VANTIVA 2023 CONSOLIDATED FINANCIAL STATEMENTS

Audited consolidated financial statements as of December 31, 2023

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CONSOLIDATED STATEMENT OF OPERATIONS

(€ in million)	Note	Year ended December 31 2023	2022
CONTINUING OPERATIONS			
Revenue	(3.2)	2 075	2 776
Cost of sales		(1 810)	(2 469)
Gross margin		**265**	**307**
Selling and administrative expenses	(3.3)	(188)	(205)
Research and development expenses	(3.3)	(69)	(89)
Other operating income	(2.3)	23	10
Restructuring costs	(10.1)	(14)	(17)
Net impairment losses on non-current operating assets	(4.5)	(139)	(5)
Other income (expense)	(3.3)	(14)	(13)
Earnings before Interest & Tax (EBIT) from continuing operations		**(136)**	**(11)**
Interest income		3	1
Interest expense		(73)	(168)
Other financial expenses		(37)	(10)
Net financial income (expense)	(3.4)	**(107)**	**(177)**
Gain (loss) from associates	(2.4)	(25)	(311)
Income tax expense	(6.1)	(15)	(30)
Income (loss) from continuing operations		**(283)**	**(529)**
DISCONTINUED OPERATIONS			
Income (loss) from discontinued operations	(12)	(2)	680
Net income (loss) for the year		**(285)**	**151**
Attributable to :			
- Equity holders		*(285)*	*151*
- Non-controlling interest		-	-

EARNINGS PER SHARE (in euro, except number of shares)		Year ended December 31, 2023	2022
Weighted average number of shares outstanding (basic net of treasury shares held)	(7.3)	355 431 742	268 948 686
Earnings (losses) per share from continuing operations			
- basic		(0,80)	(1,97)
- diluted		(0,80)	(1,97)
Earnings (losses) per share from discontinued operations			
- basic		(0,01)	2,53
- diluted		(0,01)	2,53
Total earnings (losses) per share			
- basic		(0,81)	0,56
- diluted		(0,81)	0,56

The accompanying notes on pages 10 to 71 are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ in million)	Note	Year ended December 31, 2023	2022
Net income (loss) for the year		**(285)**	**151**
Items that will not be reclassified to profit and loss			
Remeasurement of the defined benefit obligations	*(9.2)*	(7)	48
Tax relating to these items		-	-
Items that may be reclassified subsequently to profit or			
Fair value gains / (losses), gross of tax on cash flow hedges:			
- reclassification adjustments when the hedged forecast transactions affect profit or loss	*(8.5)*	(1)	(5)
Tax relating to these items		-	-
Currency translation adjustments			
- currency translation adjustments of the year		(21)	47
- reclassification adjustments on disposal or liquidation of a foreign operation		-	310
Tax relating to these items		1	1
Total other comprehensive income		**(29)**	**401**
Total other comprehensive income of the period		**(314)**	**552**
Attributable to :			
- Equity holders of the parents		*(314)*	*552*
- Non-controlling interest		-	-

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	*Note*	December 31, 2023	December 31, 2022
ASSETS			
Goodwill	*(4.1)*	468	619
Intangible assets	*(4.2)*	133	163
Property, plant and equipment	*(4.3)*	90	98
Right-of-use assets	*(4.4)*	51	56
Other operating non-current assets	*(5.1)*	6	15
TOTAL OPERATING NON-CURRENT ASSETS		**749**	**951**
Non-consolidated investments	*(8.1)*	19	21
Other financial non-current assets	*(8.1)*	17	18
TOTAL FINANCIAL NON-CURRENT ASSETS		**35**	**39**
Investments in associates and joint-ventures	*(2.4)*	2	45
Deferred tax assets	*(6.2)*	20	19
TOTAL NON-CURRENT ASSETS		**806**	**1 053**
Inventories	*(5.1)*	204	452
Trade accounts and notes receivable	*(5.1)*	274	343
Contract assets	*(3.2)*	20	21
Other operating current assets	*(5.1)*	187	271
TOTAL OPERATING CURRENT ASSETS		**685**	**1 087**
Income tax receivable		10	9
Other financial current assets	*(8.1)*	29	27
Cash and cash equivalents	*(8.1)*	133	167
Assets classified as held for sale	*(12)*	1	1
TOTAL CURRENT ASSETS		**859**	**1 290**
TOTAL ASSETS		**1 665**	**2 343**

The accompanying notes on pages 10 to 71 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	*Note*	December 31, 2023	December 31, 2022
EQUITY AND LIABILITIES			
Common stock (355,431,742 shares at December 31, 2023 with nominal value of 0.01 euro per share)	*(7.1)*	4	4
Subordinated Perpetual Notes		500	500
Additional paid-in capital & reserves		(435)	(143)
Cumulative translation adjustment		(63)	(41)
Shareholders equity attributable to owners of the parent		**6**	**320**
Non-controlling interests		0	-
TOTAL EQUITY		**6**	**320**
Retirement benefits obligations	*(9.2)*	181	191
Provisions	*(10.1)*	27	28
Other operating non-current liabilities	*(5.1)*	3	5
TOTAL OPERATING NON-CURRENT LIABILITIES		**211**	**224**
Borrowings	*(8.3)*	391	363
Lease liabilities	*(8.3)*	37	44
Deferred tax liabilities	*(6.2)*	3	3
TOTAL NON-CURRENT LIABILITIES		**641**	**633**
Retirement benefits obligations	*(9.2)*	34	33
Provisions	*(10.1)*	32	43
Trade accounts and notes payable		540	855
Accrued employee expenses		67	69
Contract liabilities	*(3.2)*	10	3
Other operating current liabilities	*(5.1)*	202	344
TOTAL OPERATING CURRENT LIABILITIES		**885**	**1 347**
Borrowings	*(8.3)*	92	1
Lease liabilities	*(8.3)*	22	23
Income tax payable		16	18
Other financial current liabilities	*(8.2)*	2	0
TOTAL CURRENT LIABILITIES		**1 017**	**1 389**
TOTAL LIABILITIES		**1 658**	**2 023**
TOTAL EQUITY & LIABILITIES		**1 665**	**2 343**

The accompanying notes on pages 10 to 71 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ in million)	Note	December 31, 2023	December 31, 2022
Net income (loss)		**(285)**	**151**
Income (loss) from discontinued operations		(2)	680
Profit (loss) from continuing operations		**(283)**	**(529)**
Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations			
Depreciation and amortization		114	135
Net (income) loss of associates	*(2.4)*	25	311
Impairment of assets	*(4.1)*	139	5
Net changes in provisions		(21)	(21)
Gain (loss) on asset disposals		(0)	3
Interest (income) and expense	*(3.4)*	70	167
Other items (including tax)		39	40
Changes in working capital and other assets and liabilities		(8)	57
Cash generated from continuing operations		**74**	**168**
Interest paid on lease debt		(9)	(8)
Interest paid		(28)	(57)
Interest received		3	1
Income tax paid		(17)	(19)
Net operating cash generated from continuing operations		**23**	**86**
Net operating cash used in discontinued operations		(1)	(78)
NET OPERATING CASH GENERATED FROM CONTINUING OPERATIONS (I)		**23**	**86**
Acquisition of other financial assets		(10)	-
Purchases of property, plant and equipment (PPE)		(32)	(36)
Proceeds from sale of PPE and intangible assets		0	2
Purchases of intangible assets including capitalization of development costs		(45)	(47)
Cash collateral and security deposits granted to third parties		(11)	(13)
Cash collateral and security deposits reimbursed by third parties		5	19
Net investing cash used in continuing operations		**(93)**	**(74)**
Net investing cash used in discontinued operations	*(12.1)*	(15)	35
NET INVESTING CASH USED IN CONTINUING OPERATIONS (II)		**(93)**	**(74)**
Increase of capital	*(11.1)*	(1)	284
Proceeds from borrowings	*(11.1)*	83	356
Repayments of lease debt	*(11.1)*	(25)	(22)
Repayments of borrowings	*(11.1)*	(1)	(1 138)
Fees paid in relation to refinancing	*(11.1)*	-	(5)
Other		6	6
Net financing cash generated in continuing operations		**63**	**(518)**
Net financing cash used in discontinued operations	*(11)*	(4)	544
NET FINANCING CASH USED IN CONTINUING OPERATIONS (III)		**63**	**(518)**
NET CASH FROM DISCONTINUED OPERATIONS (IV)	*(12.1)*	**(20)**	**501**
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR		**167**	**196**
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)		**(27)**	**(4)**
Exchange gains / (losses) on cash and cash equivalents		(6)	(25)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**133**	**167**

The accompanying notes on pages 10 to 71 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ in million)	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 January 1, 2022	**2**	**643**	**500**	**99**	**(712)**	**(399)**	**134**	**-**	**134**
Net income (loss)	-	-	-	-	151	-	151		151
Other comprehensive income	-	-	-	44		357	401		401
Total comprehensive income for the period	**-**			**44**	**151**	**357**	**552**	**-**	**552**
Capital increases (€300m Mandatory Convertible Note less €16m of bank and legal fees)	1	283	-	-	-	-	284	-	284
Distribution of 65% TCS at fair value as of September 29, 2022	-	(694)	-	36	-	-	(658)	-	(658)
Shared-based payment to employees	-		-	7	-	-	7	-	7
Transfer of lapsed awards from other reserves to retained earnings	-		-	(12)	12	-	-	-	-
Balance as of December 31, 2022	**4**	**232**	**500**	**173**	**(549)**	**(41)**	**320**	**-**	**320**
Net income (loss)	**-**	**-**	**-**	**-**	**(285)**	**-**	**(285)**	**-**	**(285)**
Other comprehensive income	-	-	-	(7)	-	(21)	(29)	-	(29)
Total comprehensive income for the period	**-**	**-**	**-**	**(7)**	**(285)**	**(21)**	**(314)**	**-**	**(314)**
Capital increase	-	(1)	-	-	-	-	(1)	-	(1)
Equity instruments	-	-	-	1		-	1	-	1
Share-based payment	**-**	**-**	**-**	**1**	**-**	**-**	**1**	**-**	**1**
Transfer of lapsed awards from other reserves to retained earnings	-	-	-	(1)	1	-	-	-	-
Balance as of December 31, 2023	**4**	**231**	**500**	**167**	**(833)**	**(62)**	**6**	**-**	**6**

The accompanying notes on pages 10 to 71 are an integral part of these consolidated financial statements.

1 General information

Vantiva is a global technology leader in designing, developing, and supplying innovative products and solutions that connect consumers around the world to the content and services they love – whether at home, at work or in other smart spaces. Vantiva has also earned a solid reputation for optimizing supply chain performance by leveraging its decades-long expertise in high-precision manufacturing, logistics, fulfillment and distribution. Please refer to note 3.1 for details on Group's operating segments.

In these consolidated financial statements, the terms "Vantiva group", "the Group" and "Vantiva" mean Vantiva SA together with its consolidated subsidiaries. Vantiva SA or the "Company" refers to the Vantiva group parent company.

1.1 Main events of the year

1.1.1 Change of head office

On June 22, 2023, Vantiva SA moved into a new head office at 10 boulevard de Grenelle in the 15th arrondissement of Paris.

1.1.2 Agreement to acquire Home Networks Business

On October 3, 2023, Vantiva announced a key step in its strategic development with the conclusion of an agreement with the CommScope Group to acquire its Home Networks business in exchange for a 25% stake in Vantiva's fully diluted capital.

The operation is detailed in Note 13.1.

1.1.3 New short term debt

In October 2023, Vantiva contracted a new short-term debt, maturing March 2024 for €85 million. The new debt had as objective to cover any short-term liquidity needs, including working capital needs and costs following the acquisition of CommScope's Home Network Division, which took place on January 9th, 2024.
The new debt was financed by the existing lenders (Angelo Gordon and Barclays) in favor of the subsidiary Vantiva Technologies SAS. An intra-group loan was then granted by Vantiva Technologies SAS to Vantiva SA for €85 million. Vantiva SA is the guarantor of this debt.

1.1.4 Technicolor Creative Studios Deconsolidation

Technicolor Creative Studios announced the details of its refinancing and the new composition of its shareholding on April 3, 2023.

The signature of a conciliation protocol with its lenders and shareholders, including the Group, took place on March 29, 2023 and puts an end to TCS's (?) conciliation procedure started on January 20, 2023.

According to the terms of the agreement of March 8, 2023, the Conciliation Protocol provides that the refinancing of its debt will include New Money financing for a total principal amount approximately equal to 170 million euros, net of commissions, initial issue discount and commitment fee, together with the restructuring of its existing debt.

This refinancing plan is based on the issue of convertible bonds and stock warrants giving rights to 44% of the share capital to new contributors.

For more details on the refinancing plan, please refer to the TCS press release. On June 8, Vantiva SA, participated in this plan to the tune of 10 million euros by subscribing to the issue of a convertible bond.

At the end of this refinancing plan, Vantiva's stake, assuming the full conversion of the convertible bonds and full issuance of warrants, would drop from 35% to 9.7%. As a result, Vantiva's holding rights in TCS fall below 20%, causing the deconsolidation of TCS in the group's consolidated accounts from June 8th.

An impairment of €25 million of the shares Vantiva holds was recognized based on the share price at this date.

The accounting treatment is further detailed in note 2.

1.1.5 Impairment of SCS Goodwill

Following a sharper decline than expected in optical discs sale in the first half of 2023, the Group has performed an impairment test of its SCS Goodwill leading to a 133 M€ impairment of Goodwill on June 2023. A further impairment test was carried out in December 2023, and no additional impairment was recorded. The assumptions and sensitivity analyses are presented in note 4.5.

1.1.6 Economic Environment

Despite the fact that the business has no assets, customers or direct suppliers in Russia and Ukraine, the ongoing conflict has created additional supply uncertainty for Connected Home. This has resulted in an increase in transit times for certain European customers, as products that previously transited by rail via Russia are now transiting by sea.

1.2 Accounting policies

1.2.1 Basis for preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) adopted by the European Union as of March 9, 2023 and effective as of December 31, 2023.

The standards approved by the European Union are available on the following website: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs

Vantiva financial statements are presented in euros 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 differs from the sub-totals that appear in the tables.

The consolidated financial statements were approved by the Board of Directors of Vantiva SA on March 26, 2024. According to French law, the consolidated financial statements will be considered definitive when approved by the Company’s shareholders at the Shareholders’ Meeting.

The accounting policies applied by the Group are consistent with those followed in the preparation of the Group’s Consolidated Financial Statements for the year ended December 31, 2022. The standards, amendments and interpretations which have been adopted on January 1,2023 have no impact for the Group (see Note 1.2.1.1).

The accounts have been established with the going concern assumption in the following context:

Due to the variability of the operations and the recent acquisition of Home Networks, the company has an increased need for working capital until December 2024.

This need was anticipated and is expected to be normalized in the course of the integration process, which involves in particular (i) the rollout of Vantiva’s IT systems and processes to the whole scope of the business and (ii) the merger of legal entities to simplify the group’s legal footprint.

Vantiva has consequently initiated the following actions :

- Extensive integration work involving all business functions and advanced negotiations with key suppliers for an improvement of purchasing terms. These combined actions are expected to generate the cost and working capital synergies identified when the acquisition project was approved, the main ones being already agreed and in course of implementation in the first half of 2024.
- Negotiations with Wells Fargo to incorporate the Home Networks assets in the existing $125 million Asset Based Lending facility, improving the average availability of working capital financing. This is being contracted, after successful due diligences.
- Extension to June 2024 of half of the €85 million short term loan contracted in October 2023 and initially maturing on March 31, 2024. Half of this loan has been repaid by anticipation on February 27, 2024 (€42.5 million).This extension has been signed off on March 20, 2024.
- Extension of potential factoring lines to the new scope of business.

The cash forecast for the next 12 months has consequently been prepared, integrating the benefit of the above mentioned actions and incorporating the following assumptions:

- Continued compliance with financial covenants linked to Barclays and Angelo Gordon loans maturing in 2026 and 2027,
- Achievement of the commercial objectives of the 2024 budget,
- Realization of the cost synergies linked to integration planned for the financial year 2024,
- Continuance throughout 2024 of extended payment terms agreed with key suppliers during Q1/2024,
- Incorporation of Home Network assets to increase the availability of the Wells Fargo line by $50 million during the first half year and to increase it with a further $50 million in July 2024.

These structuring assumptions are key for the justification of the going concern principle.
Furthermore, the group could if necessary, consider using other sources of financing, such as factoring, which are not included in the current cash flow plan.

These action plans and the reasonableness of these assumptions have been examined by the Board on March 26, 2024, which approved the budget and the cash flow forecast.

1.2.2 New standards and interpretations

1.2.2.1 Main standards, amendments and interpretations effective and applied as of January 1, 2023

New standard and interpretation	Main provisions
(Amendments to IAS 1 and IFRS Practice Statement 2)	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 has applied these amendments to disclosures concerning its accounting policies.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	The amendments aim to: (1) 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 authorized for issue;

	(2) clarify that the classification of liabilities as current or non-current is based on rights that are in existence of the reporting period; (3) 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 has reviewed its existing liability and the Wells Fargo line in particular; given the requirements on the asset collateral required, the group estimates that there is no right to defer settlement beyond 12 months.
Definition of Accounting Estimates (Amendments to IAS 8)	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 recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods. The amendments do not have a material impact on the Group.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	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 do not have a material impact on the Group.
International tax reform, Pillar 2 (Amendment to IAS 12)	The amendment treats the "Pillar 2" additional tax as an income tax; introduces a mandatory temporary exception to the deferred taxes that would result from these provisions; and requires disclosure in the notes of the entity's exposure to the new tax consequences. The amendments do not have a material impact on the Group.

No significant impact has been identified as a result of the implementation of the above amendments.

New standards, amendments, and interpretations not effective as of January 1st, 2023

No new standard has been applied by anticipation.

1.2.2.2 Main standards, amendments and interpretations that are neither adopted by Vantiva 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
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)	January 1, 2024 (not adopted by the EU)	These amendments provide clarification on the subsequent measurement of sale and leaseback transactions where the initial disposal of the asset meets the IFRS 15 criteria for recognition as a sale. In particular, the amendments specify how to subsequently measure the lease liability arising from sale and leaseback transactions, consisting of variable lease payments that are not dependent on an index or a rate. The new paragraph 102A added to IFRS 16 specifies : - that the seller-lessee subsequently measures the lease liability arising from a sale-leaseback transaction in accordance with the existing requirements of the standard (paragraphs 36-46), but determines the lease payments so as not to recognize any gain or loss relating to the retained right of use (otherwise, the seller-lessee recognizes in profit or loss only the gain or loss relating to the right of use transferred to the buyer-lessor); and - these amendments do not prevent the application of paragraph 46(a) in the event of a modification of the lease that reduces the scope of the lease: the lessee-seller recognizes in profit or loss any gain or loss relating to the partial or total termination of the lease.
Supplier Financing Arrangements (Amendment to IAS 7 and IFRS 7)	January 1, 2024 (not adopted by the EU)	This amendment requires disclosure in the notes to the financial statements of supplier financing arrangements, otherwise known as reverse factoring, with the aim of improving the transparency of these arrangements and their effects on liabilities, cash flows and liquidity risk.

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 them 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 8.4).

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 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 the revenues and expenses.

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.

Vantiva’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:

- Absence of a going concern risk, despite the variability in the timing of sales, in particular with regard to the cash flow forecasts adopted by the board of directors on 26 March 2024 for the next 12 months;
- Classification of the stake in TCS (see note 2.2.1);
- Convertible bonds accounting and fair value (see note 2.2.2);
- Accounting for costs linked to the Distribution and refinancing (see notes 2.2.2 and 3.4);
- 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 from 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 as follow:

	Closing rate		Average rate	
	2023	2022	2023	2022
US Dollar (USD)	1.1050	1.0666	1.0816	1.0563
Australian Dollar (AUD)	1.6263	1.5693	1.6297	1.5190
Indian Rupee (INR)	91.9045	88.1710	89.3371	82.8319
Mexican Pesos (MXN)	18.7231	20.8560	19.2035	21.2144

The average rate is determined by taking the average of the month-end closing rates for the year unless such a method results in material distortion.

2 Scope of consolidation

2.1 Scope and consolidation method

<u>*Subsidiaries*</u>

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.

<u>*Associates*</u>

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, 2023 and 2022, Vantiva's consolidated financial statements include the accounts of all investments in subsidiaries, jointly controlled entities, and associates. Their location is summarized below, and the main entities are listed in note 15.

Number of companies as of December 31, 2023	FRANCE	EUROPE (exc. France)	U.S.	OTHER AMERICAS	ASIA & OCEANIA	TOTAL
Parent company and consolidated subsidiaries	9	23	12	9	13	66
Companies accounted for under the equity method	1	0	1	0	1	3
TOTAL	**10**	**23**	**13**	**9**	**14**	**69**

Number of companies as of December 31, 2022	FRANCE	EUROPE (exc. France)	U.S.	OTHER AMERICAS	ASIA & OCEANIA	TOTAL
Parent company and consolidated subsidiaries	9	22	11	9	14	65
Companies accounted for under the equity method	2	0	1	0	1	4
TOTAL	**11**	**22**	**12**	**9**	**15**	**69**

2.2 Change in the scope of consolidation of 2023

2.2.1 TCS deconsolidation

On June 8, 2023, as a result of the conciliation judgement described in note 1.1.1, and notably the issuance of new capital through debt conversion, Vantiva's share of equity dropped from 35% to 7.5%. Consequently, the TCS investment was deconsolidated on June 8, 2023.

- **Change in classification of TCS shares on Vantiva's balance sheet**

When an investor loses significant influence or joint control, it must cease to use the equity method from the date on which its investment ceases to be an investment in an associate or joint venture (IFRS 10). As a result, the TCS shares have been reclassified as non-consolidated financial assets. In accordance with IFRS 9, the retained interests were remeasured at fair value. The change in fair value was recognized by P&L to bring the TCS shares at their fair value, based on the stock market price.

- **Impact of the impairment and fair value adjustment of TCS shares in Vantiva's P&L**

The net value of TCS shares at the end of December 2023 is 3.1 million euros. The impact of the impairment of TCS shares from January 1 to June 8, 2023 is reflected in loss from associates for 25 million euros. The change in fair value between June 8, 2023 and December 31, 2023 was recognized in the financial result under change in fair value on financial assets and liabilities for 11 million euros. As a reminder, the net value of TCS shares was 43 million euros at December 31, 2022 in Vantiva Group's financial statements.

2.2.2 Convertible bonds accounting

Vantiva participated in the refinancing of TCS through the subscription of a convertible bond issue for 10 million euros. This 10 million euros subscription represents 50,112,559 convertible notes at a subscription price of circa €0.19955 per note.

These bonds are convertible into new shares of TCS which will be ordinary shares of the same class as the existing shares of TCS. One convertible note will have to be converted in order to subscribe to five shares.

These convertible bonds have been recorded in Vantiva SA's balance sheet as financial instruments at fair value. The method applied to determine fair value is detailed in note 8.4. The valuation of these shares will be reassessed at each closing date at fair value through profit or loss.

2.3 Change in the scope of consolidation of 2022

2.3.1 Trademark and Licensing disposal

On May 31, 2022, the Group concluded the sale of the Trademark Licensing business. This transaction enables the Group to pursue simplification of its structure with the disposal of non-strategic assets and to increase its financial flexibility.

Sales proceeds amounted to 99.3 million euros, with a gain on sale of 57 million euros which was included in discontinued operations.

The detail of this transaction is shown in the table below:

(€ in million)	
Sale price	99
Price adjustment	(7)
Trademarks	(33)
Net other assets and liabilities	(2)
Transaction costs	(1)
Net gain on Trademark Licensing disposal	**57**

2.3.2 Technicolor Creative Studios

Accounting treatment of the spin-off and refinancing

Distribution in kind

In accordance with IFRS 10, the loss of control of the TCS sub-group has been recognized in the statement of operations. Furthermore, IFRIC Interpretation 17 requires the liability to pay a dividend to be measured at the fair value of the assets to be distributed and when this dividend is settled, to recognize the difference between the carrying amount of the assets distributed and the dividend payable in the statement of operations.

In accordance with IFRS 13, the fair value of the TCS shares was measured at 1.85€ per share using the closing price of September 29, 2022, the delivery date of the shares to the shareholders.

On September 27, 2022, following the distribution of 65% of TCS shares:

- Vantiva deconsolidated 100% of net assets.

- Vantiva recognized the Fair Value of the 35% retained stake as an investment in associate.

- Vantiva recognized in the statement of operations in the line “Income (loss) from discontinued operations”, the capital gain from the distribution (including fees and reclassification of the change in translation adjustment) and the revaluation at FV of its remaining 35% stake in TCS for an amount of 633 million euros.

Net gain on Distribution and initial valuation of the remaining stake

The detail of the transaction is shown in the table below:

(€ in million)	
Technicolor Creative Studios fair value [(1)]	1,013
Net assets and liabilities	(25)
Reclassification of cumulated CTA (Currency Translation Adjustment)	(310)
Transaction costs	(45)
Net gain on Technicolor Creative Studios	**633**

[(1)] *Technicolor Creative Studios fair value includes 65% that has been distributed and 35% relating to its initial recognition as an associate.*

Refinancing

The MCN was fully accounted for as equity, as the conditions of conversion were already fulfilled when it was issued on September 15, 2022, and the notes were converted on September 22,2022.

The full amount of the Safeguard debt was refinanced and the difference between the nominal amount repaid and the carrying value of the debt (63 million euros) was booked in financial expenses, since the new debt conditions qualified as a substantial modification (different lenders, currency, maturity etc.).

The new Debt instruments are presented in note 8.

Accounting of the remaining 35% in TCS

As stated in note 8, the remaining 35% stake in TCS was placed in a trust (“fiducie-sûreté”) as collateral for the new Debt Instruments. This trust gives to the Lenders’ representative all voting rights relating to the equity of TCS, such as dividends, sale, merger, dissolution & capital increase. Furthermore, following the spin-off, Vantiva retained no representation in the Board.

However, Vantiva retains its power to request the appointment of board members in future General Meetings and vote on other decisions, and both groups are bound by a Transitions Services Agreement. Therefore Technicolor Creative Studios is an associate under IAS 28 and has been accounted under the equity method.

The profit warning and difficulties announced by the TCS group are an impairment indicator. TCS goodwill has been impaired according to IAS 36. The group has retained the fair value less costs to sell, estimated at the stock market price at the end of the year as the recoverable amount.

Transitional Services Agreement (“TSA”)

Under the TSA settled to operate the separation, the group continues to host some TCS costs until necessary systems and administrative structures are set up. As a consequence 10 million euros has been reinvoiced by Vantiva to TCS in 2022 and are presented in the line *Other operating income* of the statement of operations.

The Group has committed to bear 50% of the necessary costs to set up the administrative and IT functions of TCS subject to mutual agreement. As there is no other economic benefit for Vantiva than the good execution of the spin-off transaction, a 6 million euros provision has been booked as a component of the net gain on Distribution.

2.4 Investments in associates & joint-ventures

At December 31st, 2023, the group has 2 million euros of investments accounted for using the equity method or joint-ventures.

On June 8,2023, Vantiva's holding in TCS fell below 20%, causing the deconsolidation of TCS shares and loss of significant influence in the Group's consolidated financial statements.

Other 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.

Transactions with associates

The consolidated financial statements include transactions made by the Group with associates and joint-ventures. These transactions are performed at normal market conditions.

3 Information on operations

3.1 Information by business segments

Vantiva has two continuing businesses and reportable operating segments under IFRS 8: Connected Home and SCS (formerly known as DVD Services).

The Group's Executive Committee makes its operating decisions and assesses performances based on two operating businesses. All remaining activities, including unallocated corporate functions, are grouped in the segment "Corporate & Other".

Trademarks Licensing operations and Technicolor Creative Studios are presented in the discontinued operations line for the year ending as of December 31, 2023, and 2022 and are not included in the note business segments.

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 boxes, and Internet of Things ("IoT") connected devices. The Connected Home revenues come from the sale of these devices and the associated services.

Supply Chain Solutions (SCS) (formerly DVD Services)

SCS segment is the worldwide leader in the replication, packaging and distribution of 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, SCS is the accelerating development of new non-disc related manufacturing businesses, including the 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 two operating segments of the Group;
- Patent Licenses which monetize valuable patents not sold to InterDigital;
- Post-disposal service operations and commitments related to former consumer electronics operations, mainly pension and legal costs.

(€ in million)	Year ended December 31, 2023			
	Connected Home	SCS	Corporate & Other	TOTAL Vantiva
Statement of operations				
Revenue	1 563	512	1	**2 075**
Earnings before Interest & Tax (EBIT) from continuing operations	**36**	**(134)**	**(37)**	**(136)**
Of which:				
Amortization of purchase accounting items	(20)	(5)	-	(26)
Net impairment losses on non-current operating assets	(5)	(134)	-	(139)
Restructuring costs	(3)	(9)	(2)	(14)
Other income (expenses)	(2)	(5)	(7)	(14)
Adjusted EBITA	**66**	**18**	**(28)**	**57**
Of which:				
Depreciation & amortization (excl PPA items)	(56)	(28)	(4)	(88)
Other non-cash items [1]	2	1	(1)	2
Adjusted EBITDA	**120**	**45**	**(23)**	**142**
Statements of financial position				
Segment assets	1 148	268	16	1 432
Unallocated assets				233
Total consolidated assets				**1 665**
Segment liabilities	683	158	256	1 096
Unallocated liabilities				562
Total liabilities excluding shareholders' equity				**1 659**
Other information				
Net capital expenditures	(59)	(17)	(0)	**(77)**
Capital employed excluding goodwill	61	114	(22)	**154**

[1] *Mainly variation of provisions for risks, litigations, and warranties.*

(€ in million)	Year ended December 31, 2022			
	Connected Home	SCS	Corporate & Other	TOTAL Vantiva
Statement of operations				
Revenue	2 120	655	1	**2 776**
Earnings before Interest & Tax (EBIT) from continuing operations	**34**	**(3)**	**(41)**	**(11)**
Of which:				
Amortization of purchase accounting items	(24)	(7)	-	(31)
Net impairment losses on non-current operating assets	(3)	(1)	-	(5)
Restructuring costs	(1)	(12)	(4)	(17)
Other income (expenses)	(4)	(6)	(2)	(13)
Adjusted EBITA	**66**	**23**	**(35)**	**55**
Of which:				
Depreciation & amortization (excl PPA items)	(67)	(33)	(3)	(104)
Other non-cash items [(1)]	(1)	(0)	(1)	(2)
Adjusted EBITDA	**135**	**56**	**(30)**	**161**
Statements of financial position				
Segment assets	1 553	445	28	2 026
Unallocated assets				317
Total consolidated assets				**2 343**
Segment liabilities	1 077	199	296	1 572
Unallocated liabilities				451
Total consolidated liabilities excluding shareholders' equity				**2 023**
Other information				
Net capital expenditures	(61)	(18)	(1)	**(80)**
Capital employed	67	123	(25)	**165**

[(1)] *mainly variation of provisions for risks, litigations, and warranties*

The following comments apply to the two tables above:

1. 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 the impact of provision for risks, litigation and warranties);
2. The caption “Adjusted EBITA” corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), excluding in particular other income, expenses and impairment of PPA;
3. The captions "Total segment assets" and “Total segment liabilities” include all operating assets and liabilities used by a segment.
4. The caption "Unallocated assets" includes mainly financial assets, deferred and income tax assets, cash and cash equivalents and assets classified as held for sale;
5. The caption "Unallocated liabilities" includes mainly the financial debt, deferred and income tax liabilities and liabilities classified as held for sale;
6. 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;
7. 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

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 are presented separately as a receivable.

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 boxes are specific to each customer and are not marketed separately. Revenue is then recognized over at goods delivery.

Supply Chain Solutions (SCS) segment

Our SCS 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 the case of variable price over the contract term, the revenue is already adjusted to anticipate the probable discount.

Revenues are recognized upon the rendering of services.

3.2.1 Disaggregated revenue information

In respect of IFRS15 *Revenue from contracts with customers*, continuing revenue per method of recognition, contract assets and liabilities are disaggregated in the following way:

(€ in million)	December 31, 2023	Connected Home	SCS	Corporate & Other	December 31, 2022
Revenue recognized at delivery of goods or services	2 074	1 563	512	-	2 775
Revenue from licenses	1	-	-	1	1
Revenue of continuing operations	**2 075**	**1 563**	**512**	**1**	**2 776**

Information on main clients

The three largest customers represent 35% of the Group's consolidated revenue as of December 31, 2023 (734 million euros) representing the same percentage of Group consolidated revenue at December 31, 2022 (985 million euros).

Information by geographical area

(€ in million)	France	U.K.	Rest of Europe	U.S.	Rest of Americas	Asia-Pacific	TOTAL
Revenue							
2023	357	18	96	1 166	274	163	**2 075**
2022	456	18	117	1 523	419	243	**2 776**
Segment assets							
2023	473	11	48	597	237	66	**1 433**
2022	694	20	50	923	258	80	**2 025**

Revenues are classified according to the location of the entity that invoices the customer.

Information by product

(€ in million)	Connected Home		SCS		Total
	Broadband	Video	Optical Disc	Growth	
Revenue					
2023	1 262	301	427	85	**2 075**
2022	1 599	522	578	77	**2 776**

3.3 Operating income & expenses

3.3.1 Research & development expenses

(€ in million)	Year ended December 31,	
	2023	2022
Research and Development expenses, gross	(79)	(87)
Capitalized development projects	35	35
Amortization of capitalized projects	(26)	(37)
Research and Development expenses, net	**(69)**	**(89)**

3.3.2 Selling & administrative expenses

(€ in million)	Year ended December 31,	
	2023	2022
Selling and marketing expenses	(68)	(81)
General and administrative expenses	(120)	(124)
Selling and administrative expenses	**(188)**	**(205)**

3.3.3 Other income and expense

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 Vantiva'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)	Year ended December 31,	
	2023	**2022**
Net capital gains	0	(0)
Litigations and other	(14)	(13)
Other income (expense)	**(14)**	**(13)**

In December 2023, other income and expenses represent a loss of 14 million euros, including provisions for risks and litigation of 3 million euros, mainly linked to a settlement charge of 2 million euros.
Non-current items amounted to 11million euros, of which 8 million euros related to Home Networks acquisition costs.
Litigations and others for the year ended December 31, 2022 include the accounting effect related to the acceleration of definitive vesting of the shares allocated under the LTIP (Long-Term Incentive Plan) 2020 for 4 million euros, other costs entailed by the spin-off for 3 million euros and various ongoing litigation expenses.

3.4 Net financial income (expense)

(€ in million)	Year ended December 31,	
	2023	**2022**
Interest income	3	1
Interest expense	(73)	(168)
Net interest expense	**(70)**	**(167)**
Net interest expense on defined benefit liability	(9)	(4)
Foreign exchange gain / (loss)	2	4
Other	(30)	(10)
Other financial income (expense)	**(37)**	**(10)**
Net financial income (expense)	**(107)**	**(177)**

In December 2023, the financial result shows a loss of 107 million euros including :

- Net interest expense of 70 million euros, including 54 million euros in interest relating to the cost of refinancing in 2022 and short loan interest contracted this year
- Other financial expenses show a loss of 37 million euros. This was mainly due to the fair value adjustment of TCS shares for 14 million euros and TCS convertible bonds 2 million euros, as well as 9 million euros in financial charges related to pension plans.

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
+ the recognized amount of any previously owned non-controlling interests in the acquiree
+ if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree
- 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, 2023 (refer to note 4.5 for detail on impairment tests)

(€ in million)	Technicolor Creative Studios	Connected Home	SCS	Total
At January 1, 2022, net	**185**	**434**	**153**	**773**
Exchange difference	10	23	8	42
Scope change	(196)	-	-	(196)
At December 31, 2022, net	**-**	**458**	**162**	**619**
Exchange difference	-	(16)	(2)	(18)
Impairment loss	-	-	(133)	(133)
At December 31, 2023, net	**-**	**442**	**26**	**468**

The 151 million euros decrease in goodwill compared with December 31, 2022 reflects the following items :

- 133 million euros impairment of the SCS GRU.
- an unfavorable translation adjustment of 18 million euros.

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 is 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.

Following Technicolor Creative Studios spin-off and Trademark and Licensing business disposal in 2022, all former Group's trademarks have been transferred as part of these transactions. The Group has no longer any trademark accounted for in its consolidated financial accounts as of December 31, 2023.

In accordance with IAS 38 the related costs to the Vantiva trademark, being internally generated, have not been capitalized.

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. The Patent licenses' 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 assets

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)	Trademarks	Customer Relationships	Patents & Other intangibles	Total Intangible Assets
At January 1, 2022, net	**258**	**92**	**160**	**510**
Cost	*267*	*358*	*916*	*1,541*
Accumulated depreciation	*(9)*	*(266)*	*(756)*	*(1,032)*
Exchange differences	13	6	9	28
Additions of continuing activities	-	-	49	49
Additions of discontinued activities	-	-	18	18
Depreciation charge	-	(28)	(68)	(96)
Impairment loss	-	-	(3)	(3)
Other	(271)	(45)	(27)	(342)
At December 31, 2022, net	**0**	**24**	**138**	**163**
Cost	*-*	*270*	*735*	*1,005*
Accumulated depreciation	*-*	*(246)*	*(597)*	*(843)*
Exchange differences	-	(0)	(4)	(5)
Additions of continuing activities	-	-	40	40
Depreciation charge	-	(17)	(43)	(60)
Impairment loss	-	-	(5)	(5)
At December 31, 2023, net	**0**	**7**	**126**	**133**
Cost	*-*	*140*	*723*	*863*
Accumulated depreciation	*-*	*(133)*	*(598)*	*(731)*

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)	Land	Buildings	Machinery & Equipment	Other Tangible Assets	TOTAL
At January 1, 2022, net	**3**	**12**	**48**	**99**	**162**
Cost	*3*	*54*	*904*	*358*	*1,320*
Accumulated depreciation	*-*	*(42)*	*(857)*	*(259)*	*(1,158)*
Exchange differences	-	0	2	7	10
Additions from continuing operations	-	-	1	38	38
Additions from discontinued operation	-	-	-	25	25
Disposals	-	-	-	(1)	(1)
Depreciation charge	-	(1)	(26)	(18)	(45)
Impairment loss (1)	-	0	(1)	(1)	(2)
Other	-	-	21	(26)	(5)
Change in scope	-	-	(1)	(83)	(83)
At December 31, 2022, net	**3**	**11**	**44**	**40**	**98**
Cost	*3*	*55*	*786*	*127*	*972*
Accumulated depreciation	*-*	*(44)*	*(743)*	*(88)*	*(875)*
Exchange differences	-	(0)	(1)	(1)	(2)
Additions from continuing operations	-	-	0	29	29
Additions of discontinued activities	-	0	-	0	0
Acquisitions of businesses	-	0	(0)	0	0
Disposals	-	0	(0)	(0)	(0)
Depreciation charge	-	(1)	(20)	(7)	(28)
Impairment loss (1)	-	0	(2)	0	(2)
Other	-	0	22	(26)	(4)
At December 31, 2023, net	**3**	**10**	**42**	**35**	**90**
Cost	*3*	*54*	*711*	*125*	*894*
Accumulated depreciation	*-*	*(45)*	*(669)*	*(90)*	*(803)*

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 the 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*
- *Visibility regarding business activity for each site.*

(€ in million)	Real Estate	Others	Total Right-of-use assets
At January 1, 2022, net	**117**	**26**	**143**
New contracts of continuing activity	1	6	7
New contracts of discontinued activity	3	19	22
Change in contract [3]	38	2	41
Reclassification	4	-	4
Depreciation charge	(32)	(15)	(48)
Impairment loss	(2)	-	(2)
Other	4	2	6
Scope change	(81)	(34)	(116)
At December 31, 2022, net	**51**	**5**	**56**
New contracts of continuing activity [1]	7	4	11
New contracts of discontinued activity	0	0	-
Change in contract [2]	9	-	9
Reclassification	-	2	2
Depreciation charge	(21)	(4)	(25)
Impairment loss	-	-	-
Other	(2)	-	(2)
At December 31, 2023, net	**45**	**6**	**51**

(1) related to Grenelle lease - the new headquarters of Vantiva SA, Rood lease in the US & Nashville.
(2) remeasurement of the right of use following a lease modification
(3) Include TCS leases before the spin-off of 2022.

At December 31, 2023 leased assets mainly comprise office premises and other real estate leases (87%), IT equipment (8%), and other (5%).

Total cash outflows on leases (excluding annual lease costs on short-term leases and low-value assets leases) amounted to 28 million euros in the year ended December 31, 2023.

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 into the smallest group of assets that generate cash outflows that are largely independent of the cash flows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or a group of CGUs (Goodwill reporting units - GRUs) that are expected to benefit from the synergies. The Group identified two GRUs corresponding to its 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 the 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-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.

Vantiva's management believes its policies related to such annual impairment testing are critical accounting policies the recoverable involving critical accounting estimates because determining the 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, Vantiva 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)	Technicolor Creative Studios	Connected Home	Supply Chain Solutions	Corporate & Others	TOTAL
2023					
Impairment loss on goodwill	-	-	(133)	-	(133)
Impairment losses on intangible assets	-	(5)	(1)	-	(5)
Impairment losses on tangible assets	-	(1)	(1)	(0)	(2)
Impairment losses on non-current operating assets	**-**	**(5)**	**(135)**	**(0)**	**(140)**
Impairment reversal on right-of-use assets	-	1	-	-	1
Net impairment losses on non-current operating assets	**-**	**(5)**	**(135)**	**(0)**	**(139)**
2022					
Impairment loss on goodwill	-	-	-	-	-
Impairment losses on intangible assets	(0)	(3)	-	(0)	(3)
Impairment losses on tangible assets	-	(1)	(2)	0	(2)
Impairment losses on right-of-use assets	(1)	0	-	-	(1)
Impairment losses on non-current operating assets	**(1)**	**(3)**	**(2)**	**0**	**(6)**
Impairment reversal on intangible assets	-	-	-	(0)	(0)
Net impairment losses on non-current operating assets	**(1)**	**(3)**	**(2)**	**0**	**(6)**

At December 31, 2023, the total impairment loss on the goodwill amounts to 133 million euros and is presented in "Net impairment losses on non-current operating assets" line of the consolidated statement of operations in 2023, which reflects impairment of the SCS GRU.

A reminder for the first half of 2023, the group has noticed a larger than expected fall in the structurally declining optical disc demand, with a direct impact on the SCS division cost absorption. The group immediately took corrective actions, increasing the extent of its restructuring plans and intensifying the diversification plans.

Given that the Group does not assume a recovery in structural demand in a declining market, this fall in demand was analyzed as an impairment indicator. The Group has revised its assumptions, mostly on Optical discs volumes, restructuring required and capital expense in Growth activities. Following the impairment test, in accordance with IAS 36, the group recognized an impairment loss on the goodwill of 133 million euros at June 30, 2023.

At year-end, the Group recorded no additional impairment for the SCS division and none for the Connected Home GRU as a result of its annual impairment test.

4.5.1 Main assumptions at December 31, 2023

In order to perform the annual impairment test and according to IAS36, the Group used the following assumptions to determine the recoverable amount of the main goodwill reporting units:

	Connected Home	SCS
Basis used to determine the recoverable amount	Fair Value	Value in use
Description of key assumptions	Market capitalisation, EBITDA Multiples	
Period for projected future cash flows		9 years
Growth rate used to extrapolate cash flow projections beyond projection period:		2%
- As of December 31, 2023		(*)
- As of December 31, 2022		(*)
Post-tax discount rate applied:		
- As of December 31, 2023		13,0%
- As of December 31, 2022		13,0%

(*) 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%

Following the impairment test performed at June 30, 2023 for the SCS CGU, the Group revised its assumptions at the end of the year as part of its annual budget update.

For the SCS business division, the impairment test has been conducted based on the revised 3-year plan approved by the Board on March 26, 2024 which includes cost reduction and an acceleration of the diversification efforts. The optical business has a finite life of 9 years, while the other activities, Vinyl included, have an indefinite life. The discounted cash flow of SCS integrates historical revenues of disc replication and distribution ("Optical"), as well as diversification revenues (Vinyl, Distribution & Logistics). However, SCS Precision Bio Devices revenues have not been integrated to the cash-flows given the current stage of early development of the business.

For the CH business division, the impairment test could not be done based on discounted cash-flows as the group did not conduct a full stand-alone budget as it focuses on its business combination with the Home Networks activities. The group assessed the recoverable amount using different fair value methods (attributable value of the market cap to the CH business, EBITDA multiples) and also considered the valuation

from the fairness opinion issued by the independent valuator. All these methods led to valuations exceeding the carrying amount of the GRU with a headroom between 78 and 211 million euros.

4.5.2 Sensitivity of recoverable amounts at December 31, 2023

For SCS:

- a decrease of 10% on BD, SD and CD volumes from 2023 would decrease the enterprise value by 12 million euros, without generating any impairment;
- a decrease of 10% in Vinyl volumes from 2023 would decrease the enterprise value by 7 million euros, without generating any impairment;
- an increase of 0.5 points in the WACC rate assumption would decrease the enterprise value by 6 million euros, without generating any impairment;
- a decrease of 1 point of the EBITDA margin from 2023 would decrease the enterprise value by 29 million euros, without generating any impairment but leaving a null margin.

5 Other operating information

5.1 Operating assets & liabilities

5.1.1 Non-current operating assets & liabilities

(€ in million)	2023	2022
Customer contract advances and up-front prepaid discount	4	5
Other	2	9
Other operating non-current assets	**6**	**15**
Payable on acquisitions of business & fixed assets	(1)	(3)
Other	(2)	(2)
Other operating non-current liabilities	**(3)**	**(5)**

As part of its normal course of business, Vantiva makes cash advances and up-front prepaid discounts to its customers, principally within its SCS 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 various customers' 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, suh as declining sales forecasts, expected reduction in selling prices, specific actions engaged as a rework or incentive plans, and obsolescence of products or slow rotation.

(€ in million)	2023	2022
Raw Materials	86	169
Work in progress	3	5
Finished goods and purchase goods for resale	130	292
Gross Value	**219**	**466**
Less: valuation allowance	(15)	(14)
Total inventories	**204**	**452**

Group inventory reduced by 247 million euros compared with 2022, mainly due to supply chain optimization in the Connected Home division and lower demand in the SCS division.

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 by 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)	2023	2022
Trade accounts and notes receivable	288	357
Less: valuation allowance	(14)	(14)
Total trade accounts and notes receivable	**274**	**343**

As of December 31, 2023 and 2022 trade accounts receivable include past due amounts respectively for 63 million euros and 54 million euros for which a valuation allowance was recorded for an amount of (14) million euros in both years.

Breakdown of trade receivables

(€ in million)	2023	Which Not-Due	Which Due							2022
			Overdue 0-30 days	Overdue 30-60 days	Overdue 60-180 days	Overdue 180-360 days	Overdue > 360 days	Litigations / Doubtful	Accrued income	
Trade accounts and notes receivable	288	235	8	3	8	4	25	6	1	357
Less: valuation allowance	(14)	(1)	-	-	-	(2)	(6)	(6)	-	(14)
Total trade accounts and notes receivable	**274**	**234**	**8**	**3**	**8**	**2**	**19**	**0**	**1**	**343**

Credit risk exposure

The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets, being 274 million euros as of December 31, 2023 compared to 343 million euros as of December 31, 2022.

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 judgment 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)	2023	2022
Value added tax receivable	33	50
Research tax credit and subsidies	3	1
Prepaid expenses	13	12
Other	138	207
Other operating current assets	**187**	**271**
Taxes payable	(17)	(42)
Accrued royalties expense	(31)	(38)
Payables for fixed assets	(6)	(32)
Other	(149)	(232)
Other operating current liabilities	**(202)**	**(344)**

Other operating current assets and liabilities mainly relate to the sourcing activities for manufacturers in the Connected Home division.

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 millions)	2023	2022
Current income tax		
France	(2)	(1)
Foreign	(14)	(17)
Total current income tax	**(16)**	**(19)**
Deferred income tax		
France	0	0
Foreign	1	(12)
Total deferred income tax	**1**	**(11)**
Income tax (loss) on continuing operations	(15)	(30)

In 2023, the current income tax charge is mainly made of current taxes due in Brazil, Canada, India, Mexico, Italy and USA.

In 2022, the current income tax charge is mainly made of current taxes due in India, Poland, Mexico and Canada.

Please see section 6.2.1 for more details on the variation of deferred taxes.

6.1.2 Group tax proof

The following table shows the reconciliation of the expected tax expense – using the French corporate tax rate of 25.83% – and the reported tax expense. The items in reconciliation are described hereafter:

(€ in million)	**2023**	**2022**
Gain (Loss) from continuing operations	**(284)**	**(529)**
Gain (Loss) from associates	(25)	(311)
Income tax	(15)	(30)
Pre-tax accounting loss on continuing operations	**(243)**	**(188)**
	26%	*26%*
Expected tax benefit	**63**	**49**
Effect of unused tax losses and tax offsets not recognized as deferred tax assets [1]	8	(80)
Effect of permanent differences	(36)	(15)
Effect of different tax rates applied [2]	(9)	16
Effect of change in applicable tax rate	-	1
Effect of previous year adjustments[3]	(32)	-
Other differencies	(7)	-
Withholding taxes not recovered	(2)	-
Effective tax expense on continuing operations	**(15)**	**(30)**

[1] *In 2023, mainly due to the valuation allowance of deferred tax assets generated on the losses of the period.*
[2] *In 2022, mainly due to the valuation allowance of deferred tax assets generated on the losses of the period.*
[3] *In 2023, previous year adjustments were mainly caused by changes in filing position only impacting deferred tax assets.*

Pillar 2 - International tax reform

OECD's international tax reform, known as "Pillar 2", which aims in particular to establish a minimum tax rate of 15%, will come into force in France from the 2024 financial year. The Group has embarked on a project to identify the impacts and organize the processes needed to comply with its obligations. Given the current state of regulations in the countries in which the Group operates, and subject to future regulatory clarification, no significant financial consequences have been identified.

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 that 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 millions)	Deferred tax assets	Deferred tax liabilities	Total, net deferred tax assets
Year ended December 31, 2021	50	(20)	30
Changes impacting continuing profit or loss *	(35)	23	(12)
Other movement [1]	4	(6)	(2)
Year ended December 31, 2022	19	(3)	16
Changes impacting continuing profit or loss	(30)	30	0
Other movement [1]	32	(31)	1
Year ended December 31, 2023	20	(3)	17

(1) Mainly set off of deferred tax assets and liabilities of same maturities by taxable entity, tax impact on other comprehensive income, foreign exchange movements and tax impacts on discontinued operations.

As of December 31, 2023, the net deferred tax assets amounting to 17 million euros mainly relate to the recognition of losses carried forward and other temporary differences in Mexico, Australia, Brazil, Poland and India.

As of December 31, 2022, the net deferred tax assets amounting to 16 million euros mainly relate to the recognition of losses carried forward and other temporary differences in Mexico, Australia and Poland.

6.2.2 Source of deferred taxes

(€ in million)	2023	2022
Tax losses carried forward	**1 039**	**1 049**
Tax effect of temporary differences related to:		
Property, plant and equipment	20	12
Goodwill	4	4
Intangible assets	(82)	(48)
Receivables and other assets	27	22
Borrowings	193	198
Retirement benefit obligations	42	46
Provisions and other liabilities	156	115
Total deferred tax on temporary differences	**360**	**349**
Deferred tax assets / (liabilities) before netting	**1 399**	**1 398**
Valuation allowances on deferred tax assets	(1 380)	(1 382)
Net deferred tax assets / (liabilities)	**19**	**16**

Vantiva reports 2.7 billion euros of tax losses carried forward generated in countries where the Group still conducts business, no significant change compared to 2022.
In 2023, tax losses mainly arose from France, the US and Germany.

7 Equity & Earnings per share

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded for the proceeds received, net of direct issue costs.

Equity transaction costs
Incremental and external costs directly attributable to the equity transactions are accounted for as a deduction from equity.

7.1 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, 2022	**355 395 680**	**0,01**	**3 553 957**
Subscription of New Shareholders Warrants	36 062	0,01	361
Share Capital as of December 31, 2023	**355 431 742**	**0,01**	**3 554 317**

As of December 31, 2023, 17 200 Shareholders Warrants (corresponding to 36 062 new shares) have been exercised in the course of 2023 and 15,271,534 remain representing a maximum of 32,072,286 new shares.

Due to the Distribution, the ratio of the warrants (the "Shareholder Warrants"), which was established with a basis of 1 Shareholders Warrants for 1 existing share, 5 Shareholders Warrants giving right to subscribe to 4 new shares, was adjusted to a new ratio of 5 Shareholders Warrants giving the right to subscribe to 10.5 new shares.

As of December 31, 2023, and to the Company's knowledge, the following entities held more than 5% of the Company's share capital:

- TPG Angelo Gordon, held 79,671,524 shares which represent 22.4% of the share capital and 22.4% of the voting rights of the Company.
- Briarwood Chase Management LLC held 52,422,323 shares which represent 14.7% of the share capital and 14.7% of the voting rights of the Company;
- Bpifrance Participations S.A. held 38,437,497 shares which represent 10.8% of the share capital and 10.8% of the voting rights of the Company
- Baring Asset Management Ltd held, 29,016,111 shares which represent 8.2% of the share capital and 8.2% of the voting rights of the Company;
- Bain Capital Credit, LP held 23,740,198 shares which represent 6.7% of the share capital and 6,7% of the voting rights of the Company.
- Credit Suisse Funds AG held 22,512,745 shares which represent 6.3% the share capital and 6.3% of the voting rights of the Company.

7.2 Other elements of equity

7.2.1 Subordinated perpetual notes

On September 26, 2005, Vantiva issued deeply subordinated perpetual notes (TSS) in a nominal amount of 500 million euros. 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 euros (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 Vantiva'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 euros was paid to TSS holders as final payment of all interest claims in 2010.

7.2.2 Dividends and distribution

In connection with the 2021 and 2022 periods, Shareholders' Meetings held respectively on June 30, 2022 and June 20, 2023 did not vote for any payment of dividends.

7.2.3 Non-controlling interests

In 2023 and 2022, there is no change in non-controlling interests.

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 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 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 and shareholders' warrants, 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, except number of shares in thousands)	**2023**	**2022**
Net income (loss)	**(285)**	**151**
Net (income) loss attributable to non-controlling interest	-	-
Net (income) loss from discontinued operations	2	(680)
Numerator: Adjusted profit "Group share" from continuing operations attributable to ordinary shareholders	**(283)**	**(529)**
Basic weighted number of outstanding shares **('000)**	**355 432**	**268 949**
Dilutive impact of stock-option, free share and performance share plans and convertible debt	-	-
Denominator: Diluted weighted number of outstanding shares **('000)***	**355 432**	**268 949**

According to IAS 33, the dilutive impact has been assessed based on the net income / loss from continuing operations.

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 2023, TPG Angelo, Gordon & Co., L.P, which holds 22.4% of the equity of the group provided, together with Barclays, a 85 million euro loan to the Group. No interest for this loan was paid in 2023.

Vantiva accrued interests due to Angelo, Gordon & Co., L.P at the end of December 2023 for 20 million euros, giving a closing debt position of 131 million euros.

No other related party transactions have been identified in 2023.

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 correspond 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)	**2023**	**2022**
Cash	33	88
Cash equivalents	100	79
Cash and cash equivalents	**133**	**167**

At December 31, 2023, as at December 31, 2022, there is no restricted cash.

Cash equivalents

Cash equivalents amount to 100 million euros and have been invested in money-market funds.

8.2 Financial liabilities

8.2.1 Borrowings

8.2.1.1 Main features of the Group's borrowings

In October 2023, Vantiva has contracted a new short-term debt, maturing March 2023 for 85 million euros. The new debt had as objective to cover any short-term liquidity needs, including working caps needs and costs following the acquisition of Home Network division of CommScope, which took place on January 9, 2024.
The new debt was financed by the existing lenders (Angelo Gordon and Barclays) in favor of the subsidiary Vantiva Technologies SAS. An intra-group loan was then granted by Vantiva Technologies SAS to Vantiva SA for 85 million euros. Vantiva SA is the guarantor of this debt.

Details of the Group's debt without and with operating leases as of December 31, 2023, are given in the tables below:

Vantiva Dec 2023 Net Debt - without Operating Leases

EUR Millions

Borrower	Line	Characteristics		Nominal	IFRS Amts	Nominal Rate	IFRS Rate	Maturity
Vantiva	Barclays 1L	Cash: E + 2.5% Margin & PIK [(1)]	EUR	258	249	10,4%	13,7%	Sep-26
Vantiva	AG 2L	Cash: E + 4.00% & PIK: 5.00% [(2)]	EUR	131	125	13,4%	18,0%	Mar-27
Vantiva Technologies	Short Term Loan	PIK: E + 10%	EUR	85	85	14,0%	31,4%	
Technicolor USA Inc.	WF	WF Prime Rate + 2% Margin	USD	0	0	10,3%	10,3%	Sep-26
Several Aff	Capital Lease		Various	2	2	10,9%	10,9%	
Vantiva	Acc Interest Debt		EUR	7	7	N/A	N/A	
Vantiva	Acc PIK		EUR	17	17	N/A	N/A	
Several Aff	Others		Various	0	0	0,0%	0,0%	
	Total Debt			**499**	**485**	**11,3%**	**17,2%**	
	Cash & Cash Equivalents			**133**	**133**			
	Net Debt			**366**	**351**			

(1) *Cash Interest = Euribor + margin 2.5% and PIK interests: 3.00% for the first year, increasing to 4.00% 12 months after closing, then 5.5% 24 months after closing, then + 0.5% every 12 months thereafter*

(2) *Cash Interest: EURIBOR + 4.00% then 6.00% after year 2 // PIK interests: 5.00% for the first year, increasing to 5.5% after 12 months, then 6.0%*

Vantiva Dec 2023 Net Debt - with Operating Leases

EUR Millions

Borrower	Line	Characteristics	Currency	Nominal	IFRS Amts	Nominal Rate	IFRS Rate	Maturity
Vantiva	Barclays 1L	Cash: E + 2.5% Margin & PIK [(1)]	EUR	258	249	10,4%	13,7%	Sep-26
Vantiva	AG 2L	Cash: E + 4.00% & PIK: 5.00% [(2)]	EUR	131	125	13,4%	18,0%	Mar-27
Vantiva Technologies	Short Term Loan	PIK: E + 10%	EUR	85	85	14,0%	31,4%	Mar-24
Technicolor USA Inc.	WF	WF Prime Rate + 1.75 % Margin	USD	0	0	10,3%	10,3%	Sep-26
Several Aff	Operating Lease		Various	56	56	15,4%	15,4%	
Several Aff	Capital Lease		Various	2	2	10,9%	10,9%	
Vantiva	Acc Interest Debt		EUR	7	7	N/A	N/A	
Vantiva	Acc PIK		EUR	17	17	N/A	N/A	
Several Aff	Others		Various	0	0	0,0%	0,0%	
	Total Debt			**555**	**541**	**11,7%**	**17,0%**	
	Cash & Cash Equivalents			**133**	**133**			
	Net Debt			**422**	**407**			

(1) *Cash Interest = Euribor + margin 2.5% and PIK interests: 3.00% for the first year, increasing to 4.00% 12 months after closing, then 5.5% 24 months after closing, then + 0.5% every 12 months thereafter*

(2) *Cash Interest: EURIBOR + 4.00% then 6.00% after year 2 // PIK interests: 5.00% for the first year, increasing to 5.5% after 12 months, then 6.0%*

8.2.1.2 Key terms of the credit agreements

The new short-term loan bears an interest rate of 3 months EURIBOR plus a 10% margin.
The interests are capitalized and will be settled at the end of the loan or upon pre-payment.
The loan carries a 7% exit fee.

Security Package and Guarantors

Short Term Loan

The new short-term loan is secured with an extensive list of assets pledges to the lenders comprised of inventory, shares and assets of certain subsidiaries.

Pledges over other credit lines

The pledges under the other credit lines were untouched with WF mainly having first priority on US assets and First Lien and Second Lien secured by Connected Home assets (excluding US).

Mandatory and voluntary prepayments

In case of default or change of control of Vantiva, creditors will have the ability to immediately demand payment of all or a portion of the outstanding amounts.

100% of the net proceeds from non-ordinary disposal needs to be used to repay the debt, subject to reinvestment right, in the case of casualty events and the ability to retain up to 10 million euros of the cash proceeds.

The credit agreement defines an Excess Cash Flow, as a cash-flow generation that exceeds the needs of business operations.
Any Excess Cash Flow would trigger a mandatory partial repayment commencing for the fiscal year ending December 31, 2023 as per the test below:

- For 50% if Total Net Leverage Ratio > 2.20x
- For 25% if Total Net Leverage Ratio ≤ 2.20 and > 1.70x
- And 0% if Total Net Leverage Ratio < 1.70x

No excess cash flow occurred in December 2023.
The events of defaults in the Debt Instruments include among other things and are 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 million U.S. dollars.

Financial Covenants

The documentation for the 1st lien, 2nd lien, short term loan and Wells Fargo contains a leverage covenant, tested on June 30 and December 31 starting in June 2023 and requiring the ratio of total net debt to EBITDA to be less than or equal to the levels given below :

June 30, 2023	4.50 to 1.00
December 31, 2023	5.00 to 1.00
June 30, 2024	5.00 to 1.00
December 31, 2024 and thereafter	5.10 to 1.00

The breach of this financial covenant is an event of default upon the occurrence of which the lenders can instruct the debt's agent to declare it immediately due and payable.
The net debt as defined for the covenant is equal to the nominal value of the Group's debt (excluding operating leases under IFRS16) minus (i) cash and (ii) cash collaterals that guarantee debt.
The EBITDA as defined for the covenant is equal to the Group adjusted EBITDA minus all IFRS 16 expenses.
The calculated leverage ratios are shown below :

Date	Covenant Target	Actual
December 31, 2022	Not tested	1.66
June 30, 2023	4.5	3.66
December 31, 2023	5.00	3.37

Affirmative Covenants

The Debt Instruments (WF, 1L, 2L, Short Term Loan) contain various standard and customary affirmative covenants and in addition contain requirements to the Group to provide:

- Semestrial financials: unaudited balance sheet, income statement, and cashflow statement (without notes);
- Annual financials: audited balance sheet, income statement, and cashflow statement;
- Annual Budget including Revenues, EBITDA, cash-flows and indebtedness ratio.

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: The Group is limited in its ability to make external distributions, in particular to shareholders.

At December 31, 2023 Vantiva fully respects all applicable covenants and no case of default occurred 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.

8.3.1 Financial derivative portfolio

At December 31, 2023 and December 31, 2022, the fair value of the Group's financial derivatives was as follows:

(€ in million)	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Foreign currency hedges	1	2	2	0
Interest rate hedges	0	0	0	0
Total	**1**	**2**	**2**	**0**

Foreign currency hedge characteristics

The foreign currency hedges outstanding at December 31, 2023 are shown in the table below:

€ in millions	Currencies	Notional[(1)]	Maturity	Fair value[(2)]
Forward purchases/sales and currency swaps	EUR/AUD	2	2024	0
Forward purchases/sales and currency swaps	EUR/CAD	9	2024	0
Forward purchases/sales and currency swaps	EUR/GBP	59	2024	0
Forward purchases/sales and currency swaps	EUR/JPY	9	2024	0
Forward purchases/sales and currency swaps	EUR/USD	25	2024	0
Forward purchases/sales and currency swaps	GBP/USD	(38)	2024	0
Forward purchases/sales and currency swaps	USD/CAD	15	2024	0
Forward purchases/sales and currency swaps	USD/JPY	8	2024	0
Forward purchases/sales and currency swaps	USD/MXN	(28)	2024	0
Forward purchases/sales and currency swaps	Other pairs	(5)	2024	0
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, 2023

Interest rate hedges

The Group has no interest rate hedging instruments outstanding at December 31, 2023.

As a new debt was contracted on a EUR floating rate (EURIBOR), the Group has considered and is currently considering several options to hedge its interest rate exposures.

Instruments not documented as hedges

As of December 31, 2023 the Group does not have any outstanding derivative 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, the Group has a policy of covering transactional foreign exchange exposure. The exposure is covered with short-term derivatives instruments and rolled over as a function of the global exposure, which is monitored daily. The characteristics of its portfolio of hedging instruments at the closing date are 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 2023:

(in million euros)	Foreign currency hedges	
	Impact of effective portion[(1)]	Impact of ineffective portion[(2)]
Gross margin	**-3**	0
Net interest expense	0	-1
Foreign currency gain (loss)	0	2
Net financial result	**0**	**1**
Income (loss) from discontinued operations	0	0
Net income (loss)	**-3**	**1**
Gains/(losses) before tax resulting from the valuation at fair value of instruments hedging future cash flows	-1	0
Other comprehensive income (loss)	**-1**	**0**

(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 overedges. 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)".*

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 or OCI.

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 or through other comprehensive income

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)", or for equity investments that are not held for trading and upon initial election, in a dedicated line of the other comprehensive income.

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 stake in TCS has been presented in non-consolidated investments as explained in note 2.2.3

The table below shows the breakdown of the financial assets and liabilities by accounting category:

(€ in million)	At December 31, 2023	Measurement by accounting categories as of December 31, 2023				
		Amortized costs	Fair value through profit & loss	Fair value through equity	Derivative Instruments (see note 8.5)	Fair Value measurement
Non-consolidated Investments	**19**	-	19	-	-	Level 1/Level 3
Cash collateral & security deposits	15	6	9	-	-	Level 1/Level 2
Loans & others	1	1	-	-	-	Level 2
Subleases receivables	0	0	-	-	-	Level 2
Convertibles bond (1)	8	-	8	-	-	Level 3
Other non-current financial assets	**24**					
Total non-current financial assets	**43**					
Cash collateral and security deposits	20	0	20	-	-	Level 1
Other current financial assets	-	-	-	-	-	
Derivative financial instruments	1	-	-	-	1	Level 2
Other financial current assets	**21**					
Cash	34	-	34	-	-	Level 1
Cash equivalents	100	-	100	-	-	Level 1
Cash and cash equivalents	**133**					
Total current financial assets	**155**					
Non current borrowings (2)	(391)	(391)	-	-	-	Level 2
Borrowings	**(391)**					
Derivative financial instruments	-	-	-	-	-	Level 2
Other non-current liabilities	**-**					
Lease liabilities	**(37)**	(37)	-	-	-	Level 2
Total non-current financial liabilities	**(428)**					
Financial debt	**(92)**	(92)	-	-	-	Level 2
Lease liabilities	**(22)**	(22)	-	-	-	Level 2
Derivative financial instruments	(2)	-	-	-	(2)	Level 2
Other current financial liabilities	**(2)**	-	-	-	(2)	Level 2
Total current financial liabilities	**(118)**					
TOTAL FINANCIAL LIABILITIES	**(546)**					

(1) *The group model valued the convertible bond (Level 3) as the addition of :*
   - *a vanilla bond with a yield of 16% in line with the yield of debt similar to TCS debt at December 31*
   - *a long call representing the potential upside of conversion*
   - *a short call representing the ability of TCS to force the conversion*

   The model yields a 7.6 million euros valuation for a volatility of 130% (Reuters suggested volatility) and 9 million euros for a 77% Volatility (Long-Term Volatility). The group retained the former valuation.
   The model selected by the group returns a conservative valuation, which is in line with the low liquidity of the asset.

(2) *Borrowings are recognized at amortized costs (at cost, net of amortization). The total financial liabilities represent 545 million euros as of December 31, 2023 (431 million euros as of December 31, 2022).*

(€ in million)	At December 31, 2022, net	Measurement by accounting categories as of December 31, 2022				
		Amortized costs	Fair value through profit & loss	Fair value through equity	Derivative Instruments (see note 8.5)	Fair Value measurement
Non-consolidated Investments	**21**	-	21	-	-	Level 1/Level 3
Cash collateral & security deposits	15	6	9	-	-	Level 1/Level 2
Loans & others	1	1	-	-	-	Level 2
Subleases receivables	1	1	-	-	-	Level 2
Derivative financial instruments	-	-	-	-	-	Level 2
Other non-current financial assets	**18**					
Total non-current financial assets	**39**					
Cash collateral and security deposits	25	0	25	-	-	Level 1
Other current financial assets	-	-	-	-	-	
Derivative financial instruments	2	-	-	-	2	Level 2
Other financial current assets	**27**					
Cash	88	-	88	-	-	Level 1
Cash equivalents	79	-	79	-	-	Level 1
Cash and cash equivalents	**167**					
Total current financial assets	**194**					
Non current borrowings [(1)]	(363)	(363)	-	-	-	Level 2
Borrowings	**(363)**					
Derivative financial instruments	-	-	-	-	-	Level 2
Other non-current liabilities	**-**					
Lease liabilities	**(44)**	(44)	-	-	-	Level 2
Total non-current financial liabilities	**(407)**					
Financial debt	**(1)**	(1)	-	-	-	Level 2
Lease liabilities	**(23)**	(23)	-	-	-	Level 2
Derivative financial instruments	(0)	-	-	-	(0)	Level 2
Other current financial liabilities	**(0)**	-	-	-	(0)	Level 2
Total current financial liabilities	**(24)**					
TOTAL FINANCIAL LIABILITIES	**(431)**					

(1) *Borrowings are recognized at amortized costs. As of December 31, 2022, the fair value of the debt could not be estimated reliably by the Group.*

Some cash collaterals in 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

8.5.1 Market risk

Vantiva faces a wide variety of financial risks including market risk (due to fluctuations in exchange rates and interest rates), liquidity risk and credit risk.

Vantiva's financial risks are managed centrally by the Group Treasury Department in France and its regional treasury department in 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 monitored by the Group Internal Control Department.

8.5.2 Interest rate risk

8.5.2.1 Exposure to interest rate risk

Vantiva is mainly exposed to interest rate risk on its indebtedness and deposits.

At December 31, 2023 the portion of the Group's financial debt exposed to floating interest rates is shown below. The Group does not have any interest rate hedging operations outstanding.

(€ in million)	2023
Nominal Gross Debt (Without Operating Leases)	499
Percentage at Floating Rate	95%

In 2023 the Group's deposits were entirely at floating rate.

8.5.2.2 Interest rate risk management

At December 31, 2023, the Group has no outstanding interest rate hedging operations.

The interest rates' markets have been particularly volatile since the second half of 2022.The main Central Banks, (i.e. the FED and BCE), are constantly monitoring the inflation rate that has increased significantly in 2022 and have reacted with the classical monetary policy instruments of raising interest rates. By the beginning of February 2024, as some inflation indicators are starting to ease, the main Central Banks are targeting a gradual decrease of the interest rates.

The Group closely monitors the change in the market curves and its impact on the Group's future cash flow. Hedging alternatives have been and are being discussed and Vantiva might engage in interest rates hedging instruments.

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, 2023 of a variation versus current rates		
(€ in million)	Impact on cash net interest	Impact on equity before taxes
Impact of interest rate variation of +1%	(5)	(5)
Impact of interest rate variation of -1%	5	5

8.5.3 Foreign exchange risk

8.5.3.1 Translation Risk

The Group's consolidated financial statements are presented in euros. 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 value of the net equity of the foreign subsidiaries, as determined above, is translated into euros, and the change in the euro value is captured on "Cumulative translation adjustment" in the Group's consolidated statement of financial position.

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 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 euros. 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 114 million U.S.dollars in 2023 versus 89 million U.S. dollar in 2022.

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.

Given the Group business cycles, the Group's policy is to hedge on a short-term basis for up to 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 roll over as a function of its global exposure which is monitored on 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 Vantiva's Group Treasury Department borrows with the currencies that it lends, Vantiva may enter into currency swaps primarily to convert euro borrowings into U.S. dollars or vice versa. The forward points on these currency swaps are accounted for as interest, with a result of (1.2) million euro in 2023 and (2.5) million euros in 2022.

8.5.3.4 Sensitivity to 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.

2023 *(€ in million)*	**Transaction**	**Translation**	**Total**
Profit from continuing operations before tax and net finance costs [(1)]	(12)	(12)	(23)
Equity Impact (cumulative translation adjustment) [(2)]		59	59

[(1)] *Profit impact*

- *Transaction impact is 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 affiliates which have the euro as functional currency and to the (ii) net euro exposure of affiliates that have the U.S. dollar as functional currency.*
- *Translation impact is 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 the 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 subsidiaries that are denominated in U.S. dollars.*

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 Vantiva:

- 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 to manage underlying credit risk. The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets.
- With 133 million euros cash and cash equivalents as of December 31, 2023, the Group minimizes this risk by limiting the deposits made with any single bank and by making deposits primarily with banks that have strong credit ratings and by investing in diversified, highly liquid money market funds.

As of December 31, 2023, 73% of the Group's cash was deposited with well rated (AAA) money market funds and 27% of the cash deposited with highly-rated banks.

- 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 mark-to-market carrying values are therefore a good proxy of the maximum credit risk.

Vantiva's clients are mainly large well-financed network operators and major studios. 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.

Derecognized transferred financial assets

The Group uses factoring agreements to discount some of its receivables. As of December 31, 2023, 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, 2023 is equal to 78 million euros. The cost associated for the whole year is about 6.7 million euros 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 acknowledgment 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. To reduce this risk, the Group pursues policies with the objective 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), 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, 2023.

	December 31, 2023							
	2024-S1	2024-S2	2025	2026	2027	2028	After	Total
Barclays 1L				258				258
AG 2L					131			131
Short Term Loan	85							85
Accrued Interests	6			1	0			7
PIK Interests				11	5			17
Lease liabilities	12	10	13	10	7	7	0	58
Other debt								0
Total debt principal payments	**103**	**10**	**13**	**279**	**144**	**7**	**0**	**555,4**
Ajustement IFRS								-15
Debt in IFRS								**541**

	2024-S1	2024-S2	2025	2026	2027	2028	After	Total
Cash Interest 1L	8	8	13	10				39
Cash Interest 2L	5	6	12	12	3			38
PIK Interests 1L & 2L + Exit Fees				65	42			107
Short Term Loan	11							11
Lease liabilities - interest	4	4	3	3	2	2	1	19
Other debt - interest								0
Total Interest payments	**29**	**17**	**28**	**90**	**48**	**2**	**1**	**215**
Minus PIK already included on Debt Principal								-14
Total Interest payments								**201**

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.

The group has mechanisms in place in order to be able to manage liquidity in countries where there are foreign exchange controls. The cash position in these countries (India and China) amounts to 10 million euros in 2023 (vs 16 million euros in 2022), mainly covering short-term needs.

Credit Lines

(€ in million)	2023*	2022
Undrawn, committed lines expiring in more than one year	113	117

**Undrawn confirmed line remains the same amount at $125m but at different exchanges rates*

The Group's committed credit lines consist of a receivable-backed committed credit facility in an amount of 125 million U.S. dollar, equivalent to 113 million euros at the December 31, 2023 exchange rate, (the "WF Line"). The availability of this credit line varies depending on the amount of trade receivables and inventories. At December 31, 2023, 76 million euro worth of financing was available. This facility was undrawn at December 31, 2023.

Factoring

By December 31, 2023 the group had 102 million euros of outstanding factoring amounts which were divided in 24 million euros of clients reverse factoring programs and 78 million euros of non-recourse factoring.

For the non-recourse factoring program, the Group counts with 2 counterparties, Wells Fargo in the USA and Eurofactor in France. The Group has concluded that under these contracts, the receivables should be derecognized. In particular, the amounts received are definitive and cannot be changed based on future performance. The group only retains a dilution risk, that has been historically very low.

In France, transferred receivables are covered by an insurance program, with benefits transferred to the financial institution.

9 Employee benefits

9.1 Information on employees

The total headcount of the Group consolidated entities as of December 31, 2023 is 4,328 employees (5,322 as of December 31, 2022). Please refer to chapter 5.2 of the Universal Registration Document for more detail on employees of the Group.

The employee benefits expenses (including only employees in the consolidated entities) are detailed below:

(€ in million)	**2023**	**2022**
Wages and salaries	176	230
Social security costs	25	64
Compensation expenses linked to share-based payments granted to directors and employees (Note 9.3.3)	1	6
Pension costs - defined benefits plans (Note 9.2.2.1)	2	2
Termination benefits	15	14
Total employee benefits expenses (excluding defined contribution plans)	**219**	**316**
Pensions costs - Defined contribution plans	**8**	**9**

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 and longevity 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 Vantiva'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

(€ in million)	Pension plan benefits		Medical post-retirement benefits		Total	
	2023	2022	2023	2022	2023	2022
At January 1	**223**	**291**	**2**	**5**	**225**	**295**
Net periodic pension cost	12	7	-	-	12	7
Curtailment	(0)	(1)	-	-	(0)	(1)
Benefits paid and contributions	(28)	(26)	-	(1)	(28)	(27)
Change in perimeter	0	0	-	(2)	-	(2)
Actuarial (gains) losses recognized in OCI	7	(49)	-	-	7	(49)
Currency translation adjustments and other	0	1	-	-	0	1
At December 31th	**213**	**223**	**2**	**2**	**215**	**224**
Of which current	*34*	*33*	*0*	*0*	*34*	*33*
Of which non-current	*179*	*190*	*2*	*2*	*181*	*191*

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 Vantiva for continuing operations amounted to 9 million euros in 2023 as in 2022.

9.2.1.2 Defined benefit plans

These plans mainly cover pension benefits, retirement indemnities and medical post-retirement benefits. In 2023, the geographical breakdown of such net obligations was as follows:

(€ in million) 2023	Germany	U.S.	U.K.	France	Others	Total
Present value of defined benefit obligation	172	85	89	6	25	378
Fair value of plan assets	(1)	(62)	(84)	-	(15)	(162)
Retirement benefit obligations	**172**	**23**	**5**	**6**	**10**	**216**
Cash flows	(15)	(1)	(8)	-	(3)	(27)
Average duration (in years)	9	8	13	8	11	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 the plan based on final pay and services. The pension plans are no longer available to new entrants. The beneficiaries of this plan are (almost) all retirees.

- **In the United States**, the employees of Vantiva are covered by defined benefit pension plans. Vantiva 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 Members' 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.

- **In the United Kingdom**, Vantiva 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.

- **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 usually from 62 to 64, but the observed average retirement age is 64.

- **In other countries**, Vantiva maintains pension plans in Mexico, Belgium, South Korea and in Japan. The benefits are mainly based on employees' pensionable salary and length of service.

Medical Post-retirement benefits

In the U.S. Vantiva 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.

9.2.2 Elements of the statement of operations and other comprehensive income

9.2.2.1 Statements of operations

(€ in million)	Pension plan benefits		Medical Post-retirement benefits		TOTAL	
	2023	2022	2023	2022	2023	2 022
Service cost:						
- Current service cost	(2)	(2)	-	0	(2)	(2)
- Past service cost and gain from settlements	-	0	-	0	-	0
Financial interest expense, net:						
- Interest cost on obligation	(16)	(8)	-	0	(16)	(8)
- Interest income on plan assets	7	5	-	0	7	5
- Administrative expense and taxes	-	(1)				
Components of defined benefit costs recognized in profit or loss	**(11)**	**(6)**	**-**	**0**	**(11)**	**(6)**

9.2.2.2 Other comprehensive income

(€ in million)	Pension plan benefits		Medical Post-retirement benefits		TOTAL	
	2023	2022	2023	2022	2023	2022
Opening					**(146)**	**(196)**
Actuarial gains/(losses) arisen on plan assets:						
- due to the return on plan assets	0	(64)	-	0	0	(64)
Actuarial gains/(losses) arisen on benefit obligation:						
- due to changes in demographic assumptions	(2)	3	-	0	(2)	3
- due to changes in financial assumptions [1]	16	122	-	0	16	122
- due to experience adjustments	(8)	(12)	-	0	(8)	(12)
Components of defined benefit costs recognized in OCI	**6**	**49**	**-**	**0**	**6**	**50**
Closing					**(140)**	**(146)**

(1) In 2023, the variance in discount rates (see note 9.2.5) resulted in an actuarial gain for 7 million euros while in 2022 this variance resulted in an actuarial loss for 49 million euros.

9.2.3 Analysis of the change in benefit obligation and in plan assets

(€ in million)	Pension plan benefits		Medical Post-retirement benefits		TOTAL	
	2023	2022	2023	2022	2023	2022
Benefit obligation at opening	**(383)**	**(514)**	**(2)**	**(5)**	**(385)**	**(519)**
Current service cost	(2)	(2)	-	-	(2)	(2)
Interest cost	(16)	(8)	(0)	0	(16)	(8)
- changes in demographic assumptions	2	3	-	-	2	3
- changes in financial assumptions	(16)	122	-	0	(16)	122
- experience adjustments	8	(12)	-	0	8	(12)
Change in scope		0		2	-	3
Benefits paid	30	29	0	0	30	29
Currency translation adjustments	0	(2)	0	0	0	(1)
Benefit obligation at closing	**(377)**	**(383)**	**(1)**	**(2)**	**(378)**	**(385)**
Benefit obligation wholly or partly funded	*(184)*	*(188)*	*-*	*-*	*(184)*	*(188)*
Benefit obligation wholly unfunded	*(193)*	*(195)*	*(1)*	*(5)*	*(194)*	*(199)*
Fair value of plan assets at opening	**160**	**223**	**-**	**-**	**160**	**223**
Interest income	7	4	-	-	7	4
Remeasurement gains / (losses)	(1)	(65)	-	-	(1)	(65)
Employer contribution	8	8	-	-	8	8
Benefits paid	(12)	(11)	-	-	(12)	(11)
Currency translation adjustments	(1)	0	-	-	(1)	0
Others (Change in Pension system)	(1)	-	-	-	(1)	-
Fair value of plan assets at closing	**162**	**160**	**-**	**-**	**162**	**160**
Retirement benefit obligations	**(214)**	**(224)**	**(1)**	**(2)**	**(216)**	**(225)**

The Group expects the overall 2024 benefits paid to be equal to 32 million euros for defined benefits plans, of which 19 million euros directly by the company to the employees and 13 million euros 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 U.K., the investment strategy of the benefit plans aims to match the investment portfolio to the membership profile.

In the U.K., 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 2023 yearly funding contribution **is 6.8 million G.B. pounds (7.8 million euros at 2023 average rate).**

In the U.S., Vantiva'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. There was no contribution in 2023.

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 75%). Asset mix is fully based on bonds and cash equivalents. This year a mandate has been given to an external fund manager to apply this strategy.
- In the U.K., the funded status reaches 95%. Asset mix is based on 26% of insurance contracts that cover obligations with pensioners, 68% of bonds and cash equivalents, 2% of equity instruments, and 4% of properties.

9.2.4.2 Disaggregation of the fair value by category

(in % and € in millions)	Plan assets allocation at December 31		Fair value of plan assets at December 31	
	2023	2022	2023	2022
Cash and cash equivalents	3%	3%	5	5
Equity investments	39%	50%	63	79
Debt securities	44%	31%	71	50
Properties	0%	1%	0	2
Annuity contracts	15%	15%	24	25
Total	**100%**	**100%**	**162**	**160**

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 Vantiva's own financial instruments or any asset used by the Group.

The 2023 actual return on plan assets amounts to 7 million euros (versus a negative 59 million euro in 2022).

9.2.5 Assumptions used in actuarial calculation

	Pension plan benefits		Medical post-retirement benefits	
	2023	2022	2023	2022
Weighted average discount rate	4,01%	4,40%	4,70%	4,89%
Weighted average long-term rate of compensation increase	1,25%	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 U.K. 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*	3,17%	0,00%	N/A	Iboxx AA10+
U.K.	4,50%	N/A	N/A	Aon Hewitt AA curve
U.S.	4,60%	N/A	4,70%	Citigroup pension discount curve

(*) 3,70% retained in Belgium

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 8 million euros;
- If the discount rate is 0.25% lower, the obligation would increase by 8 million euros;
- If the healthcare costs are 1% higher, the obligation would increase by less than 1 million euro;
- If the healthcare costs are 1% lower, the obligation would decrease by less than 1 million euro;
- If the salary increase rate is 0.25% higher, the obligation would increase by less than 1 million euro;
- If the salary increase rate is 0.25% lower, the obligation would decrease by less than 1 million euro.

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 may use equity-settled and cash-settled share-based incentives 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 Black-Scholes valuation model is also used to take into account the market conditions of the plans' Group.

9.3.1 Stock-options plans granted by Vantiva

Management Incentive Plans (MIP)

Remaining options related to MIP 2017 have been canceled after plan expiration on June and October, 2022, and consequently at December 31, 2023 no further options relating to MIP plans are outstanding.

2022 LTIP

The Shareholders' Meeting of September 6, 2022, in its fourteenth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of 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 September 6, 2025. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3% of the share capital stated at the date of use of the authorization.

Making use of this authorization and upon recommendation by the Remuneration Committee, the Board of Directors approved on December 21, 2022, the implementation of the 2022 Long-Term Incentive Plan and granted 2,665,074 free shares to the Chief Executive Officer.

This three-year plan provides conditional rights to the beneficiary 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 (i.e. December 21, 2025) and the achievement of three performance conditions each partly conditioning the definitive delivery of the shares: (i) one financial condition based on the 2023, 2024 and 2025 operating cash

flows (conditioning the definitive delivery of 40% of the shares), (ii) another condition based on the Total Shareholder Return ("TSR") until the end of 2025 (weighting for 40%), and and (iii) a CSR condition based on the Vantiva three annual ratings following 2023 issued by Ecovadis (weighting for 20%).

An additional grant of Performance Shares to the members of the Executive Committee under the LTIP 2022 was decided by the Board of Directors on January 31, 2023. 7,995,223 Performance Shares were granted and allocated between Executive Committee's members. These Performance Shares have the same characteristics as those granted to the Chief Executive Officer. For this grant made on January 31, 2023, the acquisition date shall be January 31, 2026.

2023 LTIP

The Shareholders' Meeting of June 20, 2023, in its twenty-third resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of Group's employees or certain categories of employees and corporate officers. This authorization has been given for a 38-months period and is valid until August 20, 2026. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 4% of the share capital stated at the date of use of the authorization.

Making use of this authorization and upon recommendation by the Remuneration Committee, the Board of Directors approved on July 13, 2023, the implementation of the 2023 Long-Term Incentive Plan and granted 13,981,244 free shares to the Chief Executive Officer and Executive Committee's members.

This three-year plan provides conditional rights to the beneficiary 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 (i.e. July 13, 2026) and the achievement of three performance conditions each partly conditioning the definitive delivery of the shares: (i) one financial condition based on the 2024, 2025 and 2026 operating cash flows (conditioning the definitive delivery of 40% of the shares), (ii) another condition based on the Total Shareholder Return ("TSR") until the end of 2025 (weighting for 40%), and (iii) a CSR condition based on the Vantiva three annual ratings following 2024 issued by Ecovadis (weighting for 20%).

The details of these options and shares are disclosed hereafter:

	Type of plan	Grant date	Number of instruments initially granted	Number of instruments outstanding [(1)]	Initial number of beneficiaries	Vesting date	Contractual instrument life	Exercise price / Share value [(1)]	Estimated fair values granted [(1)]
2022 LTIP (*)	Performance shares	December 21, 2022	2 665 074	2 665 074	1	December 2025	3 years	€ 0,19	€ 0,14
2023 LTIP (*)	Performance shares	January 31, 2023	7 203 758	7 203 758	7	January 2026	3 years	€ 0,27	€ 0,22
2023 LTIP (*)	Performance shares	July 13, 2023	12 759 411	12 759 411	17	July 2026	3 years	€ 0,22	€ 0,17

(*) Long-Term Incentive Plan (LTIP) (see description above).

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 2023 and 2022:

		Number of options and free shares	Weighted Average Exercise Price / Share value *(in €)*
Outstanding as of December 31, 2021		**5 876 387**	**3,74** *(ranging from 0 to 192)*
	Of which exercisable	*76 368*	*152,17*
Granted [1]		2 665 074	0,19
Delivered (Free Share Plan)		*(4 094 771)*	2,60
Delivered (MIP)		-	-
Forfeited & other		(1 750 253)	5,22
Outstanding as of December 31, 2022		**2 696 437**	**1,00** *(ranging from 0 to 74)*
	Of which exercisable	*31 363*	*70,15*
Granted [1]		19 529 099	0,24
Vested		*434 070*	0,00
Forfeited & other		(31 363)	70,15
Outstanding as of December 31, 2023		**22 628 243**	**0,23** *(ranging from 0,19 to 0,23)*
	Of which exercisable	-	-

[1] Related to 2022 and 2023 Long Term Incentive Plan (LTIP).

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 options plan granted in		
(in % and in euro)	December 2022	January 2023	July 2023
Weighted average share price at measurement date	0,19	0,27	0,22
Expected volatility	0,61	0,61	61%
Risk free rate	2,00%	2,00%	2,00%
Expected dividend yield	0,00%	0,00%	0,00%
Fair value of option at measurement date	0,14	0,22	0,17

Factors that have been considered in estimating expected volatility for the long-term maturity performance shares plans include:
- the historical volatility of Vantiva's shares over the longest period available;
- adjustments to this historical volatility based on changes in Vantiva's business profile.

9.3.3 Compensation expenses charged to income

The compensation charged to income for the services received during the period amount respectively to (0.9) million euro for the year ended December 31, 2023 and (0.1) million euro for the year ended December 31, 2022. The counterpart of this expense has been credited to equity.

As of December 31, 2023, balances of lapsed plans amounting to 1.3 million euro 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 0.5 million euro in 2023 and 0.8 million euro in 2022. The amounts due to Directors who are non-resident for French tax purposes are subject to a withholding tax. Fees due to Directors and advisors in respect to fiscal year 2023 will be paid in 2024.

Compensation expenses allocated by the Group to Members of the executive committee, during 2023 and 2022 are shown in the table below: (including those who left this function during 2023 and 2022)

(€ in million)	2023	2022
Short-term employee benefits (1)	7	7
LT employment benefit	1	3
Termination benefits (2)	2	2
Share-based payment	0	1
Total	**10**	**13**

(1) 8 members in 2023 and 9 members in 2022.
(2) Amounts accrued under post-employment obligations are almost nil as of December 31, 2023 and 2022.

The Members of the executive committee can benefit from severance packages in case of an involuntary termination and in absence of fault, which represent a total estimated amount of 2.2 million euros.

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

Vantiva'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)	Provisions for warranty	Provisions for risks & litigations related to		Provisions for restructuring related to		Total
		continuing operations	discontinued operations	continuing operations	discontinued operations	
At December 31, 2022	**19**	**18**	**24**	**10**	**-**	**70**
Current period additional provision	8	6	4	19	2	39
Release	(10)	(2)	(6)	(5)	-	(23)
Usage during the period	(3)	(0)	(6)	(18)	-	(27)
Other movements and currency translation adjustments	(1)	(1)	-	(1)	(0)	(3)
At December 31, 2023	**13**	**21**	**16**	**6**	**2**	**56**
Of which current	*13*	*8*	*2*	*5*	*2*	*30*
Of which non-current	*-*	*13*	*14*	*-*	*-*	*27*

The provisions for restructuring are mainly composed of termination costs related to continuing operations (for both employees and facilities).

10.2 Contingencies

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. Vantiva challenged the entirety of this assessment before the Brazilian courts and won at the first administrative level. The Receita Federal Brasil (federal tax authority) appealed and Vantiva is now waiting for the outcome of this appeal.

Taoyuan County Form RCA Employees' Solicitude Association

Vantiva, certain of its subsidiaries ("hereinafter Vantiva") 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. 15.8 million euros at the exchange rate as of December 31, 2022) 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 260 final claims in December 2019.

On March 5, 2020, the Taiwan High Court ruled on the 246 remanded claims and awarded NTD 54.7 million (1.6 million euros at the exchange rate as of December 31, 2023) in damages plus interest to 24 members. This ruling was appealed to the Taiwan Supreme Court and on March 11, 2022, the Supreme Court remanded 222 previously dismissed claims back to the High Court (where litigation continues) and confirmed the NTD 54.7 million High Court award.

General Electric paid to the Court the full amount for the 24 final claims in April 2022.

In 2016, the Association brought a second lawsuit against Vantiva 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. 70 million euros at the exchange rate as of December 31,2023) plus interest. Vantiva and General Electric were held jointly and severally liable. Vantiva filed its appeal of this decision to the Taiwan High Court in January 2020 and on April 21, 2022, the High Court entered judgment of NTD 1.667 billion (51 million euros at the exchange rate as of December 31, 2022) for 1,112 claims. This ruling is on appeal to the Taiwan Supreme Court. Due to an attachment made by the Association of certain GE assets, GE has deposited with the court in Taiwan a bank guarantee for NTD 3 billion (€ 91.7 million at the exchange rate as of December 31, 2023).

Should Vantiva 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 Vantiva may incur as a consequence of these lawsuits. Vantiva also has various avenues to mitigate any risk, including contractual indemnities owed to it by General Electric and others. Regarding claims against GE, Vantiva asserts, among other reasons, that TCETVT operated for less than four years after the purchase from General Electric, while General Electric and its predecessor-in-interest RCA Corporation, ultimately owned TCETVT for approximately twenty years of operations.

Cathode Ray Tubes cases

United States

In September 2019, Vantiva and other defendants entered into amended settlement agreements with a class of indirect purchaser plaintiffs in which the plaintiff class agreed to return a small portion of the original settlement amounts to defendants, including Vantiva, in return for plaintiffs from nine U.S. states being carved out of the amended settlements agreements. Objections to the amended settlements were resolved in favor of the settling parties on appeal. On September 16, 2022, plaintiffs' attorneys representing non-settling indirect purchasers filed a motion to revive their clients' claims against several proposed defendants (not including Vantiva), but that motion was withdrawn on February 23, 2023 in exchange for several of those proposed defendants' agreement to withdraw their own motion for sanctions against the filing counsel. The CRT cases, therefore, are all resolved as to Vantiva.

Europe

Since 2014, Vantiva 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 behavior in the CRT industry until 2005. All such cases are in the wake of the EU Commission decision of December 2012 pursuant to which Vantiva was fined 38.6 million euros as a result of alleged involvement in a cartel. The cases remaining are as follows:

- In the Netherlands, a case was filed by Vestel group, a Turkish TV manufacturer, to the Court of Oost Brabant, under Turkish law. On January 17, 2024, the Court of Oost Brabant's decided that Vestel is inadmissible in its claims against Technicolor/Vantiva and the other defendants LG, Samsung …(except for TTD and TDP). It is likely that Vestel brings an Appeal in the coming weeks
- In Turkey, Vestel had initially filed a lawsuit, 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 the right to bring an appeal to the Supreme Court against the rejection of its request, still pending.

At this time, Vantiva is not in a position to assess the potential outcome from those cases and the resulting potential liability due to the complexity of the proceedings and the applicability of EU law to this dispute.

Settlements: Vantiva 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 Vantiva'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 Vantiva 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, with the Groundwater Remediation Plan Fourth Amendment (Fourth Revision) and Off-site Groundwater Work Plan, First Amendment (Fourth Revision) approved by EPB on July 21, 2020. Vantiva 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.

11 Specific operations impacting the consolidated statement of cash-flows

11.1 Cash impact of debt repricing and financing operations

(€ in million)	**2023**	**2022**
Proceeds from non-current borrowings (1)	0	356
Reimbursement of non-current borrowings to debt holders (2)	(1)	(1 138)
Cash impact of non-current borrowings variation	**(1)**	**(782)**
Proceeds from current borrowings	83	0
Reimbursement of current borrowings to debt holders (3)	(25)	(22)
Cash impact of current borrowings variation	**58**	**(22)**
Increase in capital (4)	(1)	284
Fees paid in relation to financing operations and other (5)	6	1
CASH IMPACT ON NET FINANCING CASH USED IN CONTINUING OPERATIONS	**63**	**(518)**
Proceeds from current borrowings (6)	(0)	575
Reimbursement of current borrowings to debt holders (7)	(3)	(31)
CASH IMPACT ON NET FINANCING CASH USED IN DISCONTINUED OPERATIONS	**(4)**	**544**

(1) In 2022, proceeds from borrowings related to 375 million euros debt package provided by Barclays and Angelo Gordon minus initial discounts and fees.

(2) In 2022, repayment of Safeguard debt.

(3) In 2023, 25 million euros related to repayments of lease debts.
In 2022, 22 million euros related to repayments of lease debts.

(4) In 2022, Vantiva increased its capital as part of its refinancing.
Fees incurred to relation with the capital increased for Home Networks acquisition

(5) Fees paid directly linked to the Group’s debt have been recorded as financing cash flows for 6 million euros in 2023.
In 2022, it included mainly fees paid directly linked to the Group’s debt refinancig recorded as financing cash flows for 5 million euros

(6) September 15, 2022, a 623 million euro floating rate First Lien Term Facility was issued for TCS, this operation being a part of the refinancing package.

(7) In 2023, 3 million euros related to repayments of lease debts.
In 2022, 27 million euros related to repayments of lease debts.

The tables below show the Group's borrowing variation in the statement of financial position:

(€ in million)	Dec, 31, 2022	Cash impact of borrowing variation [1]	Non cash variation						Dec, 31, 2023
			Non cash movements on lease contracts	IFRS adjustment	Interest expenses	Currency Translation Adjustments and Forex	Scope change	Transfer Current - Non current	
Non current borrowing	363	(1)	-	5	24	(0)	-	-	391
Current borrowing	1	83	-	-	6	2	-	-	92
TOTAL BORROWING	**364**	**82**	**-**	**5**	**30**	**2**	**-**	**-**	**483**
Non current lease liabilities	44	(28)	21	-	-	(2)	-	1	37
Current lease liabilities	23	(0)	(0)	-	-	(0)	-	(1)	22
TOTAL LEASE LIABILITIES	**66**	**(28)**	**21**	**-**	**-**	**(2)**	**-**	**(0)**	**58**

(1) In 2023, €83 million are related to bridge loan.

(€ in million)	Dec, 31, 2021	Cash impact of borrowing variation [1]	Non cash variation						Dec, 31, 2022
			Non cash movements on lease contracts	Effect of financial restructuring	Interest expenses	Currency Translation Adjustments and Forex	Scope change	Transfer Current - Non current	
Non current borrowing	1 025	(222)	-	76	44	5	(565)	-	363
Current borrowing	17	11	-	-	(14)	0	(15)	-	1
TOTAL BORROWING	**1 042**	**(211)**	**-**	**76**	**29**	**6**	**(580)**	**-**	**364**
Non current lease liabilities	145	(39)	66	-	-	10	(145)	6	44
Current lease liabilities	48	(10)	3	-	-	1	(12)	(6)	23
TOTAL LEASE LIABILITIES	**192**	**(49)**	**69**	**-**	**-**	**11**	**(157)**	**0**	**66**

(1) In 2022, 544 million euros are related to discontinued activities.

11.2 Contractual obligations and commercial commitments

The Group provides certain guarantees to third parties (financial institutions, customers, partners and government agencies) to ensure the fulfilment of contractual obligations by Vantiva and its consolidated subsidiaries in the ordinary course of their business. The guarantees do not increase the Group's commitments in relation to the initial commitments undertaken by the entities concerned. These commitments (letters of credit) represent 7 million euros at the end of 2023.

Subsidiaries within the SCS 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. Some guarantees provided are covered by insurance.

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.

12 Discontinued operations and held for sale operations

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.

In accordance with IFRS 5, the line income (loss) from discontinued operations presented in Vantiva's consolidated statement of operations and the line net cash used in discontinued activities of the consolidated statement of cash flows includes :

- Technicolor Creative Studios' earnings and cash flows relate to remaining subsequent impacts of activities disposed in 2022;
- Trademark Licensing activity earnings and cash flows relate to remaining subsequent impacts of activities disposed in 2022;
- Other discontinued activities relate to remaining subsequent impacts of activities disposed or abandoned such as Cathode Tubes activities from 2004 and 2005.

12.1.1 Results of discontinued operations

	Year ended December 31							
(€ in million)	2023	Technicolor Creative Studios	Trademark Licensing	Other	2022	Technicolor Creative Studios	Trademark Licensing	Other
DISCONTINUED OPERATIONS								
Revenues	0	(0)	0	0	630	623	6	0
Cost of sales	(0)	1	(0)	(1)	(542)	(542)	(0)	0
Gross margin	**(0)**	**1**	**0**	**(1)**	**88**	**82**	**6**	**(0)**
Selling and administrative expenses	1	1	(0)	(0)	(64)	(60)	(1)	(3)
Research and development expenses	(1)	(0)	0	(1)	0	0	(0)	(0)
Restructuring costs	(2)	(2)	-	(0)	(2)	(3)	0	1
Net impairment losses on non-current operating assets	0	-	-	0	(2)	(1)	-	(1)
Net gain on Technicolor Creative Studios divestiture					633	633		
Net gain on Trademark Licensing disposal	-	-	-	-	57	-	57	-
Other income (expenses)	1	(2)	-	3	(1)	(2)	(0)	1
Earnings before Interest & Tax from discontinued operations	**(1)**	**(3)**	**0**	**2**	**709**	**650**	**62**	**(2)**
Financial net expenses	(1)	(4)	3	0	(11)	(13)	2	(0)
Share of Income (Loss) from associates								-
Income tax	0	(0)	0	0	(17)	(17)	(0)	(0)
Net gain (loss)	**(2)**	**(7)**	**3**	**2**	**680**	**619**	**63**	**(2)**

12.1.2 Net cash from discontinued operations

(€ in million)	Year ended December 31,							
	2023				2022			
	TOTAL	Technicolor Creative Studios	Trademark Licensing	Other	TOTAL	Technicolor Creative Studios	Trademark Licensing	Other
Profit (loss) from discontinued operations	(2)	(7)	3	2	680	619	63	(2)
Summary adjustments to reconcile profit from discontinued activities to cash generated from discontinued operations								
Depreciation and amortization	0	0	-	0	64	63	-	1
Net change in provisions	(6)	(2)	-	(4)	(1)	3	(0)	(4)
Net gain on Technicolor Creative Studios divestiture	-	-	-	-	(633)	(633)	0	-
Net gain on Trademark Licensing sale	-	-	-	-	(57)	-	(57)	-
(Gain) loss on asset disposals	0	-	-	0	1	0	0	0
Interest (income) and expense	0	(0)	-	0	14	13	-	0
Other items (including tax)	1	0	0	0	13	13	0	0
Changes in working capital and other assets and liabilities	5	5	0	(0)	(86)	(77)	4	(13)
Interest paid on lease debt	(0)	-	-	(0)	(10)	(10)	-	(0)
Interest paid	0	-	-	0	(1)	(1)	-	0
Interest received	0	0	-	-	1	1	-	0
Income tax paid	1	2	(0)	(0)	(17)	(17)	(0)	0
NET OPERATING CASH GENERATED FROM DISCONTINUED OPERATIONS (I)	(1)	(2)	3	(2)	(32)	(24)	10	(18)
Acquisition of subsidiaries, associates and investments, net of cash acquired	(16)	(16)	-	-	(4)	(0)	(0)	(4)
Effect from Technicolor Creative Studios divestiture	-	-	-	-	(52)	(52)	-	-
Effect from Trademark Licensing disposal	-	-	-	-	88	-	88	-
Purchases of property, plant and equipment (PPE)	(0)	-	-	(0)	(25)	(25)	-	(0)
Proceeds from sale of PPE and intangible assets	-	-	-	-	1	1	-	-
Purchases of intangible assets including capitalization of development costs	-	-	-	-	(19)	(19)	-	-
Cash collateral and security deposits reimbursed by third parties	1	-	-	1	2	(0)	-	2
Loss (granted to)/ reimbursed by third parties	-	-	-	-	-	-	-	-
NET INVESTING CASH USED IN DISCONTINUED OPERATIONS (II) [1]	(15)	(16)	-	1	(10)	(95)	88	(2)
Proceeds from borrowings	-	-	-	-	575	153	-	422
Repayments of lease debt	(3)	-	-	(3)	(27)	(25)	-	(2)
Repayments of borrowings	(0)	-	-	(0)	(3)	(3)	-	-
NET FINANCING CASH USED IN DISCONTINUED OPERATIONS (III)	(4)	-	(0)	(4)	544	136	-	408
NET CASH FROM DISCONTINUED OPERATIONS (I+II+III)	(20)	(18)	3	(5)	502	17	98	387

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)	December 31, 2023	December 31, 2022
Assets classified as held for sale	1	1
Liabilities classified as held for sale	-	-

As of December 31, 2023, assets held for sale include real estate right-of-use assets available for long-term sublease or in renegotiation with the lessor for 1 million euro as in December 2022.

13 Subsequent events

13.1 CommScope acquisition

On January 9th, 2024, the Group completed the acquisition of CommScope's Home Networks division, a US provider of devices that supply residential connectivity and video set top box solutions. The acquisition of CommScope Home Networks represents a transformational transaction for Vantiva, as it will significantly increase Vantiva's Connected Home capabilities.

The acquisition has been settled through the issuance of 134.7 million Vantiva's shares. The fair value of the equity transferred based on January 9, 2024 value at Close is 16 million euros.

Following this acquisition, CommScope is the first shareholder of the Vantiva Group.

The Group is currently conducting a review of its opening balance sheet and the purchase price allocation work with external valuation experts and accountants. At the date of the closing the Group was not able to conclude on the value of the earn-out liability, the intangible assets, nor some contingent liabilities and onerous commitments due to the late finalization of the budget process and the on-going due diligences. Also, the group is still reviewing the recoverability or economic benefit of some current assets (mainly for accounts receivable of c. 250 million U.S. dollars and inventories of c. 100 million U.S. dollars). Account payables represent c. 200 million U.S. dollars.

Total sales for the combined group amounted to 3,112 million euros (1,120 million euros in 2023 reported by CommScope for the Home Networks division).

CommScope reported for 2023 a (607) million U.S. dollars Operating Loss (US GAAP) from the discontinued activity of Home Networks, including (567) million U.S. dollars of non-cash items (mainly impairment of assets).Total combined earnings before interest and taxes could not be determined reliably in IFRS, due to the uncertainty in determining capitalized expenses and ensuring the basis for allocated expenses.

At this stage, it is probable for this combination to result in a bargain purchase and a negative goodwill. If a negative goodwill is confirmed, it would be mostly explained by the necessary investments and/or future restructuring expenses that would be considered by any market participant.

13.2 Short term loan repayment

In February 2024, the 85 million euro short term loan was partially repaid (€48 million, including €42.5 million of the principal amount, interest and exit fees accrued to date). Vantiva has agreed with the lenders to extend its maturity date from March 2024 to June 2024.

13.3 Change in governance

On February 8, 2024 Brian Shearer, Head of European Credit Solutions at Angelo, Gordon & Co., L.P. ("TPG Angelo Gordon"), has been appointed as a Director and Chairman of Vantiva's Board of Directors, replacing Richard Moat.

14 Table of auditors' fees

	Deloitte		Mazars		Total	
(in thousands of euros)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Statutory audit, certification, consolidated and individual financial statements						
▪ Vantiva SA	651	768	716	889	1 367	1 657
▪ Subsidiaries	835	620	785	737	1 620	1 357
Subtotal	**1 486**	**1 387**	**1 501**	**1 626**	**2 987**	**3 013**
Services other than certification of financial statements as required by laws and regulations (1)						
▪ Vantiva SA	151	136	131	230	282	366
▪ Subsidiaries	-	18		22	-	40
Subtotal	**151**	**154**	**131**	**252**	**282**	**406**
Services other than certification of financial statements provided upon the entity's request (2)						
▪ Vantiva SA	-	0	-	0	-	-
▪ Subsidiaries	8	9	-	0	8	9
Subtotal	**8**	**9**	**0**	**0**	**8**	**9**
TOTAL	**1 645**	**1 550**	**1 632**	**1 878**	**3 277**	**3 428**

(1) Include capital increase and financial restructuring services in 2023 and 2023 and other services required by laws and regulation.

(2) Include services upon request of Vantiva or its subsidiaries (due diligence, legal and tax assistance, and various reports).

15 List of main consolidated subsidiaries

The following is a list of the principal consolidated holding entities and subsidiaries:

	% share held by Vantiva (% rounded to one decimal)	
COMPANY - (Country)	**2023**	**2022**
Fully consolidated		
Vantiva SA 10 Boulevard Grenelle, 75015 Paris (France)	Parent company	Parent company
Connected Home		
Beijing Vantiva Management Co., Limited (China)	100.0	100.0
Technicolor Asia Limited (Hong-Kong) [(1)]	0.0	100.0
Technicolor Brasil Midia e Entretenimento Ltda. (Brazil) [(1)]	100.0	100.0
Technicolor Connected Home Mexico S.A. De C.V. (Mexico) [(1)]	100.0	100.0
Vantiva India Private Limited (India)	100.0	100.0
Vantiva USA LLC (USA)	100.0	100.0
Vantiva Technologies SAS (France)	100.0	100.0
Vantiva Technologies Australia Pty Ltd (Australia)	100.0	100.0
Technicolor Delivery Technologies Belgium (Belgium)	100.0	100.0
Vantiva Technologies Canada Inc. (Canada)	100.0	100.0
Technicolor Japan K.K. (Japan) [(1)]	100.0	100.0
Vantiva Korea Yuhan Hoesa (Korea Republic)	100.0	100.0
Supply Chain solutions		
Technicolor Disc Services International Limited (UK) [(1)]	100.0	100.0
Technicolor Distribution Services France (France) [(1)]	100.0	100.0
Technicolor Distribution Australia Pty Limited (Australia) [(1)]	100.0	100.0
Vantiva Global Logistics, LLC (USA)	100.0	100.0
Technicolor Home Entertainment Services Canada ULC (Canada) [(1)]	100.0	100.0
Technicolor Home Entertainment Services de Mexico, S. de R.L. de C.V. (Mexico) [(1)]	100.0	100.0
Vantiva Supply Chain Solutions, Inc. (USA)	100.0	100.0
Vantiva SCS Nashville, LLC (USA)	100.0	100.0
Technicolor Mexicana, S. de R.L. de C.V. (Mexico) [(1)]	100.0	100.0
Technicolor Milan SRL (Italy) [(1)]	100.0	100.0
Technicolor Polska Sp. Z.O.O. (Poland) [(1)]	100.0	100.0
Vantiva SCS Export De Mexico (Mexico)	100.0	100.0

Technicolor Pty Limited (Australia) [(1)]	100.0	100.0
Vantiva SCS Memphis, Inc. (USA)	100.0	100.0
Corporate & Other		
Deutsche Thomson OHG (Germany)	100.0	100.0
Gallo 8 (France)	100.0	100.0
RCA Trademark Management (France)	100.0	100.0
Société Française d'Investissement et d'ArbitrageSofia (France)	100.0	100.0
Tech 9 (France)	100.0	100.0
Technicolor Asia Pacific Holdings Pte. Ltd (Singapour) [(1)]	100.0	100.0
Vantiva Treasury USA LLC (USA)	100.0	100.0
Vantiva USA Shared Services Inc. (USA)	100.0	100.0
Vantiva GBS Polska sp. z o.o. (Poland)	100.0	0.0
Vantiva Smart Spaces USA LLC. (USA)	100.0	0.0
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
Technicolor Creative Studios	0.0	35.0

(1) Name change from Technicolor to Vantiva ongoing