicolor's European Works Council is a supranational body, the purpose of which is to address topics of a transnational nature. The European Works Council is informed of Technicolor's European operations in respect of personnel, finance, production, sales, and research and development, and their impact upon employment and working conditions. It is also informed of major structural, industrial and commercial changes as well as organizational transformations within the Group. It met three times in 2021.

In accordance with applicable law in the European Union, Technicolor's 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 2021, Technicolor entered into 24 collective bargaining agreements: 2 in Australia, 2 in Belgium, 6 in Brazil, 12 in France, 2 in Mexico.

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 2021 in certain countries, due to this calendar.

In France, a collective agreement was signed with the Unions in 2019 for a 3 years period of time (2019-2021) on Rennes site about GPEC (*Gestion Prévisionnelle des Emplois et des Compétences*, that is to say provisional jobs and skills management). This agreement includes the publication of a cartography (to be revised on an annual basis) of existing jobs along with their anticipated quantitative and qualitative evolution within the next 3 years, and proposes bridges from one job to another. The objective of giving these perspectives is to increase visibility for all Rennes employees on the Company's vision of the jobs evolution, and thus allow employees to become more in control of their career. In order to support these evolutions, the agreement also includes measures about training, secured external mobility, and the possibility of getting into an early retirement program for eligible employees as defined by the agreement.

In addition, 3 Health and Safety agreements were signed in Mexico and France.

5.2.5 Safety at work

GRI *[102-44] [103-1 Occupational health and safety] [103-2 Occupational health and safety] [103-3 Occupational health and safety] [103-1 Training and education] [103-2 Training and education] [103-3 Training and education] [403-1] [403-2] [403-3] [403-4] [403-5] [403-6] [403-8] [403-9] [403-10] [404-1]*

An effective occupational Health and Safety (H&S) program, as defined by Technicolor, 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, whether or not compliance is an issue. 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's 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's Code of Ethics, and then flow to the EHS Charter, authorized by top management. After that comes a library of more than 50 EH&S 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 EH&S Charter has been translated in six languages and is available on the Group's Intranet, along with all the EH&S policies and guidelines.

TRAINING

Technicolor understands that each employee has the ability to impact Environment, Health and Safety (EH&S) efforts and performance, thus it is critical that they are provided with the appropriate tools, resources and knowledge. EH&S 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 EH&S Audit process and are a core requirement in the EH&S performance measurement process. In 2021, 18,528 hours of EHS documented training reported through the EHS 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.

EMERGENCY PREPAREDNESS AND RESPONSE

Please refer to section 5.5 for its description.

GOALS AND OBJECTIVES 2019-2022

Related to safety at work, Technicolor established the following EH&S goals and objectives for the Group, to be met by its worldwide operations by the end of 2022:

- 5% annual reduction in incident rate;
- reporting to satisfy GRI Sustainability Reporting Standards (GRI Standards).

SAFETY PERFORMANCE

What follows are results of key safety metrics that were tracked in 2021.

In 2021, Technicolor experienced an 11.8% decrease in the work-related injury and illness incident rate[(1)] from 0.51 in 2020 to 0.45. The work-related lost workday incident rate[(2)], decreased 16.7% to 0.20 from 0.24 in 2020.

Technicolor 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 (0.029), to average lost days per incident (12.9), to average lost days per equivalent full-time worker (0.058).

(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.

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)
2019	163	0.68	71	0.30
2020	91	0.51	43	0.24
2021	77	0.45	34	0.20

2021 INCIDENT RATE AND LOST WORKDAY 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)
Technicolor Creative Studios	2	0.02	-	-
Connected Home	4	0.37	3	0.28
DVD Services	71	1.08	31	0.47
Corporate & Other	-	-	-	-

(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 2021, and several of them are summarized below. In industrial locations, the prevention of physical injury remains the focal point when reducing hazards around the operational areas and warehouses. At non-industrial sites, many initiatives and programs were implemented to improve working condition, to address specific risks, and to develop well-being while ensuring the safety of the workplace.

As the Covid pandemic continued, all sites adapted with reinforced cleaning procedures, social distancing protocols, and provision of personal protective equipment like masks. Sites continued to develop work from home and return to work strategies where possible. Covid, while critically important to workplace health and consuming a lot of resources, was not the only focus point, and sites endeavored to maintain older programs or initiate new ones during 2021 some of which are cited below.

In Technicolor Creative Studios, the Adelaide, Australia site proposed flu shots, and mental health awareness training. The Montreal Mikros Canadian site installed more ergonomically flexible workstations and many screen risers during the year and provided at times adjustable desk chairs for people working remotely without adequate facilities. The site organized online and live events, with social distancing and masks for the workers who were on site, so that members of staff could participate freely and keep in contact with one another, something missed at times when everyone is working remotely over long periods of time. The Shanghai, China site reviewed and updated its emergency action plan and set up a warden team.

In Connected Home, the Manaus Brazil site's main project was on improving fire safety. The site fire detection system was modernized in all its components, including cabling, triggers, sirens and alarm center. The system for distribution of liquified propane gas was equipped with advanced sensors, infrastructure, and was connected to the site alarm center for monitoring and response in case of leakage. In Edegem, Belgium, the site continued with its H&S program including proposing flu vaccinations, bike to work initiative, workshops on burnout prevention, regular team meetings, and lunchtime walks, in addition to Covid-related actions. In Rennes, France, where many actions were conducted, addressing well-being, fire safety, and handicap working, a mirror and panels were installed to warn pedestrians about the presence of a new bike path at the entrance of the site.

In DVD Services, the Melbourne, Australia site has worked on improving pedestrian protection against forklifts in motion in the polycarbonate area, testing and adapting procedures whereby pedestrians are guided to a temporary secondary route whenever the forklifts are in motion in the area. Doors at either end of the corridor where forklifts are travelling are equipped with flashing lights and barriers to visually prevent entering in the area to cancel the risk. In Sydney, the site has gone through the official process of creating designated work groups (DWG) and electing Health & Safety representatives (HSR) for each DWG. Each HSR is receiving official SafeWork-approved HSR Training. Having officially elected and trained HSR's is bound to improve the consultation, communication flow, and overall safety engagement at all levels and contributes to a safer workplace in the long term. In Piaseczno Poland, the site replaced fixed first aid kits with portable ones on plant floor and reinforced the equipment of these first aid kits.

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 duty, 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 2021 was 2.3%.

	2021	2020	2019
Absenteeism rate *(%)*	2.3%	2.5%	3.1%

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.

However, as a very significant proportion of employees in the Technicolor Creatives Studios and the Connected Home Divisions worked from home due to the pandemic in a broad context of lockdown and health precautions, reported absences are more limited for these businesses. As a result, and as the proportion of employees of these two divisions within the Group increased very significantly, the overall absenteeism rate remains at a level similar to 2020.

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 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 week of absence, work accidents 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 monthly full-time equivalent average headcount of the covered population.

5.2.7 Community impact and regional development

GRI *[102-40] [102-42] [102-43] [102-44] [103-1 Indirect economic impacts] [103-2 Indirect economic impacts] [103-3 Indirect economic impacts] [103-1 Training and education] [103-2 Training and education] [103-3 Training and education] [103-1 Local communities] [103-2 Local communities] [103-3 Local communities] [202-2] [203-1] [203-2] [404-2] [413-1]*

Technicolor strives to hire most of its employees locally in order to sustain local employment. Technicolor's locations are usually in very large cities and surrounding metropolitan areas and, as a result, Technicolor holds a minority employer position in most employment areas where it is located and has limited direct local economic influence. However, Technicolor employment may sometimes represent, at the regional level, a significant percentage of the 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 supports the regional development or expansion of education bodies targeting the required skills. Technicolor 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 representatives chair France and Québec film technical industry associations.

As in the past years, Technicolor Creative Studios sites were quite active within their communities. In Bangalore, India, members of staff campaigned 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. This resulted in donations to the cause of the charity. 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 group communication team. The New York site continued to work with Ghetto Film School in New York. 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.

The Connected Home Manaus site continued a project with a new school in the neighborhood of the site, implementing selective collection, training teachers and students in environmental education to be environmentalists in their homes and community.

Overall Technicolor sites donated together some €161 thousand in cash and 250 hours of volunteer time, plus usual donations in kind.

5.2.7.1 THE TECHNICOLOR 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 3,600 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 to 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 been enlarged 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 attend Academy sessions without being forced to relocate and therefore to engage 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 also free of charge. 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 their graduation, it may be proposed to join one of the physical studios of Technicolor Creative Studios in order 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.

We believe that since we took a risk and invested in emergent talent and created an excellent experience for their entry to the business, that they are likely to return to one of Technicolor's 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 2021, 1,602 TCS Academy sessions were delivered to 1,598 artist trainees (employees and non-employees) who went through the Academy with 97% completing their course. They received a total of 553,669 hours of training:

- 848 employees attended a training session of the TCS Academy in India, representing 328,525 hours of training for 125 women and 723 men;
- 689 creative talents (38% of them women) attended freely the virtual TCS Academy on-line (225,144 hours of training), of which 418 were subsequently hired (141,848 hours of training for 160 women, representing 38%, and 258 men) representing an hiring rate of 61%;
- 61 employees completed a training session of the TCS Academy started in 2020.

University Partnerships & Outreach

The Technicolor Creative Studios Talent team continues to build university partnerships to provide *curriculum* guidance to help ensure skill alignment with market needs, provides mentoring to students, and participates in recruitment initiatives.

As an example, in 2021 we built a new relationship with Flinders University in Adelaide to gain micro-accreditation, collaboratively build our Academies into their *curriculum* and utilize their motion capture studio and expertise which contributed content to one of our new Games Academies.

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 to creative talent. To this end, further steps are being taken to better prepare students while they are still in school. Through the robust "Education Partnerships and Engagement strategy", we continue to work with c. 30 local colleges and universities to build an affiliation basis and offer our help to better prepare their students to work in Visual Effects.

Our Creative Academies represents 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 live, travel, eat and play in their communities. As these communities become recognized as great places for creative talent, it will attract new work and companies as well as stimulate other spin-off businesses. It is a great example of a win-win situation where doing the right thing is also good business.

5.2.8 Relations with external stakeholders

GRI *[102-21] [102-40] [102-42] [102-43] [102-44] [103-1 Indirect economic impacts] [103-2 Indirect economic impacts] [103-3 Indirect economic impacts] [103-1 Training and education] [103-2 Training and education] [103-3 Training and education] [103-1 Local communities] [103-2 Local communities] [103-3 Local communities] [103-1 Public policy] [103-2 Public policy] [103-3 Public policy]*

Technicolor's main activities are in the field of Technicolor Creative Studios, DVD Services and Connected Home devices. They require creative talents for innovation of technologies and services and for development of products. This leads Technicolor 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 Technicolor (people, products, services, or property). 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.

In 2021, customer satisfaction was monitored and managed through regular video conference calls, email communication and executive review of any customer complaints. In addition, Connected Home also drives customer satisfaction surveys (10 in 2021) for its activities as they involve a large number of customers. Findings of these surveys and meetings are used to correct processes and improve relationships and quality of products and services.

We maintain strong relationships with our shareholders and investment community. Technicolor participated to 183 events (roadshows, conference calls and conferences), met 184 institutions (institutional investors) and had 49 contacts with analysts during the course of the year. Overall, Technicolor handled 248 meetings or calls with investors and analysts over the course of the year.

Long-term cooperation with education bodies is key for fast growing and/or changing business domains to enable Technicolor to access to young highly educated talent pool whose skills fit with our requirements. See section 5.2.7.

Technicolor maintains close relations with local communities in order to limit the impacts of the Company's industrial activities on the local environment (*e.g.* noise pollution, light pollution, air pollution and road traffic). The Group strives to take the necessary steps in these contexts in order to achieve a satisfactory outcome for all concerned.

Relations with suppliers and subcontractors are described in section 5.3.1 as well as in the Vigilance Plan (section 5.11).

Technicolor continues to develop trusted relations with public authorities where it operates in order to secure a favorable business, social and technological environment. Such relations are managed either directly or indirectly through industry associations, and follow strictly our business ethics rules, especially competition and anti-bribery rules as well as transparency through the national registration processes of declaration of interest.

5.3 HUMAN RIGHTS AND WORKING CONDITIONS

GRI *[102-12] [102-13] [103-1 Procurement practices] [103-2 Procurement practices] [103-3 Procurement practices] [103-1 Supplier environmental assessment] [103-2 Supplier environmental assessment] [103-3 Supplier environmental assessment] [103-1 Occupational health and safety] [103-2 Occupational health and safety] [103-3 Occupational health and safety] [103-1 Child labor] [103-2 Child labor] [103-3 Child labor] [103-1 Forced or compulsory labor] [103-2 Forced or compulsory labor] [103-3 Forced or compulsory labor] [103-1 Human Rights assessment] [103-2 Human Rights assessment] [103-3 Human Rights assessment] [103-1 Supplier social assessment] [103-2 Supplier social assessment] [103-3 Supplier social assessment]*

Technicolor 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 or as part of the compliance activities aligned with Technicolor's membership in the Responsible Business Alliance.

Technicolor 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 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 Communication on Progress is available as part of the Sustainability report on the Group's website at the following location under the Corporate Social Responsibility section:

www.technicolor.com/csr.

Since 2017, Technicolor is member of the Responsible Business Alliance (formerly Electronics Industry Citizenship Coalition) after having implemented its Code of Conduct in 2016.

5.3.1 Human Rights and working conditions in the supply chain

GRI *[102-9] [102-12] [102-44] [308-1] [308-2] [403-7] [406-1] [407-1] [408-1] [409-1] [412-1] [412-2] [412-3] [414-1] [414-2]*

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 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 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.

Beyond raw material and component purchasing, the main areas where Technicolor subcontracts production and services are the manufacturing of Set-Top Box and gateways of the Connected Home segment, and part of the logistics of the DVD Services Division in Europe. In addition, to manage seasonal peak workloads within DVD Services, Technicolor uses contracted labor services to provide additional workforce on packaging and distribution sites.

To ensure that suppliers respect established principles, and as part of Technicolor's Supplier Responsibility program, since 2003, Technicolor sourcing management:

- determines when CSR audits, always performed by Technicolor selected auditors, are required;
- 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 Supplier Responsibility program:

- ensures that Technicolor 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 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 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.

73 Supplier Responsibility audits were performed in 2021 by Technicolor, either on-site or remotely. Through these audits and other methods, Technicolor 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 strive for continual improvement in their environmental management systems, processes and products. During the audit process, instances of child labor are classified as "critical," resulting in an immediate stoppage of business. Audits revealing employee discrimination, forced labor, safety violations, permanent disabilities or fatal injuries are classified as "major," and require immediate corrective action.

No critical violation was detected during 2021. 48% of detected violations relate to health and safety, and 36% to labor, primarily working hours. Health and safety violations represent 58% of major violations, while the remaining categories of major violations detected were management system and then labor by decreasing order.

Technicolor added a more systematic risk assessment of suppliers in 2018 with the implementation of the EcoVadis assessment platform (EcoVadis Rating Framework) for suppliers representing a yearly spending of more than €1 million. In 2021, such category represents 90.9% of the total spending of the Group.

Suppliers representing about 86.6% of total spend of this category of Technicolor's suppliers are already assessed by EcoVadis.

This threshold will lower from €1 million to €0.75 million in 2022.

The primary sub-contracting scope within the Group is within the Connected Home business, where sub-contracting represents the majority of units sold, and thus almost all audits originating as part of the Supplier Responsibility program are targeting suppliers and sub-contractors for the Connected Home business as sub-contracting is very low profile in Technicolor Creative Studios and DVD Services. Conversely, the year-end seasonal labor peaks are strongly represented in DVD Services, and the Group ensures that all temporary workers receive all required EH&S training, information, and equipment for their responsibilities, no matter how limited the duration of employment, so that they are treated the same as any other worker within the Group.

Technicolor monitors key performance indicators according to CSR criteria for key active electronics manufacturing service partners to ensure they comply with Corporate Social Responsibility regulations and practices. Technicolor Sourcing gives preference to suppliers who have achieved ISO 9001 certification and who are certified to meet such EH&S standards such as ISO 14001 and ISO 45001.

Additionally, the Responsible Business Alliance (RBA) may perform on-site audits to monitor and verify the implementation of the RBA Code of Conduct.

Mindful of regulations banning or restricting certain chemical substances, Technicolor implemented a process for obtaining and tracking information about its suppliers. This system allows for the identification and estimation of relevant chemical substances in Technicolor's products and ensures that banned substances are not included. In 2016, Technicolor's commitment was confirmed by a Technicolor public statement on Conflict Minerals available on www.technicolor.com/csr, along with other Technicolor statements on compliance with UK and California anti-human trafficking laws. Please refer to section 5.7.1 for more information on product compliance and ban of hazardous materials in the supply chain.

5.3.2 Fight against harassment and discrimination

GRI *[103-1 Diversity and equal opportunity] [103-2 Diversity and equal opportunity] [103-3 Diversity and equal opportunity] [103-1 Non-discrimination] [103-2 Non-discrimination] [103-3 Non-discrimination] [406-1]*

A diverse workforce is a business imperative for Technicolor 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's 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 hamper our 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 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, 12 cases of harassment and discrimination were reported in 2021.

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 30 to 45 minutes training course was delivered in 5 languages: English, French, Spanish, Polish and Portuguese. Pandemic situation prevented to deliver on several sites this training led by instructor to employees without email access. 7,035 employees completed this online training representing 5,802 hours. In addition to this global online training, Indian employees received specific training about the prevention of sexual harassment, as detailed below. As a total 7,974 different employees received 7,396 hours of specific training as part of this prevention initiative.

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, a PoSH (Prevention, Prohibition and redressal of Sexual Harassment at workplace) liability survey and awareness and training campaigns with all the service line management teams and key talent was conducted. Based on the survey results, an experiential training course on “unconscious bias” was conducted for the leadership team. PoSH Internal Complaint Committee (IC) was revamped by onboarding a new external consultant, and all were inducted to the complaint handling process. In continuation of this, all employees were trained on PoSH with the help of video-based modules, and awareness posters were put up on the notice board on all floors. This training covered employees from all the service lines at Bangalore and Mumbai (Trace VFX). 1,568 employees attended such training, representing 1,594 hours in 2021. Through various avenues, we continue to educate employees on unconscious bias. In India, we 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 the Film & Episodic VFX (FEV) 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

GRI [102-44] [103-1 Energy] [103-2 Energy] [103-3 Energy] [103-1 Emissions] [103-2 Emissions] [103-3 Emissions] [201-2]

5

This report provides an overview of the activities that Technicolor is taking to fulfill its responsibilities as a global corporate citizen with respect to Climate Change. As such, Technicolor 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 2021.

Climate change is integrated into Technicolor’s business strategy along two primary axes: development of eco-friendly products and services and infrastructure improvements to reduce emissions or to maintain performance when faced with climate impacts. The development strategy has Technicolor joining or leading various industry groups, regulatory committees, or trade collaborations as a way to find or to create improvements and manage them into the product or service offerings. The infrastructure strategy is to seek out improved efficiencies in technology or human process/behavior.

SCIENCE-BASED TARGETS AND NET-ZERO STANDARD

Technicolor committed to Science-Based Targets (SBT) and the Net Zero Standard at the end of 2021, and the Group will submit its targets for validation during 2022. Each of the three lines of business worked to develop their full Scope 3 emissions profile and to better understand the climate change levers in their individual businesses while collaborating at the Group level to fully support the commitment to an ambitious short-term outcome below 1.5°C by 2030 (80% absolute reduction in emissions by 2030) as well as the longer-term Net Zero by 2050.

This work was well-aligned with the material CSR risks of Technicolor 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 will focus on the climate change impacts of its products as used by consumers as well as the full supply chain, including data centers, distribution, and purchased goods.

CHARTER, POLICIES AND GUIDELINES

Standards and direction begin with Technicolor's Code of Ethics and then flow to the Group's EH&S Charter, authorized by top management. After that comes a library of more than 50 EH&S Policies and Guidelines, beginning with the Environmental Policy, supported by numerous topical guidelines such as resource conservation and pollution prevention.

The EH&S Charter has been translated into six languages and is available on the Group's Intranet, along with all the policies and guidelines.

ORGANIZATION

EH&S is managed transversally within Technicolor and by extension becomes the duty of each Executive Committee Member, Technicolor business manager, and Site manager. Technicolor established a Corporate EH&S group in 1993 to develop, direct and oversee the development of global policies, guidelines, programs and initiatives. The Corporate EH&S organization reports to Corporate Social Responsibility, headed by the Director of Human Resources (Talent & People) and Corporate Social Responsibility, who is a Member of Technicolor's Executive Committee. Overseeing EH&S is a Corporate manager, who directs the efforts of EH&S personnel throughout the business. Business Unit liaisons work to ensure that initiatives relevant to their particular business are shared quickly among sites with similar activity. Legal support and counsel for issues such as product safety, environmental protection and workplace safety is provided by Technicolor in-house attorneys.

It is the responsibility of the Corporate EH&S Organization to develop policies, programs, processes and initiatives to help the business meet the principles and commitments outlined within the EH&S Charter. Each Technicolor location identifies personnel who, along with the support of local EH&S 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 43 operating locations, of which 13 are industrial. 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. By Technicolor's definition an industrial location is a facility where DVDs are produced, packaged or distributed or where any Connected Home product is made. To provide finished products and services, Technicolor utilizes purchased materials, chemicals, components, energy, and water. As a result of the products and services it provides, there are a number of potential activities that may result in adverse impacts to the environment.

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), main materials used, and processing wastewater effluents. The 43 sites included in this report may be reviewed in the subsection: "Data collection method and rationale" (5.5.5) herein.

The Corporate EH&S 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, main raw materials used, and water effluent from industrial locations.

Technicolor is firmly committed to continually assessing the impacts of its facilities and products. Technicolor'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.

TRAINING

Please refer to section 5.5 for Environmental training.

GOALS AND OBJECTIVES 2019-2022

Technicolor 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;
- reporting to satisfy GRI Sustainability Reporting Standards (GRI Standards).

5.4.1 Carbon emissions

GRI [102-12] [103-1 Energy] [103-2 Energy] [103-3 Energy] [103-1 Emissions] [103-2 Emissions] [103-3 Emissions] [302-1] [302-2] [302-3] [302-4] [305-1] [305-2] [305-3]

ENERGY CONSUMPTION

In 2021, worldwide energy use was approximately 791.4 terajoules, a decrease of about 21% compared with 2020. Of the total energy consumed, 88.1% was in the form of electricity (of which 25.2% was from renewable sources), 10.6% was in the form of fossil fuels, and 1.2% was in the form of purchased steam or chilled water. When compared to total revenue, average energy intensity was 0.273 TJ/M€ across the business in 2021.

ENERGY CONSUMPTION

	Total *(terajoules)*	Electricity *(terajoules)*	Fuel sources *(terajoules)*	Total per revenue *(terajoules per M€)*
2019	1,214(1)	1,073	137	0.319
2020	1,006.1(2)	893.9	97.3	0.335
2021	791.4(3)	697.6	84.0	0.273

(1) Total energy includes about 4 TJ steam or chilled water purchase.
(2) Total energy includes about 15 TJ steam or chilled water purchase.
(3) Total energy includes about 9.7 TJ steam or chilled water purchase.

2021 ENERGY CONSUMPTION

	Total Energy *(terajoules)*	% Total Group *(%)*	Electricity *(terajoules)*	% Total Segment *(%)*	Fuels *(terajoules)*	% Total Segment *(%)*
Creative Studios	125.8(1)	15.9%	123.3	98.0%	0.6	0.5%
Connected Home	38.9(2)	4.9%	30.0	77.1%	1.3	3.3%
DVD Services	625.9	79.1%	543.8	86.9%	82.2	13.1%
Corporate & Other	0.84(3)	0.1%	0.59	70.2%	-	0%

(1) Total energy includes about 1.8 TJ steam purchase.
(2) Total energy includes about 7.7 TJ chilled water purchase.
(3) Total energy includes about 0.25 TJ steam purchase.

GREENHOUSE GAS EMISSIONS

Having evaluated its operations, Technicolor 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.

In 2021, a total of 4,756 metric tons of CO_{2eq} were emitted from combustion sources within Technicolor's industrial plants and larger non-industrial locations.

AIR EMISSION

Scope 1 emissions	CO_{2eq} *(metric tons)*
2019	7,846(1)
2020	5,512(1)
2021	4,756(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 85,313 metric tons CO_2eq and were estimated using the International Energy Agency emissions factors (2019).

Scope 2 emissions	**CO_{2eq}** *(metric tons)*
2019	134,064
2020	110,604
2021	85,313

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:

- electricity consumption during the use of Connected Home devices (set top box and gateways) in their targeted markets during their estimated product lifetime of 5 years (STB) or 4 years (gateway). The total impact of all Connected Home devices produced during 2021 is estimated to be an equivalent 3.44 million tons of CO_{2eq} during their full lifetime of product operation. The assumed product operation that may be controlled in part by the network operator and the consumer, includes active hours during use, standby hours when not actively in use, and switched-off hours, aligned primarily with the customer habits for using their television at home. For any individual piece of equipment, the true equivalent emission will depend on the country and region of operation as emission factors vary significantly depending on electricity generation methods and sources in each country. Emissions factors used were selected from International Energy Agency emissions factors (2019);
- the estimated impact of all inbound and outbound traffic controlled by Technicolor during 2021 for DVD products was 40,169 tons CO_{2eq}. Emissions factors used were selected from UK Government GHG Conversion Factors Freighting Goods (2021);
- the estimated impact of all inbound and outbound traffic controlled by Technicolor during 2021 for Connected Home devices was 33,781 tons CO_{2eq}. Emissions were estimated by third-party specialist company TK'Blue, focusing on climate change impact of shipping and logistics activities;
- pre-Covid employee commuting was estimated at about 29,076 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 2021 due to Covid-19 risks and travel restrictions, with an impact of 2,392 tons CO_{2eq};
- data centers supporting all businesses and functions within Technicolor, but primarily attributable to Creative Studios, generated an estimated impact during 2021 of 13,421 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 operations. Emissions factors used were selected from International Energy Agency emissions factors (2019).

In 2021, Technicolor participated for the fourteenth consecutive year in the Carbon Disclosure Project (CDP), targeting collaboration between large international firms and investors related to global warming. Technicolor's emissions disclosure is available on the CDP's website: http://www.cdp.net/.

DATA CENTERS

In addition to Group IT requirements, Creative Studios businesses related to film, video, animation, and special effects have an on-going need for fast and efficient data centers (computational capacity plus storage capacity). Technicolor uses a mix of public cloud-based infrastructure as a service, in addition to on-site or co-located data centers managed by Technicolor 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 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 2021 was estimated to be 13,421 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 operations. Emissions factors used were selected from International Energy Agency emissions factors (2019).

5.4.2 Energy efficiency

***GRI** [102-12] [103-1 Energy] [103-2 Energy] [103-3 Energy] [302-5]*

Technicolor started to implement eco-design guidelines in 2008 and has long taken a positive stance towards environmental and efficiency issues in the development, manufacture, and use of its products. The Connected Home segment complies with all the laws, regulations and industry guidelines endorsed by Technicolor in order to improve the energy efficiency of its products while not impacting the user experience. These include:

- the European Union Code of Conduct on Energy Efficiency of Digital TV Service and Energy Consumption of Broadband Equipment;
- the European Union Industry Voluntary Agreement to improve energy consumption of Complex Set-Top Box (CSTB);
- the US Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Set-Top Box (STB);
- the US Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Small Network Equipment (SNE);
- the Canadian Pay-TV Set-Top Box Energy Efficiency Voluntary Agreement (STB CEEVA);
- the Canadian Energy-Efficiency Voluntary Agreement for Small Network Equipment (CEEVA SNE) to extend its existing energy saving initiatives into the Canadian market.

Technicolor was the first Customer Premises Equipment (CPE) vendor to sign the Code of Conduct for Broadband Equipment, putting itself in a leading role for low energy consumption residential gateways. By designing devices compliant with regulations as well as various Voluntary Agreements, Technicolor is committing to improve energy efficiency and to reduce the carbon footprint of gateways and Set-Top Box.

Also, Technicolor has actively contributed to creation or revision of eco-design regulations impacting the design and development of Technicolor gateways and Set-Top Box by providing inputs to the EU commission, *via* Technicolor's membership with the Digital Europe organization of leading Digital Technicolor European companies. Especially with regard to eco-design requirements on the new regulation of no-load condition electric power consumption and average efficiency of External Power Supply 2019/1782 and regulation 801/2013/EU on standby and network standby power. Each eco-design regulation contains provisions for its future evaluation and possible revision, taking into account the experience gained with their implantation and technological progress.

As concerns electricity consumption during the use of Connected Home devices (Set-Top Box and gateways) in their targeted markets during their estimated product lifetime of 5 years (STB) or 4 years (gateway), the one-year impact of all Connected Home devices produced during 2021 is estimated to be an equivalent 784 thousand tons of CO_{2eq}. The assumed product operation that may be controlled in part by the network operator and the consumer, includes active hours during use, standby hours when not actively in use, and switched-off hours, aligned primarily with customer habits for using their television at home. For any individual piece of equipment, the true equivalent emission will depend on the country and region of operation, as emission factors vary significantly depending on electricity generation methods and sources in each country.

5.4.3 Renewable energy

***GRI** [103-1 Energy] [103-2 Energy] [103-3 Energy] [103-1 Emissions] [103-2 Emissions] [103-3 Emissions] [302-4]*

As part of its pledge to conduct business safely and responsibly, Technicolor has always measured environmental impact and sought to reduce it through monitoring programs and projects focused on its activities. As the industrial footprint of the Group continues to transform away from energy-intensive processes due to industry closures in glass, tubes, and motion picture film, and the non-industrial footprint continues to evolve and to grow in digital media and the cloud, 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.

In Brazil, the Connected Homes manufacturing plant dedicated to the production of Set-Top Box for the Americas has a long-term plan to improve its carbon footprint, in part by increasing its proportion of energy from renewable sources. While some portion of electricity available on the market is from renewable sources, the site also installed solar panels, energy storage systems, and control systems sufficient to generate 10% of the electricity consumed by the site.

RENEWABLE ENERGY

Group	As a percentage of electricity (%)	As a percentage of total energy (%)
2019	24.1%	21.3%
2020	20.0%	17.7%
2021	25.2%	22.2%

Business Segment	As a percentage of electricity (%)	As a percentage of total energy (%)
Technicolor Creative Studios	62.1%	60.9%
Connected Home	42.5%	32.7%
DVD Services	15.9%	13.8%
Corporate & Other	20.4%	14.2%

CLIMATE CHANGE HIGHLIGHTS

Sites, both industrial and non-industrial, try equally to reduce their energy consumption. Efforts to reduce energy consumption locally continued in 2021. 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 2021 to reduce carbon emissions in addition to energy saving initiatives implemented in both Industrial and non-industrial sites:

- in non-industrial sites 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 industrial sites, similar initiatives took place albeit a larger scale, with floor space optimization, lighting, HVAC, automation and organizational changes that were continued from 2020 as part of continuous improvement programs. As an illustration, the Connected Home Manaus site implemented a one-hour shutdown of the air compressor and production area lighting circuit: during this period, all lines are scheduled for lunch at the same time.

Of course, due to Covid-19, business travel was drastically reduced similarly to 2020, and therefore by necessity the usage of video conferencing systems became the dominant worldwide collaboration tool, with the side benefit of reduced carbon emissions due to travel.

Additionally, in some locations and situations, the traditional commute was changed with some members of staff shifting from using the public transportation to walking or bicycling. Consequently, incentives to use the public transportation system were proposed in a few sites and more bike spaces were created in others with some incentives at times also proposed to staff using their bicycles: In Montreal Mr. X site, subscriptions to municipal bike programs were proposed. In Montreal Mikros site employees returning to work on site are encouraged to use a bike. The site worked with the city to install bike racks in front of the studio and by communicating the Technicolor promotion code for the public bike system. The site is also engaging with the property landlord to have bike racks installed in the underground parking. Edegem Connected Home improved its green car policy, proposing more attention to electrical and plug-in hybrid electric vehicles. Edegem also promotes an active lifestyle, and one member of staff was distinguished nationally in 2021 as the person who accumulated the most bicycling kilometers for the year (13,000 km) with the Bike to Work program.

5.5 CIRCULAR ECONOMY

GRI *[102-44] [103-1 Materials] [103-2 Materials] [103-3 Materials] [103-1 Water and effluents] [103-2 Water and effluents] [103-3 Water and effluents] [103-1 Waste] [103-2 Waste] [103-3 Waste]*

This report provides an overview of the activities that Technicolor is taking to fulfill its responsibilities as a global corporate citizen with respect to the Circular Economy. As such, Technicolor 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 2021.

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 industrial 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's mix of industrial and non-industrial locations, 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's EH&S program, making these, along with associated training and testing, key components of the EH&S 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, a system was designed to provide a consistent worldwide approach for managing and mitigating significant EH&S 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 each of Technicolor's businesses and to ensure that appropriate preventive measures are effectively implemented.

In 2021, four SBIs associated with EH&S aspects were reported, and penalties or fines in the amount of €11,500 were incurred as a result of SBI events.

AUDITS AND INTERNAL GOVERNANCE

GRI *[403-2]*

EH&S audits and inspections are a key part of Technicolor's continued efforts to improve EH&S management and performance, and to prevent incidents from occurring. A comprehensive corporate audit program was implemented in 1996. The aim of the audit program is to review the Group's industrial locations' compliance with Corporate EH&S Policies and Guidelines and specific applicable EH&S laws and regulations. The audit program has also been demonstrated to be a valuable tool for increasing EH&S awareness, identifying best practice opportunities, communicating successful initiatives between plants, creating opportunities for different approaches to problem solving, and introducing EH&S personnel to other aspects of the Group's multi-faceted business.

The audits include physical inspections of the location, review of documents and records, and examination of activities within the EH&S scope. The use of Technicolor specific audit protocols helps ensure and maintain consistency in approach while also bringing renewed focus to key corporate 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 2021, due to Covid-19 impact on travel, no industrial sites were audited, however ten non-industrial sites were remotely reviewed as part of Technicolor's 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 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's EH&S 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 Technicolor to identify EH&S aspects of their operations, to evaluate the status and effectiveness of existing management and control systems, to determine compliance with Technicolor EH&S Policies and Guidelines, to communicate Technicolor's EH&S initiatives and requirements, and finally, to assist in the establishment of location-specific programs that conform to Technicolor's requirements and meet the needs of the Group.

TRAINING

GRI *[403-5]*

Technicolor understands that each employee has the ability to impact the Environment, Health and Safety (EH&S) efforts and performance, thus it is critical that they are provided with appropriate tools, resources and knowledge. EH&S 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 EH&S audit process and are a core requirement in the EH&S performance measurement process. In 2021, 18,528 hours of EHS documented training reported through the EHS 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.

GOALS AND OBJECTIVES 2019-2022

Related to the circular economy, Technicolor established the following EH&S goals and objectives for the Group, to be met by its worldwide operations by the end of 2022:

- 75% minimum waste recycling rate;
- reporting to satisfy GRI Sustainability Reporting Standards (GRI Standards).

5.5.1 Recycling of waste and optimization of raw material

GRI *[103-1 Materials] [103-2 Materials] [103-3 Materials] [103-1 Waste] [103-2 Waste] [103-3 Waste] [301-1] [306-1] [306-2] [306-3] [306-4] [306-5]*

WASTE GENERATION AND RECYCLING

Technicolor has a long-standing commitment to the principles of sound and environmentally responsible management of waste. Establishing the hierarchy of internal re-use, recycling and reclaiming followed by treatment and then landfill as the last option, Technicolor has developed and implemented programs to reduce waste generation, decrease the amount of hazardous waste, decrease waste sent to landfill, and increase 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 operates industrial sites and non-industrial sites. Non-industrial sites generated about 3% of the total waste generated in the Group in 2021, with approximately 71 tons of hazardous waste from non-industrial locations (batteries, mercury-containing bulbs, e-waste). Since 2016, organic composting is tracked as part of recycled waste, with about 2 tons reported during 2021 in both industrial and non-industrial sites.

Total waste generated in 2021 was 16,654.5 tons. The recycling rate was 61.7% decreasing slightly compared to 2020. When compared to total revenue, the average waste generation for all Technicolor operations was 5.75 M-Ton/M€ in 2021.

WASTE

	Total Waste Generated *(metric tons)*	% Treated Hazardous *(%)*	% Recycled *(%)*	Total per Revenue *(metric tons per M€)*
2019	37,288	2.5%	69.9%	9.81
2020	22,016	2.4%	62.7%	7.32
2021	16,654.5	3.8%	61.7%	5.75

2021 WASTE GENERATION

	Total Waste Generated *(metric tons)*	% Total *(%)*	% Treated Hazardous *(%)*	% Recycled *(%)*
Technicolor Creative Studios	347.9	2.1%	2.6%	53.0%
Connected Home	306.9	1.8%	20.6%(1)	75.4%
DVD Services	15,996.8	96.1%	3.5%	61.6%
Corporate & Other	2.9	-	-	18.5%

(1) One-time disposal concerning many years of accumulated e-waste as part of a site relocation.

Within Technicolor, detailed waste generation and disposal data is gathered at each facility following the local reporting format and requirements, then reformatted and recorded according to standard categories defined at the corporate level using periodic online site questionnaires deployed *via* a specialized, web-based, software. 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.

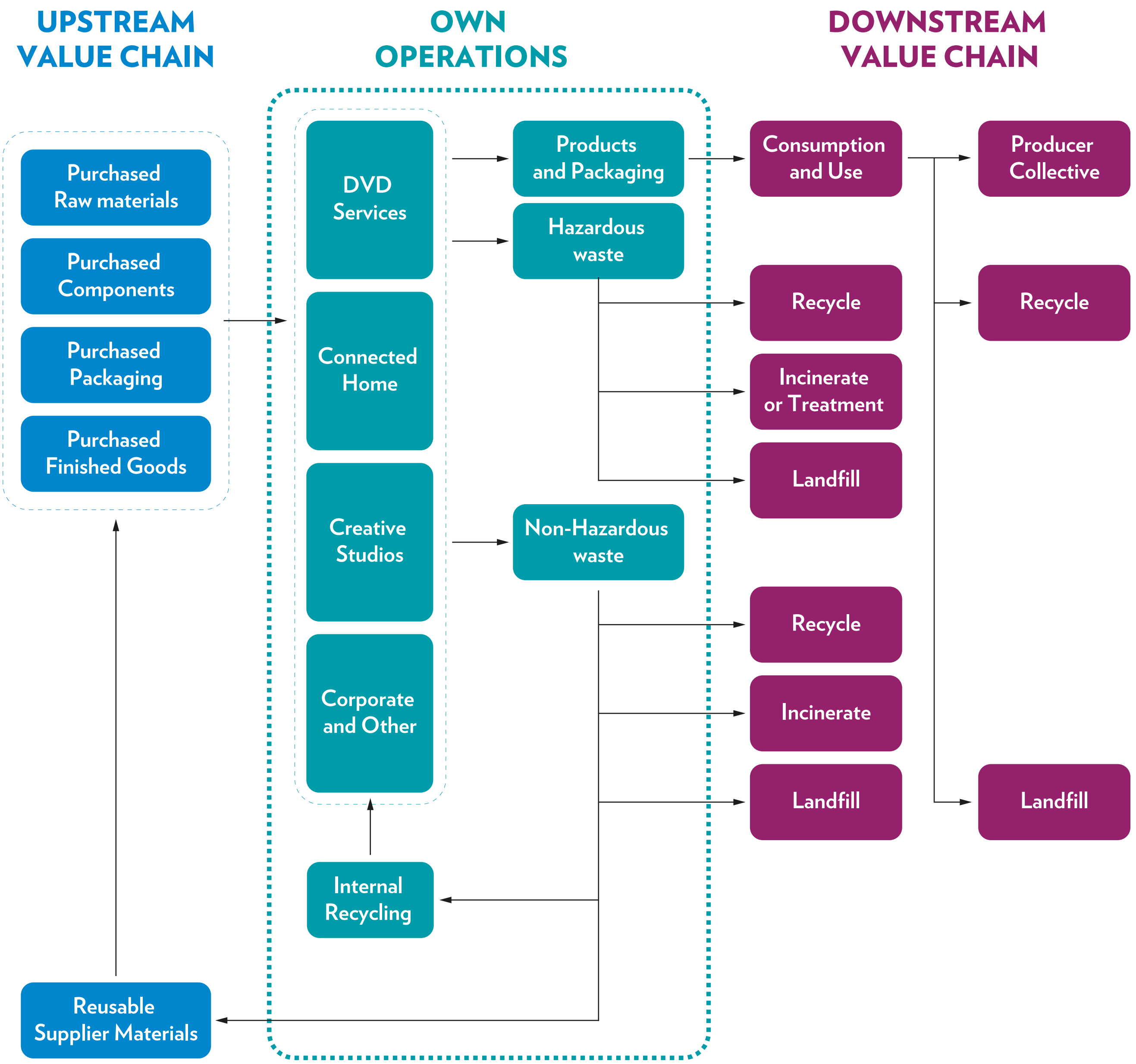
Technicolor sites select only qualified suppliers of waste-related services, generally always licensed and permitted by government agency, and in addition all sites are advised to review each waste service provider's capabilities, staff qualifications, and control systems, and these aspects are reviewed during periodic Internal Audits. In some cases, site environmental personnel may also travel to the treatment or disposal site to make additional observation and inspection as part of the initial qualification or periodic monitoring of waste-service providers.

Technicolor sites have four distinct profiles characterized by their own input and output profiles:

- sites that manufacture DVDs and dispatch them to distribution centers are using raw materials and packaging. Main raw materials are: clear polycarbonate, bonding resins and lacquers, inks, plastic films, cardboard, and pallets. Consequently, waste generated include plastics, hazardous waste, and packaging;
- packaging and distribution sites receive bulk DVD/media as inputs and package and prepare this media for retail sale. These operations consume packaging materials, printed materials; plastics film, cardboard, and pallets, which are typically reflected in waste streams along with specialized mixed waste when inventory is destroyed due to a customer request;
- assembly of Set-Top Box and gateways (one site in the Group) has electronic components as inputs as well as packaging material and generates waste streams similar to those of DVD/media packaging and distribution sites, plus e-waste;
- non-industrial sites generate typical waste associated with office buildings, plus additional e-waste streams in Connected Home sites due to testing and evaluation of electronic product; 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. Many non-industrial locations are tenants in multi-tenant properties where most 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;
- 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.

Downstream end-of-life waste not controlled by Technicolor will include packaging, DVDs, and electronics from Set-Top Box and gateways, with the last having the most impact due to e-waste characteristics. Technicolor engages in discussions with customers and suppliers to reduce packaging and to increase recyclability of packaging as well as improved recyclability of parts in electronics. Electronics receive focused attention through eco-design best practices, including design for manufacture, design for recyclability, reduction of hazardous content, and product life-cycle analysis, while increasingly sourcing components or materials of recycled origin or which include a percentage of recycled material. Connected Home end-of-life e-waste is generally managed through collective actions with other producers, depending on regulation.

WASTE PROCESS FLOW



2021 WASTE BY COMPOSITION IN METRIC TONS *(T)*

Significant Waste Stream	Waste generated	Waste diverted from disposal	Waste directed to disposal
Cardboard and paper	4,698.1	4,698.1	
Landfill	3,759.2		3,759.2
Incineration	2,401.3		2,401.3
Ground-up metallized polycarbonate	1,536.4	1,536.4	
Wooden pallets	1,287.2	1,287.2	
Clear polycarbonate	813.4	813.4	
Plastic media cases	447.5	447.5	
Chemically treated hazardous	192.4		192.4
Plastic film wrap	113	113	
E-waste/WEEE	90.7	90.7	
Return to supplier for reuse	17.8	17.8	
Fluorescent bulbs	2.2	2.2	
Batteries	2.0	2.0	
Compost	1.8	1.8	
All-other non-hazardous	1,225.5	1,201.9	23.6
All-other hazardous	66.0	65.9	0.1
TOTAL WASTE	**16,654.5**	**10,277.9**	**6,376.6**

2021 WASTE DIVERTED FROM DISPOSAL, IN METRIC TONS *(T)*

		Onsite	Offsite	Total
Hazardous Waste	Reuse	-	-	-
	Recycling	-	160.8	160.8
	Other recovery	-	-	-
	Total	**-**	**160.8**	**160.8**
Non-Hazardous Waste	Reuse	-	17.8	17.8
	Recycling	759.1	9,340.1	10,099.1
	Other recovery	-	-	-
	Total	**759.1**	**9,357.9**	**10,117.0**
TOTAL	**WASTE DIVERTED**	**759.1**	**9,518.7**	**10,277.8**

2021 WASTE DIRECTED TO DISPOSAL, IN METRIC TONS *(T)*

		Onsite	Offsite	Total
Hazardous Waste	Incineration (with energy recovery)	-	187.8	187.8
	Incineration (without energy recovery)	-	-	-
	Landfilling	-	92.8	92.8
	Other disposal	-	192.4	192.4
	Total	**-**	**473**	**473**
Non-Hazardous Waste	Incineration (with energy recovery)	-	2,131.7	2,131.7
	Incineration (without energy recovery)	-	81.8	81.8
	Landfilling	-	3,666.5	3,666.5
	Other disposal	-	23.7	23.7
	Total	**-**	**5,903.7**	**5,903.7**
TOTAL	**WASTE DISPOSED**	**-**	**6,376.7**	**6,376.7**

RAW MATERIAL USAGE

The Group sources all raw materials externally. These are always industrially processed raw materials. The main raw materials consumed by the Group's businesses in 2021 were:

RAW MATERIALS

(in metric tons)	
Polycarbonate molding plastic	12,587
Carboard and paper packaging	7,159
Wood packaging	6,208
DVD bonding resin	808
Plastic packaging	550

WEEE

GRI *[417-1]*

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. Technicolor Connected Home devices are designed to make their disassembly easier. This is one condition for facilitating the pretreatment for recovery as well as to positively affect the reused and refurbishing of end-of-life products in accordance with the circular economy principal. Also, information to end-users explaining about e-waste and how to dispose of devices correctly is made available, including the meaning of the wheelie bin symbol.

WASTE HIGHLIGHTS

Waste reduction, reuse and recycle efforts continued in 2021. Non-industrial sites increasingly reduced waste produced by discontinuing the use of disposable paper cups, plastic cutlery, or bottled water, shifting to durable options.

DVD manufacturing, packaging, and distribution sites pursued efforts to reduce out-of-order equipment or damaged pallets through specific programs, engaging employees, and through dialogue with waste management service providers. In 2021, the Guadalajara, Mexico DVD factory project to recycle internally more polycarbonate from metallized disks, launched during 2020 resulted in a full-year increase by 5% of tons of ground metalized polycarbonate recycled in 2021. Meanwhile, clear polycarbonate recycled internally at this site increased by 9 percent. Pallet recycling programs have been continued and developed in Mexicali, Mexico, thereby reducing the need to purchase new pallets. In Piaseczno, Poland, the site reduced the consumption of foil used in the laminating process by 1,040 kg/year in its main warehouse. The Rugby, UK, site reinforced its waste segregation efforts with weekly checks introduced to ensure waste segregation. In Sydney too, a pallet recycling program is in place.

5.5.2 Environmental footprint of products

PRODUCT DESIGN AND PRODUCT LIFE CYCLE

As a leading supplier of Set-Top Box (STBs) and home gateways, Technicolor has acquired experience and decided to incorporate eco-design principles and methodology into its product families. Rigorous analysis about product environmental performance allowed Technicolor to measure the impact of innovations and to target key areas of focus. Based on product life cycle assessment, Technicolor advises and supports its customers to reduce the ecological impact of their activities, addressing short-term product aspects of core product design (*e.g.*, energy consumption reduction during its life cycle, elimination of hazardous substances in electronic cards, components, casings, accessories, and cable materials, use of recycled materials and contributions to a more circular economy) as well as on related elements to reduce single-use plastics and packaging and to decrease carbon emissions due to transportation. Technicolor also looks forward, collaborating with its customers to support them in their ambitions to reduce their carbon footprint and evolve towards carbon-neutral activities. For more information, please refer also to section 5.4.2 on energy efficiency.

PRODUCT REUSE

GRI *[417-1]*

Beginning in 2016, as part of its reuse strategy, the Group began to recover used units from the American market in partnership with a major network provider capable of taking back product from individual consumers. Using its network of post-sales locations, Technicolor inspects, refurbishes, and requalifies the returned products whenever feasible, and then sells them as a clearly labeled refurbished product and at a reduced price. Since the program commenced in 2016, the destruction and disposal of about 3.15 million units and 3,022 tons of waste was avoided. At the same time, the need for an equivalent amount of raw materials and manufacturing effort required to produce new products for these markets was eliminated.

PRODUCT RECYCLING

While many stakeholders have specific actions to take to fully achieve product recycling, Technicolor Connected Home supports the Circular Economy. Easy device disassembly and avoidance of compound material in device mechanics and packaging helps to reintroduce parts of the devices in the raw material flow (*e.g.*, for device housing or packaging).

5.5.3 Sustainable water management

GRI *[102-12] [102-13] [103-1 Water and effluents] [103-2 Water and effluents] [103-3 Water and effluents] [303-1] [303-2] [303-3] [303-4] [303-5]*

In 2021, water consumption at the Technicolor reporting locations decreased by about 24.9% *versus* 2020 to 304.4 thousand cubic meters. When compared to revenues, the average water consumption rate was 105 m^3/M€ across the business in 2021.

Where raw water is developed on-site from local wells, all consumption and pre-treatment is in accordance with granted permissions and approved processes. All water consumption, other than that related to building and facilities, is linked to DVD replication or set top box manufacturing. Locations experiencing periodic water shortages, such as DVD replication in Australia, invest in rainwater harvesting, while other manufacturing locations in Brazil, Mexico, and Poland may invest in process water recycling so that overall source consumption is reduced. Including laboratory operations in Rennes, France and industrial sites in Australia, Brazil, and Mexico, total rainwater harvested and consumed during 2021 was about 2,009 m^3.

WATER CONSUMPTION

	Total consumption *(thousands of cubic meters)*	Total per revenue *(cubic meters per M€)*
2019	511	134
2020	405.2	135
2021	304.4	105

2021 WATER CONSUMPTION

	Total consumption *(thousands of cubic meters)*	% Total *(%)*
Technicolor Creative Studios	19.0	6.2%
Connected Home	23.3	7.6%
DVD Services	261.8	86.0%
Corporate & Other	0.3	0.1%

PROCESS WASTEWATER

Within Technicolor's facilities, 4 sites utilize water within their manufacturing processes. In order to assess the potential environmental impact of the discharge of this treated water, the Group referenced both the European Community (EC) and U.S. Environmental Protection Agency (EPA) criteria for "priority pollutants". Based upon these lists, and information provided by Technicolor's sites regarding the parameters that require monitoring and reporting, 13 pollutants were identified on either the EC or EPA list.

For 2021, the amount of treated water discharged was 66,958 cubic meters, and the total estimated amount of discharged priority pollutants was 84.3 kilograms.

DISCHARGED PRIORITY POLLUTANTS

	Total discharged *(kilograms)*	Total per revenue *(grams per M€)*
2019	80	21.0
2020	46	15.3
2021	84.3	29.1

In addition, due to effluent characteristics, 3 sites are required to monitor biological oxygen demand (BOD) or chemical oxygen demand (COD), in 2021 an estimated total of 2,062 kg BOD and 138 kg COD were discharged within process effluent.

All above quantities of discharged pollutants are fully compliant with authorized limits. Summary weights of pollutants are calculated using volume-averaged, full year, average concentrations, based on periodic laboratory sampling. Periodic effluent sampling is performed in accordance with local regulatory requirements, and in general pollutants are not monitored continuously.

SUSTAINABLE WATER HIGHLIGHTS

While Technicolor is not a water intensive business, efforts to save water are made wherever possible, at industrial sites but also non-industrial sites, with sites in water stressed areas being particularly sensitive to careful water management. Throughout the year, many sites explored new ways of saving water. Manaus reuses air conditioning condensation for cleaning up outside the buildings, and Melbourne, Rennes, Guadalajara and Manaus sites collect and store rainwater (together they harvested and consumed some 2,009 cubic meters of rainwater in 2021). In non-industrial sites, 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. The Melbourne site also installed a camera in the wastewater pits to control the amount of wastewater coming from the mask cleaning areas to control water usage as well as to reduce wastewater collections to a minimum.

5.5.4 Additional environmental aspects

GRI *[103-1 Environmental compliance] [103-2 Environmental compliance] [103-3 Environmental compliance]*

ENVIRONMENTAL MANAGEMENT SYSTEMS

An Environmental Management System (EMS) is a continual cycle of planning, implementing, evaluating and improving practices, processes and procedures to meet environmental obligations and successfully integrate environmental concerns into normal business practices. An effective EMS helps identify and eliminate the causes of potential environmental problems, establish and achieve environmental goals, reduce potential risk and liability, and operate a more effective environmental program.

ISO 14001 is the most widely accepted international standard for an EMS. In today's global market, participation in the ISO 14001 process is one way for an organization to demonstrate its commitment to the environment. To receive certification, organizations are required to develop detailed plans and procedures to identify, evaluate, quantify, prioritize and monitor environmental impacts of its activities.

During 2021, a total of six industrial sites held an ISO 14001 certification. The Group makes an environmental risk assessment of each site before concluding an ISO 14001 certification is required. A few sites work beyond the Group requirement and achieve the certification even though the risk threshold is not exceeded.

TECHNICOLOR LOCATIONS WITH ISO 14001 CERTIFIED EMS

Site	Segment	Original certification date
Guadalajara	DVD Services	October 2004
Manaus	Connected Home	February 2004
Melbourne	DVD Services	December 2005
Piaseczno	DVD Services	December 2004
Rugby	DVD Services	November 2004
Sydney	DVD Services	December 2005

ENVIRONMENTAL INVESTMENTS, REMEDIATION, AND POLLUTION PREVENTION

GRI *[306-3] [307-1]*

In total, approximately €2.62 million was spent on environmental remediation projects in 2021.

A certain number of Technicolor's current and previously owned manufacturing sites have an extended history of industrial use. Soil and groundwater contamination, which occurred at some sites, may occur or be discovered at other sites in the future. Industrial emissions at sites that Technicolor has built or acquired expose the Group to remediation costs. The Group has identified certain sites at which chemical contamination has required or will require remedial measures:

- soil and groundwater contamination was detected at a former production facility (TCETVT) in Taoyuan, Taiwan, that was acquired from GE in 1987. In 1992, the facility was sold to a local developer. Soil remediation was completed in 1998. In 2002, the Taoyuan County Environmental Protection Bureau ("EPB") ordered remediation of the groundwater underneath the former facility. The groundwater remediation process is underway. EPB and TCETVT continue to negotiate over the scope of that work. Technicolor has reached an agreement with General Electric with respect to allocation of the responsibility related to the soil and groundwater remediation (for further information, please refer to section 3.1.4.2);
- during site closure at an Indiana (USA) CRT factory, soil contamination was discovered while de-commissioning storage pits and liners. Site assessment work was begun in 2005 and Technicolor entered into a Voluntary Remediation Agreement with the appropriate environmental agency in 2006. Initial soil clean-up actions took place in 2006 and groundwater assessment was completed during 2009. The remediation work plan for this site has been approved and completed and the site clean-up project is now finished;
- as a result of a minor groundwater contamination discovered at a former Technicolor site in North Carolina (USA), an exhaustive environmental site assessment and corrective action plan was completed in 2005. The corrective action plan was approved by the appropriate environmental agency in September 2006, and remediation activities at the site were completed in 2007. Monitoring of the declining groundwater contamination is on-going;

- during site redevelopment at a closed Hollywood film lab with a prior history of contaminated groundwater, soils underneath the buildings were assessed and contaminated soils removed where possible and disposed of properly. Additionally, installations of sub-surface soil vapor extraction systems and passive soil-vapor barriers were completed prior to replacement of the concrete flooring. These works were reviewed and approved by the governing agency prior to implementation and construction activities were completed during 2013. Soil vapor extraction processes and site groundwater monitoring continued during 2021.

The Group believes that their environmental accounting provisions and the contractual guarantees provided by its contracts for the acquisition of certain production assets will enable it to reasonably cover its safety, health and environmental obligations. However, potential problems cannot be predicted with certainty and it cannot be assumed that these reserve amounts will be sufficient. In addition, future developments such as changes in governments or in safety, health and environmental laws or the discovery of new risks could result in increased costs and liabilities that could have a material effect on the Group's financial condition or results of operations. Based on current information and the provisions established for the uncertainties described above, the Group does not believe it is exposed to any material adverse effects on its business, financial condition or results of operations arising from its environmental, health and safety obligations and related risks.

In addition, Technicolor has initiated a number of environmental projects at various locations to ensure that they are in compliance with applicable laws and regulations and Technicolor standards, or to reduce or prevent unwanted emissions. 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.

BIODIVERSITY

GRI *[413-1]*

All 43 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 2021, 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 The Mill, Montreal Mikros Image) or farming beds (Adelaide Mr. X), or welcoming bee-hives (Montreal Mikros Image, Chicago The Mill). The Montreal Mikros Image donates money to plant trees in Northern Quebec primary forests, to compensate for air travel.

NOISE

GRI *[413-1]*

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 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 (manufacturing and production sites, offices and warehouses).

ACTIONS TAKEN TO REDUCE FOOD WASTE

This subject is non-material in view of our activities.

5.5.5 Data collection method and rationale

GRI [102-4]

This report contains data from 43 locations. Given the diversity of the Group's operations, environmental impacts vary by location, thus not every location is required to report on each of the established metrics. Reporting locations are selected according to an annual coverage analysis based on three criteria: headcount, surface area, and environmental risk. Technicolor targets more than 95% of Group headcount and surface area when screening and selecting reporting sites at the beginning of each year.

The Corporate EH&S 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's worldwide locations, the Group has developed its own 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 and annual basis, depending upon the information provided. Data is organized and consolidated globally and is communicated to the Vice-President, Corporate EH&S and others as appropriate.

The collection period runs from January 1, 2021 to December 31, 2021.

Data Verification: Data reporting requirements, and data collection and consolidation systems are developed by the Corporate EH&S 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 Corporate EH&S group. Corporate EH&S 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 scheduled Corporate EH&S audits.

Scope of Data Collection: the following sites provided data for this report:

			2019		2020		2021	
Site	**Segment (ref 2021)**	**Location**	**Industrial profile**	**Non-industrial profile**	**Industrial profile**	**Non-industrial profile**	**Industrial profile**	**Non-industrial profile**
Adelaide Mr. X (ex Mill Film)	Technicolor Creative Studios	Australia		X		X		X
Avon	DVD Services	France		X		X		X
Bangalore	Technicolor Creative Studios	India		X		X		X
Beijing	Connected Home	China		X		X		X
Berlin The Mill	Technicolor Creative Studios	Germany						X
Berlin MPC	Technicolor Creative Studios	Germany				X		X
Boulogne(1)	Technicolor Creative Studios	France		X				
Burbank(1)	Technicolor Creative Studios	California, USA		X		X		
Calexico	DVD Services	California, USA					X	
Camarillo(1)	DVD Services	California, USA		X		X		
Camarillo MFL	DVD Services	California, USA	X		X		X	
Chennai	Connected Home	India		X		X		X
Chicago The Mill	Technicolor Creative Studios	Illinois, USA		X		X		X
Culver City MPC	Technicolor Creative Studios	California, USA		X		X		X
Edegem	Connected Home	Belgium		X		X		X
Guadalajara	DVD Services	Mexico	X		X		X	
Guadalajara FSSC	Corporate & Other	Mexico		X		X		X
Hollywood(1)	Technicolor Creative Studios	California, USA		X		X		
Huntsville(1)	DVD Services	Alabama, USA	X		X		X	
LaVergne	DVD Services	Tennessee, USA	X		X		X	

Site	Segment (ref 2021)	Location	2019 Industrial profile	2019 Non-industrial profile	2020 Industrial profile	2020 Non-industrial profile	2021 Industrial profile	2021 Non-industrial profile
Lawrenceville	Connected Home	Georgia, USA		X		X		X
London MPC	Technicolor Creative Studios	UK		X		X		X
London Post(1)	Technicolor Creative Studios	UK		X		X		
London The Mill	Technicolor Creative Studios	UK		X		X		X
Los Angeles The Mill	Technicolor Creative Studios	California, USA		X		X		X
Manaus	Connected Home	Brazil	X		X		X	
Melbourne	DVD Services	Australia	X		X		X	
Memphis	DVD Services	Tennessee, USA	X		X		X	
Mexicali	DVD Services	Mexico	X		X		X	
Montreal Mr. X	Technicolor Creative Studios	Canada		X		X		X
Montreal Mikros Image	Technicolor Creative Studios	Canada		X		X		X
Montreal Mr. X (ex Mill Film)(1)	Technicolor Creative Studios	Canada		X		X		
Montreal MPC	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		X
New York The Mill	Technicolor Creative Studios	New York, USA		X		X		X
Norcross	Connected Home	Georgia, USA						X
Paramount(1)	Technicolor Creative Studios	California, USA		X		X		
Paris Renard	Corporate & Other	France		X		X		X
Paris Hauteville	Technicolor Creative Studios	France		X		X		X
Piaseczno	DVD Services	Poland	X		X		X	
Rennes – Cesson	Connected Home	France		X		X		X
Rugby	DVD Services	UK	X		X		X	
Seoul	Connected Home	South Korea		X		X		X
Shanghai MPC	Technicolor Creative Studios	China		X		X		X
Sydney	DVD Services	Australia	X		X		X	
Tokyo	Connected Home	Japan		X		X		X
Toronto DVD Services(1)	DVD Services	Canada	X		X		X	
Toronto Mr. X	Technicolor Creative Studios	Canada		X		X		X
Toronto Post(1)	Technicolor Creative Studios	Canada		X		X		
Tultitlan(1)	DVD Services	Mexico	X		X			
Vancouver MPC(1)	Technicolor Creative Studios	Canada		X				
Vancouver Post(1)	Technicolor Creative Studios	Canada		X		X		
Warsaw	Corporate & Other	Poland		X		X		X

(1) These sites have been moved or closed or sold.

All sites report information about work injury and illness, water, and power.
Industrial profiles also report extensive waste data monthly, and wastewater/effluent and raw materials annually.
Non-Industrial profiles also report summary waste data annually.

5.6 GREEN TAXONOMY

GRI *[102-45] [102-46]*

According to the European Union regulation 2020/852 and to the Commission delegated regulations C 2021/2800 and C 2021/4987 supplementing regulation 2020/852, information about the eligibility of the activities to be disclosed during the first 12 months of its application are presented in the following tables.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2021

				Substantial contribution criteria		DNSH criteria ("Does Not Significantly Harm")								
Economic activities	Code(s)	Absolute turnover *(M€)*	Proportion of turnover *(%)*	Climate change mitigation *(%)*	Climate change adaptation *(%)*	Climate change mitigation *(Y/N)*	Climate change adaptation *(Y/N)*	Water and Marine resources *(Y/N)*	Circular economy *(Y/N)*	Pollution *(Y/N)*	Biodiversity and eco-systems *(Y/N)*	Mini-mum safe-guards *(Y/N)*	Category (enabling activity) *(E)*	Category (transi-tional activity) *(T)*
A. Taxonomy-Eligible activities														
Technicolor Creative Studios - Film Episodic Animation	J59	354	12%	-		Y	Y	Y	Y	Y	Y	Y	E	
B. Taxonomy-Non-Eligible Activities														
Turnover of Taxonomy-non-eligible activities		2,545	88%											
TOTAL (A+B)		**2,898**												

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2021

				Substantial contribution criteria		DNSH criteria ("Does Not Significantly Harm")								
Economic activities	Code(s)	Absolute CapEx *(M€)*	Proportion of CapEx *(%)*	Climate change mitigation *(%)*	Climate change adaptation *(%)*	Climate change mitigation *(Y/N)*	Climate change adaptation *(Y/N)*	Water and Marine resources *(Y/N)*	Circular economy *(Y/N)*	Pollution *(Y/N)*	Biodiversity and eco-systems *(Y/N)*	Mini-mum safe-guards *(Y/N)*	Category (enabling activity) *(E)*	Category (transi-tional activity) *(T)*
A. Taxonomy-Eligible activities														
Technicolor Creative Studios - Film Episodic Animation	J59	54	36%	-		Y	Y	Y	Y	Y	Y	Y	E	
Connected Home R&D	J62	30	20%	-		Y	Y	Y	Y	Y	Y	Y		
TOTAL ELIGIBLE CAPEX		**84**	**55%**	**-**										
B. Taxonomy-Non-Eligible Activities														
CapEx of Taxonomy-non-eligible activities		68	45%											
TOTAL (A+B)		**152**												

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2021

				Substantial contribution criteria		DNSH criteria ("Does Not Significantly Harm")								
Economic activities	Code(s)	Absolute OpEx *(M€)*	Proportion of OpEx *(%)*	Climate change mitigation *(%)*	Climate change adaptation *(%)*	Climate change mitigation *(Y/N)*	Climate change adaptation *(Y/N)*	Water and Marine resources *(Y/N)*	Circular economy *(Y/N)*	Pollution *(Y/N)*	Biodiversity and eco-systems *(Y/N)*	Mini-mum safe-guards *(Y/N)*	Category (enabling activity) *(E)*	Category (transi-tional activity) *(T)*
A. Taxonomy-Eligible activities														
Technicolor Creative Studios - Film Episodic Animation	J59	16	52%	-		Y	Y	Y	Y	Y	Y	Y	E	
Connected Home R&D	J62	2	5%	-		Y	Y	Y	Y	Y	Y	Y		
TOTAL ELIGIBLE OPEX		**18**	**57%**	**-**										
B. Taxonomy-Non-Eligible Activities														
OpEx of Taxonomy-non-eligible activities		13	43%											
TOTAL (A+B)		**31**												

The review of the Group's activities in the frame of the Regulation and the Delegated Regulations leads to consideration that the following activities are eligible:

- Technicolor Creative Studios activities as Revenues, Capex and Opex for feature and animation films and episodic under the section 13.3 of annex II of the delegated act C 2021/2800 (Motion picture, video and television program production, sound recording and music publishing activities) which lists explicitly the J59 NACE code of these activities (J59.11 Motion picture, video and television program production activities and J59.12 Motion picture, video and television program post-production activities). These classifications include the production of motion pictures, videos, television programs (television series, documentaries, *etc.*), or television advertisements, and the post-production activities such as editing, film/tape transfers, titling, subtitling, credits, closed captioning, computer-produced graphics, animation and special effects, developing and processing motion picture film, as well as activities of motion picture film laboratories and activities of special laboratories for animated films. It is an enabling activity;
- Connected Home R&D activities as Capex and Opex under the section 8.2 of the annex II of the delegated act C 2021/2800 (Computer programming, consultancy and related activities) which lists explicitly the J62 NACE code (Computer programming, consultancy and related activities) where Connected Home R&D activities fall. The J62 classification includes the writing, modifying, testing and supporting of software, as well as the planning and designing of computer systems which integrate computer hardware, software and communication technologies. Services may include related training of users.

It has been considered that:

- the Technicolor Creative Studios activities for advertising were not eligible despite television advertisement production is listed among J59 NACE code referred by 13.3 section of annex II, because advertising activities as such are not eligible (NACE code 71);
- the Technicolor Creative Studios activities for games are not eligible as games are not eligible according to the C 2021/2800 delegated regulation and as post-production for games are not listed in the listed NACE codes of this delegated regulation;
- despite being positioned between upstream and downstream eligible activities (production and distribution of movies and episodic on DVD and other physical supports), DVD Services activities appear to be not eligible as their NACE code C18.2 (Reproduction of recorded media) is not listed in the C 2021/2800 delegated regulation and as this activity is explicitly excluded from the eligible J59 NACE code where it is referred to the C18.2 NACE code. Conversely, the C18.2 NACE code stipulates that production and distribution of movies and episodic on DVD and physical support are excluded from this code and must be referred under NACE code J59. This discriminative classification set by the delegated regulation creates a significant inconsistency along the value chain.

According to the evolution of the classification set by these delegated regulations, the eligibility of activities may be later revisited.

The OpEx include repairs and maintenance costs related to assets used by Technicolor Creative Studios in the course of their activities.

The CapEx and OpEx of Technicolor Creative Studios are allocated in a prorated basis, proportionally to the turnover of the eligible and non-eligible activities of Technicolor Creative Studios. Capex and Opex are transversal and common to the full set of services delivered by Technicolor Creative Studios for film, episodic, animation, advertising and games.

The CapEx and Opex of Connected Home represent respectively: the development costs capitalized (activated or in progress) following IAS 38 requirements, and repairs and maintenance costs in relation with R&D activities.

5.7 SAFETY OF CUSTOMERS AND PROTECTION OF CONTENT

5.7.1 Product compliance and ban of hazardous materials

GRI *[102-12] [102-13] [103-1 Procurement Practices] [103-2 Procurement Practices] [103-3 Procurement Practices] [103-1 Materials] [103-2 Materials] [103-3 Materials] [103-1 Environmental Compliance] [103-2 Environmental Compliance] [103-3 Environmental Compliance] [103-1 Supplier Environmental Assessment] [103-2 Supplier Environmental Assessment] [103-3 Supplier Environmental Assessment] [103-1 Public policy] [103-2 Public policy] [103-3 Public policy] [103-1 Customer health and safety] [103-2 Customer health and safety] [103-3 Customer health and safety] [308-1] [308-2] [416-1] [417-1]*

Manufacturers of electronic products face growing sustainability requirements and increasing regulations concerning eco-design and energy efficiency. The variety and proliferation of environmental regulations as well as norms, standards, frameworks, and customer standards influenced both by stakeholders and in-process regulations, has reinforced the need for better environmental management. Resource efficiency requirements are now set to become a reality for many products manufacturers supplying the EU market. The Group has put into place the necessary processes and initiatives to comply with law restricting the use of hazardous substances, such as, but not limited to, the European Restriction of Hazardous Substances (RoHS) directive and the Restriction, Evaluation and Authorization of Chemical substances (REACH) regulation.

KEY PRODUCT ENVIRONMENTAL AND SAFETY REQUIREMENTS COMPLIANCE

Technicolor operates in a worldwide market and thus has to deal with a wide variety of national and regional initiatives governing the environmental performance and risk management associated with its products.

In particular, energy consumption, which is the main significant environmental impact for our products remains a key priority across the industry and regions. We have continued our on-going and long-lasting programs of engagement on measures that improve the energy efficiency of our products (see section 5.4.2: “Energy Efficiency”).

Also, Technicolor faces increasing complexity in its product design and supply chain to adjust to new or future requirements relating to the chemical and materials composition of its products and their safe use.

For example, compliance methods and actions are in place with regard to the RoHS (Restriction on Hazardous Substances), and WEEE (Waste Electrical and Electronic Equipment) European directives, and the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) European regulation, or similar legislation in regions other than EU Member States, dealing with the Restriction on the use of Hazardous Substances within products and systems, and preparing for better end-of-life handling of Electrical and Electronic Equipment Waste. In 4Q 2020, in the context of the Waste Framework Directive, the European Chemicals Agency (ECHA) established the Substance of Concern in Products (SCIP) database, and companies that supply articles containing Substances of Very High Concern (SVHCs) had to submit notification on these articles to the new EU SCIP database starting 1Q 2021. Technicolor Connected Home division studied and developed a new program and processes to successfully support supply chain data communications required for compliance with the new EU REACH SCIP database (including but not limited to suppliers' awareness and training, instructions and data collection templates). Since 1Q 2021, all active products shipping to Technicolor customers in the EU were fully compliant with this Directive.

In 2010, the United States was one of the first countries to take the initiative to bring about legislation to combat the conflict minerals trade. Since 2014, companies in scope of U.S. Law were first required to check and report on the use of conflict minerals in their products. From 2021, the new Conflict Minerals Regulations (EU) 2017/821 creates supply chain due diligence obligations, which will begin to take effect for EU-based importers of 3T (Tin, Tantalum, Tungsten) ores and concentrates, as well as gold above defined thresholds.

As an RBA Responsible Minerals Initiative (RMI) member, our approach is to rely on the Conflict Minerals OECD Due Diligence Guidance process developed by the Responsible Business Alliance (RBA). Technicolor uses the RMI Conflict Minerals Due Diligence reporting template (CMRT) and dashboard as a standard questionnaire for conducting inquiries into its supplier database. The Responsible Minerals Assurance Process (RMAP) is the industry standard for audited smelter conflict-free status. RMI calls on more smelters and refiners to join the efforts to become conflict-free by undergoing the RMI's independent third-party conflict minerals audit. As such, Technicolor is exercising a due diligence approach by asking its suppliers to conduct investigations in their own supply chain, so as to determine the origin of any conflict minerals (tin, tantalum, tungsten and gold) provided to Technicolor. Note that based on current knowledge and suppliers surveyed in 2021, 100% of the smelters identified in the Connected Home supply chain are classified under the RMI. Some are still engaged in the RMAP.

In 2019, Technicolor started to conduct supplier surveys and due diligence on cobalt sourcing and initiated Mica Sourcing supplier surveys in 2020, to establish whether Mica is included in products and parts provided to Technicolor. The new Extended Minerals Reporting Template (EMRT), launched by the RMI in 4Q 2021, now also includes Cobalt and Mica and is used by Technicolor manage due diligence in the supply chain.

Technicolor takes actions to comply with "California Proposition 65", officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986. The proposition protects the state's drinking water sources from being contaminated with chemicals known to cause cancer, birth defects or reproductive harm, and requires businesses to inform Californians about exposures to such chemicals. Per OEHHA guideline (California's Office of Environmental Health Hazard Assessment), businesses are required to provide warnings if their products can expose consumers or workers to a listed chemical in excess of the identified threshold "safe harbor" level. Technicolor's supply chain must report any such dangerous chemical use or presence according to OEHHA guidelines, including hazard (cancer, reproductive harm, or both), to determine if the warning label is required on products. Technicolor also utilizes product testing to support compliance actions.

Regarding consumer product health and safety, Technicolor ensures that all products sold comply with all consumer safety regulations applicable in each country where the product is marketed. Additionally, in some emerging markets where safety regulations may not yet be robust, Technicolor applies its knowledge of appropriate product safety regulations and ensures that emerging market products comply with a higher product safety standard.

5.7.2 Content security, cyber risks and respect of Intellectual Property

GRI *[103-1 Customer privacy] [103-2 Customer privacy] [103-3 Customer privacy]*

As major stakeholder of the content creation and distribution industry, Technicolor is eager to carefully respect and protect Intellectual Property of its own assets and of its customers and suppliers assets.

The Group policies and practices cover protection of invention, of physical media content, of physical and online content distribution, and of content creation within our premises and using our network.

Respective risks description and risks management are presented in section 3.1.1: "Global market and industry risks":

- cyber and physical content security for Technicolor Creative Studios (visual effects, animation and games);
- products development and cybersecurity for the Connected Home segment;
- physical security for the DVD Services segment.

Technicolor information technologies security procedures, as well as security processes of people and assets, are presented in section 3.2.5.

As a major actor involved in all steps of the delivery of Media & Entertainment content to the end user, Technicolor 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 now further implemented in the three segments (Technicolor Creative Studios, Connected Home, DVD Services) focusing on their specific risks.

Prevention of growing cybersecurity issues is critical for Technicolor. Hence, Technicolor has decided to achieve certification of its services against the ISO 27001:2013 standard. Technicolor was awarded its first ISO 27001:2013 certificate on December 12, 2019. Technicolor's certified scope targets its operational service to Connected Home customers, starting with its key management systems. The cryptographic keys are the fundamental bricks of cybersecurity. In Technicolor Connected Home products, they protect the confidentiality of the video content, the integrity of the devices, the authenticity of the firmware. Due to the Covid-19 context, the certification scope was kept the same for the 2020 surveillance audit, but in 2021, the scope was expanded to include the product security testing process performed by the Technicolor Security Office Assessment Team (TSO-AT). ISO 27001:2013 certification was renewed in both 2020 and 2021.

The aforementioned TSO-AT, an internal team of certified hackers, assesses the security of Technicolor products, sites and systems. A responsible disclosure process is also implemented together with a public form to report vulnerabilities on Technicolor products and systems. Relations are established with skilled cybersecurity partners, and the CERT-CC (Computer Emergency Response Team - Coordination Center) to coordinate response to cybersecurity incidents.

Besides the traditional objective of Content & IP protection, the Connected Home products have a key role to play in Privacy protection, and defense against massive scale cyberattacks. Physically positioned at the border between the private sphere of the end-user, and the Internet operators' networks, the Technicolor Customer Premise Equipment (CPE) need to achieve best-in-class protection to contribute to global security and privacy efforts, and to provide security added value to our customers.

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 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 activity does not directly collect sensitive personal information of private customers, a privacy-by-design approach is used for Technicolor products and systems, and the DCO is involved when a Data Protection Impact Analysis seems relevant.

5.8 FAIRNESS OF BUSINESS PRACTICES

GRI *[102-17] [103-1 Anti-corruption] [103-2 Anti-corruption] [103-3 Anti-corruption] [103-1 Anti-competitive behavior] [103-2 Anti-competitive behavior] [103-3 Anti-competitive behavior] [103-1 Public policy] [103-2 Public policy] [103-3 Public policy] [103-1 Socioeconomic compliance] [103-2 Socioeconomic compliance] [103-3 Socioeconomic compliance]*

5.8.1 Competition rules and anti-bribery

GRI *[205-1] [205-2]*

Following regulatory evolutions, especially the Sapin II Law adopted on December 9, 2016, the Group has strengthened its Ethics and Compliance program so as to be in compliance with the new regulatory requirements and business practices.

The anti-bribery program now includes the following:

- Technicolor top management has shown its engagement (i) by issuing several communications to all employees explaining that a zero-tolerance policy against bribery is part of Technicolor's core values and (ii) by requiring regular updates on the anti-bribery program at the Audit Committee of the Company's Board of Directors and at the Board itself;
- Code of Ethics & Anti-Bribery Policy: this Code was updated in 2020 and is now available in 5 languages so to be accessible and well understood by all Group employees. The employees are now required to confirm that they duly read it. The Anti-Bribery Policy provides practical examples showing employees how to do the right thing when faced with a dilemma. The Travel and Customer Entertainment policy has also been updated to harmonize processes across businesses;
- Whistleblowing Policy, updated in 2021: a Whistleblowing system is available and enables all Technicolor employees and partners to report anything that they suspect to be unethical, illegal or unsafe, through a dedicated website or by phone;
- risk mapping: our risk mapping has been reviewed in 2020 to identify new risks specific to business conduct and to re-assess all of them;
- third-party assessments: the Group's suppliers are required to respect the Anti-bribery Policy, and the Third-Party policy covering our relationship and engagement with agents, consultants, advisors, among others, has been reviewed and communicated to sales and legal teams, in specific training. The sales agent template contract has been updated to streamline it and to take into account new anti-bribery requirements;
- training: specific training courses on anti-bribery are developed and delivered within the Group to the staff categories with the highest level of exposure. Targeted E-learning training as well as on-site training for specific employee categories such as sales, legal, finance or human resource employees have been put in place. A training program to be provided to all the teams worldwide was also launched early 2022;
- 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 anti-bribery measures;
- internal control and audit procedures: internal and external audits are performed on a regular basis, notably covering anti-bribery matters.

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 3.2.2: "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 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 has a Financial Ethics Charter which senior employees are asked to sign each year, when they are involved in preparing and reporting Technicolor's financial results.

5.9 CSR PERFORMANCE ASSESSMENT

GRI *[102-54] [103-3 Economic performance] [103-3 Market presence] [103-3 Indirect economic impacts] [103-3 Procurement practices] [103-3 Anti-corruption] [103-3 Anti-competitive behavior] [103-3 Materials] [103-3 Energy] [103-3 Water and effluents] [103-3 Emissions] [103-3 Waste] [103-3 Environmental compliance] [103-3 Supplier environmental assessment] [103-3 Employment] [103-3 Labor/Management relations] [103-3 Occupational health and safety] [103-3 Training and education] [103-3 Diversity and equal opportunity] [103-3 Non-discrimination] [103-3 Freedom of association and collective bargaining] [103-3 Child labor] [103-3 Forced or compulsory labor] [103-3 Human Rights assessment] [103-3 Local communities] [103-3 Supplier social assessment] [103-3 Public policy] [103-3 Customer health and safety] [103-3 Marketing and Labeling] [103-3 Customer privacy] [103-3 Socioeconomic compliance]*

Over recent years, Technicolor has been assessed by ISS ESG (formerly Oekom Research), EcoVadis, Vigeo Eiris, Gaïa-Ethifinance, and is a member of the Responsible Business Alliance (RBA), which also performs audits on portions of Technicolor's Supply Chain. Since 2015, the Group Sustainability report has been prepared in accordance with the GRI Standards: Comprehensive option.

Rating or assessment body	Previous rating	Rating in 2021	Comment
ISS ESG	C+: Prime (2018)	C+: Prime	Second achievement of a "Prime" status
ISS	-	ISS Quality Score	"Best-in-class" status for the first rating
EcoVadis	70/100 – Gold (2020)	76/100 – Platinum (Top 1%)	First year of "Platinum" rating Three years of "Gold" rating since 2018
Vigeo Eiris (Moody's)	68/100 (2018)	Not assessed in 2021	Rated "Top performer"
Gaïa – Ethifinance	91/100 (2020)	89/100	Among the top-ranked companies since 2019 within a panel of 390 companies
RBA (Responsible Business Alliance)	Member in full compliance	Member in full compliance	Since 2017

5.10 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

GRI *[102-56]*

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, 2021

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of Technicolor (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), 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, 2021 (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 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

The Board of Directors 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 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 acting as the verification programme and with the international standard ISAE 3000 (revised).

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 six people between december 2021 and february 2022 and took a total of three 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.

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 29% and 90% of the consolidated data selected for these tests.
- we assessed the overall consistency of the Statement in relation to our knowledge of all entities present in the company's consolidation scope.

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 09th, 2022

One of the Statutory Auditors,

Deloitte & Associés

Bertrand Boisselier	**Catherine Saire**
Partner, Audit	Partner, Sustainable Development

(1) Review of the methodology used to calculate Scope 3 greenhouse gas (GHG) emissions, or indirect emissions; Social dialogue policy.
(2) Total workforce at the end of the year (31st December), split by gender, hires, departures and terminations; number of limited and unlimited contracts in FTE; number of accidents on the workplace, number of lost days from accidents in the workplace and severity rate; total waste generated; process waste water; water consumption; energy consumption; GHG emissions related to energy consumption.
(3) Group entities located in: Bangalore (India – HR indicators), Montréal (Canada – HR indicators), Guadalajara (Mexico – environmental indicators), Piaseczno (Poland – environmental indicators, Health & Safety indicators).

5.11 VIGILANCE PLAN

GRI *[102-11] [102-15] [102-44] [102-46] [102-47] [103-2 Economic performance] [103-2 Market presence] [103-2 Indirect economic impacts] [103-2 Procurement practices] [103-2 Anti-corruption] [103-2 Anti-competitive behavior] [103-2 Materials] [103-2 Energy] [103-2 Water and effluents] [103-2 Emissions] [103-2 Waste] [103-2 Environmental compliance] [103-2 Supplier environmental assessment] [103-2 Employment] [103-2 Labor/Management relations] [103-2 Occupational health and safety] [103-2 Training and education] [103-2 Diversity and equal opportunity] [103-2 Non-discrimination] [103-2 Freedom of association and collective bargaining] [103-2 Child labor] [103-2 Forced or compulsory labor] [103-2 Human Rights assessment] [103-2 Local communities] [103-2 Supplier social assessment] [103-2 Public policy] [103-2 Customer health and safety] [103-2 Marketing and Labeling] [103-2 Customer privacy] [103-2 Socioeconomic compliance]*

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 19 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 and industry 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 3.2). • Internal Audits and other periodic monitoring (EH&S) (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 €1 million of spending per year. It represents 90.9% of spending of the Group. About 86.6% of spending are already assessed. This threshold will be lowered to €0.75 million in 2022. • Physical on-site Internal Audits of critical suppliers for higher risk country and industry. • RBA (Responsible Business Alliance) audits.
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. • Implementation of corrective/remediation measures in case of violation/breaches of critical principles discovered during on-site audits. Certain violations generate immediate breach of contract (see section 5.3.1).
4 Warning and collection process of alerts relating to the existence or the materialization of risks	
• Global whistleblowing procedure (phone, email, website) in place since more than 10 years for breach of the Group's Code of Ethics and Code Business Ethics. It covers harassment, discrimination and human rights topics and any breach of compliance of fraud (see section 3.2.2). • In several countries/sites, additional local procedures to collect and investigate about harassment/discrimination complaints are in place and include protection of the complainer.	• Internal physical on-site audits with finding reports available to business division and sourcing (see section 5.3.1). • 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 3.2). EHS 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.

5

6

FINANCIAL STATEMENTS

2021 REVENUES

Technicolor Creative Studios

629 million euros

DVD Services

701 million euros

Connected Home

1,544 million euros

6.1 TECHNICOLOR 2021 CONSOLIDATED FINANCIAL STATEMENTS

GRI [201-1]

6.1.1 Consolidated statement of operations

(in million euros)	*Note*	Year ended December 31, 2021	Year ended December 31, 2020*
CONTINUING OPERATIONS			
Revenue	(3.2)	2,898	3,006
Cost of sales		(2,494)	(2,729)
Gross margin		**404**	**278**
Selling and administrative expenses	(3.3)	(263)	(283)
Research and development expenses	(3.3)	(84)	(94)
Restructuring costs	(10.1)	(37)	(100)
Net impairment losses on non-current operating assets	(4.5)	(5)	(75)
Other income	(3.3)	14	8
Earnings before Interest & Tax (EBIT) from continuing operations		**30**	**(267)**
Interest income		-	4
Interest expense		(126)	(82)
Net gain on financial restructuring		-	158
Other financial expenses		-	(3)
Net financial income (expense)	***(3.4)***	**(127)**	**77**
Income tax expense	(6)	(24)	(5)
Loss from continuing operations		**(121)**	**(196)**
DISCONTINUED OPERATIONS			
Net loss from discontinued operations	*(12)*	(19)	(15)
Net loss for the year		**(140)**	**(211)**
Attributable to:			
• *Equity holders*		(140)	(211)
• *Non-controlling interest*		-	-

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 are an integral part of these consolidated financial statements

(in euros, except number of shares)	*Note*	Year ended December 31, 2021	2020*
EARNINGS PER SHARE			
Weighted average number of shares outstanding (basic net of treasury shares held)	(7.3)	235,814,028	73,681,647
Earnings (losses) per share from continuing operations			
• basic		(0.51)	(2.66)
• diluted		(0.51)	(2.66)
Earnings (losses) per share from discontinued operations			
• basic		(0.08)	(0.20)
• diluted		(0.08)	(0.20)
Total earnings (losses) per share			
• basic		(0.59)	(2.86)
• diluted		(0.59)	(2.86)

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 are an integral part of these consolidated financial statements.

6.1.2 Consolidated statement of comprehensive income

(in million euros)	*Note*	Year ended December 31, 2021	2020*
Net loss for the year		**(140)**	**(211)**
Items that will not be reclassified to profit and loss			
Remeasurement of the defined benefit obligations	(9.2)	40	(14)
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	*(8.5)*	10	(4)
Tax relating to these items		-	-
Currency translation adjustments			
• currency translation adjustments of the year		78	(111)
• reclassification adjustments on disposal or liquidation of a foreign operation		(23)	(5)
Tax relating to these items		(1)	(3)
Total other comprehensive income		**105**	**(137)**
TOTAL OTHER COMPREHENSIVE INCOME OF THE PERIOD		**(35)**	**(348)**
Attributable to:			
• *Equity holders of the parents*		*(35)*	*(348)*
• *Non-controlling interest*		-	-

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 are an integral part of these consolidated financial statements.

6.1.3 Consolidated statement of financial position

(in million euros)	*Note*	December 31, 2021	December 31, 2020*
ASSETS			
Goodwill	(4.1)	773	716
Intangible assets	(4.2)	510	526
Property, plant and equipment	(4.3)	162	140
Right-of-use assets	(4.4)	143	148
Other operating non-current assets	(5.1)	35	27
Total operating non-current assets		**1,622**	**1,557**
Non-consolidated investments	(8.1)	20	14
Other financial non-current assets	(8.1)	38	47
Total financial non-current assets		**58**	**61**
Investments in associates and joint ventures	(2.4)	1	1
Deferred tax assets	(6.2)	50	45
Total non-current assets		**1,730**	**1,665**
Inventories	(5.1)	335	195
Trade accounts and notes receivable	(5.1)	359	425
Contract assets	(3.2)	94	63
Other operating current assets	(5.1)	243	224
Total operating current assets		**1,031**	**907**
Income tax receivable		13	14
Other financial current assets	(8.1)	26	17
Cash and cash equivalents	(8.1)	196	330
Assets classified as held for sale	(12)	3	76
Total current assets		**1,268**	**1,344**
TOTAL ASSETS		**2,999**	**3,009**

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 are an integral part of these consolidated financial statements.

(in million euros)	*Note*	December 31, 2021	December 31, 2020*
EQUITY AND LIABILITIES			
Common stock *(235,824,555 shares at December 31, 2021 with nominal value of 0.01 euro per share)*	(7.1)	2	2
Subordinated Perpetual Notes		500	500
Additional paid-in capital & reserves		30	117
Cumulative translation adjustment		(399)	(454)
Shareholders equity attributable to owners of the parent		**134**	**165**
Non-controlling interests		-	-
TOTAL EQUITY		**134**	**165**
Retirement benefits obligations	(9.2)	261	325
Provisions	(10.1)	35	33
Contract liabilities		-	2
Other operating non-current liabilities	(5.1)	19	21
Total operating non-current liabilities		**315**	**381**
Borrowings	(8.3)	1,025	948
Lease liabilities	(8.3)	145	122
Other non-current liabilities	(8.1)	-	-
Deferred tax liabilities	(6.2)	20	15
Total non-current liabilities		**1,505**	**1,466**
Retirement benefits obligations	(9.2)	34	30
Provisions	(10.1)	44	90
Trade accounts and notes payable		671	710
Accrued employee expenses		147	142
Contract liabilities	(3.2)	81	41
Other operating current liabilities	(5.1)	284	215
Total operating current liabilities		**1,263**	**1,228**
Borrowings	(8.3)	17	16
Lease liabilities	(8.3)	48	56
Income tax payable		29	21
Other financial current liabilities	(8.1)	3	2
Liabilities classified as held for sale	(12)	-	56
Total current liabilities		**1,360**	**1,379**
TOTAL LIABILITIES		**2,865**	**2,845**
TOTAL EQUITY & LIABILITIES		**2,999**	**3,009**

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 are an integral part of these consolidated financial statements.

6.1.4 Consolidated statement of cash flows

(in million euros)	*Note*	December 31, 2021	2020*
Net loss		**(140)**	**(211)**
Loss from discontinuing activities		**(19)**	**(15)**
Loss from continuing activities		**(121)**	**(196)**
Summary adjustments to reconcile loss from continuing activities to cash generated from (used in) continuing operations			
Depreciation and amortization		222	261
Impairment of assets		1	88
Net changes in provisions		(53)	16
Loss on asset disposals		(29)	(14)
Interest (income) and expense	(3.4)	126	78
Net gain on financial restructuring		-	(158)
Other items (including tax)		29	(2)
Changes in working capital and other assets and liabilities		(81)	(101)
Cash generated from (used in) continuing activities		**93**	**(26)**
Interest paid on lease debt		(15)	(19)
Interest paid		(49)	(32)
Interest received		-	3
Income tax paid		(16)	(12)
NET OPERATING CASH GENERATED FROM (USED IN) CONTINUING ACTIVITIES (I)		**14**	**(86)**
Acquisition of subsidiaries, associates and investments, net of cash acquired	(11.1)	-	(3)
Proceeds from sale of investments, net of cash	(11.1)	27	7
Purchases of property, plant and equipment (PPE)		(45)	(33)
Proceeds from sale of PPE and intangible assets		2	-
Purchases of intangible assets including capitalization of development costs		(52)	(71)
Cash collateral and security deposits granted to third parties		(10)	(35)
Cash collateral and security deposits reimbursed by third parties		12	1
NET INVESTING CASH USED IN CONTINUING ACTIVITIES (II)		**(67)**	**(133)**
Increase of Capital	(11.2)	-	60
Proceeds from borrowings	(11.2)	-	760
Repayments of lease debt	(11.2)	(62)	(85)
Repayments of borrowings	(11.2)	(1)	(158)
Fees paid in relation to financing operations	(11.2)	(2)	(60)
Other		(4)	5
NET FINANCING CASH GENERATED FROM (USED IN) CONTINUING ACTIVITIES (III)		**(68)**	**522**
NET CASH USED IN DISCONTINUED ACTIVITIES (IV)	*(12.1)*	**(29)**	**(23)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**330**	**65**
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)		**(149)**	**280**
Exchange gains / (losses) on cash and cash equivalents		16	(16)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**196**	**330**

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 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	Perpetual Notes	Other reserves	Retained earnings	Cumulative translation	Equity attributable to equity holders of the Group	Non-controlling interest	Total equity
Balance as of December 31, 2019 (as published)	**414**	**-**	**500**	**(114)**	**(426)**	**(339)**	**36**	**-**	**36**
Impact of IFRIC interpretation	-	-	-	-	(6)	-	(6)	-	(6)
Balance as of January 1, 2020*	**414**	**-**	**500**	**(114)**	**(432)**	**(339)**	**30**	**-**	**30**
Net loss for the year	-	-	-	-	(211)	-	(211)	-	(211)
Other comprehensive income	-	-	-	(21)	-	(116)	(137)	-	(137)
Total comprehensive income for the period	**-**	**-**	**-**	**(21)**	**(211)**	**(116)**	**(348)**	**-**	**(348)**
Reclassification of capital decrease to the special reserve following March 23, 2020 General Meeting	(414)	-	-	414	-	-	-	-	-
Capital increases: Subscription of 20,039,121 shares at €2.98 net of fees following September 22, 2020 General Meeting	2	45	-	-	-	-	47	-	47
Debt equitization at fair value	-	598	-	(202)	-	-	397	-	397
Issuance of warrants	-	-	-	38	-	-	38	-	38
Transfer of 10% of share premium to legal reserve following September 22, 2020 General Meeting	-	-		-	-	-	-	-	-
Change in Non-controlling interests	-	-	-	-	-	-	-	-	-
Transfer of lapsed awards from other reserves to retained earnings	-	-	-	(54)	54	-	-	-	-
Tax impact on equity	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2020*	**2**	**643**	**500**	**61**	**(588)**	**(454)**	**165**	**-**	**165**
Net loss for the year	-	-	-	-	(140)	-	(140)	-	(140)
Other comprehensive income	-	-	-	49	-	56	105	-	105
Total comprehensive income for the period	**-**	**-**	**-**	**49**	**(140)**	**56**	**(35)**	**-**	**(35)**
Capital increases	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Shared-based payment to employees	-	-	-	3		-	3	-	3
Transfer of lapsed awards from other reserves to retained earnings	-	-	-	(15)	15	-	-	-	-
BALANCE AS OF DECEMBER 31, 2021	**2**	**643**	**500**	**99**	**(712)**	**(399)**	**134**	**-**	**134**

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

The accompanying notes on pages 218 to 282 are an integral part of these consolidated financial statements.

6.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GRI *[103-1 Economic performance] [103-2 Economic performance] [103-3 Economic performance] [201-1]*

NOTE 1 General information

Technicolor is a leader in Media & Entertainment Services, developing, creating and delivering immersive augmented digital life experiences. Please refer to note 3.1 for details on Group's operating segments.

In these consolidated financial statements, the terms "Technicolor group", "the Group" and "Technicolor" mean Technicolor SA together with its consolidated subsidiaries. Technicolor SA or the "Company" refers to the Technicolor group parent company.

1.1 Main events of the year

GRI *[102-10] [102-15]*

1.1.1 COVID-19 PANDEMIC

In 2021, Covid-19 affected immigration and travel, while creating some logistic issues and shortage in certain components. The Group constantly works on action plans to offset potential negative impacts and serve the growing demand for its operations.

At Technicolor Creative Studios:

- Complying with evolving local and national government regulations and in consultation with local business leadership, Technicolor Creative Studios continues to adjust capacity limits, on-premise protocols, and remote work policies.
- In addition to immigration policy changes in Canada and in the UK, the pandemic continues to affect both immigration and travel, negatively impacting the industry's ability to attract talent to locations where the demand for talent exceeds local supply. To support its significant backlog, Technicolor Creative Studios continues to invest in its Academies across multiple locations and implements various measures aiming at reducing attrition rate and retain talents.

At Connected Home:

- Connected Home remained operational due to the early adoption of a remote work model that successfully moved all non-engineering employees off site to ensure key engineering facilities remain safe and open.
- In 2021 and 2022, Connected Home was impacted by both the direct effect of Covid (factories & R&D sites reduced productivity from time to time) and by the secondary effects: massive supply markets disruptions, with all categories impacted, but the Integrated Circuits & Logistics are by far the longest lasting effects and strongest impact. Supply & logistics disruptions are expected to last in 2022.

At DVD Services:

- While theatrical new release activity remains partially suppressed, it continues to show an accelerating trend of improvement. Most major retailers continue to operate normally. Some production facilities continue to experience temporary staffing shortages, but the overall impact to operations remains manageable.
- The ongoing Covid-19 impact will be dependent on the extent and duration of ongoing restrictions driven by the rate of new Covid case growth. DVD Services has accelerated certain aspects of its future restructuring plans in an effort to adapt to ongoing challenges and has proven its resilience.

1.1.2 TECHNICOLOR CREATIVES STUDIOS REORGANIZATION

After the sale of Post-Production Services in April 2021 to Streamland (more details are available in the note 2), Technicolor Creative Studios (previously known as Production Services) was launched and resulted in the formation of a collaborative integrated global structure, designed to facilitate greater collaboration among studios, integrate technology platforms and drive future innovations for our partners and clients. Technicolor Creative Services is now organized under four primary service lines:

1. **MPC (prior Film & Episodic VFX):** our award-winning visual effects studios, now under the unitary MPC brand, unite artistry and creativity with technology and innovation. We bring decades of experience in delivering everything from breathtaking environments, down to the precise details of a full CG character;
2. **The Mill (prior Advertising service line):** with the latest visual effects, CGI and immersive technologies, we produce ground breaking advertising, content and interactive marketing solutions for the world's biggest brands;
3. **Mikros Animation:** from episodic hits to major animated features, we work with leading animation studios. Our industry-leading facilities have become home to some of the world's most recognized and respected animators;
4. **Technicolor Games**: Technicolor Games focuses on the creative needs for the gaming industry. We've collaborated with many of the top game developers in the world.

1.2 Accounting policies

GRI [102-48] [102-49]

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, 2021 and adopted by the European Union as of February 24, 2022.

The standards approved by the European Union are available on the following web site:
https://ec.europa.eu/info/publications/eu-accounting-rules_en

Technicolor 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 SA on February 24, 2022. 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 except for standards, amendments and interpretations which have been applied for the first time in 2021 (see note 1.2.2.1 hereunder).

1.2.2 NEW STANDARDS AND INTERPRETATIONS

1.2.2.1 Main standards, amendments and interpretations effective and applied as of January 1, 2021

New standard and interpretation	Main provisions
Covid-19-Related Rent Concessions (Amendment to IFRS 16)	The changes in *Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)* amend IFRS 16 to: **(1)** provide lessees with an exemption from assessing whether a Covid-19-related rent concession is a lease modification; **(2)** require lessees that apply the exemption to account for Covid-19-related rent concessions as if they were not lease modifications; **(3)** require lessees that apply the exemption to disclose that fact; and require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures. The practical expedient applies to Covid-19-related rent concessions that result in reduction in lease payments due on or before June 30, 2021. There was no material impact of this amendment on Group financial statements.
Interest Rate Benchmark Reform (Amendments to IFRS 7, IFRS 9, IAS 39 and IFRS 16)	Phase 2 of the benchmark interest rate reform. The second phase of the "Reform of benchmark interest rates" project is mandatory from fiscal year 2021. The objective of this phase 2 is to specify the accounting impacts linked to the actual change of interest rate benchmarks. The first application of phase 2 has no impact for the Group in the absence of any effective modification of the benchmarks in the Group's contracts as of December 31, 2021. As a reminder, phase 1 adopted by the Group in 2020, does not take into account the uncertainties about the future of the reference rates in the evaluation of the effectiveness of the hedging relationships and/or in the assessment. The highly probable nature of the risk covered, thus making it possible to secure existing or future hedging relationships until these uncertainties are resolved. The Group performed the census work to ensure the transition to the new benchmarks and is working with agents to assess best course of action for each contract. The Group expects no significant risk linked to the reform due to the maturity of its instruments.

New standard and interpretation	Main provisions
Attributing Benefit to Periods of Service (Interpretation of IAS 19)	The interpretation clarifies that a post-employment benefit is accrued only if the period of service creates an obligation under the plan and that this accrual should not be spread over the employment period when the employment period is different from the years of service creating rights for the employee. The Group has completed its assessment of pension liabilities in following the IFRS IC agenda decision on Attributing Benefit to Periods of Service and concluded that there was no material impact to report. There was no material impact of this interpretation on Group financial statements.
Configuration or customization costs in a cloud computing arrangement (interpretation of IAS 38)	The interpretation clarifies that in a Saas arrangement, configuration costs (defining parameters and values in the software) and customization costs (creating additional functionalities within the software) do not generally give rise to an asset as these elements are generally not separable from the software which is not controlled by the entity. The impacts of the interpretation are detailed here below.

Configuration or customization costs in a cloud computing arrangement (interpretation of IAS 38)

The Group applied this IFRIC interpretation retrospectively to assets that existed at January 1, 2020 or were designated thereafter and directly affected by this interpretation.

Therefore, the Group has reviewed its base of intangible assets (comprising internal and external costs) in particular those associated with softwares in a Solfware as a service (Saas) arrangement in order to re-examine whether those assets met the requirements for capitalization as set out in the above mentioned interpretation. The Group's review concluded that there is a material impact, for which effects are idenfitied below:

IMPACT ON EQUITY (DECREASE IN EQUITY)

(in million euros)	December 31, 2019	Impact of IFRIC interpretation	January 1, 2020
Assets			
Intangible assets	632	(6)	626
Total non-current assets	**2,082**	**(6)**	**2,076**
TOTAL ASSETS	**3,210**	**(6)**	**3,203**
Equity & liabilities			
Additional paid-in capital & reserves	(540)	(6)	(546)
Total equity	**36**	**(6)**	**30**
TOTAL EQUITY & LIABILITIES	**3,210**	**(6)**	**3,203**

IMPACT ON STATEMENT OF OPERATIONS (DECREASE IN PROFIT)

(in million euros)	Year ended December 31, 2020 (published)	Impact of IFRIC interpretation	Year ended December 31, 2020 (restated)
CONTINUING OPERATIONS			
Revenues	3,006	-	3,006
Cost of sales	(2,725)	(4)	(2,729)
Gross margin	**281**	**(4)**	**278**
Selling and administrative expenses	(284)	1	(283)
Earnings before Interest & Tax (EBIT) from continuing operations	**(264)**	**(3)**	**(267)**
Net loss from continuing operations	**(193)**	**(3)**	**(196)**
Net loss for the year	**(207)**	**(3)**	**(211)**
Attribuable to:			
• *Equity holders*	(207)	(3)	(211)
• *Non-controlling interest*	-	-	-

IMPACT ON BASIC AND DILUTED EARNINGS PER SHARE (EPS) (DECREASE IN EPS)

(in euros, except number of shares)	Year ended December 31, 2020 (published)	Impact of IFRIC interpretation	Year ended December 31, 2020 (restated)
Weighted average number of shares outstanding (basic net of treasury shares held)	73,681,647	-	73,681,647
Earnings (losses) per share from continuing operations			
• basic	(2.61)	(0.04)	(2.66)
• diluted	(2.61)	(0.04)	(2.66)
Earnings (losses) per share from discontinued operations			
• basic	(0.20)	-	(0.20)
• diluted	(0.20)	-	(0.20)
Total earnings (losses) per share			
• basic	(2.81)	(0.04)	(2.86)
• diluted	(2.81)	(0.04)	(2.86)

IMPACT ON CASH FLOW STATEMENT (DECREASE IN FREE CASH FLOW)

(in million euros)	Year ended December 31, 2020 (published)	Impact of IFRIC interpretation	Year ended December 31, 2020 (restated)
Net loss	**(207)**	**(3)**	**(211)**
Loss from discontinuing activities	**(15)**	**-**	**(15)**
Loss from continuing activities	**(193)**	**(3)**	**(196)**
Summary adjustments to reconcile loss from continuing activities to cash used in continuing operations			
Depreciation and amortization	263	(1)	261
Cash used in from continuing activities	**(22)**	**(4)**	**(26)**
NET OPERATING CASH USED IN CONTINUING ACTIVITIES (I)	**(81)**	**(4)**	**(86)**
Purchases of intangible assets including capitalization of development costs	(75)	4	(71)
NET INVESTING CASH USED IN CONTINUING ACTIVITIES (II)	**(138)**	**4**	**(133)**
NET FINANCING GENERATED FROM CONTINUING ACTIVITIES (III)	**522**	**-**	**522**
NET CASH USED IN DISCONTINUED ACTIVITIES (IV)	**(23)**	**-**	**(23)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**65**	**-**	**65**
Net decrease in cash and cash equivalents (I+II+III+IV)	**280**	**-**	**280**
Exchange gains / (losses) on cash and cash equivalents	(16)	-	(16)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**330**	**-**	**330**

1.2.2.2 Main standards, amendments and interpretations that are neither adopted by Technicolor 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 standards and interpretation	Effective Date	Main provisions
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022 (adopted by the EU)	The changes specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments are not expected to have a material impact on the Group.
Annual Improvements 2018-2020 Cycle	January 1, 2022 (adopted by the EU)	Including: • **IFRS 9 Financial Instruments – Fees in the "10 per cent" test for derecognition of financial liabilities.** The amendment clarifies which fees an entity includes when it applies the "10 per cent" test in paragraph B3.3.6 of IFRS 9 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. • **IFRS 16 Leases – Lease incentives.** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. These amendments are not expected to have a material impact on the Group.
Amendment to IFRS 3 – Reference to conceptual framework	January 1, 2022 (adopted by the EU)	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.
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023 (not 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.

New standards and interpretation	Effective Date	Main provisions
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	January 1, 2023 (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 (not 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 (not 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.

1.2.3 BASIS OF MEASUREMENT & 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 8.1).

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 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'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 expected useful lives of tangible and intangible assets (see notes 4.2 & 4.3);
- 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);
- presentation in other income (expense) (see note 3.3.3);
- determination of inventories net realizable value (see note 5.1.2);
- deferred tax assets recognition (see note 6.2);
- assessment of actuarial assumptions used to determine provisions for employee post-employment benefits (see note 9.2);
- measurement of provisions and contingencies (see note 10);
- determination of royalties payables (see note 5.1.4).

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	
	2021	2020	2021	2020
U.S. dollar (USD)	1.1326	1.2271	1.1851	1.1452
Pound sterling (GBP)	0.8403	0.8990	0.8615	0.8864
Canadian dollar (CAD)	1.4393	1.5633	1.4868	1.5320

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.

NOTE 2 Scope of consolidation

2.1 Scope and consolidation method

GRI [102-45]

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 years ended December 31, 2021 and 2020, Technicolor's consolidated financial statements include the accounts of all investments in subsidiaries, jointly controlled entities and associates. Their location is summarized below and main entities are listed in note 15.

Number of companies as of December 31, 2021	France	Europe (exc. France)	U.S.	Other Americas	Asia & Oceania	Total
Parent company and consolidated subsidiaries	17	30	13	11	18	89
Companies accounted for under the equity method	1	-	1	-	1	3
TOTAL	**18**	**30**	**14**	**11**	**19**	**92**

Number of companies as of December 31, 2020	France	Europe (exc. France)	U.S.	Other Americas	Asia & Oceania	Total
Parent company and consolidated subsidiaries	17	33	19	11	18	98
Companies accounted for under the equity method	1	-	1	-	1	3
TOTAL	**18**	**33**	**20**	**11**	**19**	**101**

2.2 Change in the scope of consolidation of 2021

GRI *[102-10] [102-49]*

On April 30, 2021, the Group concluded the sale to Streamland Media of the Post-Production business, included in the Technicolor Creative Studios (formerly Production Services) segment. The sale of Post-Production simplifies Technicolor Creative Studios portfolio of activities and allows management to increasingly focus on its remaining core CGI activities.

Sales proceeds amounted to €29 million, with a gain on sale of €8 million booked in the "other income" line of the statement of operations.

2.3 Change in the scope of consolidation 2020

GRI *[102-10] [102-49]*

There was no significant change in the scope of consolidation in 2020.

The set-up of the *fiducies-sûretés* described in note 8 did not impact the scope of consolidation.

2.4 Investments in associates & joint ventures

The Group has €1 million investments accounted for using the equity method or joint ventures (see main entities in note 15).

All investments are private companies; therefore, no quoted market prices are available for its shares. Neither associate nor joint venture is individually material to the Group.

The consolidated financial statements include transactions made by the Group with associates and joint ventures. These transactions are performed in normal market conditions.

NOTE 3 Information on operations

3.1 Information by business segments

Technicolor has three continuing businesses and reportable operating segments under IFRS 8: Technicolor Creative Studios, Connected Home and DVD Services.

In the course of 2021, the Group renamed Production Services as Technicolor Creative Studios, with a new leadership team focused on the future of film, episodic, gaming, brand experiences and advertising.

The Group's Executive Committee makes its operating decisions and assesses performances based on these three operating businesses. All remaining activities, including unallocated corporate functions, are grouped in the segment "Corporate & Other".

The previous period has been restated for comparison purposes, in accordance with the new organization and reporting of the Group.

TECHNICOLOR CREATIVE STUDIOS

Technicolor provides high-end services to content creators, including Visual Effects and Animation for features films, episodic series, advertising, video games and other audiovisual content.

CONNECTED HOME

The Connected Home segment offers a complete portfolio of Broadband and Video Customer Premise Equipment ("CPE") to Pay-TV operators and Network Service Providers ("NSPs"), including broadband modems and gateways, digital Set-Top Box, and Internet of Things ("IoT") connected devices.

DVD SERVICES

DVD Services segment is the worldwide leader in replication, packaging and distributing for video, game and music CD, DVD and Blu-ray™ discs. The segment is increasingly focused on diversifying its business outside of packaged media, offering end-to-end supply chain solutions, comprising distribution, fulfillment, freight-brokerage and transportation management services. Furthermore, DVD Services is accelerating development of new non-disc related manufacturing business, including production of polymer-based microfluidic devices for use in medical diagnostics and recent investments in vinyl record production capability.

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 three operating segments of the Group;
- Trademark Licensing business, which monetizes valuable brands such as RCA© and Thomson©, which were operated by the Group when it was a leading stakeholder in the Consumer Electronics business;
- Patent Licences which monetizes valuable patents;
- post-disposal service operations and commitments related to former consumer electronics operations, mainly pension and legal costs.

	Year ended December 31, 2021				
(in million euros)	Technicolor Creative Studios	Connected Home	DVD Services	Corporate & Other	Total
Statement of operations					
Revenue	629	1,544	701	23	2,898
Intersegment sales	-	-	-	-	-
Earnings before Interest & Tax (EBIT) from continuing operations	**27**	**11**	**-**	**(8)**	**30**
Of which:					
Amortization of purchase accounting items	(8)	(21)	(9)	-	(38)
Net impairment losses on non-current operating assets	(4)	(1)	(2)	2	(5)
Restructuring costs	(6)	(4)	(17)	(10)	(37)
Other income (expenses)	4	(8)	-	18	14
Adjusted EBITA	**41**	**45**	**27**	**(18)**	**95**
Of which:					
Depreciation & amortization (excl PPA items)	(68)	(64)	(37)	(2)	(171)
IT capacity use for rendering in Technicolor Creative Studios	-	-	-	-	-
Other non-cash items[(1)]	(3)	6	(2)	(2)	(1)
Adjusted EBITDA	**113**	**103**	**67**	**(14)**	**268**
Statements of financial position					
Segment assets	730	1,324	715	(123)	2,646
Unallocated assets					352
Total consolidated assets					**2,999**
Segment liabilities	261	765	208	345	1,579
Unallocated liabilities					1,286
Total consolidated liabilities					**2,865**
Other information					
Net capital expenditures	(26)	(60)	(9)	-	(95)
Capital employed	276	179	247	1	703

(1) Mainly variation of provisions for risks, litigations and warranties.

	Year ended December 31, 2020				
(in million euros)	Technicolor Creative Studios	Connected Home	DVD Services	Corporate & Other	Total
Statement of operations					
Revenue	513	1,764	706	23	3,006
Intersegment sales	-	-	-	-	-
Earnings before Interest & Tax (EBIT) from continuing operations(2)	**(103)**	**(25)**	**(112)**	**(28)**	**(267)**
Of which:					
Amortization of purchase accounting items	(8)	(24)	(8)	-	(40)
Net impairment losses on non-current operating assets	(3)	(2)	(70)	-	(75)
Restructuring costs	(27)	(31)	(33)	(9)	(100)
Other income (expenses)	14	(6)	2	(2)	8
Adjusted EBITA(2)	**(78)**	**38**	**(1)**	**(17)**	**(59)**
Of which:					
Depreciation & amortization (excl PPA items)(2)	(94)	(69)	(52)	(3)	(219)
IT capacity use for rendering in Technicolor Creative Studios	(2)	-	-	-	(2)
Other non-cash items(1)	-	1	(2)	-	-
Adjusted EBITDA(2)	**18**	**106**	**53**	**(14)**	**163**
Statements of financial position					
Segment assets	475	1,209	528	250	2,461
Unallocated assets					548
Total consolidated assets					**3,009**
Segment liabilities	209	780	230	390	1,609
Unallocated liabilities					1,236
Total consolidated liabilities					**2,845**
Other information					
Net capital expenditures(2)	(33)	(58)	(12)	-	(104)
Capital employed	236	98	114	187	634

(1) Mainly variation of provisions for risks, litigations and warranties.
(2) 2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2..

The following comments are applicable to the two tables above:

- the caption "Adjusted EBITDA" corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense), depreciation and amortization (including impact of provision for risks, litigation and warranties);
- the caption "Adjusted EBITA" corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense) and amortization of purchase accounting items;
- the captions "Total segment assets" and "Total segment liabilities" include all operating assets and liabilities used by a segment;
- the caption "Unallocated assets" includes mainly financial assets, deferred and income tax assets, cash and cash equivalents and assets classified as held for sale;
- the caption "Unallocated liabilities" includes mainly the financial debt, deferred and income tax liabilities and liabilities classified as held for sale;
- the caption "Net capital expenditures" includes cash used related to tangible and intangible capital expenditures, net of cash received from tangible and intangible asset disposals;
- the caption "Capital employed" is defined as being the aggregate of both net tangible and intangible assets (excluding goodwill), operating working capital and other current assets and liabilities (except for provisions including those related to employee benefits, income tax, payables on acquisition of companies and payables to suppliers of PPE and intangible assets).

3.2 Revenue from contracts with customers

GRI [102-07]

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.

TECHNICOLOR CREATIVE STUDIOS SEGMENT

Our Technicolor Creative Studios segment provides a full set of award-wining services around Visual Effects ("VFX") for the Advertising, Animation and Games activities. The services are generally rendered over a short period except for VFX services and Animation where services may be provided over a longer period. Our contracts stipulate that we have a right to payment for performance completed to date in case of a termination by the customer, and no milestones are used for measuring the progress. Revenue is recognized upon the rendering of services.

CONNECTED HOME SEGMENT

Connected Home segment offers a complete portfolio of Broadband and Video Customer Premise Equipment ("CPE") and develops software solutions. The contracts signed have no multiple performance obligations and there is no variable consideration over time. Software inside modems or digital Set-Top Box are specific to each customer and are not marketed separately. Revenue is then recognized over at goods delivery.

DVD SERVICES SEGMENT

Our DVD Services segment provides turnkey integrated supply-chain solutions including mastering, replication, packaging, direct-to-retail distribution through two separate contracts (a replication contract and a distribution contract). In case of variable price over the contract term, the revenue is already adjusted to anticipate the probable discount.

In case of a contract advance paid to the customer, the consideration payable to the customer is already accounted for as a reduction of the transaction price and amortized based on the units of production.

Revenues is recognized upon the rendering of services.

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, 2021	Technicolor Creative Studios	Connected Home	DVD Services	Corporate & Other	December 31, 2020
Revenue recognized at delivery of goods or services	2,253	7	1,544	701	-	2,475
Revenue recognized over time(1)	622	622	-	-	-	508
Revenue from licenses(2)	23	-	-	-	23	23
REVENUE OF CONTINUING OPERATIONS	**2,898**	**629**	**1,544**	**701**	**23**	**3,006**

(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 Technicolor Creative Studios business division 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 amount to €379 million as of December 31, 2021; it will be recognized mostly in 2022.

INFORMATION ON MAIN CLIENTS

As of December 31, 2021, one external customer represents 17% of the Group's consolidated revenues (€486 million), another external customer represents about 6% (€161 million) and a third external customer represents about 5% (€153 million).

As of December 31, 2020, one external customer represents 23% of the Group's consolidated revenues (€705 million), and another external customer represents about 5% (€139 million).

INFORMATION BY GEOGRAPHICAL AREA

(in million euros)	France	UK	Rest of Europe	U.S.	Rest of Americas	Asia-Pacific	Total
Revenue							
2021	509	162	124	1,441	481	180	2,898
2020	524	128	133	1,558	488	175	3,006
Segment assets							
2021	745	220	51	1,207	301	122	2,646
2020	518	220	61	1,275	282	106	2,461

Revenues are classified according to the location of the entity that invoices the customer.

3.2.2 CONTRACT BALANCES

(in million euros)	2021	2020
Trade accounts and notes receivable	359	425
Contract assets	94	63
Contract liabilities	81	41

Contract liabilities at the opening have been recognized in revenue during the period.

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3.3 Operating income & expenses

GRI [201-4]

3.3.1 RESEARCH & DEVELOPMENT EXPENSES

(in million euros)	Year ended December 31, 2021	2020
Research and Development expenses, gross	(78)	(87)
Capitalized development projects	30	35
Amortization of capitalized projects	(39)	(44)
Subsidies[1]	2	2
RESEARCH AND DEVELOPMENT EXPENSES, NET	**(84)**	**(94)**

(1) Includes mainly research tax credit granted by the French State.

3.3.2 SELLING & ADMINISTRATIVE EXPENSES

(in million euros)	Year ended December 31, 2021	2020
Selling and marketing expenses	(87)	(92)
General and administrative expenses	(175)	(191)
SELLING AND ADMINISTRATIVE EXPENSES	**(263)**	**(283)**

3.3.3 OTHER INCOME

Other income is defined under Recommendation 2013-03 of the French CNC relating to the format of consolidated financial statements prepared under international accounting standards, and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to Technicolor's current activities. These 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.

(in million euros)	Year ended December 31, 2021	2020
Net capital gains	29	14
Litigations and other	(15)	(6)
OTHER INCOME (EXPENSE)	**14**	**8**

Net capital gains for the period ended December 31, 2021, include mainly:

- reclassification of cumulated CTA (Currency Translation Adjustment) to statement of operations for an amount of €22 million in accordance with IAS 21. This is primarily coming from the Singaporean subsidiary which was historically hosting several Asian Group activities and whose liquidation should be completed by the end of the year;
- net gain related to the disposal of Post-Production activity to Streamland.

Litigations and others for the period ended December 31, 2021 include mainly a litigation allowance in the Corporate & other segment.

Net capital gains for the period ended December 31, 2020, included mainly:

- a final and definitive earn-out payment of $9 million (€8 million) derived from the negotiated termination of its strategic partnership with Deluxe;
- €5 million of gain on disposal of Thailand subsidiary, mainly derived from reclassification of translation reserves.

3.4 Net financial income (expense)

(in million euros)	Year ended December 31, 2021	2020
Interest income	-	4
Interest expense	(126)	(82)
Net interest expense	**(126)**	**(78)**
Net interest expense on defined benefit liability	(2)	(4)
Net gain on financial restructuring (1)	-	158
Foreign exchange gain/(loss) (2)	1	15
Other (3)	2	(14)
Other financial income (expense)	**-**	**155**
NET FINANCIAL INCOME (EXPENSE)	**(127)**	**77**

(1) During 2020, this line corresponded to the difference between the new debt and equity at fair value and the former debt at historical value.
(2) During 2020, foreign exchange result can be explained mainly by the change in U.S. debt value prior to financial restructuring.
(3) During 2020, this mainly related to fees incurred in the attempted capital increase and bridge loan.

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.

The following table provides the allocation of the significant amounts of goodwill to each Goodwill Reporting Unit (GRU) based on the organization effective as of December 31, 2021 (refer to note 4.5 for detail on impairment tests).

(in million euros)	Technicolor Creative Studios	Connected Home	DVD Services	Total
At January 1, 2020, net	**192**	**437**	**222**	**851**
Exchange difference	(12)	(37)	(14)	(64)
Acquisitions of businesses	-	-	-	-
Disposals	-	-	-	-
Impairment loss	-	-	(66)	(66)
Other(1)	(5)	-	-	(5)
At December 31, 2020, net	**174**	**400**	**142**	**716**
Exchange difference	12	34	11	57
Acquisitions of businesses	-	-	-	-
Disposals	-	-	-	-
Impairment loss	-	-	-	-
Other(2)	(1)	-	-	-
AT DECEMBER 31, 2021, NET	**185**	**434**	**153**	**773**

(1) *Reclassification to Assets held for sale for the goodwill allocated to the Post production disposal group.*
(2) *Write-off of Goodwill allocated to Post Production following the final sale price.*

4.2 Intangible assets

Intangible assets consist mainly of trademarks, rights for use of patents, capitalized development projects and acquired customer relationships.

Intangibles acquired through a business combination are recognized at fair value at the transaction date. For material amounts, Technicolor 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", "Selling and administrative expenses", "Other income (expense)" or "Research and development expenses".

Intangible assets with indefinite useful lives are not amortized but are attached to GRU and tested for impairment annually (see note 4.5).

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, on a stand-alone basis. 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, 2021, trademarks total €258 million and consist mainly of Technicolor® trademark for €199 million, RCA® trademark for €29 million and The Mill® tradename for €22 million.

The fair market value of Technicolor Trademark is based on a methodology developed in 2014 by an external advisor specialized in valuation of trademarks. Such methodology defines for each business, through a matrix of key success factors of the business and intangible assets used, the contribution of the trademark to the discounted cash flow using an excess profit method.

The matrix of contribution as defined is reviewed regularly to reflect evolutions in the business environment and scope and the discounted cash flows are updated internally each year to check if the fair value of the Technicolor trademark is above its net book value.

A decrease of earnings before interest and tax margin of each business by 1 point would lead to an impairment of the Technicolor trademark of €21 million.

The recoverable value of RCA® trademark is estimated using the discounted cash flows method based on Budget and cash flow projections on a 5-year period with a post-tax discount rate of 9.7%. No reasonably expected change in assumptions would result in any impairment.

Other trademarks include THOMSON® in the Corporate & Other and MPC®, Mr. X®, and Mikros Image® in the Technicolor Creative Studios.

Following the integration of the VFX brands MPC Film, MPC Episodic and Mr. X under Moving Picture Company (MPC®) an impairment of €2 million has been recognized on the Mr. X® brand to account for the business transformation and rebranding of the VFX studios.

4.2.2 CUSTOMER RELATIONSHIPS, PATENTS & OTHER INTANGIBLE ASSETS

CUSTOMER RELATIONSHIPS

Customer relationships that are acquired through business combinations are amortized over the expected useful life of such relationships, which range from 8 to 20 years, taking into account probable renewals of long-term customer contracts that last generally from 1 to 5 years. 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.

PATENTS AND PATENT LICENSES

Patents are amortized on a straight-line basis over the expected period of use. Patent licences amortization pattern is determined by the timing of future economic benefits, generally measured on the basis of volumes benefitting from these licenses. When the economic benefits are evenly or uncertainly spread over the period of use, the asset is amortized on a straight-line basis. In the case of decreasing volumes, the asset is amortized based on volumes sold, and the amortization rate reviewed at each closing.

OTHER INTANGIBLES

Other intangibles comprise mainly capitalized development projects, acquired or internally developed software and acquired technologies.

Research expenditures are expensed as incurred. Development costs are expensed as incurred, unless the project to which they relate meets the IAS 38 capitalization criteria. Recognized development projects correspond to projects whose objectives are to develop new processes or to improve significantly existing processes, considered as technically viable and expected to provide future economic benefits for the Group. Development projects are recorded at cost less accumulated depreciation and impairment losses, if any. The costs of the internally generated development projects include direct labor costs (including pension costs and medical retiree benefits), costs of materials, service fees necessary for the development projects and reduced of tax credits if any. They are amortized over a period ranging from one to five years starting from the beginning of the commercial production of the projects, based on units sold or based on units produced or using the straight-line method.

(in million euros)	Trademarks	Customer Relationships	Patents & Other intangibles	Total Intangible Assets
At January 1, 2020, net*	**261**	**154**	**210**	**626**
Cost	*269*	*359*	*869*	*1,497*
Accumulated depreciation	*(8)*	*(205)*	*(659)*	*(872)*
Exchange differences	(18)	(10)	(16)	(45)
Additions*	-	-	65	65
Depreciation charge*	-	(30)	(81)	(112)
Impairment loss	(1)	-	(5)	(5)
Other	-	-	(3)	(3)
At December 31, 2020, net*	**242**	**114**	**171**	**526**
Cost	*250*	*333*	*850*	*1,433*
Accumulated depreciation	*(8)*	*(219)*	*(679)*	*(907)*
Exchange differences	17	8	12	37
Additions	-	-	52	52
Depreciation charge	-	(30)	(75)	(104)
Impairment loss	(1)	-	(1)	(2)
AT DECEMBER 31, 2021, NET	**258**	**92**	**160**	**510**
Cost	*267*	*358*	*916*	*1,541*
Accumulated depreciation	*(9)*	*(266)*	*(756)*	*(1,032)*

* *2020 amounts are restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

4.3 Property, plant & equipment

All Property, Plant and Equipment (PPE) are recognized at cost less any depreciation and impairment losses. They are amortized either using the straight-line method or, in case of expected decreasing volumes, using the production units method over the useful life of the asset which ranges from 20 to 40 years for buildings and from 1 to 12 years for materials and machinery. 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)	Land	Buildings	Machinery & Equipment	Other Tangible Assets	Total
At January 1, 2020, net	**3**	**16**	**69**	**103**	**191**
Cost	*3*	*60*	*1,075*	*382*	*1,520*
Accumulated depreciation	-	*(44)*	*(1,006)*	*(279)*	*(1,329)*
Exchange differences	-	(1)	(4)	(6)	(11)
Additions	-	-	-	37	37
Depreciation charge	-	(2)	(32)	(29)	(63)
Impairment loss	-	-	(4)	(1)	(5)
Other(1)	-	(1)	20	(27)	(9)
At December 31, 2020, net*	**3**	**12**	**48**	**77**	**140**
Cost	*3*	*52*	*884*	*269*	*1,208*
Accumulated depreciation	-	*(40)*	*(836)*	*(192)*	*(1,068)*
Exchange differences	-	1	3	5	9
Additions	-	-	3	48	51
Disposals	-	-	-	(2)	(2)
Depreciation charge	-	(1)	(26)	(23)	(50)
Impairment loss	-	-	(1)	(2)	(3)
Other(2)	-	-	21	(4)	17
AT DECEMBER 31, 2021, NET	**3**	**12**	**48**	**99**	**162**
Cost	*3*	*54*	*904*	*358*	*1,320*
Accumulated depreciation	-	*(42)*	*(857)*	*(259)*	*(1,158)*

(1) Corresponds to the transfer of tangible assets in progress to Machinery and Equipment and to the transfer in assets held for sale.
(2) Corresponds to the transfer of tangible assets in progress to Machinery and Equipment.

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 direct costs incurred in entering or modifying the lease. The Group depreciates its right-of-use assets using the straight-line method, starting when the right-of-use asset is ready for use 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. The Group reassesses whether it is reasonably certain through appreciation of the following information:

- the depreciation period of the fittings;
- the rent evolution compared to market prices;
- the visibility regarding business activity for each site.

(in million euros)	Real Estate	Others	Total Right-of-use assets
At January 1, 2020, net	**241**	**44**	**285**
New contracts	4	6	10
Change in contract	10	-	10
Reclassification	(48)	-	(48)
Depreciation charge	(54)	(27)	(81)
Impairment loss	(14)	-	(14)
Other	(10)	(4)	(14)
At December 31, 2020, net	**129**	**19**	**148**
New contracts	27	22	51
Change in contract(1)	18	-	18
Reclassification(2)	(21)	-	(21)
Depreciation charge	(35)	(17)	(52)
Impairment loss(3)	(8)	-	(8)
Other	6	2	9
AT DECEMBER 31, 2021, NET	**117**	**26**	**143**

(1) *Remesasurement of the right of use following a lease modification.*
(2) *Includes net right of use of new Culver City HQ (TCS) transferred to assets in progress while the building is built out.*
(3) *See note 4.5.*

At December 31, 2021 leased assets mainly comprise office premises and other real estate leases (82%), leased software (9%), IT equipment (8%) and leased machinery (1%).

Total cash outflows on leases (excluding annual lease costs on short-term leases and lo value assets leases) amounted to €52 million in the year ended December 31, 2021.

A maturity analysis of the lease liability is disclosed in note 8.5.5.

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 or group of CGUs (Goodwill reporting units – GRUs) that are expected to benefit from the synergies. The Group identified 3 GRUs corresponding to its 3 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/GRU), 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/GRU) 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/GRU of the Group.

Value in use is the present value of the future cash flow expected to be derived from an asset or CGU/GRU.

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'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 GRU 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 evaluates at each reporting date certain 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, terminal values and royalty rates are reasonable and in line with updated market data available for each GRU.

(in million euros)	Technicolor Creative Studios	Connected Home	DVD Services	Corporate & Others	Total
2021					
Impairment loss on goodwill	-	-	-	-	-
Impairment losses on intangible assets	(2)	(1)	-	-	(3)
Impairment losses on tangible assets	-	-	(1)	(1)	(3)
Impairment losses on right-of-use assets	(3)	(2)	(3)	-	(8)
Impairment losses on non-current operating assets	**(5)**	**(3)**	**(4)**	**-**	**(13)**
Impairment reversal on intangible assets	-	-	-	2	2
NET IMPAIRMENT LOSSES ON NON-CURRENT OPERATING ASSETS	**(5)**	**(3)**	**(4)**	**1**	**(11)**
2020					
Impairment loss on goodwill	-	-	(66)	-	(66)
Impairment losses on intangible assets	(3)	(1)	-	-	(4)
Impairment losses on tangible assets	-	(1)	(4)	-	(5)
Impairment losses on right-of-use assets	(9)	(1)	(3)	-	(13)
Impairment losses on non-current operating assets	**(12)**	**(3)**	**(73)**	**-**	**(88)**
Impairment reversal on intangible assets	-	-	-	-	-
NET IMPAIRMENT LOSSES ON NON-CURRENT OPERATING ASSETS	**(12)**	**(3)**	**(73)**	**-**	**(88)**

At December 31, 2021, the Group has recognized an impairment loss on the right-of-use-assets of €8 million *versus* €13 million in 2020. In 2021 and 2020, part of this impairment loss for respectively €6 million and €13 million, was booked in the restructuring costs line of the consolidated statement of operations and reflected the Group's efforts to reduce its real estate footprint specially in its North American (USA and Canada) locations.

As part of the determination on the recoverable value of 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, 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:

	Technicolor Creative Studios	Connected Home	DVD Services
Basis used to determine the recoverable amount	Value in use	Fair Value	Fair Value
Description of key assumptions	Budget and Business Plans		
Period for projected future cash flows	5 years	5 years	*
Growth rate used to extrapolate cash flow projections beyond projection period:			
• as of December 31, 2021	3.0%	1.0%	*
• as of December 31, 2020	2.0%	1.0%	*
Post-tax discount rate applied:			
• as of December 31, 2021	9.6%	9.8%	9.9%
• as of December 31, 2020	11.1%	10.2%	10.2%

* *Revenues linked to disc replication and distribution are expected to decline over time and have a finite life. Other revenue streams have a long-term growth rate of 2%.*

For the DVD Services GRU, in the absence of a binding sale agreement at closing date, of an active market and of comparable recent transactions, discounted cash flow projections have been used to estimate fair value less costs to sell. Technicolor management considers that fair value less costs to sell is the most appropriate method to estimate the value of its GRU as it takes into account the future restructuring measures the Group will need to make against a rapid technological environment change. Such restructuring actions would be considered by any market participant given the economic environment of the business.

The discounted cash flow of DVD Services integrates historical revenues of disc replication and distribution, as well as diversification revenues. The former have a finite life of *circa* 15 years, while the latter have integrated a long-term growth rate of 2% (see note 3).

The Group recorded no impairment charge on Goodwill in 2021.

4.5.2 SENSITIVITY OF RECOVERABLE AMOUNTS AT DECEMBER 31, 2021

For Technicolor Creative Studios:

- 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 from 2022 would decrease the enterprise value by €114 million without generating any impairment;
- an increase of 0.5 point in the WACC rate assumption would decrease the enterprise value by €119 million without generating any impairment.

For Connected Home:

- an increase of 1 point in the post-tax discount rate assumption would decrease the enterprise value by €74 million without generating any impairment;
- a decrease of 1 point of the Adjusted EBITDA margin from 2022 would decrease the enterprise value by €210 million and would lead to an impairment of €11 million.

For DVD Services:

- a decrease of 10% on BD volumes from 2027 would decrease the enterprise value by €8 million, without generating any impairment;
- an increase of 0.5 point in the WACC rate assumption would decrease the enterprise value by €10 million, without generating any impairment;
- a decrease of 1 point of the EBITDA margin from 2025 would decrease the enterprise value by €23 million, without generating any impairment;

NOTE 5 Other operating information

5.1 Operating assets & liabilities

5.1.1 NON-CURRENT OPERATING ASSETS & LIABILITIES

(in million euros)	2021	2020
Customer contract advances and up-front prepaid discount	6	8
Other	29	19
OTHER OPERATING NON-CURRENT ASSETS	**35**	**27**
Payable on acquisitions of business & fixed assets	(3)	(4)
Other	(16)	(17)
OTHER OPERATING NON-CURRENT LIABILITIES	**(19)**	**(21)**

As part of its normal course of business, Technicolor makes cash advances and up-front prepaid discount to its customers, principally within its DVD Services segment. These are generally in the framework of a long-term relationship or contract and can take different forms. Consideration is typically paid as an advance to the customers in return for the customer's various commitments over the life of the contracts. These contracts award to the Group a customer's business within a particular territory over the specified contract period (generally from 1 to 5 years). The contracts contain provisions that establish pricing terms for services and volumes to be provided and other terms and conditions.

Such advanced payments are classified under "Non-current assets", recorded as "Contracts advances and up-front prepaid discount" and are amortized as a reduction of "Revenues" on the basis of units of production or film processed.

5.1.2 INVENTORIES

Inventories are valued at acquisition or production cost. The production costs include the direct costs of raw materials, labor costs and a part of the overheads representative of the indirect production costs, and exclude general administrative costs. The cost of inventory sold is determined based on the weighted average method or the FIFO (first in – first out) method, depending on the nature of the inventory. When the net realizable value of inventories is lower than its carrying amount, the inventory is written down by the difference.

ACCOUNTING ESTIMATES AND JUDGMENTS

The management takes into consideration all elements that could have an impact on the inventory valuation, as declining sales forecasts, expected reduction in selling prices, specific actions engaged as rework or incentive plans, and obsolescence of products or slow rotation.

(in million euros)	2021	2020
Raw Materials	142	63
Work in progress	3	4
Finished goods and purchase goods for resale	201	153
Gross Value	**345**	**220**
Less: valuation allowance	(11)	(25)
TOTAL INVENTORIES	**335**	**195**

5.1.3 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)	2021	2020
Trade accounts and notes receivable	374	445
Less: valuation allowance	(15)	(20)
TOTAL TRADE ACCOUNTS AND NOTES RECEIVABLE	**359**	**425**

As of December 31, 2021 and 2020 trade accounts receivable include past due amounts respectively for €76 million and €79 million for which a valuation allowance was recorded for an amount of €(13) million and €(20) million.

The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets €359 million as of December 31, 2021 compared to €425 million as of December 31, 2020.

5.1.4 OTHER CURRENT ASSETS & LIABILITIES

ESTIMATION OF ACCRUED ROYALTY LIABILITIES

In the normal course of its business, the Group may use certain technology protected by patents owned by third parties. In the majority of cases, the amount of royalties payable to these third parties for the use of this technology will be defined in a formal licensing contract. In some cases, and particularly in the early years of an emerging technology when the ownership of Intellectual Property rights may not yet be ascertained, management's judgement is required to determine the probability of a third party asserting its rights and the likely cost of using the technology when such assertion is probable. In making its evaluation, management considers past experience with comparable technology and/or with the particular technology owner. The royalties payable are presented within the captions "Other current liabilities" and "Other non-current liabilities" in the Group's balance sheet.

(in million euros)	2021	2020
Value added tax receivable	40	43
Research tax credit and subsidies	5	5
Prepaid expenses	28	26
Other	170	150
OTHER OPERATING CURRENT ASSETS	**243**	**224**
Taxes payable	(43)	(46)
Accrued royalties expense	(42)	(36)
Payables for fixed assets	(31)	(14)
Other	(169)	(119)
OTHER OPERATING CURRENT LIABILITIES	**(284)**	**(215)**

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). Moreover, IAS 12 does not specify whether tax benefits arising from tax losses should be allocated to the source of the loss or the source of the realization of the benefit. 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)	2021	2020
Current income tax		
France	(2)	-
Foreign	(20)	(15)
Total current income tax	**(23)**	**(15)**
Deferred income tax		
France	(1)	-
Foreign	(1)	9
Total deferred income tax	**(2)**	**10**
INCOME TAX ON CONTINUING OPERATIONS	**(24)**	**(5)**

In 2021, the current income tax charge is mainly made of current taxes due in Canada, India, and Mexico.

In 2020, the current income tax charge is mainly made of current taxes due in India, Brazil and Poland.

Please see section 6.2.1 for more details on the variation of deferred taxes.

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6.1.2 GROUP TAX PROOF

The following table shows the reconciliation of the expected tax expense – using the French corporate tax rate of 28.41% – and the reported tax expense. The items in reconciliation are described hereafter:

(in million euros)	2021	2020*
Loss from continuing operations	**(121)**	**(196)**
Income tax	(24)	(5)
Pre-tax accounting loss on continuing operations	**(96)**	**(191)**
	28%	*32%*
Expected tax expense	**28**	**61**
Effect of unused tax losses and tax offsets not recognized as deferred tax assets(1)	71	(27)
Effect of permanent differences	22	38
Effect of different tax rates applied(2)	(2)	(14)
Effect of change in applicable tax rate(3)	(140)	(61)
Withholding taxes not recovered	(3)	(3)
Effective tax expense on continuing operations	**(24)**	**(5)**

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

(1) *In 2021, mainly due to the valuation allowance of deferred tax assets generated on the losses of the period, i.e. €109 million for France and €(13) million for the United States.*

(2) *In 2020, the amount includes mainly the impact of the tax differential rate in France and Germany.*

(3) *In 2021, the amount includes mainly the impact of change of future tax rate in France (28% in 2021 vs 32% in 2020) and UK (25% in 2021 vs 19% in 2020).*

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
Year ended December 31, 2019	**52**	**(27)**	**25**
Changes impacting continuing profit or loss	(30)	40	10
Other movement	23	(28)	(5)
Year ended December 31, 2020	**45**	**(15)**	**30**
Changes impacting continuing profit or loss	-	(1)	(2)
Other movement(1)	5	(4)	2
YEAR ENDED DECEMBER 31, 2021	**50**	**(20)**	**30**

(1) Mainly set off of deferred tax assets and liabilities of same maturities by taxable entity, tax impact on other comprehensive income and foreign exchange movements.

As of December 31, 2021, the net deferred tax assets amounting to €30 million mainly relate to the recognition of losses carried forward and other temporary differences in Australia, India, Mexico, UK and Canada.

As of December 31, 2020, the net deferred tax assets amounting to €30 million mainly relate to the recognition of losses carried forward and other temporary differences in Canada, India, Mexico, Poland and Australia.

6.2.2 SOURCE OF DEFERRED TAXES

(in million euros)	2021	2020
Tax losses carried forward	**1,055**	**1,108**
Tax effect of temporary differences related to:		
Property, plant and equipment	30	32
Goodwill	(2)	3
Intangible assets	(55)	(50)
Receivables and other assets	24	31
Borrowings	170	140
Retirement benefit obligations	46	55
Provisions and other liabilities	30	27
Total deferred tax on temporary differences	**244**	**238**
Deferred tax assets/(liabilities) before netting	**1,299**	**1,346**
Valuation allowances on deferred tax assets	(1,269)	(1,316)
NET DEFERRED TAX ASSETS/(LIABILITIES)	**30**	**30**

Technicolor reports €2.6 billion of tax losses carried forward generated in countries where the Group still conducts business, in 2021, tax losses mainly arose from France, UK and U.S.

NOTE 7 Equity & Earnings per share

GRI [102-10] [201-1]

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 Change in share capital

(in euros, except number of shares in units)	Number of shares	Par value	Share capital *(in euros)*
Share Capital as of December 31, 2020	**235,795,483**	**0.01**	**2,357,955**
Issuance of new shares under LTIP 2018(1)	9,800	0.01	98
Exercice of New Money Warrants	19,272	0.01	193
SHARE CAPITAL AS OF DECEMBER 31, 2021	**235,824,555**	**0.01**	**2,358,246**

(1) *Plans described in note 9.3.*

In 2021, using the delegation granted by the Board of Directors, the Chief Executive Officer decided on May 6, 2021, to issue 9,800 new shares with a par value of €0.01 to be delivered to the LTIP 2018 plan's beneficiaries after vesting date.

As of December 31, 2021 24,090 Shareholders Warrants (corresponding to 19,272 new shares) have been exercised in the course of 2021 and 15,362,704 remain representing a maximum of 12,290,163 new shares.

As a reminder, as part of the debt restructuring in 2020, the Group carried out several operations which have impacted the amount of the share capital and the nominal value of the Company's shares as detailed below:

SHARE CONSOLIDATION

Following of March 23, 2020 Shareholders' Meeting, it has been decided to implement the reverse share split. On May 12, 2020, the Chief Executive Officer noted that the share consolidation had been completed and that 414,461,178 old shares with a par value of €1 were exchanged for 15,350,414 new shares with a par value of €27, on the basis of 1 new share for 27 former shares.

CAPITAL REDUCTION

During the same Shareholders' Meeting, it has been decided:

- to reduce the share capital by a total amount of €414,307,673.86 to reach €153,504.14.
- this capital reduction was carried out by reducing the nominal value of each share of the 15,350,414 shares of the Company from €27 to €0.01.

CAPITAL INCREASES

On June 9, 2020, the Chief Executive Officer, by delegation of the Board of Directors of May 7, 2020 decided to issue 56,700 new ordinary shares with a par value of €0.01 in order to proceed on the same day with the delivery of the shares under the LTIP 2017.

Following Shareholder General Meeting of July 20, 2020 and in accordance with safeguard plan, the Chief Executive Officer approved:

- share capital increases in cash for €60 million;
- capital increases by a way of debt equitization of €397 million.

On September 22, the Chief Executive Officer, by delegation of the Board of Directors, recorded the final completion of the Capital Increases.

In addition to the above, and according to safeguard plan, it has been approved:

- the delivery to the New Money lenders in consideration of the New Money, of 17,701,957 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 a price of €0.01 per new share with a nominal value of €0.01 without issue premium, and representing approximately 7.5% of the Company's share capital after the Capital Increases but before the exercise of the Shareholder Warrants mentioned below; and
- the delivery to all the Company's shareholders of 15,407,114 Shareholders Warrants, on the basis of one (1) Shareholders Warrant for one (1) existing share, five (5) Shareholders Warrants giving the right to subscribe for four (4) new shares for a 4 year period, which may result in the issue of a maximum number of 12,325,691 new shares, at a price of €3.58 per new share.

As of December 31, 2021, and to the Company's knowledge, the following entities held more than 5% of the Company's share capital:

- Angelo, Gordon & CO.LP, held 29,811,992 shares which represent 12.64% of the share capital and 12.64% of the voting rights of the Company;
- Credit Suisse Asset Management held, 25,491,247 shares which represent 10.81% of the share capital and 10.81% of the voting rights of the Company;
- Briarwood Chase Management LLC held 21,827,685 shares which represent 9.26% of the share capital and 9.26% of the voting rights of the Company;
- Barings Asset Management Ltd. held, 18,631,496 shares which represent 7.90% of the share capital and 7.90% of the voting rights of the Company;
- Bain Capital Credit, LP held 16,413,126 shares which represent 6.96% of the share capital and 6.96% of the voting rights;
- Farallon Capital Management L.L.C held 14,422,759 shares which represent 6.12% of the share capital and 6.12% of the voting rights of the Company.

7.2 Other elements of equity

7.2.1 SUBORDINATED PERPETUAL NOTES

On September 26, 2005, Technicolor issued deeply subordinated perpetual notes (TSS) in a nominal amount of €500 million. No derivative was identified because the provisions of the notes fall outside the scope of the definition of a derivative under IAS 39.

Because of their perpetual and subordinated nature and the optional nature of the coupon, the notes were recorded under IFRS in shareholder's equity for the net value received of €492 million (issue price less offering discount and fees).

Further to the restructuring of the Group's debt in 2010, the characteristics of the notes are now as follows:

- they are not repayable other than (i) at Technicolor's sole option in specific contractually defined events or (ii) in case of liquidation of the Company;
- they no longer bear interest, since an amount of €25 million was paid to TSS holders as final payment of all interest claims in 2010.

7.2.2 DIVIDENDS AND DISTRIBUTION

In connection with 2019 and 2020 periods, Shareholders' Meetings held respectively on June 30, 2020 and May 12, 2021 did not vote any payment of dividend.

7.2.3 NON-CONTROLLING INTERESTS

In 2021, there is no change in non-controlling interests.

In 2020, the main changes in non-controlling interests resulted from:

- disposal of Canadian joint ventures Vancouver Lab Inc. and Canada Cinema Distribution Inc. for €1 resulting from negotiated termination of the strategic partnership with Deluxe services group.

7.3 Earnings (Loss) 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.

DILUTED EARNINGS (LOSS) PER SHARE

	Year ended December 31,	
(in million euros, except number of shares in thousands)	2021	2020*
Net loss	**(140)**	**(211)**
Net (income) loss attributable to non-controlling interest	-	-
Net loss from discontinued operations	(19)	(15)
Numerator		
Adjusted profit "Group share" from continuing operations attributable to ordinary shareholders	**(121)**	**(196)**
Basic weighted number of outstanding shares *(in thousands)*	235,814	73,682
Dilutive impact of stock-option, Free & Performance Share Plans	-	-
Denominator		
Diluted weighted number of outstanding shares *(in thousands)*	**235,814**	**73,682**

* *2020 amounts restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for – refer to note 1.2.2.*

Certain stock-options and Performance Share Plans have no dilution impact due to the current stock price and conditions not met as of December 31, 2021 but could have a dilution impact in the future.

7.4 Related party 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.

Related party transactions with associates & joint ventures are detailed in note 2.4.

Remuneration of key management is detailed in note 9.4.

In 2021 and 2020 Bpifrance participations SA, which is represented in the Board, and as such identified as a related party, and holds 4.4% (stable comparing to 2020) of the equity of the Group participated in the financial restructuring during 2020 through cash subscription in the Rights issue in the amount of €25 million and New Money financing in the amount of €21 million.

During 2021, Technicolor group accrued interest due to Bpifrance participations SA for €2.5 million for a debt position at the end of 2021 of €22 million.

No other related party transactions have been identified in 2021.

NOTE 8 Financial assets, financing liabilities & derivative financial instruments

8.1 Financial assets

CASH AND CASH EQUIVALENTS

1. Cash corresponds to cash in bank accounts as well as demand deposits.
2. 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)	2021	2020
Cash	187	183
Cash equivalents	9	147
CASH AND CASH EQUIVALENTS	**196**	**330**

8.2 Financial liabilities

8.2.1 BORROWINGS

8.2.1.1 Main features of the Group's borrowings

The Group's debt consists primarily of the New Money debt and the Reinstated Term Loans (the "Reinstated Term Loans") that resulted from the Group's financial restructuring in 2020 as well as lease liabilities.

The New Money debt consists of term loans issued by Technicolor USA Inc. in dollars and New York law based notes issued by Tech 6 in euros.

The Reinstated Term Loans, issued by Technicolor SA in dollars and euros, consist of the remaining term loan and revolving credit facility debt following their partial conversion to equity in 2020.

The New Money debt and the Reinstated Term Loans have both a cash and PIK (payment in kind) interest component. The PIK interest is capitalized (every 6 months for the debt issued by Technicolor USA Inc. and every 12 months for the remaining debt) and repaid on final maturity.

Details of the Group's debt as of December 31, 2021 are 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
New Money notes	EUR	371	380	Floating	12.00%[(2)]	10.95%	Bullet	June 30, 2024
New Money Term loans	USD	112	115	Floating	12.15%[(3)]	11.12%	Bullet	June 30, 2024
Reinstated Term Loans	EUR	467	402	Floating	6.00%[(4)]	11.34%	Bullet	December 31, 2024
Reinstated Term Loans	USD	129	111	Floating	5.90%[(5)]	11.25%	Bullet	December 31, 2024
Subtotal	**EUR**	**1,079**	**1,008**		**8.69%**	**11.16%**		
Lease liabilities[(6)]	Various	192	192	Fixed	7.54%	7.54%		
Accrued PIK Interest	EUR+USD	17	17	NA	0.00%	0.00%		
Accrued Interest	Various	17	17	NA	0.00%	0.00%		
Other Debt	Various	1	1	NA	0.00%	0.00%		
TOTAL		**1,306**	**1,235**		**8.29%**	**10.29%**		

(1) Rates as of December 31, 2021.
(2) Cash interest of 6-month EURIBOR with a floor of 0% +6.00% and PIK interest of 6.00%.
(3) Cash interest of 6-month LIBOR with a floor of 0% +6.00% and PIK interest of 6.00%.
(4) Cash interest of 6-month EURIBOR with a floor of 0% +3.00% and PIK interest of 3.00%.
(5) Cash interest of 6-month LIBOR with a floor of 0% +2.75% and PIK interest of 3.00.
(6) Of which €24 million are capital leases and €168 million is operating lease debt under IFRS 16.

8.2.1.2 Key terms of the credit agreements

Technicolor entered into certain transactions in 2020 as part of its financial restructuring.

The New Money debt consisted of two agreements:

- Note Purchase Agreement entered into by Tech 6 on July 16, 2020;
- Credit Agreement entered into by Technicolor USA Inc. on July 16, 2020.

(Together the "New Money Documentation")

The Reinstated Term Loans, were documented by an Amended and Consolidated Credit Agreement, entered into by Technicolor SA and effective September 22, 2020 (the "Reinstated Term Loan Agreement").

The Wells Fargo credit line was extended in 2020 which was effected by an amendment entered into by Technicolor USA Inc. effective July 17, 2020 revising and extending the Credit Agreement to December 31, 2023 (the amendment and credit agreement are together hereafter referred to as the "WF Agreement").

The New Money debt, the Reinstated Term Loans and the Wells Fargo credit line are collectively referred to as the "Debt Instruments".

The key terms of the debt documentation specified above is described below.

Security Package

French New Money borrowed by Tech 6 and Reinstated Term Loans

The New Money borrowed by Tech 6 is guaranteed by incorporation of two *fiducies-sûretés* (equivalent of a trust under French law) in respect of the shares of each of two French sub-holding companies ("Tech 7" and "Gallo 8"), owning virtually all of the entities of the Technicolor group (Technicolor Creative Studios activities for Tech 7, Connected Home, DVD Services and Technicolor Creative Studios U.S. activities for Gallo 8) and a third *fiducie* owning the Tech 6 loan to Technicolor SA of the proceeds of its New Money borrowing.

The Gallo 8 *fiducie* also guarantees the Reinstated Term Loans as a second ranking security.

These *fiducies* consist of a contract pursuant to which Technicolor SA transfers ownership of specifically identified assets, rights or security interests (existing or future) belonging to the Technicolor SA group to a trustee. The trustee holds these in a segregated account created for the purpose of that *fiducie* until the discharge of obligations under the underlying financing agreement. The trustee acts on behalf of one or more beneficiaries, which, in the normal course of business, is Technicolor and, in the case of a default, is the security agent on behalf of the lenders.

In addition to the *fiducies suretés* some of the entities of Technicolor have issued "golden shares", providing certain rights which are exercisable only in specific cases by the collateral agent (acting on behalf of the New Money lenders) in order to protect their rights.

The governance rules in place for the *fiducies* and the "golden shares", except in a case of a default (which mirror those of the New Money debt), do not change the control exercised by Technicolor over the subsidiaries integrated into the *fiducies* nor over the subsidiaries which have issued "golden shares" according to an analysis performed in accordance with the criteria defined by IFRS 10 "Consolidated Financial Statements". The Group, as part of its compliance procedures, continually monitors the restrictions imposed by the *fiducie* contracts.

The New Money lenders also benefit from a pledge on certain assets held by Technicolor SA and its subsidiaries and the Reinstated Term Loans benefits from a second ranking lien.

U.S. New Money borrowed by Technicolor USA Inc. and WF Agreement

The U.S. New Money borrowed by Technicolor USA Inc. is secured by 1st ranking pledges on all assets of the U.S. companies of the Group with the exception of the commercial receivables pledged to support the WF Agreement on which the U.S. New Money has a 2nd ranking pledge.

The U.S. New Money is also guaranteed by the Gallo 8 *fiducie* as well as a pledge on certain assets held by Technicolor SA.

Furthermore, the U.S. New Money benefits from a guarantee from Technicolor SA for the amount of the debt.

The WF Agreement is secured by a 1st ranking pledge on most of the commercial receivables of the U.S. companies of the Group. It also benefits from a 2nd ranking pledge on the remaining assets of the U.S. companies.

Mandatory and voluntary prepayments

In case of default or change of control of Technicolor, creditors will have the ability to immediately demand payment of all or a portion of the outstanding amounts.

The events of defaults in the Debt Instruments include among other things and subject to certain exceptions, thresholds and grace periods:

- failure by borrowers to make required payments when due under the Debt Instruments or of any other financial indebtedness or to comply with material obligations related to the Debt Instruments;
- 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 $25,000,000 and such default occurs on the final maturity or results in the right by the creditor(s) to require immediate repayment of the debt.

Under the mandatory prepayment terms of the New Money Documentation, the Group is required to apply the cumulative net proceeds from asset disposals and from any insurance settlements following casualty events (such as damages caused by fire or other insured events) above €75 million towards the repayment of outstanding amounts of the New Money debt unless the proceeds are reinvested in assets useful for its business within 365 days. A prepayment penalty applies if the prepayment is done before the 2nd anniversary of the issuance date; no penalty applies after this date.

The New Money debt can also be voluntarily prepaid in whole or in part at any time with a penalty before the 2nd anniversary of the issuance date and without penalty thereafter.

The Reinstated Term Loans can be voluntarily prepaid in whole or in part without penalty at any time following the full repayment or prepayment of the New Money debt.

Financial Covenants

The Reinstated Term Loan Agreement does not contain any financial covenants.

The New Money Documentation and the WF Agreement contain a financial leverage covenant and a minimum liquidity covenant:

- the leverage covenant, tested on June 30 and December 31 starting in 2021, requires the ratio of total net debt to EBITDA be less than or equal to the levels given below:
  - December 31, 2021: ≤5.00,
  - June 30, 2022: ≤4.50,
  - December 31, 2022 and thereafter: ≤3.50;
- the minimum liquidity covenant requires the Group to maintain at least €30 million of cash and available credit lines on certain dates.

The breach of either of these financial covenants 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.

At December 31, 2021 the ratio of total net debt to EBTDA was 4.06 and therefore the Group respected this leverage covenant. The net debt as defined for the covenant is equal to the nominal value of the Group's debt plus the operating lease debt under IFRS 16 less (i) cash and (ii) cash collaterals that guarantee debt.

Affirmative Covenants

The Debt Instruments contain various standard and customary affirmative covenants and in addition contain requirements that the Group provide:

- **quarterly financials:** unaudited balance sheet, income statement and cashflow statement (without notes);
- **full year guidance:** including Revenue, EBITDA, FCF and Net Leverage ratio.

Furthermore, various confidential financial information and reports must be provided regularly to private side lenders.

Negative Covenants

The Debt Instruments and in particular the New Money Documentation and WF Agreement contain 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:** generally new indebtedness is not permitted with various exceptions and baskets notably for capital leases and unsecured debt;
- **liens:** new liens are generally not allowed except for some carve-outs and a general lien basket;
- **disposals:** subject to certain carve-outs and baskets, the Group is limited in its ability to make disposals;
- **acquisitions:** except for a lifetime basket amount the Group cannot make acquisitions;
- **distributions and junior payments:** the Group is limited in its ability to make distributions, in particular to shareholders and from companies within a *fiducie* to those outside a *fiducie*. With the exception of cash pooling arrangements, junior payments between entities within a *fiducie* to those outside the *fiducie* are generally not allowed subject to certain exceptions and baskets.

At December 31, 2021 Technicolor fully respects all applicable covenants and no case of default occured between this date and the approval of the financial statements.

8.3 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 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.

TERMINATION OF HEDGE ACCOUNTING

The termination of hedge accounting may occur if the underlying hedged item does not materialize or if there is a voluntary revocation of the hedging relationship at the termination or the arrival of maturity of the hedging instrument. The accounting consequences are then as follows:

- in case of cash flow hedges, the amounts recorded in other comprehensive income are taken to profit or loss in the case of the disappearance of the hedged item;
- in all cases, the result on the hedging instrument is taken into profit or loss when the hedging relationship is terminated.

8.3.1 FINANCIAL DERIVATIVE PORTFOLIO

At December 31, 2021 and December 31, 2020 the fair value of the Group's financial derivatives was as follows:

	2021		2020	
(in million euros)	Assets	Liabilities	Assets	Liabilities
Foreign currency hedges	1	(2)	-	1
Interest rate hedges	-	-	-	1
TOTAL	**1**	**(2)**	**-**	**2**

Foreign currency hedge characteristics

The foreign currency hedges outstanding at December 31, 2021 are shown in the table below:

	Currencies	Notional(1)	Maturity	Fair value(2)
Forward purchases/sales and currency swaps	USD/GBP	86	2022	(1)
Forward purchases/sales and currency swaps	USD/CAD	(123)	2022	1
Forward purchases/sales and currency swaps	EUR/GBP	41	2022	(1)
Forward purchases/sales and currency swaps	USD/MXN	(18)	2022	-
Forward purchases/sales and currency swaps	Other currencies			-
FAIR VALUE				**(1)**

(1) Net forward purchases/(sales), in millions of the first currency of the pair.
(2) Market value in millions of euros at December 31, 2021.

Interest rate hedge characteristics

The Group has no interest rate hedging instruments outstanding at December 31, 2021.

Characteristics of instruments not documented as hedges

At December 31, 2021 the Group does not have any outstanding instruments that are not documented as hedges.

8.3.2 IMPACT OF DERIVATIVE FINANCIAL INSTRUMENTS ON GROUP PERFORMANCE

As indicated in note 8.5.3.2, due to the practice of the Group treasury for its foreign currency exposure of executing mainly short-term derivative instruments, which are rolled over as a function of its global exposure which is monitored daily, the characteristics of its portfolio of hedging instruments at the closing date is not representative of the impact on the year's results nor that of future years.

The table below presents the impact of hedging instruments on the Group's performance in 2021:

	Foreign currency hedges		Interest rate hedges		Instruments not documented as hedges
(in million euros)	Impact of effective portion(1)	Impact of ineffective portion(2)	Impact of effective portion(1)	Impact of ineffective portion	Impact of changes in value
Gross margin	**(2)**	**-**	**-**	**-**	**-**
Net interest expense	-	(1)	-	-	-
Foreign currency gain (loss)	-	3	-	-	-
Other	-	-	-	-	-
Net financial result	**-**	**2**	**-**	**-**	**-**
NET OPERATING RESULTAT BEFORE TAX	**(2)**	**2**	**-**	**-**	**-**
Gains/(losses) before tax resulting from the valuation at fair value of instruments hedging future cash flows	5	-	-	-	-
OTHER ELEMENTS OF GLOBAL RESULT	**5**	**-**	**-**	**-**	**-**

(1) The effective portions of the hedges are recorded in the same item of the financial statement as the underlying hedged elements.
(2) The ineffective portions of foreign exchange hedges come mainly from forward points on forward exchange operations and foreign currency swaps, which the Group excludes from hedging relationships and from the foreign exchange gains and losses on the reduction of overhedges. Forward points related to the hedges of financial exposures are recorded in "Net interest expense". The forward points related to the hedges of commercial exposures as well as the foreign exchange result on the reduction of these hedges are recorded in "Foreign exchange gain/(loss)".

The impact of the hedges of future cash flows is represented by the gains/(losses) before taxes on the fair value of instruments hedging such cash flows and is recorded in net equity. At December 31, 2021 the impact is equal to €5 million.

8.4 Fair values

8.4.1 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 5.1.3).

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)

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.

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 8.3.

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:

(in million euros)	At December 31, 2021, net	Fair value measurement by accounting categories as of December 31, 2021					At December 31, 2020, net
		Amortized costs	Fair value through profit & loss	Fair value through equity	Derivative instruments (see Note 8.5)	Fair Value measure-ment	
Non-consolidated Investments	**20**	**-**	**20**	**-**	**-**	**Level 3**	**14**
Cash collateral & security deposits	31	20	10	-	-	Level 1	39
Loans & others	2	2	-	-	-		2
Subleases receivables	5	5	-	-	-		6
Other non-current financial assets	**38**						**47**
Total non-current financial assets	**58**						**61**
Cash collateral and security deposits	24	3	22	-	-	Level 1	17
Other current financial assets	-	-	-	-	-		-
Derivative financial instruments	2	-	-	-	2	Level 2	-
Other financial current assets	**26**						**17**
Cash	187	-	187	-	-	Level 1	183
Cash equivalents	9	-	9	-	-	Level 1	147
Cash and cash equivalents	**196**						**330**
Total current financial assets	**222**						**347**
Non current borrowings[(1)]	(1,025)	(1,025)	-	-	-		(948)
Borrowings	**(1,025)**						**(948)**
Derivative financial instruments	-	-	-	-	-	Level 2	-
Other non-current liabilities	**-**						**-**
Lease liabilities	**(145)**	**(145)**	**-**	**-**	**-**		**(122)**
Total non-current financial liabilities	**(1,170)**						**(1,070)**
Financial debt	**(17)**	**(17)**	**-**	**-**	**-**		**(16)**
Lease liabilities	**(48)**	**(48)**	**-**	**-**	**-**		**(56)**
Derivative financial instruments	(2)				(2)		(2)
Other current financial liabilities	**(3)**	**-**	**-**	**-**	**(3)**	**Level 2**	**(2)**
Total current financial liabilities	**(70)**						**(74)**
TOTAL FINANCIAL LIABILITIES	**(1,240)**						**(1,144)**

(1) Borrowings are recognized at amortized costs. The fair value of the New Money debt and Reinstated Term Loans was €1,105 million as of December 31, 2021 (the fair value of the previous Term Loan debt was €977 million as of December 31, 2020). These fair values are based on quoted prices in active markets for term loan debt (Level 1).

Some cash collaterals for U.S. entities are classified as current because of their short maturity but are renewed automatically for periods of 12 months.

8.5 Financial instruments and risk management objectives and policies

GRI *[102-15]*

8.5.1 MARKET RISK

Technicolor faces a wide variety of financial risks including market risk (due to fluctuations in exchange rates and interest rates), liquidity risk and credit risk.

Technicolor's financial risks are managed centrally by the Group Treasury Department in France and its regional Treasury Department in Ontario (California – U.S.) in accordance with the policies and procedures of the Group.

All financial market risks are monitored continually and reported regularly to the Chief Financial Officer, the Investment Committee and the Audit Committee *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 monitoring by the Group Internal Control Department.

8.5.2 INTEREST RATE RISK

8.5.2.1 Exposure to interest rate risk

Technicolor is mainly exposed to interest rate risk on its deposits and indebtedness.

At December 31, 2021 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)	2021
Debt	1,235
Percentage at floating rate	87%

In 2021 the Group's deposits were entirely at floating rate.

8.5.2.2 Interest rate risk management

At December 31, 2021, the Group has no outstanding interest rate hedging operations.

8.5.2.3 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.

Maximum impact over one year on the net exposure as of December 31, 2021 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%	(7)	(7)
Impact of interest rate variation of (1)%	1	1

* *At December 31, 2021, 3-month EURIBOR and 3-month LIBOR were -0.572% and 0.20913% respectively.*

8.5.3 FOREIGN EXCHANGE RISK

8.5.3.1 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 rate 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 Group's policy is not to hedge translation risk.

Translation risk is measured by doing sensitivity analyses on the main exposures in the subsidiaries where the functional currency is different from the euro (see below).

8.5.3.2 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 risk is its U.S. dollar exposure *versus* euro. After offsetting the U.S. dollar purchase exposures with U.S. dollar sale exposures, the net U.S. dollar exposure *versus* euros for continuing operations was net purchases of $136 million in 2021 (net purchases of $116 million in 2020).

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 then nets purchases and sales in each currency on a global basis. Exposures that remain after this process are generally hedged 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.

Regardless of the term of the hedging, the Treasury Department uses short-term foreign currency derivatives (maturity of several days to several months) that it rolls over as a function of is global exposure which is monitored on a daily basis. The derivative instruments used are described in note 8.3.

Transaction risk on commercial exposures is measured by consolidating the Group's exposures and doing sensitivity analyses on the main exposures (see below).

8.5.3.3 Transaction Risk – Financial

The Group's policy is to centralize to the extent possible its financing and the associated currency risk, if any, at the level of the Group Treasury.

As a result, the majority of the Group's subsidiaries borrow, and lend their surplus cash, to the Group Treasury, which in turn satisfies liquidity needs by borrowing externally. Subsidiaries that cannot enter into transactions with the Group Treasury because of local laws or restrictions may borrow or invest with local banks in accordance with the rules established by the Group Treasury.

The Group's policy is also that subsidiaries borrow or invest excess cash in their functional currency. In order to match the currencies that Technicolor's Group Treasury Department borrows with the currencies that it lends, Technicolor may enter into currency swaps primarily (i) to convert euro borrowings into U.S. dollars and British pounds which are lent to the Group's U.S. and UK subsidiaries respectively and (ii) to convert U.S. dollars borrowed externally or from the Group's subsidiaries into euros. The forward points on these currency swaps which are accounted for as interest, with a result of €(1.4) million in 2021 and nil in 2020.

8.5.3.4 Risk on investments in Foreign Subsidiaries

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. The variations in the euro value of investments in foreign subsidiaries are booked under "Cumulative translation adjustment" in the Group's consolidated statement of financial position. At December 31, 2021, no hedges of this type were outstanding.

8.5.3.5 Foreign Currency

The Group's main exposure is the fluctuation of the U.S. dollar against the euro.

The Group believes a 10% fluctuation in the U.S. dollar *versus* the euro is reasonably possible in a given year and thus the table below shows the impact of a 10% increase in the U.S. dollar *versus* the euro on the Group's Profit from continuing operations before tax and net finance costs and on the currency translation adjustment component of equity. A 10% decrease in the U.S. dollar *versus* the euro would have a symmetrical impact in the opposite amount. These calculations assume no hedging is in place.

2021 *(in million euros)*	Transaction	Translation	Total
Profit from continuing operations before tax and net finance costs[(1)]	(12)	(6)	(18)
Equity Impact (cumulative translation adjustment)[(2)]			98

(1) Profit impact:
- *transaction impact calculated before hedging by applying a 10% increase in the U.S. dollar/euro exchange rate to the (i) net U.S. dollar exposure (sales minus purchases) of affilliates which have the euro as functional currency and to the (ii) net euro exposure of affiliates which have the U.S. dollar as functional currency;*
- *translation impact calculated before hedging by applying a 10% increase in the U.S. dollar/euro exchange rate to the profits of the affiliates with the U.S. dollar as functional currency.*

(2) Equity impact: calculated by applying a 10% increase in the U.S. dollar/euro exchange rate to the net investments in foreign subsidiares that are denominated in U.S. dollar.

8.5.4 CREDIT AND COUNTERPARTY RISK MANAGEMENT

Credit risk arises from the possibility that counterparties may not be able to perform their financial obligations to Technicolor:

- credit risk on trade receivables is managed by each operational division based on policies that take into account the credit quality and history of customers. From time to time, the Group may decide to insure or factor without recourse trade receivables in order to manage underlying credit risk. 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 €196 million at December 31, 2021. 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 or occasionally by investing in diversified, highly liquid money market funds. As of December 31, 2021, 98% of the Group cash deposits were made with banks that have a counterparty rating of at least A-2 according to Standard & Poor's or were invested in highly rated 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.

Technicolor's clients are mainly large well financed network operators and studios and as such it does not believe that credit risk on its clients has been impacted significantly by the Covid-19 pandemic. The Group has not seen any significant increase in overdues and continues to monitor its credit risk carefully. Likewise the Group works only with highly rated financial counterparts whose financial creditworthiness has not changed significantly due to the pandemic.

Derecognised transferred financial assets

The Group uses factoring agreements to assign some of its receivables. As of December 31, 2021, the Group had not entered into any agreement for which it has continuing involvement beyond commercial risk and normal representations and warranties relating to fraudulent transfer and concepts of reasonableness, good faith and fair dealings that could invalidate a transfer as a result of legal action. The amount assigned as at December 31, 2021 is equal to €27 million. The cost associated is about €0.6 million and presented in the other financial expense line.

The Group is also party to several discount programs and reverse factoring programs set up by its customers. These programs allow the Group to benefit from shortened payment terms, especially for some customers with exceptionally long payment terms compared to habitual business practices. As the commercial risk is extinguished or estimated to be nil through acknowledgement of the receivables by the customer, there is no continuing involvement associated with these programs.

8.5.5 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, 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 the Group's financial objectives and projections.

Among other things these reviews take into account the Group's debt maturity schedule, covenants, forecast cash flows, access to financial markets and projected financing needs. To implement these policies, the Group uses various long-term and committed financings which may include equity (see note 7), debt (see note 8.2.1), subordinated debt (see note 7.2.1) and committed credit lines (here below).

The tables below show the future contractual cash flow obligations due on the Group's financial liabilities. The interest rate flows due on floating rate instruments are calculated based on the rates in effect at December 31, 2021 and December 31, 2020, respectively.

	At December 31, 2021							
(in million euros)	2022-H1	2022-H2	2023	2024	2025	2026	There after	Total
New Money/Reinstated Debt – principal	-	-	-	1,079	-	-	-	1,079
New Money/Reinstated Debt – accrued interest	17	-	-	-	-	-	-	17
New Money/Reinstated Debt – PIK interest	-	-	-	17	-	-	-	17
Lease liabilities	22	25	36	35	17	12	45	192
Other debt	1	-	-	-	-	-	-	1
Total debt principal payments	**40**	**25**	**36**	**1,131**	**17**	**12**	**45**	**1,306**
IFRS Adjustment								**(71)**
DEBT IN IFRS								**1,235**
Floating rate NM/Reinstated Debt – cash interest	24	24	50	45	-	-		143
Floating rate NM/Reinstated Debt – PIK interest	-	-	-	181	-	-		181
Lease liabilities – interest	7	6	10	7	5	4		41
Other debt – interest	-	-	-	-	-	-		-
TOTAL INTEREST PAYMENTS	**31**	**30**	**60**	**233**	**5**	**4**		**365**
FINANCIAL DERIVATIVES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	At December 31, 2020							
(in million euros)	2021-H1	2021-H2	2022	2023	2024	2025	There after	Total
New Money/Reinstated Debt – principal	-	-	-	-	1,016	-	-	1,016
New Money/Reinstated Debt – accrued interest	16	-	-	-	-	-	-	16
New Money/Reinstated Debt – PIK interest	-	-	-	-	16	-	-	16
Lease liabilities	33	23	36	22	17	12	35	178
Other debt	-	-	1	-	-	-	-	1
Total debt principal payments	**49**	**23**	**37**	**22**	**1,049**	**12**	**35**	**1,227**
IFRS Adjustment								**(85)**
DEBT IN IFRS								**1,142**
Floating rate NM/Reinstated Debt – cash interest	22	23	47	50	54	-		196
Floating rate NM/Reinstated Debt – PIK interest	-	-	-	-	178	-		178
Lease liabilities – interest	6	5	8	6	5	3		33
Other debt – interest	-	-	-	-	-	-		-
TOTAL INTEREST PAYMENTS	**28**	**28**	**55**	**56**	**237**	**3**		**407**
FINANCIAL DERIVATIVES	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**2**

The contractual cash flow obligations of the Group due to its current debt are considered to be equal to the amounts shown in the consolidated statement of financial position.

Credit Lines

(in million euros)	2021	2020
Undrawn, committed lines expiring in more than one year	110	102

The Group's committed credit lines consist of a receivables backed committed credit facility in an amount of \$125 million, €110 million at the December 31, 2021 exchange rate, (the "WF Line") which matures in 2023. The availability of this credit line varies depending on the amount of receivables and at December 31, 2021 only €97 million was available. This facility was undrawn at December 31, 2021.

NOTE 9 Employee benefits

GRI [201-1] [201-3] [401-2]

9.1 Information on employees

The total headcount of the Group consolidated entities as of December 31, 2021 is 16,676 employees (13,289 as of December 31, 2020). Please refer to Chapter 5.2 of the Universal Registration Document for more details on employees of the Group.

The employee benefits expenses (including only employees in the consolidated entities) are detailed below:

(in million euros)	2021	2020
Wages and salaries	541	552
Social security costs	112	123
Compensation expenses linked to share-based payments granted to Directors and employees (note 9.3.3)	3	-
Pension costs - defined benefits plans (note 9.2.2.1)	2	3
Termination benefits	20	70
TOTAL EMPLOYEE BENEFITS EXPENSES (EXCLUDING DEFINED CONTRIBUTION PLANS)	**678**	**747**
Pensions costs – Defined contribution plans	18	18

The termination benefits are presented in restructuring expenses within continuing operations in the consolidated statement of operations.

9.2 Post-employment & long-term benefits

POST-EMPLOYMENT OBLIGATIONS

The Group operates various post-employment schemes for some employees. Contributions paid and related to defined contribution plans, *i.e.* pension plans under which the Group pays fixed contributions and has no legal or constructive obligation to pay further contributions (for example if the fund does not hold sufficient assets to pay to all employees the benefits related to employee service in the current and prior periods), are recorded as expenses when employees have rendered services entitling them to the contributions.

The other pension plans are analyzed as defined benefit plans (*i.e.* pension plans that define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation) and are recognized in the balance sheet based on an actuarial valuation of the defined benefit obligations being carried out at the end of each annual reporting period.

The method used for determining employee benefits obligations is based on the Projected Unit Credit Method. The present value of the Group benefit obligations is determined by attributing the benefits to employee services in accordance with the benefit formula of each plan. The provisions for these benefits are determined annually by independent qualified actuaries based on demographic and financial assumptions such as mortality, employee turnover, future salaries, benefit levels and discount rates.

Remeasurement, comprising actuarial gains and losses, the effect of changes in asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be classified in profit or loss.

Defined benefit costs are classified as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) to be recognized in profit or loss;
- net interest expense or income, to be recognized as financial expense and financial income (note 8.5).

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus between the present value of the Group's defined benefit obligation and the fair value of plan asset. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

OTHER LONG-TERM BENEFITS

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs. The obligations related to other long-term benefits (for example jubilee award) are also based on actuarial valuations. Actuarial gains or losses are recognized in the consolidated statement of operations.

The liability related to other long-term benefits are not presented within the retirement benefit obligation but within the restructuring provision or other liabilities.

ACCOUNTING ESTIMATES AND JUDGMENTS

The Group's determination of its pension and post-retirement benefits obligations, expenses and OCI impacts for defined benefit plans is dependent on the use of certain assumptions used by actuaries in calculating such amounts, among others, the discount rate and annual rate of increase in future compensation levels. Assumptions regarding pension and post-retirement benefits obligations are based on actual historical experience and external data.

The Group is exposed to actuarial risks such as interest rate risk, investment risk, longevity risk, salary increase risk and inflation risk. The Group's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Capital markets experience fluctuations that cause downward or upward pressure on the quoted values and higher volatility. While Technicolor's management believes the assumptions used are appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Group's pension and post-retirement benefits net obligations under such plans and related future expense.

9.2.1 SUMMARY OF THE PROVISIONS AND PLANS DESCRIPTION

	Pension plan benefits		Medical post-retirement benefits		Total	
(in million euros)	2021	2020	2021	2020	2021	2020
At December 31, 2020	**350**	**369**	**5**	**6**	**355**	**375**
Net periodic pension cost	5	7	-	-	5	7
Curtailment	(2)	(3)	-	-	(2)	(3)
Benefits paid and contributions	(26)	(30)	-	-	(26)	(30)
Change in perimeter	-	-	-	-	-	-
Actuarial (gains) losses recognized in OCI	40	14	-	-	40	14
Currency translation adjustments and other	4	(6)	-	-	4	(6)
AT DECEMBER 31, 2021	**291**	**350**	**5**	**5**	**295**	**355**
Of which current	*34*	*30*	-	-	*34*	*30*
Of which non-current	*257*	*320*	*5*	*5*	*261*	*325*

9.2.1.1 Defined contribution plans

The pension costs of these plans correspond to the contributions paid by the Group to independently administered funds. These plans guarantee employee benefits that are directly related to contributions paid.

The total contributions paid by Technicolor amounted to €18 million in 2021 (€18 million in 2020).

9.2.1.2 Defined benefit plans

These plans mainly cover pension benefits, retirement indemnities and medical post-retirement benefits. In 2021, the geographical breakdown of such net obligations was as follows:

(in million euros)	Germany	U.S.	UK	France	Others	Total
Present value of defined benefit obligation	240	104	139	11	24	518
Fair value of plan assets	-	(83)	(126)	-	(14)	(223)
RETIREMENT BENEFIT OBLIGATIONS	**240**	**21**	**13**	**11**	**11**	**295**
Cash flows	(17)	(2)	(6)	-	(1)	(26)
Average duration (in years)	11	8	17	12	N/A	N/A

Pension benefits and retirements indemnities

Pension plans maintained by the Group are mainly the following:

In Germany, employees are covered by several vested unfunded defined benefit and defined contribution pension plans. These plans mainly provide employees with retirement annuities and disability benefits. Employees participate in plan based on final pay and services. The pension plans are no longer available to new entrants.

The retirement age is between 60 and 63 years old.

In the United States, the employees of Technicolor are covered by a defined benefit pension plan. Technicolor mainly operates two defined benefit pension plans: a cash balance pension plan that covers substantially all non-union employees, funded through a trust fund, and an additional pension plan for executive employees, closed to new participants. Benefits are equal to a percentage of the plan Member's earnings each year plus a guaranteed rate of return on earned benefits until retirement.

A hard freeze occurred over 2009 on U.S. pension plans. The rights as of January 1, 2010 remain vested but no additional pay-based credits are added to the cash balance account under the Plans. Interest credit, however, continue to be added to employees' account.

The retirement age is 65 years old.

In the United Kingdom, Technicolor mainly maintains a dedicated funded pension plan, which provides retirement annuity benefits. This plan is no longer available to new entrants.

The retirement age is 65 years old.

In France, the Group is legally required to pay lump sums to employees when they retire. The amounts paid are defined by the collective bargaining agreement in force and depend on years of service within the Group and employee's salary at retirement.

The retirement age is 62 years old but the average retirement age observed is 64 years old.

In other countries, Technicolor maintains pension plans in Mexico, in Belgium, in South Korea and in Japan. The benefits are mainly based on employee's pensionable salary and length of service.

Medical Post-retirement benefits

In the U.S. & in Canada, Technicolor provided to certain employees a post-retirement medical plan. The medical plan in the U.S. includes basic medical and dental benefits and has been closed to new entrants. The medical plan in Canada includes life insurance, health and dental care benefit coverage and was closed to new entrants.

9.2.1.3 Multi-employer plan

Since August 2009, Technicolor participates in the Motion Picture Industry multi-employer defined benefit plan in the U.S. As the information about the dividing up of plan financial position and performance between each plan Member are not available, Technicolor accounts for this plan as a defined contribution plan.

The average expense incurred each year is around €1 million.

9.2.2 ELEMENTS OF THE STATEMENT OF OPERATIONS AND OTHER COMPREHENSIVE INCOME

9.2.2.1 Statements of operations

(in million euros)	Pension plan benefits 2021	Pension plan benefits 2020	Medical Post-retirement benefits 2021	Medical Post-retirement benefits 2020	Total 2021	Total 2020
Service cost:						
• current service cost	(2)	(3)	-	-	(2)	(3)
• past service cost and gain from settlements	2	4	-	-	2	4
Financial interest expense, net:						
• interest cost on obligation	(6)	(8)	-	-	(6)	(8)
• interest income on plan assets	3	4	-	-	3	4
COMPONENTS OF DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	**(2)**	**(3)**	**-**	**-**	**(2)**	**(3)**

9.2.2.2 Other comprehensive income

(in million euros)	Pension plan benefits 2021	Pension plan benefits 2020	Medical Post-retirement benefits 2021	Medical Post-retirement benefits 2020	Total 2021	Total 2020
OPENING					**(236)**	**(222)**
Actuarial gains/(losses) arisen on plan assets:						
• due to the return on plan assets	2	16	-	-	2	16
Actuarial gains/(losses) arisen on benefit obligation:						
• due to changes in demographic assumptions	2	1	-	-	2	1
• due to changes in financial assumptions[(1)]	35	(34)	-	-	35	(34)
• due to experience adjustments	1	3	-	-	1	3
COMPONENTS OF DEFINED BENEFIT COSTS RECOGNIZED IN OCI	**40**	**(14)**	**-**	**-**	**40**	**(14)**
CLOSING					**(196)**	**(236)**

(1) In 2021, the variance in discount rates (see note 9.2.5) resulted in an actuarial gain for €40 million while in 2020 this variance resulted in an actuarial loss for €14 million.

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9.2.3 ANALYSIS OF THE CHANGE IN BENEFIT OBLIGATION AND IN PLAN ASSETS

	Pension plan benefits		Medical Post-retirement benefits		Total	
(in million euros)	2021	2020	2021	2020	2021	2020
Benefit obligation at opening	**(558)**	**(572)**	**(5)**	**(6)**	**(563)**	**(578)**
Current service cost	(2)	(2)	-	-	(2)	(2)
Interest cost	(6)	(8)	-	-	(6)	(8)
Remeasurement - actuarial gains/(losses) arising from:						
• changes in demographic assumptions	2	1	-	-	2	1
• changes in financial assumptions	35	(34)	-	-	35	(34)
• experience adjustments	1	3	-	-	1	3
Past service cost, including gains/(losses) on curtailments	1	4	-	-	1	4
Benefits paid	32	33	-	1	32	33
Currency translation adjustments	(18)	19	-	-	(18)	19
Others (Change in Pension system)		-	-	-	-	-
Benefit obligation at closing	**(514)**	**(558)**	**(5)**	**(5)**	**(518)**	**(563)**
Benefit obligation wholly or partly funded	*(248)*	*(257)*	-	-	*(248)*	*(257)*
Benefit obligation wholly unfunded	*(266)*	*(301)*	*(5)*	*(5)*	*(270)*	*(306)*
Fair value of plan assets at opening	**208**	**203**	**-**	**-**	**208**	**203**
Interest income	3	4	-	-	3	4
Remeasurement gains/(losses)	2	16	-	-	2	16
Employer contribution	8	11	-	-	8	11
Benefits paid	(14)	(13)	-	-	(14)	(13)
Currency translation adjustments	15	(13)	-	-	15	(13)
Others (Change in Pension system)	-	-	-	-	-	-
Fair value of plan assets at closing	**223**	**208**	**-**	**-**	**223**	**208**
RETIREMENT BENEFIT OBLIGATIONS	**(291)**	**(350)**	**(5)**	**(5)**	**(295)**	**(355)**

The Group expects the overall 2021 benefits paid to be equal to €31 million for defined benefits plans, of which €19 million directly by the Company to the employees and €12 million by the plans.

9.2.4 PLAN ASSETS

9.2.4.1 Funding policy and strategy

When defined benefit plans are funded, mainly in the U.S. and in the UK, the investment strategy of the benefit plans aims to match the investment portfolio to the membership profile.

In the UK, contributions are negotiated with the Trustees as per the triennial valuation. Trustees are advised by an external leading global provider of risk management services regarding investment policy. The average yearly funding contribution is £6 million (€5 million at 2021 average rate).

In the U.S., Technicolor's policy is to contribute on an annual basis in an amount that is at least sufficient to meet the minimum requirements of the U.S. law. The average yearly contribution is $1 million (€1 million at 2021 average rate).

Periodically an asset-liability analysis is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles:

- in the U.S., as the pension plan is frozen, the investment strategy aims to increase the funded ratio toward termination liability while simultaneously attempting to minimize the volatility of the funded ratio (currently funded ratio is close to 80%). Asset mix is fully based on bonds and cash equivalents. Over the past several years, the return of the plan has on average exceeded the expected return;
- in the UK, the funded status is close to 90%. Asset mix is based on 25% of insurance contracts that cover obligations with pensioners, 49% of bonds and cash equivalents, 23% of equity instruments, and 3% of properties. The annualized performance of the plan exceeds the expected return on a 3-year basis.

9.2.4.2 Disaggregation of the fair value by category

(in % and in million euros)	Plan assets allocation at December 31		Fair value of plan assets at December 31	
	2021	2020	2021	2020
Cash and cash equivalents	1%	2%	2	5
Equity investments	13%	11%	30	22
Debt securities	69%	69%	154	144
Properties	1%	1%	3	3
Annuity contracts	15%	17%	33	35
TOTAL	**100%**	**100%**	**223**	**209**

The fair value of the above equity and debt instruments is determined based on quoted market prices in active markets. The fair value of the plan assets did not include any Technicolor's own financial instruments or any asset used by the Group.

The 2021 actual return on plan assets amounts to €5 million (€20 million in 2020).

9.2.5 ASSUMPTIONS USED IN ACTUARIAL CALCULATION

	Pension plan benefits		Medical post-retirement benefits	
	2021	2020	2021	2020
Weighted average discount rate	1.61%	1.01%	2.55%	2.00%
Weighted average long-term rate of compensation increase	1.17%	1.22%	N/A	N/A

Discount rate methodology

The projected benefit cash flows under the U.S. schemes are discounted using a specific yield curve based on AA rated corporate bonds. The discount rates used for the Euro zone and the UK are determined based on AA rate corporate bonds common indexes and are as follows:

(in %)	Pension plan benefits	Early retirement	Medical post-retirement benefits	Index Reference
Euro zone	0.98%	0.00%	N/A	Iboxx AA10+
UK	2.00%	N/A	N/A	Aon Hewitt AA curve
U.S.	2.30%	N/A	2.49%	Citigroup pension discount curve

9.2.6 RISK ASSOCIATED TO THE PLANS & SENSITIVITY ANALYSIS

Pension plans are mainly exposed to:

- longevity risk due to mortality assumption;
- financial risks due to discount rate and salary increase rate assumptions.

Medical plans are mainly exposed to:

- longevity risk due to mortality assumption;
- financial risks due to discount rate and medical trend rate assumptions.

The sensitivity of the actuarial valuation is described below:

- if the discount rate is 0.25% higher, the obligation would decrease by €15 million;
- if the discount rate is 0.25% lower, the obligation would increase by €16 million;
- if the healthcare costs are 1% higher, the obligation would increase by less than €1 million;
- if the healthcare costs are 1% lower, the obligation would decrease by less than €1 million;
- if the salary increase rate is 0.25% higher, the obligation would increase by less than €1 million;
- if the salary increase rate is 0.25% lower, the obligation would decrease by less than €1 million.

The sensitivity analysis presented have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

9.3 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. The Monte Carlo model may also be used for taking into account some market conditions.

9.3.1 STOCK OPTION PLANS GRANTED BY TECHNICOLOR

Management Incentive Plans (MIP)

The Shareholders' Meeting of May 23, 2013, in its fifteenth resolution, authorized the Board of Directors to proceed with the allocation, in one or several times, in favor of employees or Executive Officers of the Company and its French and foreign subsidiaries, of share subscription or purchase options. This authorization has been given for a 38-month period, and was valid until July 23, 2016. Options granted under this authorization should not give rights to a total number of shares greater than 994,204 (*i.e.*, taking into account the 2020 reverse split adjustment, 8% of the share capital at the date of the Shareholders' Meeting of May 23, 2013).

As of December 31, 2021, 64,408 options, 2,884 options and 9,076 options related to MIP 2016, MIP June 2017 and MIP October 2017 are still outstanding.

Remaining options related to MIP 2015 have been canceled after plan expiration on May 23, 2021.

2016, 2017, 2018 Long-Term Incentive Plan (LTIP)

The Shareholders' Meeting of April 29, 2016, in its twenty-eighth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 26-month period and was valid until June 29, 2018. The shares to be issued pursuant to this authorization should not give rights to a total of shares greater than 305,175 (*i.e.*, taking into account the 2020 reverse split adjustment, 2% of the share capital on February 29, 2016).

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on April 29, 2016, on January 6, 2017 and on April 25, 2018 the implementation of respectively 2016, 2017 and 2018 Long-Term Incentive Plan.

These three-year plans provide conditional rights to the beneficiaries to receive Performance Shares, the delivery of which is subject to the cumulative achievement of Adjusted EBITDA and Free Cash Flow targets for the three years from 2016 through 2018 (LTIP 2016), from 2017 through 2019 (LTIP 2017), from 2018 through 2020 (LTIP 2018) and the satisfaction of a continued employment condition for the full duration of the Plan (through April 30, 2019 for LTIP 2016, through April 30, 2020 for LTIP 2017 and through April 30, 2021 for LTIP 2018).

The Board of Directors of February 27, 2019 noted that targets for the LTIP 2016 were not met and therefore no Performance Shares vested nor were delivered.

The Board of Directors noted on February 18, 2020 that targets for the LTIP 2017 were partially met and therefore authorized the delivery of 56,700 Performance Shares vested on April 30, 2020.

The Board of Directors noted on March 11, 2021 that targets for the LTIP 2018 were partially met and therefore authorized the delivery of 9,800 Performance Shares vested on April 30, 2021.

As of December 31, 2021, all the outstanding share rights under these plans are nil.

2019 Long-Term Incentive Plan (LTIP)

The Shareholders' Meeting of June 14, 2019, in its twentieth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 12-month period and was valid until June 13, 2020. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3,000,000 (equivalent to 111,111 shares after 2020 reverse split).

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on June 14, 2019, the implementation of 2019 Long-Term Incentive Plan.

This three-year plan provides conditional rights to the beneficiaries to receive Restricted Shares, the delivery of which is subject to the satisfaction of a continued employment condition through June 14, 2022.

Making use of this authorization and upon recommendation of the Remunerations committees, the Board of Directors granted in several times from June 14, 2019 to January 20, 2020 a total of 2,907,000 Restricted Shares (equivalent to 107,601 Restricted Shares after 2020 reverse split).

As of December 31, 2021, the outstanding share rights under the plan amounts to 80,931.

2020 Long-Term Incentive Plan (LTIP)

The Shareholders' Meeting of June 30, 2020 in its twenty fifth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees and Corporate Officers. This authorization has been given for a 36-months period and is valid until June 30, 2023. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3.6% of the share capital stated at the date of use of the authorization.

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on December 17, 2020, the implementation of the 2020 Long-Term Incentive Plan and granted 2,829,146 free shares. These three-year plans provide conditional rights to the beneficiaries to receive Performance Shares, the delivery of which is subject of the satisfaction a continued employment condition for the full duration of the Plan until December 17, 2023, and the achievement of two performance conditions, one based of cumulated EBITA objectives and the other on Total Shareholder Return until the end of 2022. It is noted however that 754,656 of these free shares are not Performance Shares but Restricted Shares allocated to beneficiaries who are not members of the Executive Committee and subject only to the continued employment condition.

Pursuant to the authorization given by the same General Meeting and upon recommendation of the Remunerations Committee, the Board of Directors held on March 24, 2021, granted 1,424,899 Performance Shares for the benefit of Executive Committee members under the same conditions as the ones listed above. The vesting period, starting on the date of the grant shall end on its third anniversary.

As of December 31, 2021, the outstanding share rights under the plan amounts to 3,974,672.

Additional Performance Shares Plan (ASP 2020)

Using the authorization given by the Shareholders' Meeting of June 30, 2020, in its twenty-sixth resolution and upon recommendation of the Remunerations Committee, the Board of Directors approved on April 15, 2021 the implementation of the 2020 Additional Performance Shares Plan (ASP) for the benefit of the Chief Executive Officer & other senior executives eligible beneficiaries (members of the Executive Committee) and granted a total of 1,744,416 Performance Shares, respectively 1,365,533 (including 1,027,398 for the CEO) on April 15, 2021 and 378,883 on April 23, 2021.

These two-year plans provide conditional rights to the beneficiaries to receive Performance Shares.

The grant of these performance shares was subject to the prior execution by each eligible beneficiary of a significant personal investment in ordinary shares of the Company. In consideration of such investment, the Board of Directors granted to each eligible beneficiary Additional Performance Shares up to an amount representing three times the amount of the personal investment made in Technicolor shares made by each beneficiary.

The delivery of these Additional Performance Shares at vesting date is also subject to:

- the satisfaction of continued employment condition for the full duration of the Plan until April 2023; and
- the achievement of cumulated EBITA and Total Shareholder Return performance conditions until the end of 2022.

As of December 31, 2021, the outstanding share rights under the plan amounts to 1,744,416 shares rights.

As of December 31, 2021, the total number of outstanding stock options amounted to a maximum of 76,368 options and the total number of rights to receive shares amounted to 5,800,019 rights granted to employees and corporate executive officers.

The details of these options and shares are disclosed hereafter:

	Type of plan	Grant date	Number of instruments initially granted	Number of instruments outstanding	Initial number of beneficiaries	Vesting date	Contractual instrument life	Exercise price[(1)(2)]	Estimated fair values granted[(1)]
MIP 2016 Options*	Subscription options	June 20, 2014	104,815	36,819	40	June 2016 (50%) June 2017 (25%) June 2018 (25%)	8 years	€156.33	€49.14
MIP 2016 Options*	Subscription options	October 21, 2014	70,926	27,589	24	October 2016 (50%) October 2017 (25%) October 2018 (25%)	8 years	€132.84	€39.15
MIP 2016 Options*	Subscription options	April 9, 2015	14,815	-	1	October 2016 (50%) October 2017 (25%) October 2018 (25%)	8 years	€157.41	€50.76
MIP June 2017 Options*	Subscription options	June 26, 2015	9,260	2,884	2	June 2017 (50%) June 2018 (25%) June 2019 (25%)	8 years	€158.76	€51.57
MIP October 2017 Options*	Subscription options	December 3, 2015	63,334	9,076	22	October 2017 (50%) October 2018 (25%) October 2019 (25%)	8 years	€191.97	€61.29
2019 LTIP**	Restricted shares	June 14, 2019	7,407	7,407	1	June 2022	-	-	€20.74
2019 LTIP**	Restricted shares	July 24, 2019	88,197	64,610	175	June 2022	-	-	€20.74
2019 LTIP**	Restricted shares	November 5, 2019	2,739	2,443	4	June 2022	-	-	€20.74
2019 LTIP**	Restricted shares	January 30, 2020	9,258	6,471	2	June 2022	-	-	€16.20
2020 LTIP**	Performance and Restricted shares	December 17, 2020	2,829,146	2,569,651	101	April 2024	-	€1.83	€1.27
2020 LTIP**	Performance shares	March 24, 2021	1,424,899	1,405,021	8	March 2024	-	€2.57	€1.63
2020 ASP**	Performance shares	April 15, 2021	1,365,533	1,365,533	3	April 2024	-	€2.82	€1.85
2020 ASP**	Performance shares	April 23, 2021	378,883	378,883	3	April 2024	-	€2.59	€1.64

* *Management Incentive Plans (MIP) (see description above).*
** *Long-Term Incentive Plan (LTIP) and Additional Performance Shares Plan (ASP) (see description above).*
(1) *Exercise prices, fair value and number of options outstanding were modified following the 2015 capital increase.*
(2) *Exercise prices, fair value and number of options outstanding were modified following the 2020 share consolidation.*

9.3.2 CHANGES IN OUTSTANDING OPTIONS & FREE SHARES

Movements in the number of options and free shares outstanding with their related weighted average exercise prices are as follows for 2021 and 2020:

	Number of options and free shares[(2)]	Weighted Average Exercise Price *(in euros)*[(2)]
Outstanding as of December 31, 2019 (with an average remaining contractual life of 3 years – excluding free shares)	**604,621**	**92.61** *(ranging from 0 to 189)*
Of which exercisable	*364,953*	*111.78*
Granted[(1)]	2,838,404	1.28
Delivered (Free Share Plan)	(56,700)	102.7
Delivered (MIP)	-	
Forfeited & other	(181,418)	98.21
Outstanding as of December 31, 2020 (with an average remaining contractual life of 2 years – excluding free shares)	**3,204,907**	**11.23** *(ranging from 0 to 192)*
Of which exercisable	*261,568*	*114.24*
Granted[(1)]	3,149,437	1.72
Delivered (Free Share Plan)	(9,800)	34.4
Delivered (MIP)	-	
Forfeited & other	(468,157)	40.8
Outstanding as of December 31, 2021 (with an average remaining contractual life of 1 year – excluding free shares)	**5,876,387**	**3.74** *(ranging from 0 to 192)*
Of which exercisable	*76,368*	*152.17*

(1) *Related to 2019, 2020 Long-Term Incentive Plan (LTIP) and 2020 Additional Performance Shares Plan (ASP).*
(2) *Exercice price and number of options outstanding were modified following the 2020 share consolidation.*

Significant assumptions used

The estimated fair values of the options granted were calculated using the Black&Scholes valuation model. The inputs into the model were as follows:

	Stock Option Plan granted in[(2)]				
(in % and in euros)	**December 2015**	**June 2015**	**April 2015**	**October 2014**	**June 2014**
Weighted average share price at measurement date	190.35	165.51	163.62	127.17	153.36
Weighted average exercise price	191.97	158.76	157.41	132.84	156.33
Expected volatility	40%	40%	40%	40%	40%
Expected option life[(1)]	5 years	5 years	5 years	5 years	5 years
Risk free rate	0.12%	0.17%	0.17%	0.13%	0.31%
Expected dividend yield	0.70%	0.8%	0.80%	0%	0%
Fair value of option at measurement date	61.29	51.57	50.76	39.15	49.14

(1) Expected option life is shorter than the contractual option life as it represents the period from grant date to the date on which the option is expected to be exercised.
(2) Exercise prices and fair value were modified following the 2020 share consolidation.

Factors that have been considered in estimating expected volatility for the long-term maturity Stock Option Plans include:

- the historical volatility of Technicolor's shares over the longest period available;
- adjustments to this historical volatility based on changes in Technicolor's business profile.

For shorter maturity options, expected volatility was determined based on implied volatility on Technicolor's share observable at grant date.

For the 2019 performance shares granted as part of the 2019 LTIP, Technicolor considered an expected turnover of 5% based on historical data of related beneficiaries, an average initial share price of €19.60 and a 3-years expected yearly dividend of €0.

9.3.3 COMPENSATION EXPENSES CHARGED TO INCOME

The compensation charged to income for the services received during the period amount to €(3) million and €0 million for the years ended December 31, 2021 and 2020. The counterpart of this expense has been credited to equity.

As of December 31, 2021, balances of lapsed plans amounting to €15 million have been reclassed in another caption of equity according to IFRS 2 requirements.

9.4 Key management compensation

Directors' fees and compensation expenses (incl. Social security costs) amounted to €0.9 millions in 2021 and €1 million in 2020. The amounts due to Directors who are non-resident for French tax purposes are subject to a withholding tax. Fees due to Directors and advisors in respect to fiscal year 2021 will be paid in 2022.

Compensation expenses allocated by the Group to Members of the Executive Committee (including those who left this function during 2021 and 2020), during 2021 and 2020 are shown in the table below:

(in million euros)	**2021[(1)]**	**2020[(1)]**
Short-term employee benefits[(1)]	11	14
LT employment benefit	2	2
Termination benefits[(2)]	1	4
Share-based payment	1	-
TOTAL	**15**	**20**

(1) 8 members in 2021 and 12 members in 2020.
(2) Amounts accrued under post-employment obligations are almost nil as of December 31, 2021 and 2020.

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 total estimated amount of €2 million.

NOTE 10 Provisions & contingencies

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'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.

10.1 Detail of provisions

(in million euros)	Provisions fo warranty	Provisions for risks & litigations related to continuing operations	Provisions for risks & litigations related to discontinued operations	Provisions for restructuring related to continuing operations	Provisions for restructuring related to discontinued operations	Total
As of December 31, 2020	**23**	**6**	**35**	**57**	**2**	**123**
Current period additional provision	10	16	2	37	-	65
Release	(15)	(1)	(2)	(8)	(1)	(27)
Usage during the period	(1)	(1)	(11)	(70)	-	(83)
Other movements and currency translation adjustments	1	1	(3)	1	-	-
AS OF DECEMBER 31, 2021	**18**	**21**	**21**	**18**	**1**	**79**
Of which current	*18*	*8*	*-*	*17*	*1*	*44*
Of which non-current	*-*	*13*	*21*	*1*	*-*	*35*

The provisions for restructuring are mainly composed of termination costs related to continuing operations (for both employees and facilities).

10.2 Contingencies

GRI *[103-2 Anti-competitive behavior] [103-3 Anti-competitive behavior] [103-2 Environmental compliance] [103-3 Environmental compliance] [103-2 Socioeconomic compliance] [103-3 Socioeconomic compliance] [206-1] [307-1] [419-1]*

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. Significant pending legal matters include the following:

BRAZILIAN TAX LITIGATION

The Brazilian Tax Authorities have raised a tax assessment on Technicolor Brasil Midia E Entretenimento LTDA for fiscal years 2014 and 2015. Technicolor challenged the entirety of this assessment before the Brazilian courts and is waiting for the outcome of the appeal.

TAOYUAN COUNTY FORM RCA EMPLOYEES' SOLICITUDE ASSOCIATION

Technicolor, certain of its subsidiaries and General Electric are being sued by an association of former employees (or heirs of former employees) at a former manufacturing facility in Taiwan (TCETVT). They allege exposure to various contaminants while living or working at the facility, which allegedly caused them to suffer various diseases, including cancer, or caused emotional distress from fear that living and working at the facility increased their risk of contracting diseases.

After a first ruling of the Taiwan court and an appeal before the Taiwan High Court (first appeals court), the Taiwan Supreme Court, in August 2018:

(i) confirmed the Taiwan High Court decision of awarding NTD 518 million (c. €16 million at the exchange rate as of December 31, 2021) in damages to 260 claimants; and

(ii) remanded the claims of 246 claimants for further proceedings at the High Court.

General Electric paid to the Court the full amount of the decision in December 2019.

On March 5, 2020, the Taiwan High Court ruled on the 246 remanded claims and awarded NTD 54.7 million (€1.7 million at the exchange rate as of December 31, 2021) in damages plus interest. This ruling is on appeal to the Taiwan Supreme Court.

In 2016, the association brought a second lawsuit against Technicolor and certain of its subsidiaries and General Electric on behalf of additional former workers making virtually identical allegations as were made in the first lawsuit. The Taipei District Court announced its ruling on December 27, 2019 and awarded approximately NTD 2.3 billion (c. €73.2 million at the exchange rate as of December 31, 2021) plus interest. Technicolor and General Electric were held jointly and severally liable. Technicolor filed its appeal of this decision to the Taiwan High Court in January 2020.

Technicolor and its subsidiaries claim, among other reasons, that TCETVT operated for less than four years after its purchase from General Electric, while General Electric and its predecessor-in-interest RCA Corporation, ultimately owned TCETVT for approximately twenty years of operations.

Should the Group or any of the subsidiaries ultimately be held liable or settle the claims, the amounts of any such liability or settlement could be high. There are currently too many uncertainties to assess the extent of any liability that Technicolor or its subsidiaries may incur as a consequence of this lawsuit. Technicolor also has various avenues to mitigate any risk, including contractual indemnities owed to it by General Electric and others.

CATHODE RAY TUBES CASES

United States

Between 2014 and 2017, Technicolor settled with all plaintiffs in the legal actions that Technicolor had been defending in the United States pertaining to alleged anticompetitive conduct in the Cathode Ray Tubes ("CRT") industry.

However, the U.S. District Court decision approving Technicolor's June 2015 settlement with a class of indirect purchasers of CRT for $14 million was remanded in February 2019 to the District Court by the Court of Appeals so that the District Court could reconsider its approval of the settlement. As part of the remand process, the indirect purchasers' settlement agreements with defendants were amended by agreement of the parties in September 2019, which resulted in an agreement that a small part of the settlement amounts would be returned to the defendants, including Technicolor, and plaintiffs from nine U.S. states would be excluded from the settlements. While the amended settlement agreements were approved by the District Court, the excluded indirect purchaser plaintiff classes appealed that approval, as well as the District Court's decision to deny their motion to intervene in the settlement approval proceedings, to the Court of Appeals. The Court of Appeals upheld both decisions, and declined the appellants' motion for rehearing. Technicolor anticipates that the excluded indirect purchaser plaintiffs will seek review by the Supreme Court in the first quarter of 2022, but continues to believe that its exposure is limited in size and that it has valid means of defense.

Europe

Since 2014, Technicolor has also been defending, along with other defendants (Samsung, LG, Philips, *etc.*), several similar legal actions in various European jurisdictions alleging damages suffered as a result of anticompetitive behaviour in the CRT industry until 2005. All such cases are in the wake of the EU Commission decision of December 2012 pursuant to which Technicolor was fined €38.6 million as a result of alleged involvement in a cartel. The cases remaining are as follows.

In the Netherlands, a case filed by Vestel, a Turkish TV manufacturer, under Turkish law. Vestel also brought suit in Turkey, which was dismissed on procedural grounds by the Court of First Instance as well as by the Regional Court of Appeals in December 2020. Vestel's request to bring an appeal against the Regional Court of Appeals decision has been rejected. In February 2021, Vestel has brought an appeal to the Supreme Court against the rejection of its request to bring an appeal.

At this time, Technicolor is unable to assess the potential outcome from those cases and the resulting potential liability due to the complexity of the cases, as Technicolor is still defending certain of these on procedural grounds and/or as the claims have not all been fully substantiated. Depending on jurisdictions, decisions on quantum are not expected before the second quarter 2022.

Technicolor also defended (i) a case in the United Kingdom against Arcelik, a Turkish manufacturer, which was settled in February 2020 and (ii) two cases in Germany against three German former TV manufacturers (Grundig and Loewe/Metz) which were settled in December 2020 and (iii) three cases in the Netherlands against three Brazilian TV manufacturers which were settled in November 2021.

ENVIRONMENTAL MATTERS

Some of Technicolor's current and previously-owned manufacturing sites have a history of industrial use. Soil and groundwater contamination, which occurred at some sites, may occur or be discovered at other sites in the future. Industrial emissions at sites that Technicolor has built or acquired expose the Group to remediation costs. The Group has identified certain sites at which chemical contamination has required or will require remedial measures.

Soil and groundwater contamination were detected at a former manufacturing facility in Taoyuan, Taiwan that was acquired from GE in a 1987 transaction. In 1992, the facility was sold to a local developer. Soil remediation was completed in 1998. In 2002, the Taoyuan County Environmental Protection Bureau ("EPB") ordered remediation of the groundwater underneath the former facility. The groundwater remediation process is underway. EPB and TCETVT continue to negotiate over the scope of that work. Technicolor has reached an agreement with General Electric with respect to allocation of responsibility related to the soil and groundwater remediation.

In addition to soil and groundwater contamination, the Group sells or has sold in the past products which are subject to recycling requirements and is exposed to changes in environmental legislation affecting these requirements in various jurisdictions.

The Group believes that the amounts reserved and the contractual guarantees provided by its contracts for the acquisition of certain production assets will enable it to reasonably cover its safety, health and environmental obligations. However, potential problems cannot be predicted with certainty and it cannot be assumed that these reserve amounts will be precisely adequate.

NOTE 11 Specific operations impacting the consolidated statement of cash-flows

GRI [102-10] [102-49]

11.1 Acquisitions and disposals of subsidiaries & investments

The details for the acquisition of subsidiaries and investments, net of cash position of companies acquired, are as below:

(in million euros)	2021	2020
Various earn-out payments	-	(3)
Acquisition of investments	**-**	**(3)**
Less cash position of companies acquired	-	-
ACQUISITION OF SUBSIDIARIES, ASSOCIATES AND INVESTMENTS, NET OF CASH ACQUIRED	**-**	**(3)**

The details for the disposal of subsidiaries and activities, net of cash position of companies disposed off, are as below:

(in million euros)	2021	2020
Digital Cinema activity(1)	-	8
Post-Production activity(2)	27	-
Disposal of investments	**27**	**8**
Less cash position of companies disposed off	-	(1)
PROCEEDS FROM SALE OF INVESTMENTS, NET OF CASH	**27**	**7**

(1) Activity transferred to Deluxe in 2015, with annual earn-out payments ending in 2020.
(2) Refer to note 2.

11.2 Cash impact of debt repricing and financing operations

(in million euros)	2021	2020
Proceeds from non-current borrowings	-	-
Reimbursement of non-current borrowings to debt holders	-	-
Cash impact of non-current borrowings variation	**-**	**-**
Proceeds from current borrowings(1)	-	760
Reimbursement of current borrowings to debt holders(2)	(63)	(243)
Cash impact of current borrowings variation	**(63)**	**517**
Increase in capital(3)	-	60
Fees paid in relation to financing operations(4)	(2)	(60)
TOTAL CASH IMPACT OF REFINANCING AND SHARE CAPITAL OPERATIONS	**(64)**	**517**

(1) In 2020, proceeds from borrowings include €416 million related to French and U.S. New Money, €250 million related to RCF and €93 million related to Bridge loan.
(2) In 2021, €62 million related to repayments of lease debts.
In2020, €85 million related to repayments of lease debts and €158 million related to Term Loan Debt and Bridge loan.
(3) In 2020, Technicolor increased its capital as part of financial restructuring.
(4) Fees paid directly linked to the Group's debt have been recorded as financing cash flows. It includes mainly fees related Group financial restructuring in 2021 and 2020.

The tables below show the Group's borrowing variation in the statement of financial position:

(in million euros)	December 31, 2020	Cash impact of borrowing variation(1)	Non cash variation: Non cash move ments on lease contracts	IFRS adjust-ment	Interest expenses	Currency Translation Adjust-ments and Forex	Transfer Current - Non current	Reclassifi-cation in liabilities related to assets held for sale	December 31, 2021
Non current borrowing	948	-	-	15	46	16	-	-	1,025
Current borrowing	16	-	-	-	1	1	-	-	17
TOTAL BORROWING	**964**	**-**	**-**	**15**	**47**	**17**	**-**	**-**	**1,042**
Non current lease laibilities	122	(52)	61	-	-	10	-	3	145
Current lease liabilities	56	(12)	5	-	-	1	-	(2)	48
TOTAL LEASE LIABILITIES	**178**	**(64)**	**67**	**-**	**-**	**11**	**-**	**1**	**192**

(1) In 2021, €(2) million are related to cash flows from discountinued activities.

(in million euros)	December 31, 2019	Cash impact of borrowing variation(1)	Non cash variation: Non cash move ments on lease contracts	Effect of financial restruc-turing	Interest expenses	Currency Translation Adjust-ments and Forex	Transfer Current - Non current	Reclassif-ication in liabilities related to assets held for sale	December 31, 2020
Non current borrowing	979	606	-	(630)	16	(26)	3	-	948
Current borrowing	8	(4)	-	-	15	-	(3)	-	16
TOTAL BORROWING	**987**	**602**	**-**	**(630)**	**31**	**(26)**	**-**	**-**	**964**
Non current lease laibilities	224	(62)	17	-	-	(15)	-	(42)	122
Current lease liabilities	87	(25)	1	-	-	(1)	-	(6)	56
TOTAL LEASE LIABILITIES	**311**	**(87)**	**18**	**-**	**-**	**(16)**	**-**	**(48)**	**178**

(1) In 2020, €(2) million are related to cash flows from discountinued activities.

11.3 Contractual obligations and commercial commitments

The following table provides information regarding the aggregate maturities of contractual obligations and commercial commitments as of December 31, 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)	2021	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)	9	3	4	2	1
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**10**	**4**	**4**	**2**	**1**
Conditional future payments					
Guarantees given and other conditional future payments	1	-	-	1	-
TOTAL CONDITIONAL FUTURE PAYMENTS	**1**	**-**	**-**	**1**	**-**

(1) *Other unconditional future payments relate mainly to the maintenance costs associated with the lease.*

The Group provides certain guarantees to third parties (financial institutions, customers, partners and government agencies) to ensure the fulfilment of contractual obligations by Technicolor 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. These commitments (letters of credit) represent €18 million at the end of 2021.

Subsidiaries within the DVD Services segment may provide guarantees to its customers on the products stored and then distributed against any risk or prejudice that may occur during manufacturing, storage or distribution. Such guarantees provided are covered by insurance and are therefore excluded from the table above.

The disclosed guarantees comprise various operational guarantees granted to customs administrations in order to exempt from duties goods transiting through customs warehouses for re-exportation, and transit guarantees in order that taxes on goods are only paid at their final destination in the import country. The maturity of these bank guarantees matches the one-month renewable term of the agreements.

Guarantees and commitments received amount to €72 million as of December 31, 2021. This amount is mainly related to the royalties from Trademarks licensees.

Total off-balance sheet unconditional future payments and conditional future payments as of December 31, 2020, amounted respectively to €15 million and €2 million on continuing entities.

NOTE 12 Discontinued operations and held for sale operations

GRI [102-10] [102-48] [102-49]

12.1 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.

Other discontinued activities relate to remaining subsequent impacts of activities disposed of or abandoned such as Cathode Tubes activities from 2004 and 2005.

12.1.1 RESULTS OF DISCONTINUED OPERATIONS

(in million euros)	Year ended December 31, 2021	2020
DISCONTINUED OPERATIONS		
Revenues	1	1
Cost of sales	(1)	(1)
Gross margin	**-**	**(1)**
Selling and administrative expenses	(4)	(1)
Research and development expenses	(1)	2
Restructuring Costs	-	(4)
Net impairment losses on non-current operating assets	-	(1)
Other expenses	(12)	(10)
EARNINGS BEFORE INTEREST & TAX FROM DISCONTINUED OPERATIONS	**(16)**	**(15)**
Financial net expenses	(3)	(1)
Income tax	-	1
NET LOSS	**(19)**	**(15)**

12.1.2 NET CASH FROM DISCONTINUED OPERATIONS

(in million euros)	Year ended December 31, 2021	2020
Loss from discontinued activities	**(19)**	**(15)**
Summary adjustments to reconcile loss from discontinued activities to cash generated from discontinued operations		
Depreciation and amortization	-	1
Impairment of assets	-	1
Net change in provisions	(4)	(9)
Other non-cash items (including tax)	3	(1)
Changes in working capital and other assets and liabilities	2	5
NET OPERATING CASH USED IN DISCONTINUED ACTIVITIES (I)	**(18)**	**(18)**
NET INVESTING CASH USED IN DISCONTINUED ACTIVITIES (II)	**(9)**	**(3)**
Repayments of lease debt	(2)	(2)
NET FINANCING CASH USED IN DISCONTINUED ACTIVITIES (III)	**(2)**	**(2)**
NET CASH USED IN DISCONTINUED ACTIVITIES (I+II+III)	**(29)**	**(23)**

12.2 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, 2021	December 31, 2020
ASSETS CLASSIFIED AS HELD FOR SALE	**3**	**76**
LIABILITIES CLASSIFIED AS HELD FOR SALE	**-**	**56**

As of 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 €3 million.

As of December 31, 2020, assets and liabilities held for sale mainly included the assets and related liabilities from the Group Post Production business, which met at that date the IFRS 5 criteria for classification as a disposal group held for sale. Included in that disposal group are:

- €5 million of goodwill allocated to Post Production;
- €52 million of non-current assets notably including the right-of-use relating to real estate operating leases for €41 million;
- the corresponding lease debt for €48 million;
- current assets and liabilities for €16 million and €8 million respectively.

Assets held for sale also included real estate right-of-use assets available for long-term sublease or in renegociation with the lessor for €3 million.

NOTE 13 Subsequent events

GRI [102-10] [103-1 Economic performance] [103-2 Economic performance]

SPIN-OFF AND REFINANCING PLANS

On February 24th, 2022, Technicolor announced its intention to create two independent market leadersin their respective sectors and to refinance Technicolor's existing debt.

Technicolor intends to list TCS on Euronext Paris, and to make a concurrent distribution of a 65% stakein TCS to Technicolor shareholders (the "Distribution").

The spin-off structure allows Technicolor shareholders to receive Technicolor Creative Studios shares, while remaining shareholders of Technicolor Ex-TCS. This distribution-in-kind should be made out ofTechnicolor's share premium account and should be, from a French tax perspective and in view of the analysis to date of the composition of Technicolor SA's net equity, considered as a tax-free return of share premium under article 112 of the French tax code (remboursement de prime d'émission). This distribution should therefore not be subject to tax in France whether by way of a French levy, a Frenchwithholding tax or otherwise (subject to specific situations).

As far as the remaining 35% TCS stake retained by Technicolor Ex-TCS is concerned, its disposal will be considered ahead of or following the spin-off, depending on market conditions, with a view to furtherand significantly deleverage both new entities. The spin-off resolutions will be submitted to the Company's Annual and Extraordinary Shareholders Meeting that it is anticipated will be convened in late June 2022. It is expected that the spin-off will take place during the later part of Q3, 2022 subject to the conditions outlined below. The company will request the admission of the TCS shares on Euronext Paris by way of a prospectus to be approved by the AMF. The company has retained Finexsias independent financial appraiser in order to provide shareholders with an independent valuation of the TCS shares prior to the vote at the Company annual shareholders' meeting referred to above.

Concurrently, Technicolor is announcing its intention to fully refinance the group's debt.

As part of the refinancing, Technicolor intends to issue Mandatory Convertible Notes ("MCN") for €300million in the form of separate reserved issuances. Angelo Gordon, Bpifrance and other selected subscribers have committed to subscribe to the full amount of the MCN. The MCN would automatically be converted into Technicolor shares if a Technicolor Extraordinary General Meeting approves the Distribution, and the Board of Directors decides such Distribution. The conversion price of €2.60 pershare is equal to a 5% discount to the 3-month VWAP ("Volume-Weighted Average Price") perTechnicolor ordinary share as of February 23rd, 2022.

The fairness of the condition of the Mandatory Convertible Notes conversion will be addressed prior to the vote at the MCN Extraordinary General Meeting by a report to be prepared by Finexsi asindependent financial appraiser.

The issuance of the MCN is subject to 2/3rd majority approval at an Extraordinary General Meeting of shareholders, which is expected to take place early Q2 and, in any case, no later than May 25th, 2022. Shareholders subscribing to the MCN have committed to not dispose of their shares before the MCN Extraordinary General Meeting.

In parallel, consistent with the proposed transaction, the Group is launching negotiations to refinance its existing debt, with a view to putting in place two distinct and optimized financing packages for TCS and Technicolor Ex-TCS respectively.

The refinancing and the spin-off are expected to be completed by Q3 2022, subject to (i) theshareholders' approval of the issuance of the MCN, (ii) the shareholders' approval of the terms of the spin-off, (iii) the completion of the refinancing discussions with creditors on terms satisfactory to Technicolor Ex-TCS and TCS and (iv) customary conditions, consultations and regulatory approvals.

TCS and Technicolor Ex-TCS have distinct characteristics in terms of growth, margins, capital intensity, and cash flow generation. The contemplated transaction will allow each entity to pursue its own strategicpath independently, consistent with its underlying business dynamics and financial fundamentals, and thereby achieve its full value potential. Furthermore, the spin-off of TCS should help to reduce the conglomerate discount of Technicolor Ex-TCS and create a strong basis for TCS full valuation.

SALE OF TRADEMARK LICENSING OPERATIONS

Technicolor received a binding offer to sell its Trademark Licensing operations. The total agreed consideration amounts to c. €100 million, to be paid in cash at the closing of the transaction.

The sale, which is subject to closing conditions, is expected to close in the first half of 2022.

NOTE 14 Table of Auditors' fees

(in thousand euros)	Deloitte 2021	Deloitte 2020	Mazars 2021	Mazars 2020	Total 2021	Total 2020
Statutory audit, certification, consolidated and individual financial statements						
• Technicolor SA	983	862	1,064	1,239	2,047	2,101
• Subsidiaries	1,361	1,466	835	1,004	2,196	2,470
Subtotal	**2,344**	**2,328**	**1,899**	**2,242**	**4,243**	**4,571**
Services other than certification of financial statements as required by laws and regulations(1)						
• Technicolor SA	93	285	-	291	93	576
• Subsidiaries	14	5	2	2	15	7
Subtotal	**107**	**290**	**2**	**293**	**108**	**583**
Services other than certification of financial statements provided upon the entity's request(2)						
• Technicolor SA	7	107	-	-	7	107
• Subsidiaries	52	101	22	10	74	111
Subtotal	**58**	**208**	**22**	**10**	**80**	**218**
TOTAL	**2,509**	**2,826**	**1,923**	**2,545**	**4,431**	**5,372**

(1) *Include capital increase and capital decrease reports, financial restructuring and implementation of fiducies-sûretés services in 2020 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 15 List of main consolidated subsidiaries

GRI *[102-45]*

The following is a list of the principal consolidated holding entities and subsidiaries:

Company - (Country)	% share held by Technicolor (in % rounded to one decimal) 2021	2020
Fully consolidated		
Technicolor SA 8-10, rue du Renard, 75004 Paris (France)	Parent company	Parent company
Connected Home		
Beijing Technicolor Management Co., Ltd. (China)	100.0	100.0
Technicolor Asia Ltd. (Hong Kong)	100.0	100.0
Technicolor Brasil Midia E Entretenimento LTDA (Brazil)	100.0	100.0
Technicolor Connected Home de Mexico SA De CV (Mexico)	100.0	100.0
Technicolor Connected Home India Private Ltd. (India)	100.0	100.0
Technicolor Connected Home Rennes SNC (France)	100.0	100.0
Technicolor Connected Home USA LLC (USA)	100.0	100.0
Technicolor Delivery Technologies (France)	100.0	100.0
Technicolor Delivery Technologies Australia Pty Limited (Australia)	100.0	100.0
Technicolor Delivery Technologies Belgium (Belgium)	100.0	100.0
Technicolor Delivery Technologies Canada Inc. (Canada)	100.0	100.0
Technicolor Japan KK (Japan)	100.0	100.0
Technicolor Korea Yuhan Hoesa (Korea Republic)	100.0	100.0
Technicolor Creatives Services		
Mikros Image Belgium SA (Belgium)	100.0	100.0
Mikros Image SAS (France)	100.0	100.0
MPC (Shanghai) Digital Technology Co., Ltd. (China)	89.8	89.8
Technicolor Animation Productions SAS (France)	100.0	100.0
Technicolor Canada, Inc. (Canada)	100.0	100.0
Technicolor Creative Services USA, Inc. (USA)	100.0	100.0
Technicolor Ltd. (UK)	100.0	100.0
Technicolor India Pvt Ltd. (India)	100.0	100.0
Technicolor Pty, Ltd. (Australia)	100.0	100.0
Technicolor Creative Studios Australia Pty Limited (Australia) (1)	100.0	-
The Mill (Facility) Ltd. (UK)	100.0	100.0
The Mill Berlin GmbH (Germany)	100.0	100.0
The Mill Group Inc. (USA)	100.0	100.0
Technicolor Creative Studios UK Ltd. (UK)	100.0	100.0
Thomson Multimedia Distribution (Netherlands) BV (The Netherlands)	100.0	100.0
Trace VFX LLC (USA) (2)	0	100.0
Trace VFX Solutions Private India Ltd. (India)	100.0	100.0

(1) Renamed in 2021, incorporated in 2020 as The Mill Facility AUS Pty Ltd.
(2) Merged in 2021 into The Mill Group Inc..

Company - (Country)	% share held by Technicolor (in % rounded to one decimal) 2021	2020
DVD Services		
Technicolor Disc Services International Ltd. (UK)	100.0	100.0
Technicolor Distribution Services France SARL (France)	100.0	100.0
Technicolor Distribution Australia PTY Ltd. (Australia)	100.0	100.0
Technicolor Global Logistics, LLC (USA)	100.0	100.0
Technicolor Home Entertainment Services Canada ULC (Canada)	100.0	100.0
Technicolor Home Entertainment Services de Mexico, S. de R.L. de C.V. (Mexico)	100.0	100.0
Technicolor Home Entertainment Services Inc. (USA)	100.0	100.0
Technicolor Home Entertainment Services Southeast, LLC (USA)	100.0	100.0
Technicolor Mexicana, S. de R.L. de C.V. (Mexico)	100.0	100.0
Technicolor Milan SRL (Italy)	100.0	100.0
Technicolor Polska sp Z.o.o (Poland)	100.0	100.0
Technicolor Export de Mexico, S. de R.L. de C.V. (Mexico)	100.0	100.0
Technicolor Pty, Ltd. (Australia)	100.0	100.0
Technicolor Videocassette of Michigan, Inc. (USA)	100.0	100.0
Corporate & Other		
Deutsche Thomson OHG (Germany)	100.0	100.0
Gallo 8 SAS (France)	100.0	100.0
RCA Trademark Management SAS (France)	100.0	100.0
Sté Fr.d'Invest.et d'Arbitrage - Sofia SA (France)	100.0	100.0
Tech 6 SAS (France)	100.0	100.0
Tech 7 SAS (France)	100.0	100.0
Tech 8 SAS (France)	100.0	100.0
Technicolor Trademark Management (France)	100.0	100.0
Technicolor Treasury USA LLC (USA)	100.0	100.0
Technicolor USA Inc. (USA)	100.0	100.0
Consolidated by Equity method		
3DCD LLC (USA)	50.0	50.0
Techfund Capital Europe FCPR (France)	19.8	19.8
Technicolor SFG Technology Co. Ltd. (China)	49.0	49.0

6.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

GRI *[102-56]*

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,

Opinion

In compliance with the engagement entrusted to us by your Annual General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Technicolor for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from 1 January 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Emphasis of Matter

We draw attention to the following matters described in Note 1.2.2.1 "Main standards, amendments and interpretations effective and applied as of January 1, 2021" to the consolidated financial statements relating to the consequences of:

- the application of the IFRS IC, published in May 2021 and relating to the periods of service to which an entity attributes benefit for a particular defined benefit plan within the IAS 19 framework;
- the application of the IFRS IC, published in April 2021 and relating to the configuration or customization costs in a cloud computing arrangements.

Our opinion is not modified in respect of this matter.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of liquidity risk

Notes 8.2.1 and 8.5.5 to the consolidated financial statements

RISK IDENTIFIED

As of December 31, 2021, the available cash and cash equivalents of Technicolor Group amounts to €196 million. As of December 31, 2021, the indebtedness of Technicolor Group is of €1,235 million at year-end, observing an increase of €93 million when compared to 2020.

The Group's committed credit lines consist of a receivable backed committed credit facility in an amount of $125 million (€110 million at the December 31, 2021 exchange rate) which matures in 2023. The availability of this credit line varies depending on the amount of receivables and on December 31, 2021, only €97 million was available. This facility was undrawn on December 31, 2021.

To continuously monitor the liquidity risk to which the Group is exposed, management assesses the cash forecasts based mainly on the expected consolidated cashflows, including operational flows and the repayment deadlines of the financial debt.

On the basis of these forecasts and at each half-year close, the board assesses whether or not the liquidity levels and cash flows are sufficient for financing the current activities and the working capital needs of the group for at least the twelve months following this closing, taking into consideration the available credit lines.

As described in the note 8.2.1.2 "Key terms of credit agreements" of the consolidated financial statements, Technicolor performed in 2020 its financial restructuring.

As of December 2021, the debt instruments of the Group contain various financial covenants, including a minimum liquidity covenant. The occurrence of a covenant break would make this financial debt due immediately and represents a realization case for the loss of control exercised by the group over its subsidiaries.

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

OUR RESPONSE

We have reviewed the process and IT environment enabling Technicolor's management to establish the cash forecasts.

We have evaluated the controls implemented in order to establish these cash forecasts, and have:

- reviewed the controls implemented in order to build the twelve months cash forecast;
- assessed procedures implemented to ensure the compliance with the specific requirements of the restructured debt covenants, in particular those relating to a required level of cash within the fiducies;
- assessed the information communicated by the group in the consolidated financial statements regarding the compliance with these requirements as of December 31, 2021;
- assessed the consistency of operational activity assumptions adopted by the group, both in modified Covid crisis context and given the global component crisis which impacted the performance of the group, for the establishment of cash forecasts related to the business plan prepared by the management and approved by the board meeting of February 24, 2022. We have notably assessed these forecasts based on our knowledge of the business, the operational assumptions and repayment deadlines of the restructured debt, as well as the available liquidity of the credit lines;
- we regularly compared the actual cash levels with the forecasts during 2021, and analyzed the cash level observed, in order to assess the quality of the forecasts built;

- reviewed the accounting treatment of factoring and reverse factoring, to control their deconsolidating effect;
- reviewed the appropriate level of information provided in the consolidated financial statements in the notes 8.5.5 "Liquidity risk and management of financing and of capital structure", 8.2.1 "Borrowings" regarding the liquidity risk;
- questioned the management concerning its knowledge of subsequent events following the 2021 closing, which could affect the group's liquidity.

Impairment testing of goodwill

Note 4.1 and 4.5 to the consolidated financial statements

RISK IDENTIFIED

Goodwill is recorded in the balance sheet as of December 31, 2021 at a net carrying amount of €773 million, compared with total assets of €2,999 million. 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 effective rate at the end of the period. Goodwill is not amortized but is tested annually for impairment. The Group performs impairment tests on goodwill as disclosed in Notes 4.1 (Goodwill) and 4.5 (Impairment on non-current operating assets) of the notes to the consolidated financial statements.

We considered the valuation of goodwill to be a key audit matter given the relative importance of these assets in the consolidated financial statements and since the determination of their recoverable amount, generally based on discounted cash flow forecasts, is based on assumptions, estimates and management assessments and judgements, notably concerning business forecasts, long-term growth rates and discount rates.

We specifically focused on the goodwill attributed to the DVD Services Goodwill Reporting Unit that amounts to €153 million as of December 31, 2021. This goodwill has a finite useful life because of the uncertainties surrounding physical media and because of the importance of the decrease in volumes, notably in the distribution activity, which already led to a division goodwill impairment of €59 million in 2019 and €66 million in 2020.

Significant external and internal factors have been considered as of December 31, 2021 to assess whether an additional impairment was required:

- the resilient operational performance in 2021 (2021 revenue of €701 million, stable in comparison with 2020 revenue of €706 million, and significantly exceeding the initial 2021 budget). This solid performance relies on strong market demand mainly in North America in a context of new studio releases and internet quality disparities in the United States leading to reduced access to streaming services for end customers;
- the full implementation of the business division reorganization leading to site closures and fixed costs rationalizations (resulting in restructuring costs of €14 million in 2020 and €28 million in 2021);
- the appointment of a new general management;
- a revised strategy that includes new product developments mainly vinyl manufacturing, freight brokerage and manufacturing of microfluidic consumables.

In this context, the business division value based on future cash-flows remains higher than the business division capital employed, therefore, no impairment has been accounted for.

OUR RESPONSE

We reviewed the implementation of impairment tests by the Group and focused our procedures on the divisions where intangible assets represent a significant portion of net assets and are highly sensitive to changes in budget assumptions.

We reviewed the Group's process for preparing business plans and assessed the reasonableness of the key assumptions and estimates by:

- verifying the consistency of cash flow forecasts with past performance and budget that has been approved by the February 2, 2022, Board of Directors;
- comparing growth rates used to extrapolate cash flows beyond the forecast period and discount rates with market data and our benchmarks; and,
- reviewing sensitivity analysis disclosed in the notes to the consolidated financial statements;
- analyzing flows coming from new growth business operations (vinyl manufacturing, freight brokerage and manufacturing of microfluidic consumables.

We verified the appropriateness of disclosures in the notes to the consolidated financial statements.

These analyses were performed with the assistance of our valuation experts.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

FORMAT OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Technicolor by the Shareholders' Meeting held on June 20, 2012 for Deloitte & Associés and on May 29, 1985 for Mazars.

As at December 31, 2021, Deloitte & Associés were in the 10th year of total uninterrupted engagement and Mazars were in the 37th year of total uninterrupted engagement, including 23 years since the securities were admitted to a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense, 11 March 2022

Deloitte & Associés	Mazars
French original signed by	French original signed by
Bertrand Boisselier, Partner	Jean-Luc Barlet, Partner
	Charlotte Grisard, Partner

6.4 TECHNICOLOR SA 2021 FINANCIAL STATEMENTS

GRI [201-1]

6.4.1 Profit and loss account

(in million euros)	*Note*	December 31, 2021	2020
Revenue	(2.1)	46	49
Other operating income	(2.2)	13	58
Total operating income		**59**	**107**
Wages and salaries		(20)	(22)
Other operating expenses	(2.2)	(47)	(92)
Depreciation, amortization and provisions		(3)	(5)
Net operating profit (loss)	*(2)*	**(11)**	**(12)**
Net interest income (expense)		(82)	(57)
Dividends from subsidiaries		28	77
Depreciation on financial assets		(39)	(119)
Other net financial income (expense)		(9)	10
Net financial profit (loss)	*(3)*	**(103)**	**(89)**
NET PROFIT (LOSS) AFTER FINANCIAL RESULT		**(114)**	**(101)**
Capital gain (loss) on asset disposals		-	(493)
Other exceptional income (expense)		(18)	(47)
Net exceptional profit (loss)	*(4)*	**(18)**	**(540)**
Income tax	(5)	-	1
NET PROFIT (LOSS)		**(132)**	**(640)**

The accompanying notes on pages 291 to 313 are an integral part of these financial statements.

6.4.2 Balance sheet

(in million euros)	*Note*	December 31, 2021	2020
ASSETS			
Intangible assets		21	20
Depreciation, amortization and provisions		(15)	(14)
Intangible assets, net value	*(6)*	**6**	**6**
Tangible assets		-	-
Depreciation, amortization and provisions		-	-
Tangible assets, net value	*(6)*	**-**	**-**
Shares in subsidiaries, net value		923	972
Other financial assets		913	695
Financial assets, net value	*(7)*	**1,836**	**1,667**
NON-CURRENT ASSETS		**1,841**	**1,673**
Trade receivables	(12.1)	30	31
Current accounts and loans with subsidiaries	(12.1)	986	909
Depreciation of current accounts and loans with subsidiaries	(12.1)	(8)	(7)
Other current assets	(12.1)	17	15
Cash and cash equivalents		24	14
CURRENT ASSETS		**1,050**	**962**
PREPAYMENTS, DEFERRED CHARGES AND UNREALIZED LOSSES ON FOREIGN EXCHANGE	*(12.3)*	**21**	**27**
TOTAL ASSETS		**2,912**	**2,662**
EQUITY AND LIABILITIES			
Common stock *(235,824,555 shares, at December 31, 2021 at per value of €0.01)*		2	2
Additional paid-in capital		643	643
Legal reserve		-	-
Other reserves and retained earnings		(618)	21
Net profit (loss) for the year		(132)	(640)
Total shareholders' equity	*(8.1)*	**(105)**	**26**
Other equity instruments	*(8.3)*	500	500
SHAREHOLDERS' EQUITY AND EQUITY INSTRUMENTS		**395**	**526**
PROVISIONS FOR LOSSES AND CONTINGENCIES	*(11)*	**20**	**22**
Current accounts and loans with subsidiaries	(9.1)	1,833	1,492
Other financial debts	(9.1)	606	579
Trade payables	(12.1)	16	11
Other current liabilities	(12.1)	41	31
Deferred income and unrealized gains on foreign exchange		1	1
LIABILITIES		**2,497**	**2,114**
TOTAL EQUITY AND LIABILITIES		**2,912**	**2,662**

The accompanying notes on pages 291 to 313 are an integral part of these financial statements.

6.4.3 Statement of changes in equity

(in million euros, except number of shares)	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, 2019	**414,461,178**	**1.00**	**414**	**-**	**-**	**-**	**(49)**	**(344)**	**21**
2019 Net result allocation	-	-	-	-	-	-	(344)	344	-
Stock consolidation, at May 12, 2020	**(414,461,178)**	**1.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	15,350,414	**27.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital decrease by nominal value reduction, at May 28, 2020	-	(26.99)	(414)	-	-	414	-	-	-
Capital increase by stock-options exercise (LTIP)	56,700	0.01	-	-	-	-	-	-	-
Capital increase with maintenance of preferential subscription rights, at September 22, 2020	110,738,255	0.01	1	329	-	-	-	-	330
Reserved capital increase, at September 22, 2020	92,178,770	0.01	1	329	-	-	-	-	330
Allocation to legal reserve	-	-	-	-	-	-	-	-	-
Expenses related to capital increases	-	-	-	(15)	-	-	-	-	(15)
Exercise of share purchase warrants	17,471,344	0.01	-	-	-	-	-	-	-
Net result of the year 2020	-	-	-	-	-	-	-	(640)	(640)
At December 31, 2020	**235,795,483**	**0.01**	**2**	**643**	**-**	**414**	**(393)**	**(640)**	**26**
2020 net result allocation	-	-	-	-	-	-	(640)	640	-
Capital increase by stock-options exercise (LTIP)	9,800	0.01	-	-	-	-	-	-	-
Exercise of share purchase warrants	19,272	0.01	-	-	-	-	-	-	-
Net result of the year 2021	-	-	-	-	-	-	-	(132)	(132)
AT DECEMBER 31, 2021	**235,824,555**	**0.01**	**2**	**643**	**-**	**414**	**(1,033)**	**(132)**	**(105)**

See note 8.1 for detail on the changes in equity.

The accompanying notes on pages 291 to 313 are an integral part of these financial statements.

6.5 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

GRI [103-1 Economic performance] [103-2 Economic performance] [103-3 Economic performance] [201-1]

NOTE 1 General Information

Technicolor is a leader in Media & Entertainment Services, developing, creating and delivering immersive augmented digital life experiences. Technicolor 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 TECHNICOLOR CREATIVE STUDIOS REORGANIZATION

After the sale of Post-Production Services in April 2021 to Streamland, Technicolor Creative Studios (previously known as Production Services) was launched and resulted in the formation of a collaborative integrated global structure, designed to facilitate greater collaboration among studios, integrate technology platforms and drive future innovations for our partners and clients. Technicolor Creative Services is now organized under four primary service lines:

1. **MPC (prior Film & Episodic VFX):** our award-winning visual effects studios, now under the unitary MPC brand, unite artistry and creativity with technology and innovation. We bring decades of experience in delivering everything from breathtaking environments, down to the precise details of a full CG character;
2. **The Mill (prior Advertising service line):** with the latest visual effects, CGI and immersive technologies, we produce ground breaking advertising, content and interactive marketing solutions for the world's biggest brands;
3. **Mikros Animation:** from episodic hits to major animated features, we work with leading animation studios. Our industry-leading facilities have become home to some of the world's most recognized and respected animators;
4. **Technicolor Games:** Technicolor Games focuses on the creative needs for the gaming industry. We've collaborated with many of the top game developers in the world.

1.1.2 IMPACTS OF THE COVID-19 PANDEMIC

In 2021, Covid-19 affected immigration and travel, while creating some logistic issues and shortage in certain components. The Group constantly works on action plans to offset potential negative impacts and serve the growing demand for its operations.

At Technicolor Creative Studios

- Complying with evolving local and national government regulations and in consultation with local business leadership, Technicolor Creative Studios continues to adjust capacity limits, on-premise protocols, and remote work policies.
- In addition to immigration policy changes in Canada and in the UK, the pandemic continues to affect both immigration and travel, negatively impacting the industry's ability to attract talent to locations where the demand for talent exceeds local supply. To support its significant backlog, Technicolor Creative Studios continues to invest in its Academies across multiple locations and implements various measures aiming at reducing attrition rate and retain talents.

At Connected Home

- Connected Home remained operational due to the early adoption of a remote work model that successfully moved all non-engineering employees off site to ensure key engineering facilities remain safe and open.
- In 2021 and 2022, Connected Home was impacted by both the direct effect of Covid (factories & R&D sites reduced productivity from time to time) and by the secondary effects: massive supply markets disruptions, with all categories impacted, but the Integrated Circuits & Logistics are by far the longest lasting effects and strongest impact. Supply & logistics disruptions are expected to last at the very least until end of 2022 and probably well into 2023.

At DVD Services

- While theatrical new release activity remains partially suppressed, it continues to show an accelerating trend of improvement. Most major retailers continue to operate normally. Some production facilities continue to experience temporary staffing shortages, but the overall impact to operations remains manageable.
- The ongoing Covid-19 impact will be dependent on the extent and duration of ongoing restrictions driven by the rate of new Covid case growth. DVD Services has accelerated certain aspects of its future restructuring plans in an effort to adapt to ongoing challenges and has proven its resilience.

1.2 Accounting Policies

1.2.1 BASIS OF PREPARATION

The annual accounts for the year at December 31, 2021 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 9.4 and 12.4). 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 Euro and rounded to the nearest million.

The Company's annual accounts were validated by Technicolor SA's Board of Directors on February 24, 2022. In accordance with French law, the annual accounts will be considered final once they have been approved by the Group's shareholders at the Ordinary 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 12.4;
- in order to cover the risk arising from these internal liabilities as well as its own risk, the Company manages an exchange position using hedging derivatives, so that the residual foreign exchange risk to the Company is negligible. The derivatives used are subscribed to leading banks.

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 does not take any risks regarding its financial debt and loans in foreign currencies. Accordingly, Technicolor SA's currency term loan is only used to provide loans and current accounts in the currency of foreign subsidiaries, so the overall foreign exchange result is completely symmetrical and neutral in the income statement.

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.

Information on exchange derivative instruments is commented in note 9.4.

NOTE 2 Operating result

2.1 Revenue

(in million euros)	2021	2020
Intra-group invoicing	29	32
Trademark royalties	17	18
Other external revenues	-	-
TOTAL REVENUES	**46**	**49**
Including revenues in France	*16*	*18*

2.2 Other operating expenses and revenue

(in million euros)	2021	2020
Other operating expenses	(47)	(92)
Other operating revenues	13	58
TOTAL OTHER OPERATING EXPENSES AND REVENUES	**(34)**	**(34)**

In 2020, "Other operating expenses" included the costs related to the debt restructuring for €53 million. These charges had been neutralized by a "Transfer of expenses" account in order to break them down between the various transactions involved. In 2021, they include the other Company's current operating expenses.

In 2020, "Other operating revenues" included the above-mentioned "Transfer of expenses" as well as the transfer of expenses related to restructuring operations. In 2021, "Other operating revenues" mainly include the transfer of expenses related to restructuring operations.

NOTE 3 Financial result

(in million euros)	2021	2020
Dividends received	28	77
Depreciation on financial investments, treasury shares, current accounts and risk provisions regarding subsidiaries, net of reversal	(39)	(119)
Net interest income/(expenses)	(82)	(57)
Other net financial profit/(expenses)	(9)	10
NET FINANCIAL PROFIT (LOSS)	**(103)**	**(89)**
The financial result mainly relates to the following subsidiaries:		
• **Technicolor USA Inc.**		
dividends in 2020	*-*	*49*
• **Technicolor Asia Pacific Holdings Pte. Ltd.**		
dividends in 2020 and 2021	*1*	*29*
depreciation on shares in 2020 and 2021	*(2)*	*(19)*
• **Gallo 8 SAS**		
depreciation on shares in 2020	*-*	*(74)*
• **Thomson Licensing SAS**		
depreciation on shares in 2020 (reversal) and 2021 (allowance)	*(67)*	*2*
• **Société Française d'Investissement et d'Arbitrage - Sofia SA**		
depreciation on shares in 2020 (allowance) and 2021 (reversal)	*39*	*(20)*
• **Thomson Consumer Electronics (Bermuda) Ltd.**		
depreciation on shares in 2020 and 2021	*(5)*	*(8)*
• **Technicolor Brasil Midia e entretenimento Ltda**		
dividends in 2021	*26*	*-*
• **Technicolor Servicios de Mexico S. de R.L. de C.V.**		
depreciation on current account in 2021	*(2)*	*-*
provision for risk in 2021	*-*	*-*
• **Technicolor SFG Technology Co. Ltd.**		
depreciation on shares in 2021 (reversal)	*-*	*-*
• **Thomson Sales Europe SAS**		
depreciation on shares in 2021	*-*	*-*
• **Technicolor Entertainment Services Spain SA**		
depreciation on current account in 2021 (reversal)	*-*	*-*
• **Technicolor Milano SpA**		
depreciation on shares in 2021 (reversal)	*-*	*-*
• **Celstream Technologies Private Ltd.**		
depreciation on shares in 2021	*-*	*-*

NOTE 4 Exceptional result

Exceptional items include expenses and revenue of current activity of which the nature and amounts are non-recurring.

(in million euros)	2021	2020
Capital gains/(losses) on disposals of intangible and financial assets[(1)]	-	(493)
Restructuring costs (accruals net of reversals and expenses for the year)	(3)	(6)
Other net extraordinary profit/(expenses)[(2)]	(15)	(41)
TOTAL EXCEPTIONAL PROFIT (LOSS)	**(18)**	**(540)**
(1) Mainly corresponds to:		
• *expenses related to financial restructuring*	*(1)*	*(37)*
• *expenses related to provisions for risks*	*(14)*	*(3)*

NOTE 5 Income tax

Technicolor SA is the head of the French tax consolidation group, which includes 16 companies. As a result, Technicolor SA is solely liable for corporate taxes and additional contributions due on the Group's overall results. Technicolor SA receives from subsidiaries that are members of the tax consolidation, the amount of tax they would have paid to the tax authorities if they had been taxed separately.

The Company has indefinitely deferred losses estimated at €2 billion at December 31, 2021, mainly related to the Cathode Ray Tubes business sold in 2005.

5.1 Breakdown of booked income tax

(in million euros)	2021	2020
Income tax booked by French subsidiaries and passed on to Technicolor SA[(1)]	2	2
Tax consolidated research tax credit	1	4
Tax consolidated audiovisual tax credit	1	1
Tax consolidated international tax credit	-	-
Provision for income tax expense under tax consolidation	-	-
Prior Year Adjustment of income tax expense under tax consolidation	-	-
Unused foreign tax credits	(3)	(1)
Other[(2)]	(3)	(5)
TOTAL INCOME TAX	**-**	**1**

(1) As part of the French tax consolidation, Technicolor SA gets a tax income from consolidated French subsidiaries. The 2021 tax revenue is mainly related to Thomson Licensing SAS (€0.8 million), RCA Trademark Management SAS (€0.5 million), Technicolor Trademark Management SAS (€0.4 million) and Sofia SA (€0.6 million).
(2) Mainly includes Research Tax Credits and Audiovisual Tax Credits to be refunded to subsidiaries.

For the 2021 financial year, as the result of the tax consolidation was in deficit, no tax has been recorded.

In the absence of tax consolidation, the Company would only show some unused tax credits for €(3) million.

5.2 Variation of deferred or latent tax bases

Temporarily non-deductible expenses related to Technicolor SA are the following:

(in million euros)	December 31, 2020	Variation	December 31, 2021
• **To be deducted the following year**			
Paid vacations	1	-	1
Provisions for risks	1	(1)	-
Other	2	-	2
• **To be deducted at a later date**			
Provisions for retirement	3	(1)	2
Depreciation on current accounts	4	(2)	2
Provisions for risks	12	-	12
Other	25	23	48

NOTE 6 Property, equipment and intangible assets

INTANGIBLE ASSETS

Intangible assets consist mainly of capitalized IT development projects, the cost of software, trademarks and rights to use patents.

Ongoing software development projects are classified under "Intangibles in progress". Once development is achieved, the software is capitalized or delivered to the subsidiaries concerned. Software developed or used internally is amortized from the date of use. Other IT development costs are capitalized and amortized on a straight-line basis over a maximum of three years, with some exceptions. Minor IT expenses are amortized over the financial year they are put in use.

Software acquired or developed as well as licenses are amortized on a straight-line basis over the duration of their protection or over their useful life, whichever is shorter.

(in million euros)	Intangible assets	Tangible assets
At December 31, 2020, Net	***6***	**-**
Cost	*20*	-
Accumulated depreciation	*(14)*	-
Acquisitions	1	-
Disposals (net of cumulated amortization)	-	-
Depreciation and amortization	(1)	-
AT DECEMBER 31, 2021, NET	**6**	**-**
Cost	*21*	-
Accumulated depreciation	*(15)*	-

NOTE 7 Financial assets

Financial assets include investments in subsidiaries that the Company intends to keep, asset corresponding to the representative rights of assets transferred to the trust, 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.

The rights representative of the net assets transferred to the trust are the counterpart of the setting-up of the "Gallo 8" Security-Management Trust, of which Technicolor 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 the debt (see note 9.1) and will last until the debt is extinguished. The Company keep the control of the transferred assets, accordingly the transaction was carried out at net book value. The transferred fiduciary assets correspond to the shares of the subsidiary Gallo 8 SAS held by the Company less one share (78,354,499 shares of nominal value of €10 each) valued at their net book value in the accounts of Technicolor SA on the date of signature of the trust contract, *i.e.* €693 million (gross value of €1,444 million, depreciation of €750 million). The results of the trust are therefore made up of the income and expenses related to the holding of the subsidiary Gallo 8 SAS and placed in trust under the trust agreement. For the purposes of the trust, the valuation of Gallo 8 SAS subsidiary was carried out at recoverable value, based on the estimation of future flows based on budgetary data relating to the activities housed in the trust and internal billing flows. The results of the trust, acquired and not distributed at the end of the year, are included in the value of rights representing the net assets transferred to the trust.

7.1 Variation of financial assets

(in million euros)	Shares in subsidiaries	Other financial assets[1]	Total financial assets
At December 31, 2020, Net	**973**	**695**	**1,668**
Cost	*4,237*	*701*	*4,937*
Accumulated depreciation	*(3,264)*	*(6)*	*(3,269)*
Acquisitions/recapitalizations	-	219	219
Disposals[2]	(27)	(1)	(28)
Depreciation[3]	(74)	-	(74)
Reversals of depreciation provisions[4]	51	-	51
AT DECEMBER 31, 2021, NET	**923**	**913**	**1,836**
Cost	*4,210*	*918*	*5,128*
Accumulated depreciation	*(3,287)*	*(5)*	*(3,292)*

(1) In 2021, includes, net of depreciation:
- *€218 million of loans granted to subsidiaries and accrued interests;*
- *€693 million of assets corresponding to the representative rights of assets transferred to the trust (Gallo 8 SAS equity securities).*

(2) Disposals corresponds mainly to:
- *the capital reduction of Technicolor Asia Pacific Holdings Pte. Ltd. for an amount of €16 million;*
- *the dissolution of Intertainer Inc. for an amount of €11 million.*

(3) In 2021, depreciation on shares in subsidiaries concerns mainly the following subsidiaries:
- *Thomson Licensing SAS: €67 million;*
- *Thomson Consumer Electronics (Bermuda) Ltd.: €5 million;*
- *Technicolor Asia Pacific Holdings Pte. Ltd.: €2 million.*

(4) In 2021, reversal of depreciation on subsidiaries shares concerns mainly:
- *Intertainer Inc.: €11 million;*
- *Sofia SA: €39 million.*

The value in use of each of the securities is intrinsically linked to the cash flow forecasts set by the management, for each of the operational activities, controlled by the Group.

The value in use of Thomson Licensing SAS was determined on the estimated fair value (future discounted cash flow increased of the cash available). A provision for depreciation of the shares amounting to €67 million has been recorded.

In relation with the shares in subsidiaries, depreciation on current accounts and loans to subsidiaries amounts to €8 million.

The variation on the representative rights of net assets transferred to the trust is as follows:

(in million euros)	**"Gallo 8" Security-Management Trust**
Gross value as of December 31, 2020	**693**
Transfers of the year	-
Net income of the trust	-
GROSS VALUE AS OF DECEMBER 31, 2021	**693**

7.2 Maturities of receivables included in other financial assets

(in million euros)	
2022	6
2023 and later	218
GROSS VALUE	**224**
Depreciation	(6)
NET VALUE	**219**

7.3 Subsidiaries and investments as of December 31, 2021

(in million 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)								
Thomson Licensing SAS	100%	2,800,000	2,444	87	124	2	8	-
Technicolor Asia Pacific Holdings Pte Ltd.	100%	14,480,000	22	1	1	-	-	-
Technocolor Brasil Midia e Entretenimento LTDA	100%	34,589,676	100	92	128	58	19	-
Technicolor Entertainment Services Spain SA	100%	120,000	66	-	-	1	-	-
Thomson Consumer Electronics (Bermuda) Ltd.	100%	1,000	66	10	10	-	(6)	-
Sté Fr. d'Invest.et d'Arbitrage - Sofia SA	100%	3,017,994	543	66	66	-	39	-
Thomson Angers SAS(3)	100%	4,630,001	289	-	N/A	N/A	N/A	-
Technicolor Milan S.r.l	100%	6,000	2	-	-	1	-	-
Tech 6 SAS	100%	66,643,938	666	666	665	-	(1)	-
Tech 8 SAS	100%	1,000	-	-	-	-	-	-
Tech 9 SAS	100%	1,000	-	-	-	-	-	-
Thomson Sales Europe SAS	100%	2,466	6	-	-	-	(1)	-
Technicolor Servicios de Mexico S. de R.L. de C.V.	100%	2,999	-	-	(8)	-	(1)	8
Thomson Maroc SA	64%	52,762	2	-	N/A	N/A	N/A	-
SADA Electronique SA	68%	3,418	1	-	N/A	N/A	N/A	-
Total affiliates	**N/A**	**N/A**	**4,208**	**922**	**N/A**	**N/A**	**N/A**	**8**
Investments (between 10% and 50% holding percentage)								
Autres	N/A	N/A	1	-	N/A	N/A	N/A	N/A
Total investments	**N/A**	**N/A**	**1**	**-**	**N/A**	**N/A**	**N/A**	**N/A**
TOTAL	**N/A**	**N/A**	**4,209**	**922**	**N/A**	**N/A**	**N/A**	**8**

N/A: Not applicable.

(1) When shares are those of a consolidated Technicolor sub-group, the figures correspond to the sub-group, except for the gross advances, loans and current accounts.
(2) Net value based on Discounted Cash Flow adjusted with available cash.
(3) Thomson Angers is in the process of being liquidated.

NOTE 8 Shareholders' equity and equity instrument

8.1 Capital and additional paid-in capital

On December 31, 2021, the capital of Technicolor SA is €2,358,246 (235,824,555 shares with a per value €0.01).

In 2021, equity has evolved as follow:

- share capital has been increased by €98 through the issuance of 9,800 new shares, within the 2018 Long-Term Incentive Plan, and the share issue premium has been reduced by €98;
- share capital has been increased by €192.72 through the issuance of 19,272 new shares, by exercise of shares warrant, and the share issue premium has been increased by €68,801.04.

On December 31, 2020, the capital of Technicolor SA was €2,357,955 (235,795,483 shares with a per value €0.01).

8.2 Other equity instruments

The deeply subordinated perpetual notes (*Titres Super Subordonnés* – TSS) are booked as other equity instruments. Further to the restructuring of the Company's debt in 2010, the characteristics of these perpetual notes are now as follow:

- they are not repayable other than (i) at Technicolor's sole option in specific contractually defined events or (ii) in case of liquidation of the Company;
- they no longer bear interest, since an amount of €25 million was paid to TSS holders as final payment of all interest claims in 2010.

8.3 Dividends and other distributions

No dividend was proposed by the Board of Directors in 2021, concerning the fiscal year 2020.

No dividend was proposed by the Board of Directors in 2020, concerning the fiscal year 2019.

NOTE 9 Borrowings & Financial instruments

The Group's debt consists primarily of Term Loan Debt in U.S. dollars and in euros, issued by Technicolor SA in July and September 2020 and maturing in 2024.

9.1 Summary of the debt

(in million euros)	2021	2020
Term Loan Debt	596	569
Current Accounts and loans with subsidiaries[1]	1,812	1,475
Accrued interest	32	26
TOTAL FINANCIAL DEBT	**2,439**	**2,071**
Of which due and payable after 1 year		
Term Loan Debt	*596*	*569*
Loans with subsidiaries	*619*	*592*

(1) Including the term loan from Tech 6 for €371 million (including capitalized interests) resulting of the restructuring debt operations during 2020.

9.2 Main features of Term Loan Debt

(in million euros)	Amount in local currency	Currency	Amount[1]	Interest rate type	Final maturity
Term loan	467	EUR	467	Cash interests: EURIBOR[2] + 300bps PIK interests: 300bps	December 2024
Term loan	146	USD	129	Cash interests: LIBOR[3] + 275bps PIK interests: 300bps	December 2024
Subtotal external term loan debt			**596**		
Term loan	168	EUR	168	Cash interests: EURIBOR[2] + 600bps PIK interests: 600bps	June 2024
Term loan	203	EUR	203	Cash interests: EURIBOR[2] + 600bps PIK interests: 600bps	June 2024
Subtotal intra-group term loan debt			**371**		
TOTAL TERM LOAN DEBT			**967**		

(1) *Exchange rate as of December 31, 2021.*
(2) *6 months EURIBOR subject to a 0% floor.*
(3) *6 months LIBOR subject to a 0% floor.*

9.2.1 ANALYSIS BY MATURITY OF FINANCIAL DEBT

	2021	2020
(in million euros)	Term Loan Debt	Term Loan Debt
Within one year	-	-
1 to 2 years	-	-
2 to 3 years	967	-
3 to 4 years	-	918
4 to 5 years	-	-
More than 5 years	-	-
TOTAL DEBT	**967**	**918**
Of which current debt	-	-
Of which non-current debt	*967*	*918*

9.2.2 MAIN FEATURES OF THE BORROWINGS

The Reinstated Term Loans, issued by Technicolor SA in dollars and euros, consist of the remaining term loan and revolving credit facility debt following their partial conversion to equity in 2020.

The Reinstated Term Loans have both a Cash and PIK (payment in kind) interest component. The PIK interest is capitalized every 12 months and repaid on final maturity.

9.2.3 KEY TERMS OF THE CREDIT AGREEMENTS

Technicolor entered into certain transactions in 2020 as part of its financial restructuring.

The Reinstated Term Loans, were documented by an Amended and Consolidated Credit Agreement, entered into by Technicolor SA and effective September 22, 2020 (the "Reinstated Term Loan Agreement").

The New Money debt and the Reinstated Term Loans are collectively referred to as the "Debt Instruments".

Security Package

French New Money borrowed by Tech 6 and Reinstated Term Loans

The New Money borrowed by Tech 6 is guaranteed by incorporation of two *fiducies-sûretés* (equivalent of a trust under French law) in respect of the shares of each of two French sub-holding companies ("Tech 7" and "Gallo 8"), owning virtually all of the entities of the Technicolor group (Technicolor Creative Studios activities for Tech 7, Connected Home, DVD Services and Technicolor Creative Studios U.S. activities for Gallo 8) and a third *fiducie* owning the Tech 6 loan to Technicolor SA of the proceeds of its New Money borrowing.

The Gallo 8 *fiducie* also guarantees the Reinstated Term Loans as a second ranking security.

These *fiducies* consist of a contract pursuant to which Technicolor SA transfers ownership of specifically identified assets, rights or security interests (existing or future) belonging to the Technicolor SA group to a trustee. The trustee holds these in a segregated account created for the purpose of that *fiducie* until the discharge of obligations under the underlying financing agreement. The trustee acts on behalf of one or more beneficiaries, which, in the normal course of business, is Technicolor and, in the case of a default, is the security agent on behalf of the lenders.

In addition to the *fiducies-sûretés* some of the entities of Technicolor have issued "golden shares", providing certain rights which are exercisable only in specific cases by the collateral agent (acting on behalf of the New Money lenders) in order to protect their rights.

The governance rules in place for the *fiducies* and the "golden shares", except in a case of a default (which mirror those of the New Money debt), do not change the control exercised by Technicolor over the subsidiaries integrated into the *fiducies* nor over the subsidiaries which have issued "golden shares".

The Group, as part of its compliance procedures, continually monitors the restrictions imposed by the *fiducie* contracts.

The New Money lenders also benefit from a pledge on certain assets held by Technicolor SA and its subsidiaries and the Reinstated Term Loans benefits from a second ranking lien.

Mandatory and voluntary prepayments

In case of default or change of control of Technicolor, creditors will have the ability to immediately demand payment of all or a portion of the outstanding amounts.

The events of defaults in the Debt Instruments include among other things and subject to certain exceptions, thresholds and grace periods:

- failure by borrowers to make required payments when due under the Debt Instruments or of any other financial indebtedness or to comply with material obligations related to the Debt Instruments;
- 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 $25,000,000 and such default occurs on the final maturity or results in the right by the creditor(s) to require immediate repayment of the debt.

The Reinstated Term Loans can be voluntarily prepaid in whole or in part without penalty at any time following the full repayment or prepayment of the New Money debt.

Financial Covenants

The New Term Loan Agreement does not contain any financial covenants.

Affirmative Covenants

The Debt Instruments contain various standard and customary affirmative covenants and in addition contain requirements that the Group provide:

- **quarterly financials:** unaudited balance sheet, income statement and cashflow statement (without notes);
- **full year guidance:** including Revenue, EBITDA, FCF and Net Leverage ratio.

Furthermore, various confidential financial information and reports must be provided regularly to private side lenders.

Negative Covenants

The Debt Instruments contain 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:** generally new indebtedness is not permitted with various exceptions and baskets notably for capital leases and unsecured debt;
- **liens:** new liens are generally not allowed except for some carve-outs and a general lien basket;
- **disposals:** subject to certain carve-outs and baskets, the Group is limited in its ability to make disposals;
- **acquisitions:** except for a lifetime basket amount the Group cannot make acquisitions;
- **distributions and junior payments:** the Group is limited in its ability to make distributions, in particular to shareholders and from companies within a *fiducie* to those outside a *fiducie*. With the exception of cash pooling arrangements, junior payments between entities within a *fiducie* to those outside the *fiducie* are generally not allowed subject to certain exceptions and baskets.

At December 31, 2021 Technicolor fully respects all applicable covenants and no case of default happened between the incorporation of the *fiducies-sûretés* and the approval of the financial statements.

Summary of financial guarantees

The following table presents synthetically the security package and whether it is submitted to financial covenants for each new or reinstated debt of the Group.

Debt	Borrower	Security	Financial Covenants
U.S. New Money	Technicolor USA Inc.	1st or 2nd ranking pledge on U.S. assets, Gallo 8 *fiducie*, pledge on certain Technicolor SA assets, Technicolor SA guarantee	Yes
French New Money	Tech 6	Gallo 8 *fiducie*, Tech 7 *fiducie*, pledge on certain Technicolor SA assets, Technicolor SA guarantee	Yes
Reinstated Term Loans	Technicolor SA	2nd ranking position on (i) Gallo 8 *fiducie* and (ii) pledges on certain Technicolor SA assets	No

9.3 Interest rate hedging operations

The Group no longer has interest rate hedging instruments outstanding at December 31, 2021.

9.4 Commitments relating to financial instruments

As commented in note 1.2.3, the Company uses exchange derivative instruments to hedge the foreign exchange risk arising in particular of the guarantees given to affiliate companies of the Group. As of December 31, 2021, these derivative instruments can be detailed as follows:

	Currency	Notional(1)	Maturity	Market value(2)
Forward and swaps instruments	USD/GBP	86	2022	(1)
Forward and swaps instruments	USD/CAD	(123)	2022	1
Forward and swaps instruments	EUR/GBP	41	2022	(1)
Forward and swaps instruments	USD/MXN	(18)	2022	-
Forward and swaps instruments	Others			-
MARKET VALUE				**(1)**

(1) *Forward buy/sale (net amount) in millions of the 1st currency.*
(2) *Market value in million of euros as of December 31, 2021.*

As of December 31, 2021, the Company does not have any outstanding instruments that are not documented as hedges.

NOTE 10 Employees benefits

10.1 Information on employees

	2021	2020
Executives	85	84
Employees and supervisory staff	8	13
TOTAL HEADCOUNT	**93**	**97**

10.2 Stock Option Plan

MANAGEMENT INCENTIVE PLANS (MIP)

The Shareholders' Meeting of May 23, 2013, in its fifteenth resolution, authorized the Board of Directors to proceed with the allocation, in one or several times, in favor of employees or Executive Officers of the Company and its French and foreign subsidiaries, of share subscription or purchase options. This authorization has been given for a 38-month period, and was valid until July 23, 2016. Options granted under this authorization should not give rights to a total number of shares greater than 994,204 (*i.e.*, taking into account the 2020 reverse split adjustment, 8% of the share capital at the date of the Shareholders' Meeting of May 23, 2013).

As of December 31, 2021, 64,408 options, 2,884 options and 9,076 options related to MIP 2016, MIP June 2017 and MIP October 2017 are still outstanding.

Remaining options related to MIP 2015 have been canceled after plan expiration on May 23, 2021.

2016, 2017, 2018 LONG-TERM INCENTIVE PLAN (LTIP)

The Shareholders' Meeting of April 29, 2016, in its twenty-eighth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 26-month period and was valid until June 29, 2018. The shares to be issued pursuant to this authorization should not give rights to a total of shares greater than 305,175 (*i.e.*, taking into account the 2020 reverse split adjustment, 2% of the share capital on February 29, 2016).

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on April 29, 2016, on January 6, 2017 and on April 25, 2018 the implementation of respectively 2016, 2017 and 2018 Long-Term Incentive Plan.

These three-year plans provide conditional rights to the beneficiaries to receive Performance Shares, the delivery of which is subject to the cumulative achievement of Adjusted EBITDA and Free Cash Flow targets for the three years from 2016 through 2018 (LTIP 2016), from 2017 through 2019 (LTIP 2017), from 2018 through 2020 (LTIP 2018) and the satisfaction of a continued employment condition for the full duration of the Plan (through April 30, 2019 for LTIP 2016, through April 30, 2020 for LTIP 2017 and through April 30, 2021 for LTIP 2018).

The Board of Directors of February 27, 2019 noted that targets for the LTIP 2016 were not met and therefore no Performance Shares vested nor were delivered.

The Board of Directors noted on February 18, 2020 that targets for the LTIP 2017 were partially met and therefore authorized the delivery of 56,700 Performance Shares vested on April 30, 2020.

The Board of Directors noted on March 11, 2021 that targets for the LTIP 2018 were partially met and therefore authorized the delivery of 9,800 Performance Shares vested on April 30, 2021.

As of December 31, 2021, all the outstanding share rights under these plans are nil.

2019 LONG-TERM INCENTIVE PLAN (LTIP)

The Shareholders' Meeting of June 14, 2019, in its twentieth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 12-month period and was valid until June 13, 2020. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3,000,000 (equivalent to 111,111 shares after 2020 reverse split).

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on June 14, 2019, the implementation of 2019 Long-Term Incentive Plan.

This three-year plan provides conditional rights to the beneficiaries to receive Restricted Shares, the delivery of which is subject to the satisfaction of a continued employment condition through June 14, 2022.

Making use of this authorization and upon recommendation of the Remunerations Committees, the Board of Directors granted in several times from June 14, 2019 to January 20, 2020 a total of 2,907,000 Restricted Shares (equivalent to 107,601 Restricted Shares after 2020 reverse split).

As of December 31, 2021, the outstanding share rights under the plan amounts to 80,931.

2020 LONG-TERM INCENTIVE PLAN (LTIP)

The Shareholders' Meeting of June 30, 2020 in its twenty fifth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees and Corporate Officers. This authorization has been given for a 36-months period and is valid until June 30, 2023. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3.6% of the share capital stated at the date of use of the authorization.

Making use of this authorization and upon recommendation by the Remunerations Committee, the Board of Directors approved on December 17, 2020, the implementation of the 2020 Long-Term Incentive Plan and granted 2,829,146 free shares. These three-year plans provide conditional rights to the beneficiaries to receive Performance Shares, the delivery of which is subject to the satisfaction of a continued employment condition for the full duration of the Plan until December 17, 2023, and the achievement of two performance conditions, one based of cumulated EBITA objectives and the other on Total Shareholder Return until the end of 2022. It is noted however that 754,656 of these free shares are not Performance Shares but Restricted Shares allocated to beneficiaries who are not members of the Executive Committee and subject only to the continued employment condition.

Pursuant to the authorization given by the same General Meeting and upon recommendation of the Remunerations Committee, the Board of Directors held on March 24, 2021, granted 1,424,899 Performance Shares for the benefit of Executive Committee members under the same conditions as the ones listed above. The vesting period, starting on the date of the grant shall end on its third anniversary.

As of December 31, 2021, the outstanding share rights under the plan amounts to 3,974,672.

ADDITIONAL PERFORMANCE SHARES PLAN (ASP 2020)

Using the authorization given by the Shareholders' Meeting of June 30, 2020, in its twenty-sixth resolution and upon recommendation of the Remunerations Committee, the Board of Directors approved on April 15, 2021 the implementation of the 2020 Additional Performance Shares Plan (ASP) for the benefit of the Chief Executive Officer & other senior executives eligible beneficiaries (members of the Executive Committee) and granted a total of 1,744,416 Performance Shares, respectively 1,365,533 (including 1,027,398 for the CEO) on April 15, 2021 and 378,883 on April 23, 2021.

These two-year plans provide conditional rights to the beneficiaries to receive Performance Shares.

The grant of these performance shares was subject to the prior execution by each eligible beneficiary of a significant personal investment in ordinary shares of the Company. In consideration of such investment, the Board of Directors granted to each eligible beneficiary Additional Performance Shares up to an amount representing three times the amount of the personal investment made in Technicolor shares made by each beneficiary.

The delivery of these Additional Performance Shares at vesting date is also subject to:

- the satisfaction of continued employment condition for the full duration of the Plan until April 2023; and
- the achievement of cumulated EBITA and Total Shareholder Return performance conditions until the end of 2022.

As of December 31, 2021, the outstanding share rights under the plan amounts to 1,744,416 shares rights.

As of December 31, 2021, the total number of outstanding stock options amounted to a maximum of 76,368 options and the total number of rights to receive shares amounted to 5,800,019 rights granted to employees and corporate executive officers.

The details of these options and shares are disclosed hereafter.

	Type of plan	Grant date	Number of instruments initially granted	Number of instruments outstanding	Initial number of beneficiaries	Vesting date	Contractual instrument life	Exercise price(1)(2)	Estimated fair values granted(1)
MIP 2016 Options*	Subscription options	June 20, 2014	104,815	36,819	40	June 2016 (50%) June 2017 (25%) June 2018 (25%)	8 years	€156.33	€49.14
MIP 2016 Options*	Subscription options	October 21, 2014	70,926	27,589	24	October 2016 (50%) October 2017 (25%) October 2018 (25%)	8 years	€132.84	€39.15
MIP 2016 Options*	Subscription options	April 9, 2015	14,815	-	1	October 2016 (50%) October 2017 (25%) October 2018 (25%)	8 years	€157.41	€50.76
MIP June 2017 Options*	Subscription options	June 26, 2015	9,260	2,884	2	June 2017 (50%) June 2018 (25%) June 2019 (25%)	8 years	€158.76	€51.57
MIP October 2017 Options*	Subscription options	December 3, 2015	63,334	9,076	22	October 2017 (50%) October 2018 (25%) October 2019 (25%)	8 years	€191.97	€61.29
2019 LTIP**	Restricted shares	June 14, 2019	7,407	7,407	1	June 2022	-	-	€20.74
2019 LTIP**	Restricted shares	July 24, 2019	88,197	64,610	175	June 2022	-	-	€20.74
2019 LTIP**	Restricted shares	November 5, 2019	2,739	2,443	4	June 2022	-	-	€20.74
2019 LTIP**	Restricted shares	January 30, 2020	9,258	6,471	2	June 2022	-	-	€16.20
2020 LTIP**	Performance and Restricted shares	December 17, 2020	2,829,146	2,569,651	101	April 2024	-	€1.83	€1.27
2020 LTIP**	Performance shares	March 24, 2021	1,424,899	1,405,021	8	March 2024	-	€2.57	€1.63
2020 ASP**	Performance shares	April 15, 2021	1,365,533	1,365,533	3	April 2024	-	€2.82	€1.85
2020 ASP**	Performance shares	April 23, 2021	378,883	378,883	3	April 2024	-	€2.59	€1.64

* *Management Incentive Plans (MIP) (see description above).*
** *Long-Term Incentive Plan (LTIP) and Additional Performance Shares Plan (ASP) (see description above).*
(1) *Exercise prices and number of options outstanding were modified following the 2015 capital increases.*
(2) *Exercise prices, fair value and number of options outstanding were modified following the 2020 share consolidation.*

The exercise prices of the various plans were set without the application of a discount.

In accordance with Article L. 225-184 of the French Commercial Code, in 2021 and 2020, no options were exercised.

10.3 Key management compensation

Total compensation due by Technicolor SA for the fiscal year 2021 to the Board Members of the Company amounts to €748,000. The amounts due to non-resident for French tax purposes are subject to a withholding tax.

The amount of the fixed and variable compensation due by Technicolor SA for the fiscal year 2021 to Mr. Richard Moat, its current CEO, amounts respectively to €600,000 and €958,717.

The CEO is a beneficiary of the Additional Performance Shares Plan (ASP 2020) put in place by the Board of Directors on April 15, 2021.

As part of this Plan, 1,027,398 Performance Shares were granted to the CEO, subject to the prior execution of a significant personal investment in ordinary shares of the Company. The acquisition of the rights to receive shares is subject to the terms and conditions of the Plan. In particular, it is expected that the final acquisition of the Additional Performance Shares will take place on April 15, 2023 subject to a condition of presence and the achievement of two performance conditions in line with objectives of Adjusted EBITA and Total Shareholder Return.

NOTE 11 Provision & Contingencies

11.1 Detail of provision

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.

RESTRUCTURING PROVISIONS

Provisions for restructuring costs are recognized when the Company has a constructive obligation towards third parties, which results from a decision made by the Company before the closing 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. Restructuring costs encompass estimated shut-down costs, the impact of shorter useful life for property and equipment and the costs linked to employees' lay-off.

POST-EMPLOYMENT OBLIGATIONS

The costs for employee pensions retirement at Technicolor 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: 0.85%;
- projected long-term inflation rate: 1.7%;
- salary rate of increase: 3.2%.

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 million euros)	As of December 31, 2020	Increases	Usage during the period	Reversals and reclassifications	As of December 31, 2021
Provisions for retirement benefit and jubilee	**3**	**-**	**-**	**(1)**	**2**
Subsidiaries and other risks	-	-	-	-	-
Restructuring measures relating to employees	2	8	(10)	-	1
Related to activities disposed of(1)	17	-	-	-	17
Other(2)	-	-	-	-	-
Other provisions for risks	**19**	**8**	**(10)**	**-**	**18**
TOTAL PROVISIONS FOR LOSSES AND CONTINGENCIES	**22**	**8**	**(10)**	**(1)**	**20**

(1) *Provision relating to the disposal of businesses, notably the former Cathode Ray Tubes activity.*
(2) *Mainly concerns provisions for litigation (see note 11.2).*

11.2 Contingencies

TAOYUAN COUNTY FORM RCA EMPLOYEES' SOLICITUDE ASSOCIATION

Technicolor, certain of its subsidiaries and General Electric are being sued by an association of former employees (or heirs of former employees) at a former manufacturing facility in Taiwan (TCETVT). They allege exposure to various contaminants while living or working at the facility, which allegedly caused them to suffer various diseases, including cancer, or caused emotional distress from fear that living and working at the facility increased their risk of contracting diseases.

After a first ruling of the Taiwan court and an appeal before the Taiwan High Court (first appeals court), the Taiwan Supreme Court, in August 2018:

(i) confirmed the Taiwan High Court decision of awarding NTD 518 million (c. €16 million at the exchange rate as of December 31, 2021) in damages to 260 claimants; and

(ii) remanded the claims of 246 claimants for further proceedings at the High Court.

General Electric paid to the Court the full amount of the decision in December 2019.

On March 5, 2020, the Taiwan High Court ruled on the 246 remanded claims and awarded NTD 54.7 million (€1.7 million at the exchange rate as of December 31, 2021) in damages plus interest. This ruling is on appeal to the Taiwan Supreme Court.

In 2016, the association brought a second lawsuit against Technicolor and certain of its subsidiaries and General Electric on behalf of additional former workers making virtually identical allegations as were made in the first lawsuit. The Taipei District Court announced its ruling on December 27, 2019 and awarded approximately NTD 2.3 billion (c. €73.2 million at the exchange rate as of December 31, 2021) plus interest. Technicolor and General Electric were held jointly and severally liable. Technicolor filed its appeal of this decision to the Taiwan High Court in January 2020.

Technicolor and its subsidiaries claim, among other reasons, that TCETVT operated for less than four years after its purchase from General Electric, while General Electric and its predecessor-in-interest RCA Corporation, ultimately owned TCETVT for approximately twenty years of operations.

Should the Group or any of the subsidiaries ultimately be held liable or settle the claims, the amounts of any such liability or settlement could be high. There are currently too many uncertainties to assess the extent of any liability that Technicolor or its subsidiaries may incur as a consequence of this lawsuit. Technicolor also has various avenues to mitigate any risk, including contractual indemnities owed to it by General Electric and others.

CATHODE RAY TUBES CASES

United States

Between 2014 and 2017, Technicolor settled with all plaintiffs in the legal actions that Technicolor had been defending in the United States pertaining to alleged anticompetitive conduct in the Cathode Ray Tubes ("CRT") industry.

However, the U.S. District Court decision approving Technicolor's June 2015 settlement with a class of indirect purchasers of CRT for $14 million was remanded in February 2019 to the District Court by the Court of Appeals so that the District Court could reconsider its approval of the settlement. As part of the remand process, the indirect purchasers' settlement agreements with defendants were amended by agreement of the parties in September 2019, which resulted in an agreement that a small part of the settlement amounts would be returned to the defendants, including Technicolor, and plaintiffs from nine U.S. states would be excluded from the settlements. While the amended settlement agreements were approved by the District Court, the excluded indirect purchaser plaintiff classes appealed that approval, as well as the District Court's decision to deny their motion to intervene in the settlement approval proceedings, to the Court of Appeals. The Court of Appeals upheld both decisions, and declined the appellants' motion for rehearing. Technicolor anticipates that the excluded indirect purchaser plaintiffs will seek review by the Supreme Court in the first quarter of 2022, but continues to believe that its exposure is limited in size and that it has valid means of defense.

Europe

Since 2014, Technicolor has also been defending, along with other defendants (Samsung, LG, Philips, *etc.*), several similar legal actions in various European jurisdictions alleging damages suffered as a result of anticompetitive behaviour in the CRT industry until 2005. All such cases are in the wake of the EU Commission decision of December 2012 pursuant to which Technicolor was fined €39 million as a result of alleged involvement in a cartel. The cases are as follows:

- in the Netherlands, a case filed by Vestel, a Turkish TV manufacturer, under Turkish law. Vestel also brought suit in Turkey, which was dismissed on procedural grounds by the Court of First Instance as well as by the Regional Court of Appeals in December 2020. Vestel's request to bring an appeal against the Regional Court of Appeals decision has been rejected. In February 2021, Vestel has brought an appeal to the Supreme Court against the rejection of its request to bring an appeal.

At this time, Technicolor is unable to assess the potential outcome from those cases and the resulting potential liability due to the complexity of the cases, as Technicolor is still defending certain of these on procedural grounds and/or as the claims have not all been fully substantiated. Depending on jurisdictions, decisions on quantum are not expected before the second quarter 2022.

Technicolor also defended (i) a case in the United Kingdom against Arcelik, a Turkish manufacturer, which was settled in February 2020 and (ii) two cases in Germany against three German former TV manufacturers (Grundig and Loewe/Metz) which were settled in December 2020 and (iii) three cases in the Netherlands against three Brazilian TV manufacturers which were settled in November 2021.

NOTE 12 Other information

12.1 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.

Current assets mainly include current accounts of Group subsidiaries for €979 million (net of depreciation for €7 million).

Accrued income is booked in the following captions:

(in million euros)	2021	2020
Trade receivables	**30**	**31**
of which accrued income	*2*	*2*
Other current assets	**17**	**15**
of which accrued income	*14*	*11*

Accrued charges are booked in the following captions:

(in million euros)	2021	2020
Trade payables	**16**	**11**
of which accrued charges	*8*	*4*
Other current liabilities	**41**	**31**
of which tax and social accrued charges	*9*	*8*
of which other accrued charges	*17*	*10*

Compliance with supplier and customer invoices contractual payment terms:

At year end:

- the amount, including VAT, of overdue supplier invoices represents 1.3% of fiscal year purchases amount excluding VAT;
- the amount, including VAT, of overdue customer invoices represents 6.8% of fiscal year revenue sales excluding VAT.

12.2 Related parties

In 2021:

- Bpifrance participations, which is still representing in the Board, and as such identified as a related party holds 4.4% of the equity of the Group. During 2021, Technicolor group accrued interest due to Bpifrance participations for €2.5 million for a debt position at the end of 2021 of €22 million;
- Credit Suisse, which holds 10.8% of the share capital and as such is identified as a related party. During 2021, Technicolor group accrued interest due to Credit Suisse participations for €5.2 million for a debt position at the end of 2021 of €58 million;
- Angelo Gordon, which holds 12.6% of the share capital and as such is identified as a related party. During 2021, Technicolor group accrued interest due to Angelo Gordon participations for €7.6 million for a debt position at the end of 2021 of €100 million.

In 2020:

- Bpifrance participations, which was represented in the Board, and as such identified as a related party, held 4.4% of the equity of the Group;
- Credit Suisse, which held 12.4% of the share capital and as such was identified as a related party.

12.3 Prepayments, deferred charges and unrealized losses on foreign exchange

In 2021, corresponds to:

- €1 million prepayments;
- €8 million deferred charges on debt issuance costs according to the effective interest method;
- €12 million bond redemption premiums amortized according to the effective interest method.

In 2020, was corresponding to €1 million prepayments, €10 million deferred charges on debt issuance costs and €16 million bond redemption premiums amortized.

12.4 Off balance-sheet contractual obligations and commercial commitments

Off balance-sheet commitments gave are the following:

(in million euros)	2021	2020
Unconditional future payments		
Operating Leases	-	-
Other unconditional future payments	-	-
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**-**	**-**
Conditional future payments		
Guarantees given regarding undertakings by related entities	1,657	1,460
Other conditional future payments	-	-
TOTAL CONDITIONAL FUTURE PAYMENTS	**1,657**	**1,460**

Off balance-sheet commitments received are the following:

(in million euros)	2021	2020
Unconditional future payments		
Royalties to receive	72	59
TOTAL UNCONDITIONAL FUTURE PAYMENTS	**72**	**59**
Conditional future payments	-	-
TOTAL CONDITIONAL FUTURE PAYMENTS	-	-

As part of its business activities, Technicolor SA may issue performance guarantees for its subsidiaries as well as comfort letters.

In addition, as part of its management of the currency exchange rate risk, Technicolor 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 Delivery Technologies Australia Pty Ltd.					
	AUD	USD	11.7	8.4	2022
Technicolor Canada Inc.					
	USD	CAD	16.0	20.2	2022
	CAD	USD	7.9	6.0	2022
Technicolor Creative Studios Ltd.					
	EUR	GBP	1.1	1.0	2022
	USD	GBP	23.3	17.4	2022
Technicolor Delivery Technologies SAS					
	USD	EUR	114.0	96.6	2022
	USD	GBP	50.1	37.5	2022
Technicolor Disc Services International Ltd.					
	GBP	EUR	5.4	6.3	2022
	USD	GBP	1.7	1.2	2022
Technicolor Export de Mexico S. de R.L. de C.V.					
	USD	MXN	4.9	105.7	2022
Technicolor Mexicana S. de R.L. de C.V.					
	MXN	USD	393.4	18.6	2022
Technicolor Polska Sp. Z o.o.					
	EUR	GBP	5.6	4.8	2022
	PLN	EUR	31.2	6.6	2022
	USD	EUR	3.6	3.1	2022
Technicolor Pty Ltd.					
	USD	AUD	6.7	9.4	2022
The Mill (Facility) Ltd.					
	EUR	GBP	1.7	1.4	2022
	USD	GBP	5.1	3.8	2022
Thomson Telecom Mexico SA de C.V.					
	MXN	USD	386.5	18.6	2022

(1) *Expressed in millions of the corresponding currency.*

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NOTE 13 Statutory Auditors fees

(in million euros)	Deloitte 2021	Deloitte 2020	Mazars 2021	Mazars 2020
Audit services	1	1	1	1
TOTAL	**1**	**1**	**1**	**1**

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 14 Subsequent events

SPIN-OFF AND REFINANCING PLANS

On February 24th, 2022, Technicolor announced its intention to create two independent market leadersin their respective sectors and to refinance Technicolor's existing debt.

Technicolor intends to list TCS on Euronext Paris, and to make a concurrent distribution of a 65% stakein TCS to Technicolor shareholders (the "Distribution").The spin-off structure allows Technicolor shareholders to receive Technicolor Creative Studios shares,while remaining shareholders of Technicolor Ex-TCS. This distribution-in-kind should be made out ofTechnicolor's share premium account and should be, from a French tax perspective and in view of theanalysis to date of the composition of Technicolor SA's net equity, considered as a tax-free return ofshare premium under article 112 of the French tax code (remboursement de prime d'émission). Thisdistribution should therefore not be subject to tax in France whether by way of a French levy, a Frenchwithholding tax or otherwise (subject to specific situations).

As far as the remaining 35% TCS stake retained by Technicolor Ex-TCS is concerned, its disposal willbe considered ahead of or following the spin-off, depending on market conditions, with a view to furtherand significantly deleverage both new entities. The spin-off resolutions will be submitted to theCompany's Annual and Extraordinary Shareholders Meeting that it is anticipated will be convened inlate June 2022. It is expected that the spin-off will take place during the later part of Q3, 2022 subjectto the conditions outlined below. The company will request the admission of the TCS shares onEuronext Paris by way of a prospectus to be approved by the AMF. The company has retained Finexsias independent financial appraiser in order to provide shareholders with an independent valuation ofthe TCS shares prior to the vote at the Company annual shareholders' meeting referred to above.

Concurrently, Technicolor is announcing its intention to fully refinance the group's debt.

As part of the refinancing, Technicolor intends to issue Mandatory Convertible Notes ("MCN") for €300million in the form of separate reserved issuances. Angelo Gordon, Bpifrance and other selectedsubscribers have committed to subscribe to the full amount of the MCN. The MCN would automaticallybe converted into Technicolor shares if a Technicolor Extraordinary General Meeting approves theDistribution, and the Board of Directors decides such Distribution. The conversion price of €2.60 pershare is equal to a 5% discount to the 3-month VWAP ("Volume-Weighted Average Price") perTechnicolor ordinary share as of February 23rd, 2022.

The fairness of the condition of the Mandatory Convertible Notes conversion will be addressed prior tothe vote at the MCN Extraordinary General Meeting by a report to be prepared by Finexsi asindependent financial appraiser.

The issuance of the MCN is subject to 2/3rd majority approval at an Extraordinary General Meeting ofshareholders, which is expected to take place early Q2 and, in any case, no later than May 25th, 2022.Shareholders subscribing to the MCN have committed to not dispose of their shares before the MCNExtraordinary General Meeting.

In parallel, consistent with the proposed transaction, the Group is launching negotiations to refinanceits existing debt, with a view to putting in place two distinct and optimized financing packages for TCSand Technicolor Ex-TCS respectively.

The refinancing and the spin-off are expected to be completed by Q3 2022, subject to (i) theshareholders' approval of the issuance of the MCN, (ii) the shareholders' approval of the terms of thespin-off, (iii) the completion of the refinancing discussions with creditors on terms satisfactory toTechnicolor Ex-TCS and TCS and (iv) customary conditions, consultations and regulatory approvals.

TCS and Technicolor Ex-TCS have distinct characteristics in terms of growth, margins, capital intensity,and cash flow generation. The contemplated transaction will allow each entity to pursue its own strategicpath independently, consistent with its underlying business dynamics and financial fundamentals, andthereby achieve its full value potential. Furthermore, the spin-off of TCS should help to reduce theconglomerate discount of Technicolor Ex-TCS and create a strong basis for TCS full valuation.

SALE OF TRADEMARK LICENSING OPERATIONS

Technicolor received a binding offer to sell its Trademark Licensing operations.

The total agreed consideration amounts to c. €100 million, to be paid in cash at the closing of the transaction.

The sale, which is subject to closing conditions, is expected to close in the first half of 2022.

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, earning per share and number of employees)*	**2017**	**2018**	**2019**	**2020**	**2021**
I – Financial position at year end					
a. Share capital	414,461,178	414,461, 178	414,461,178	2,357,955	2,358,246
b. Number of shares issued	414,461,178	414,461,178	414,461,178	235,795,483	235,824,555
c. Maximum number of shares to issue in the future:					
• Share-based payment	12, 562, 940	10,652,013	9,853,731	261,568	76,368
• Free and performance shares	6,868,232	6,483,821	6,471,026	2,943,339	5,800,019
II - Statements of operations					
a. Revenues (excluding VAT)	53,706,814	54,905,341	54,494,061	49,279,127	45,733,423
b. Profit (Loss) before tax, amortization and provisions	(289,776,803)	(10,335,190)	42,813,391	(6,257,295,251)	(103,034,053)
c. Income tax profit	23,157,010	44,568,125	(10,859,497)	1,335,819	(127,744)
d. Profit (Loss) after tax, amortization and provisions	(1,343,907,218)	153,242,014	(344,312,721)	(639,683,283)	(131,533,966)
e. Dividend paid and distributions	-	-	-	-	-
III – Earnings (loss) per share					
a. Profit (Loss) after tax, but before amortization and provisions	(0.64)	0.08	0.08	(26.54)	(0.44)
b. Profit (Loss) after tax, amortization and provisions	(3.25)	0.37	(0.83)	(2.71)	(0.56)
c. Dividend paid and distributions	0.06	-	-	-	-
IV - Employees					
a. Average number of employees	156	110	104	97	93
b. Wages and salaries	18,235,451	13,559,747	12,586,654	14,767,859	14,858,628
c. Social security costs	9,259,771	6,320, 733	5,004,854	6,793,784	5,032,387

6.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

GRI *[102-56]*

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 and construed in accordance with French law and professional auditing standards applicable in France.

To the Technicolor Shareholders' Meeting,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of Technicolor for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and the financial position of the Company as of December 31, 2021 and of the results of its operations for the year then ended in accordance with generally accepted accounting principles in France.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2021 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and financing, and have led to greater uncertainties as to their future prospects. Those measures taken during the state of health emergency, such as travel restrictions and remote working, have had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, as well as our responses to those risks.

These assessments were made as part of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Liquidity

RISK IDENTIFIED

As of December 31, 2021, the Technicolor SA term loan amounted to €967 million, up €49 million compared to December 31, 2020.

To regularly measure the Group's liquidity risk, management assesses liquidity forecasts mainly based on projected cash flows, including operating cash flows, and debt repayment.

Based on these forecasts and at each half year-end, the Board of Directors examines whether the Group's cash flows are sufficient to finance current activities and the Group's working capital requirement, at least for the twelve months after the closing, taking into account available credit lines.

As described in Note 9.2.3 "Key terms of the credit agreements" to the financial statements, Technicolor completed its financial restructuring in 2020. In December 2021, the financing obtained through this financial restructuring included financial covenants. In the event of a breach of covenant, the financial debt would become immediately payable and result in the loss of the Group's control over its subsidiaries.

In this context and insofar as management judgement is essential in determining cash flow forecasts, we considered the assessment of liquidity risk to be a key audit matter.

OUR RESPONSE

We familiarized ourselves with the information systems and processes used by Technicolor Management to estimate the Group's cash flow forecasts.

We assessed the controls set up to prepare these cash forecasts and in particular we:

- assessed the procedures set up to ensure compliance with the specific requirements of the bank covenants, particularly those relating to the level of liquidity required within the trusts;
- assessed the disclosure in the financial statements on compliance with these requirements as of December 31, 2021;
- monitored liquidity throughout fiscal 2021, compared actual and budgeted positions and analyzed any differences to assess the quality of these forecasts;
- verified the appropriateness of the disclosure in Note 9.2 "Main features of the term loans";
- interviewed Management on its knowledge of actual or potential circumstances or events subsequent to December 31, 2021 that could call into question the entity's liquidity.

Valuation of participating interests

RISK IDENTIFIED

Participating interests, in the net amount of €1,616 million, represent one of the most significant line items of the December 31, 2021 balance sheet, i.e. 55% of total assets. They are recorded initially at acquisition cost and impaired based on their value in use. Participating interests comprise the securities of the companies held by Technicolor for €923 million and the rights representing the net assets held in the trusts for €693 million.

As indicated in Note 7 to the financial statements, the value in use of participating interests is defined, according to the case, based on their share of equity or their recoverable amount. In particular, the value in use of the rights representing the net assets held in the trusts is defined according to their recoverable amount.

If the carrying amount exceeds the value in use, an impairment loss is recognized for the difference. In the event of a negative net cash position, provisions for the impairment of current accounts are recorded. In addition, a contingency provision covers the residual negative balance.

The economic environment in which the Group operates changes rapidly. Subsidiaries can therefore experience changes in their activity with a negative impact on their operating income and expected outlook.

In this context and given the materiality of participating interests in the company's financial statements, we considered the measurement of the value in use of participating interests to be a key audit matter.

OUR RESPONSE

To assess the reasonableness of the estimated value in use of participating interests, based on the information communicated to us, our work mainly consisted in:

- verifying that participating interests acquired during the period were initially recorded at acquisition cost;
- obtaining an understanding of the processes set up by Management to conduct impairment tests, particularly changes to processes following the legal reorganization of the subsidiaries, assessing the methods used to implement these tests and verifying the validity of the methods used according to the tested line of securities;
- for securities valued at their recoverable amount, particularly trust assets, obtaining the cash flow forecasts prepared by Management, assessing the underlying assumptions adopted by Management and verifying their consistency with the forecast data used for impairment tests in the consolidated financial statements;
- for securities valued according to the share of equity in the entity, verifying that the equity used matches the financial statements of the entity and was subject to an audit or analytical procedures and that any adjustments to this equity were based on supporting documentation;
- testing the mathematical accuracy of the value calculations adopted by the company.

We also assessed the appropriateness of the disclosures in Note 7 to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS ADDRESSED TO SHAREHOLDERS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and consistency with the financial statements of the payment period disclosures required by Article D.441-6 of the French Commercial Code.

We attest that the non-financial performance statement required by Article L.225-102-1 of the French Commercial Code is included in Group management report, it being specified that, in accordance with the provisions of Article L.823-10 of the code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained therein. This information should be reported on by an independent third party.

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 ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as statutory auditors of Technicolor SA by the Shareholders' Meeting held on June 20, 2012 for Deloitte & Associés and on May 29, 1985 for Mazars.

As at December 31, 2021, Deloitte & Associés and Mazars were in their 9th year and 36th year of total uninterrupted engagement, respectively. This is also the 22nd year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

The Statutory Auditors

Paris La Défense, March 9, 2022

Deloitte & Associés	Mazars
Bertrand Boisselier, Partner	Jean-Luc Barlet, Partner
	Charlotte Grisard, Partner

6.8 STATUTORY AUDITORS

6.8.1 Table of Statutory Auditors' fees

For a detailed table of Statutory Auditors' fees, please refer to note 14 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.

STARTING DATE OF STATUTORY AUDITORS' FIRST MANDATE

Deloitte & Associés: 2012.

Mazars: 1985.

DURATION AND EXPIRATION DATE OF THE STATUTORY AUDITORS' MANDATE

Deloitte & Associés: re-appointed by the Combined Shareholders' Meeting of April 26, 2018 until the Shareholders' Meeting to be held for the approval of the financial statements for the fiscal year ended December 31, 2023.

Mazars: re-appointed by the Annual General Shareholders' Meeting held on April 29, 2016 until the Shareholders' Meeting to be held for the approval of the financial statements for the fiscal year ended December 31, 2021.

6.8.3 Substitute Statutory Auditors

CBA – 62 rue Henri Regnault – Tour Exaltis, 92140 Courbevoie.

DURATION AND EXPIRATION DATE OF SUBSTITUTE OF THE STATUTORY AUDITORS' MANDATE

CBA: appointed by the Combined Shareholders' Meeting of April 29, 2016, until the Shareholders' Meeting to be held in 2022 for the approval of the financial statements for the fiscal year ended December 31, 2021.

7

ADDITIONAL INFORMATION

A **Registered Office** at the **heart of Paris**

Shares included in CAC Small, CAC Mid & Small and CAC All-Tradable Indices.

92 subsidiaries and companies accounted for under the equity method

7.1 COMPANY PROFILE

GRI *[102-1] [102-3] [102-5] [102-7] [102-50] [102-52]*

Legal and business name: TECHNICOLOR

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.technicolor.com (the information on the website does not form part of this Universal Registration Document)

Twitter: twitter.com/technicolor

Domicile, legal form and applicable legislation: Technicolor 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. 333 773 174. Its APE Code, which identifies a Company's type of business and activities, is 7010Z, corresponding to the business of corporate administration.

Date of incorporation and term of the Company: Technicolor was formed on August 24, 1985. It was registered on November 7, 1985, for a term of 99 years, expiring on November 7, 2084.

Fiscal year: January 1 to December 31.

Stock Exchange: Technicolor is listed on the Euronext Paris exchange (symbol: TCH). Technicolor is also trading on OTCQX International Premier, a premium listing Over-the-Counter securities service (symbol: TCLRY).

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, a worldwide Technology leader operating in the Media & Entertainment industry, is at the forefront of digital innovation. Technicolor's activities are organized in three business segments, namely Technicolor Creative Studios, Connected Home and DVD Services. All other activities and corporate functions (unallocated) are presented within the "Corporate & Other" segment. For a detailed description of the Group's segments, please refer to section 1.2: "Organization & business overview".

In fiscal year 2021, Technicolor generated consolidated revenues from continuing operations of €2,898 million. As of December 31, 2021, the Group had 16,676 employees in 23 countries.

7.2 LISTING INFORMATION

7.2.1 Markets for the Company's securities

Technicolor's shares are listed on Euronext Paris (Compartment B), under the designation "Technicolor", ISIN Code FR0013505062, with the trading symbol TCH (LEI code: 4N6SD705LP5XZKA2A097).

Technicolor'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, Technicolor's ordinary shares are included in the CAC Small, CAC Mid & Small and CAC All-Tradable Indices.

Since 2014, American Depositary Receipts have been traded on OTCQX International Premier, a premium OTC securities listing service (symbol: TCLRY).

7.2.2 Listing on Euronext Paris

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)*		
Years ending December 31	*(in million euros)*	**Number of shares**	**Average volume**	**Closing price**	**Highest price**	**Lowest price**
2017	1,141.71	319,188,276	1,251,719	3.71	5.28	2.60
2018	1,232.07	895,492,813	3,511,737	1.50	3.33	0.81
2019	389.66	443,742,931	1,740,168	0.88	1.29	0.65
2020	288.15	597,113,143	2,350,839	2.29	4.89	1.13
2021	**243.64**	**91,317,173**	**353,943**	**2.83**	**3.63**	**1.72**

Source: Euronext.

	Euronext Paris					
	Volume of transactions			Share price *(in euros)*		
Years ending December 31	*(in million euros)*	**Number of shares**	**Average volume**	**Closing price**	**Highest price**	**Lowest price**
2019						
First quarter	112.97	107,991,938	1,714,158	1.03	1.29	0.87
Second quarter	95.82	100,120,183	1,614,842	0.98	1.24	0.80
Third quarter	115.79	147,299,814	2,231,815	0.79	0.89	0.69
Fourth quarter	65.08	88,330,996	1,380,172	0.74	0.88	0.65
2020						
First quarter	141.95	433,119,834	6,767,497	4.13	4.89	3.20
Second quarter	48.94	106,012,783	1,796,827	1.93	3.16	1.83
Third quarter	29.57	14,638,564	221,796	1.28	2.94	1.13
Fourth quarter	67.69	43,341,962	666,799	1.82	2.10	1.62
2021						
First quarter	83.49	39,081,308	620,338	2.81	2.90	1.72
Second quarter	108.67	34,397,065	545,985	3.27	3.63	2.53
Third quarter	28.61	9,665,885	146,453	2.93	3.33	2.64
Fourth quarter	22.87	8,172,915	123,832	2.83	3.12	2.51

Source: Euronext.

	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**
2021						
September	7,956,495	2,826,513	128,478	2.93	3.03	2.64
October	4,307,929	1,512,534	72,025	2.77	3.00	2.75
November	12,852,258	4,528,999	205,864	2.69	3.12	2.60
December	5,709,020	2,131,382	92,669	2.83	2.87	2.50
2022						
January	4,457,562	1,607,966	76,570	2.77	2.98	2.54
February	7,187,463	2,564,066	128,203	2.98	2.98	2.60

Source: Euronext.

7.3 NOTIFICATION OF INTERESTS ACQUIRED IN FRENCH COMPANIES IN 2020 AND 2021

7.3.1 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 Group notifies that it acquired no interests in any French company in 2021.

7.3.2 Notification of interests acquired in the share capital of French companies in 2020

In compliance with Article L. 233-6 of the French Commercial Code, the Group notifies that it acquired no interests in any French company in 2020.

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:

- the taking of equity holdings or interests in any business of any nature in any form whatsoever, whether in existence or to be created;
- the acquisition, management, and transfer of any and all real property rights and assets and any and all financial instruments, and the execution of any and all financing transactions;
- the acquisition, transfer and use of any and all Intellectual Property rights, licenses or processes;
- the manufacture, purchase, importation, sale, and export, anywhere, of any and all materials and products, as well as the rendering 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 an equity holding, agreement, association, or Company, with any other legal entity or individual, and carry out, in France or abroad, in any manner whatsoever, any and all financial, commercial, industrial, real property, and personal property transactions within the scope of its 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 shall have as many votes as the shares that he possesses or represents by proxy. In accordance with paragraph 3 of Article L. 225-123 of the French Commercial Code, it is not granted any double voting right for shares for which it is justified of a registered form during at least two years in the name of the same shareholder" (Article 20 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 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 9 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.

7.4.5 Shareholders' Meetings

NOTICE OF SHAREHOLDERS' MEETINGS

"Shareholders' Meetings are convened and deliberate pursuant to applicable laws and regulations" (Article 19 of the by-laws).

ATTENDANCE AND VOTING AT SHAREHOLDERS' MEETINGS

"Every shareholder has the right, upon proof of his identity, to participate in General Shareholders' Meetings, by attending in person, by mailing in a voting form, by designating a proxy or (...) by electronic vote during a meeting.

Such participation, in any form whatsoever, is subject to the registration or the recording of the shares, either in the Company's registered share account, or in a bearer share account held by an authorized intermediary, within the time limits and under the conditions provided for by applicable regulations. In the case of bearer shares, the registration or the recording of the shares is confirmed by a certificate of participation delivered by the authorized intermediary" (Article 19 of the by-laws).

7.4.6 By-laws requirements for holdings exceeding certain percentages

"Without prejudice to applicable law, any legal entity or individual, whether acting alone or in concert, who comes to own directly or indirectly a number of shares or voting rights equal to or greater than 0.5% of the total number of shares or voting rights of the Company, must so inform the Company. This obligation is governed by the same provisions as those governing the legal obligation; the threshold crossing declaration is to be made within the same deadline as for the legal obligation, by registered letter with return receipt requested, by facsimile or by telex, 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 notice is required for each additional holding of 0.5% of the share capital or voting rights, without limitation.

This duty to inform applies under the same conditions when the equity holding or the voting rights cross below the thresholds mentioned in the preceding paragraph.

In the event of a failure to comply with the duty to inform provided above, the shareholder may, under the conditions and within the limits of 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 upon request by the Chairperson, a shareholder, or the *Autorité des marchés financiers*.

For the purpose 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 actually held, as defined by the provisions of Articles L. 233-7 *et seq.* of the French Commercial Code, are taken into account.

The declarant must certify that the declaration includes all of the securities giving access immediately or in the future to the share capital of the Company held or owned within the meaning of the preceding paragraph. The declarant must also indicate the date or dates of acquisition.

Mutual fund management firms are required to report this information in respect of all of the voting rights attached to the shares of the Company held by the funds that they manage" (Article 8.2 of the by-laws).

7.5 MATERIAL CONTRACTS

Readers are invited to refer to the description of the agreements relating to the Term Loan documentation described in Chapter 2: "Operating and financial review and prospects", section 2.3.3: "Financial resources" of this Universal Registration Document.

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

GRI [102-45]

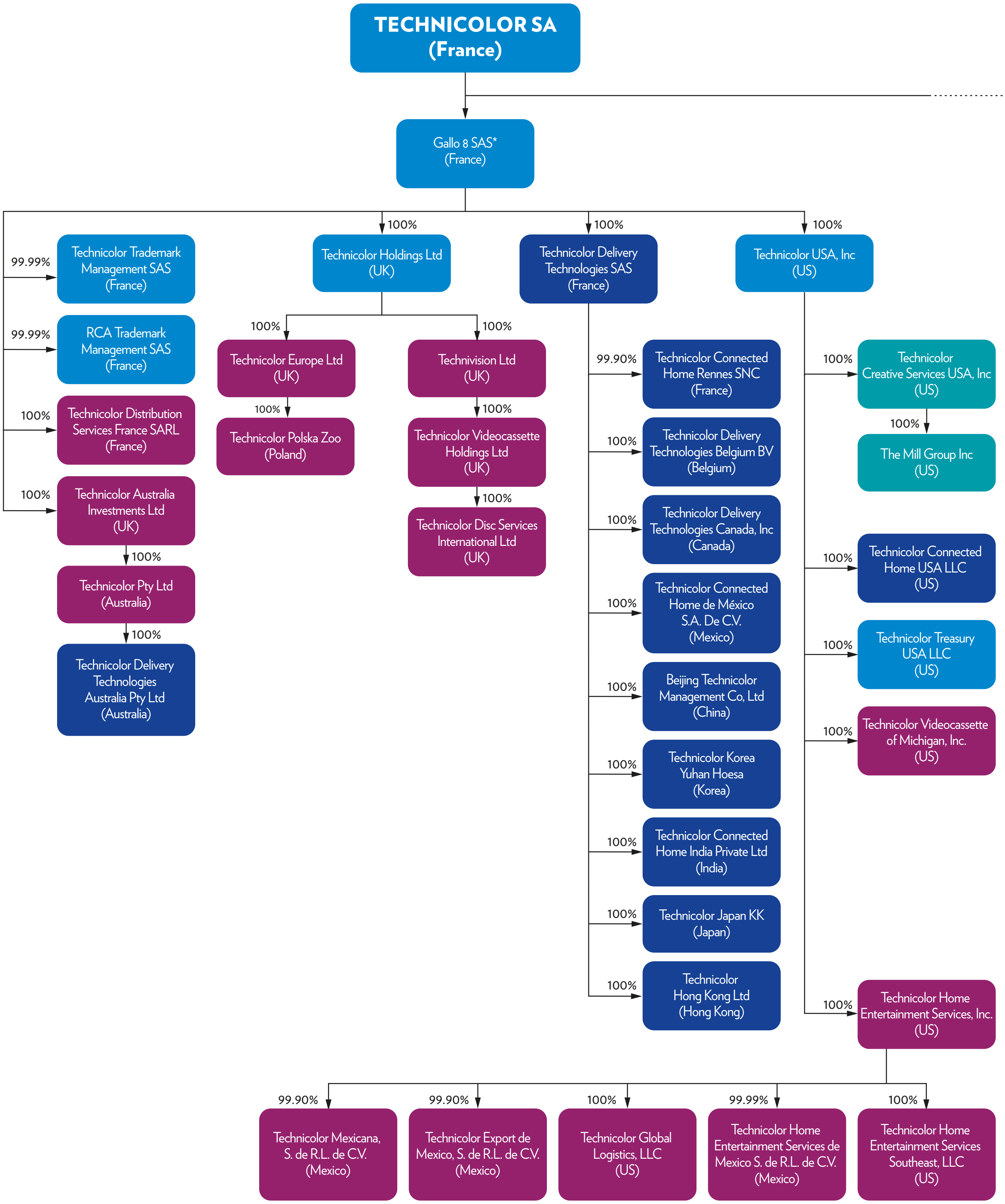
ORGANIZATIONAL CHART AS OF DECEMBER 31, 2021

The Group's organizational chart below contains the Group's main operating subsidiaries as of December 31, 2021, classified by segments. These subsidiaries are directly held by Technicolor SA or indirectly held through holding companies. These operating companies have been selected based on their contribution to the Group's revenues (external and intra-group) or on their workforce. Revenues from these subsidiaries represent 98% of the Group's revenues (external and intra-group) in 2021.

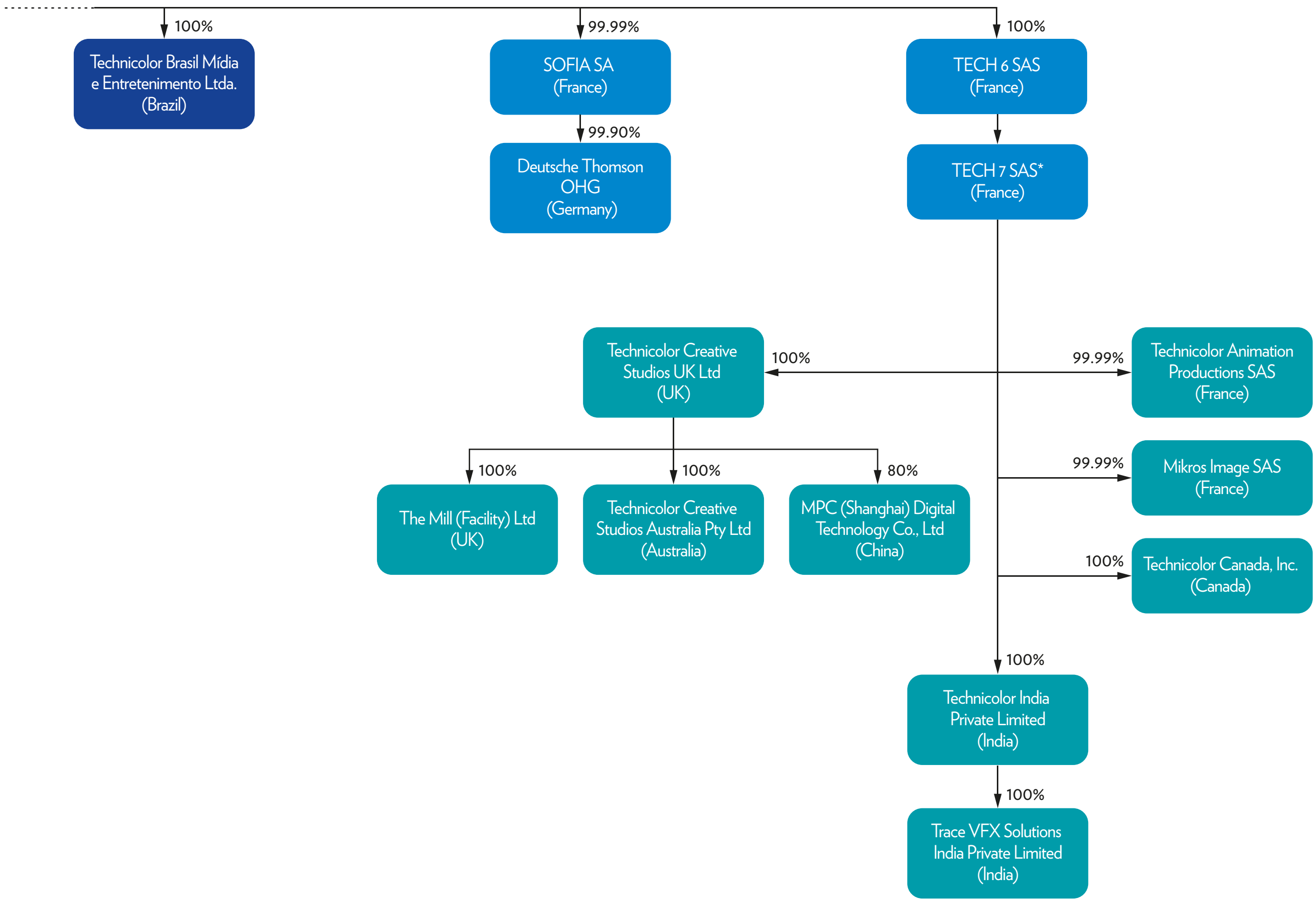
The list of main consolidated subsidiaries is described in Chapter 6, note 15 to the Group's consolidated financial statements. The geographical breakdown of consolidated subsidiaries is presented in chapter 6, note 2.1 to the Group's consolidated financial statements.

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.

MAIN LEGAL ENTITIES (1/2)



MAIN LEGAL ENTITIES (2/2)



ACTIVITIES:

Technicolor Creative Studios | Connected Home | DVD Services | Corporate & Others and Discontinued Operations

Subsidiaries whose shares have been placed under fiducie in 2020.

PARENT COMPANY

On December 31, 2021, 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 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, 2021	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, 2021	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	2					32	-					23
Total amount including VAT of invoices concerned	4,444.84	523,357.01	1.36	-	46,663.87	570,022.24	-	62,510.80	-	1,191,278	711,999.24	1,965,788.04
Percentage of fiscal year purchases amount excluding VAT	-	1.2%	-	-	0.1%	1.3%						
Percentage of fiscal year revenue sales excluding VAT							-	0.2%	-	4.1%	2.5%	6.8%
(B) Disputed or unrecorded invoices excluded from (A)												
Number of invoices excluded	-						26					
Total amount including VAT of invoices excluded	-						2,324,393.16					
(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.technicolor.com).

Paper versions of this Universal Registration Document are available free of charge. This Universal Registration Document may also be consulted on the Technicolor website (www.technicolor.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:

- IHS Screen Digest, *FutureSource Consulting*, PwC, Wilkofsky Gruen Associates, Thomson Reuters, Strategy Analytics, Statista, Magna Global, IDATE, Parks Associates, IAB, Nielsen, eMarketer, Harvard Business Review, McKinsey, IDC, and Visual Effects Society for overall market trends in the Media & Entertainment and Technologie industries;
- *FutureSource Consulting* for information on DVD replication and distribution services;
- IHS Screen Digest, Parks Associates, Generator Research, IDC, Gartner, IDG and Informa for information on consumer electronics (TV, Tablets, smartphones);
- Parks Associates, Dell'Oro group and Infonetics Research for information on Set-Top Box, DSL and cable modems, routers & gateways.

7.11 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

GRI *[102-53]*

7.11.1 Declaration by the person responsible for the Universal Registration Document and the Annual Financial Report

Mr. Richard Moat, Chief Executive Officer, Technicolor,

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 4, 2022
Chief Executive Officer of Technicolor,
Richard Moat

7.11.2 Person responsible for information

GRI *[102-53]*

Mr. Laurent Carozzi, Chief Financial Officer of Technicolor, 8-10, rue du Renard, 75004 Paris, France, Tel.: +33 (0)1 88 24 30 00.

UNIVERSAL REGISTRATION DOCUMENT CROSS-REFERENCE TABLES

8

Under Article 19 of Regulation (EU) n° 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in the Universal Registration Document:

- the consolidated financial statements of the year 2020 and the Statutory Auditors' reports on the consolidated financial statements are contained in the Chapter 6: "Financial Statements" of the Universal Registration Document of the year 2020 (pages 200 to 276);
- the consolidated financial statements of the year 2019 and the Statutory Auditors' reports on the consolidated financial statements are contained in the Chapter 6: "Financial Statements" of the Universal Registration Document of the year 2019 (pages 196 to 266);
- the annual accounts of the Company for the year 2020 and the Statutory Auditors' reports on the annual accounts are contained in the Chapter 6: "Financial Statements" of the Universal Registration Document of the year 2020 (pages 277 to 312);
- the annual accounts of the Company for the year 2019 and the Statutory Auditors' reports on the annual accounts are contained in the Chapter 6: "Financial Statements" of the Universal Registration Document of the year 2019 (pages 267 to 293).

The Universal Registration Document of the year 2020 was filed with the *Autorité des marchés financiers* on April 7, 2021 under No. D.21-0263.

The Universal Registration Document of the year 2019 was filed with the *Autorité des marchés financiers* on April 20, 2020 under No. D.20-0317.

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) n° 2019/980 of March 14, 2019

GRI [102-46]

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 8 to the statutory financial statements	44; 246; 301
8.2	Sources, amounts and description of cash flows	Chapter 2, section 2.3.2 and Chapter 6, section 6.1.4	45; 216
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 8.3 and 8.5 to the consolidated financial statements	11; 44; 249
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	46; 66
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; 44; 47
9.	**REGULATORY ENVIRONMENT**	**Chapter 3, section 3.1.1**	**50**
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; 47
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; 47; 50
11.	**PROFIT FORECASTS OR ESTIMATES**	**Chapter 1, section 1.3**	**21**
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	80
12.2	Conflicts of interest in administrative and management bodies	Chapter 4, sections 4.1.3.1 and 4.1.4	117; 123
13.	**REMUNERATION AND BENEFITS**		
13.1	Remuneration paid and benefits in kind	Chapter 4, section 4.2	127
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 9 to the consolidated financial statements	127; 260
14.	**BOARD PRACTICES**		
14.1	Expiry date of current terms of office	Chapter 4, section 4.1.1.2	85
14.2	Service contracts with Members of administrative bodies	Chapter 4, section 4.1.1.7	105
14.3	Information about the Audit Committee and the Remuneration Committee	Chapter 4, section 4.1.2.5	111
14.4	Declaration – corporate governance applicable in the home country of the issuer	Chapter 4, sections 4.1.2.1 and 4.2.4	106; 143
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 9.1 to the consolidated financial statements	167; 260
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 9.3 to the consolidated financial statements	143; 166; 266
15.3	Agreements for employees' equity stake in the capital of the issuer	Chapter 5, section 5.2.1.6	167
16.	**MAJOR SHAREHOLDERS**		
16.1	Shareholders owning more than 5% of the share capital or voting rights	Chapter 1, section 1.4.1	26
16.2	Existence of specific voting rights	Chapter 7, section 7.4.3	324
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Glossary

GLOSSARY

In this Universal Registration Document, unless otherwise stated, "Technicolor" and "Group" refers to Technicolor SA together with its consolidated affiliates and "Company" refers solely to Technicolor 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)

ATSC: Advanced Television Systems Committee

BRL: Brazilian real

CAD: Canadian Dollar

CD: compact disc

CGI: computer-generated imagery

CPE: customer-premises equipment

CRT: cathodic ray tubes

CSR: Corporate Social Responsibility

DOCSIS: Data Over Cable Service Interface Specification

DTV: Digital TV

DVB: Digital Video Broadcasting

DVD Services: replication, packing and distribution services for CD, DVD and Blu-rayTM

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

HES: Home Entertainment Services, now DVD services

HR: Human Resources

IFRS: International Financial Reporting Standards

IoT: Internet of Things

KPI: key performance indicators

LTIP: Long-Term Incentive Plan

M&E: Media & Entertainment

MIP: Management Incentive Plans

MXN: Mexican peso

NTD: New Taiwan Dollar

NYSE: New York Stock Exchange

OTT: over-the-top

Production Services: services relating to visual effects, animation and video or audio postproduction

R&D: Research & Development

R&I: Research & Innovation

RCF: revolving credit facility

SA: French joint-stock company

SAS: French simplified joint-stock company

SBI: significant business incident

SD: standard definition

TRM: Technicolor Risk Management

TSO: Technicolor Security Office

UHD: ultra high definition

UK: United Kingdom

URD: Universal Registration Document

US/USA: United States of America

USD: US Dollar

VFX: visual effects

VR: virtual reality

1-9

4K: resolution of 4,096 × 2,160, *i.e.* slightly higher than the UHD, but with a cinema format. Thin black stripes will appear at the top and the bottom of the screen.

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.

B

Blu-rayTM: digital disk format ranging from 7,5 gigabytes of capacity (single layer) to 128 gigabytes (quad layer).

C

Compact Disc (CD): is an optical disk used to store digital data. Capacity ranging from 0.21 to 0.91 gigabyte, mostly 0.74 gigabyte.

Connected television: refers to both the television connected directly or indirectly to the Internet and the television offer coming from Internet operators broadcast by TVIP technology.

Continuing operations: operations carried out by the operating units for which the executive officers desire to continue the activity, as opposed to operations decided by the executive officers as being discontinued or sold.

Customer-Premises Equipment (CPE): terminal equipment on the client side used to connect to the network of an Internet service provider.

D

Decoder: physical device/electronic box reproducing encrypted or compressed signals for television.

DOCSIS 3.1: standard that defines interface, communication and configuration rules and protocols, for data transport system and Internet access using old television network by coaxial cable. This leads to add a high-speed data transfers to the existing cable television system.

DRAM memory: type of memory usually used for the data or the program code that a computer's processor, workstations, servers need in order to operate.

DVB: set of digital television standards issued by the European consortium DVB and used in many countries. Its main competitors are the ATSC standards (used in the US and in Canada) and the ISDB standards (used in Japan and Brazil).

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

G.fast: DSL Internet connection technology on copper peer. This allows to reach 500 to 1000 Mbps for distances under 100 meters in terminal part of optical fiber connectivity FTTB (optical fiber to the building) or 100 Mbps for distances under 500 meters (optical fiber to sub-distributor).

Global Reporting Initiative (GRI): global initiative to report the economical, environmental and social performances.

H

High Definition: digital image format which have a definition superior to 720 lines x 1,280 pixels. The resolution of a full HD image can reach 1,080 lines x 1,920 pixels.

High-speed gateway: physical device/electronic box enabling the Internet access, also called router or modem.

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.

Internet of Things: the extension of the Internet to things and places in the physical world.

L

LIBOR/EURIBOR: main benchmarks interest rate on the money market. They are used as a reference for various contracts and particularly for business credits.

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

NAND Flash Memory: Semiconductor-based storage technology which does not requires power supply to store data. It is thus called "non-volatile", because in contrast with a random access memory (DRAM), the data are not erased when the memory is not supplied by electric power anymore.

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.

Over The Top (OTT): bypass service, distribution method for audiovisual contents on Internet without the participation of a traditional network operator.

R

Replication: CD replication is a physical production process that consists in pressing the discs during the manufacture from glass.

S

Standard Definition (SD): 480p resolution.

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.

U

UHD: resolution of 3,840x2,160, which is thus 4 times more pixels than with the Full HD technology. This 16:9 format is used particularly in order to watch movies on a television.

V

Virtual Reality: computer technology that stimulates the user's physical presence in an environment artificially generated by software.

W

WiFi Repeater: device enabling the extension of wireless coverage.

Working capital requirements: current asset minus current liability (including current provisions, excluding cash-flow, short-term debt and financial instruments).

X

xDSL: refers to DSL ("digital subscriber line") and to all the techniques set up for a digital transport of information over a wireline telephone connection or a dedicated line.

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