PRESS RELEASE

Technicolor: First Half 2022 Results

Paris (France), July 28th, 2022 – Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) is today announcing its results for the first half 2022. The Board of Directors of Technicolor S.A., meeting today, approved the Group's first half 2022 accounts and guidance.

- **Good set of results with strong performance across all divisions extending the positive momentum from the first quarter, and leading to improved financial performance of the Group compared to the first half 2021**:
  - **Revenues of €1,601 million,** up 18.4% (+8.8% at constant exchange rate);
  - **Adjusted EBITDA of €134 million, up €40 million** (+€29 million at constant exchange rate), with margin improving by 139 basis points to 8.4% of revenues;
  - **Free Cash Flow before financial and taxes of €(35) million, up €180 million** (+€178 million at constant exchange rate) with positive FCF of €90 million generated over the second quarter of 2022;
- **Technicolor confirms its 2022 guidance[1];**
- **Completion in May 2022 of the sale of the Trademark Licensing operations for an approximately €100 million cash consideration;**
- **The 65% partial spin-off of Technicolor Creative Studios is on track to be completed in the third quarter of 2022.**

Richard Moat, Chief Executive Officer of Technicolor, said:

"Technicolor's divisions continued to perform well despite facing ongoing industry-related headwinds, which reflects the strength and leadership position of our businesses. The Group's performance improved significantly in the first half of 2022 compared to the first half of 2021, driven by overall strong demand across almost all divisions. In addition, our businesses continue to benefit from an improved cost base and from operational efficiencies, enabling them to navigate ongoing supply chain constraints, as well as restricted advertising spending. With robust demand across most of our businesses, I am pleased to confirm this year's guidance.

In parallel, we have made significant progress in the partial spin-off of Technicolor Creative Studios along with the full refinancing of our existing debt, thanks to the overwhelming support we have had from all our stakeholders. We are well on track to create two leading independent companies, Technicolor Creative Studios and Vantiva, with solid foundations for long term growth.

I want to thank our teams for doing an outstanding job in handling our day-to-day operations, and supporting us in leading Technicolor into a new chapter of value creation."

[1] *As presented on May 5th, 2022 the 2022 guidance for Technicolor group is based upon external macroeconomic assumptions, including a EUR/USD exchange rate of 1.15, EUR/CAD of 1.52, EUR/GBP of 0.89. It also includes management assumptions reflecting the IFRIC interpretation on Saas adjustment, excludes Trademark Licensing operations, and does not include the TCS spin-off.*

I- H1 2022 key highlights and 2022 Outlook

In € million, continuing operations[2]	First Half 2022	2021	Actual Change	Change at constant rate
Revenues	1,601	1,352	*18.4%*	*8.8%*
Adjusted EBITDA	134	94	*43.1%*	*30.7%*
As a % of revenues	*8.4%*	*6.9%*	*145 bps*	*139 bps*
Adjusted EBITA	48	10	*na*	*na*
Free Cash Flow before financial and taxes	(35)	(215)	*+83.5%*	*+82.9%*

The first half of 2022 registered a good set of results driven by strong demand for Technicolor Creative Studios and Connected Home products, despite a trading environment marked by persistent fulfillment difficulties.

First half 2022 revenues amounted to €1,601 million, up 18.4% (up 8.8% at constant exchange rate, up 11.2% at constant exchange rate and perimeter). This good performance was notably driven by a high level of demand for Technicolor Creative Studios and Connected Home products and services, despite continued supply constraints and decelerating advertising spending growth in Q2 2022 compared with a high comparative base in H1 2021.

First half 2022 Adjusted EBITDA of €134 million improved by €40 million (up €29 million at constant exchange rate). Adjusted EBITDA margin improved by 145 basis points (+139 basis points at constant exchange rate) to 8.4% of revenues, resulting from higher revenues and significant cost savings and operating efficiencies achieved across all divisions. This led to a +€38 million adjusted EBITA improvement compared to the first half 2021, reaching €48 million.

Free Cash Flow from continuing operations before financial and taxes amounted to €(35) million compared to €(215) million in the first half of 2021. This €178 million improvement at constant currency mainly resulted from better operating performance and lower change in working capital requirements at Connected Home, along with lower restructuring expenses, mainly through the second quarter of 2022. In the sole second quarter, Free Cash Flow from continuing operations before financial and taxes improved by €105 million (€96 million at constant exchange rate) with €90 million FCF generated over the second quarter of 2022.

Outlook

The Group confirms its 2022 guidance along with the outlook for its divisions as published on June 6th, 2022:

- Demand for **Technicolor Creative Studios'** highest quality VFX & Animation artistry and cutting-edge technology is expected to continue to grow significantly throughout 2022 and 2023.
  - At MPC and Mikros Animation, the divisions continue to be awarded multiple new projects, resulting in more than 85% of the revenue pipeline for MPC and Mikros Animation being already committed for 2022 as of the end of June 2022. In addition, the number of feature animation projects in production has grown from two in 2019 to six features in 2022;
  - At The Mill, whose activity is closely correlated to advertising spending, activity growth is being restricted by the current global economic environment. As a result, as communicated on June 6th, 2022, The Mill is expecting slower growth than initially anticipated earlier this year, with the main impact in 2022. Actions to mitigate the impact on margin have already been identified and initiated relating to costs and operational efficiencies;
  - At Technicolor Games, demand for games content is expected to continue growing, along with the expansion of the Technicolor Games service offering beyond art services into co-development and quality assurance ("QA") services;

[2] *2021 and 2022 financial results include IFRIC interpretation on Saas implementation cost as well as Trademark Licensing operations accounted for as of discontinued operations as from January 1st, 2021.*

- Significant investment in artist recruitment, retention, and training (including TCS Academy programs) continues, as delivering all pipeline projects remains the main challenge for 2022, as a consequence of the shortage of talent in the market.

- Worldwide demand for **Connected Home** broadband equipment is expected to remain strong in 2022, as customers seek to improve their connectivity. However, ongoing component shortages and pricing challenges will continue to impact our ability to serve end customer demand for broadband products throughout 2022, although we are starting to see signs of improvements. Furthermore, while we do not have any assets or direct customers or suppliers in Russia and Ukraine, the ongoing conflict has generated additional uncertainty in terms of supply. This has led to an increase in transit times to some European customers, as we transition from rail to sea transportation for products that used to move through Russia. Nonetheless, efficiency measures, gradual improvements in delivery and continuous discussions with both suppliers and customers should continue to help offset these headwinds.
- For **Vantiva Supply Chain Services** (formerly DVD Services), solid year-on-year new release volumes are expected as theatrical attendance continues to normalize, but this will be more than offset by lower catalog volumes driven by evolving customer and retailer behavior. Financial performance will be improved through continuing cost efficiencies. As part of the Group's plan to accelerate the diversification of the business, the division is continuing to work on significantly expanding non-disc activities.

The Group delivered €171 million of cost savings in 2020, €116 million in 2021, and €30 million in the first half 2022. These results, combined with continuous improvements in efficiency, are keeping Technicolor on track to deliver a cumulative €325 million in run rate cost savings by the end of 2022.

As a result, the Group Technicolor confirms its 2022 guidance "as is" with:

- Revenue from continuing operations is expected to grow;
- Adjusted EBITDA from continuing operations of €361 million;
- Adjusted EBITA from continuing operations of €161 million;
- FCF from continuing operations, before financial results and tax, of €217 million.

Technicolor results are sensitive to the valuation of its main currencies - notably the US dollar, the Canadian dollar, and the British pound – which have evolved favorably since the beginning of the year. Hedging arrangements are in place to mitigate forex risks. This 2022 guidance for Technicolor group assumes external macroeconomic assumptions, including a EUR/USD exchange rate of 1.15, EUR/CAD of 1.52, and EUR/GBP of 0.89. It also includes management assumptions reflecting the IFRIC interpretation on Saas adjustment, excludes Trademark Licensing operations, and does not include the TCS spin-off.

II- Update on Technicolor's intention to list 65% of Technicolor Creative Studios and on the early refinancing of Technicolor's existing debt

The Group is making good progress on the implementation of the Technicolor Creative Studios spin-off plan and the refinancing of Group debt:

- On February 24th, 2022, the Group published its intention to list and spin-off 65% of Technicolor Creative Studios through a distribution-in-kind to Technicolor shareholders, and to fully refinance the existing debt structure;
- The Extraordinary General Meeting for the approval of the Mandatory Convertible Notes (MCN) was held on May 6th, 2022. The proposed issuance of Mandatory Convertible Notes ("MCN") to be subscribed by a group of named beneficiaries for a total nominal amount of €300 million was approved, and all necessary powers were given to the Board of Directors to implement the issuance;
- On June 14th, 2022, the Group announced the launch of its new brand: Vantiva. The new brand will be composed of Connected Home and Vantiva Supply Chain Services (formerly named "DVD Services").
- The Group has also appointed the leadership teams for the two new entities:
    - At **Vantiva**, Richard Moat, current CEO of Technicolor, will be appointed Chairman, Luis Martinez-Amago, current President of Connected Home, will be appointed CEO, and Lars Ihlen, current CFO of Connected Home, will be appointed CFO;
    - At **Technicolor Creative Studios (TCS),** Anne Bouverot, current Chairperson of Technicolor, will be appointed Chairperson, Christian Roberton, current President of TCS, CEO, and Laurent

Carozzi, current CFO of Technicolor, will be appointed CFO.

- As part of the refinancing process, Technicolor S.A. has finalized discussions for both Vantiva and TCS:
  - For Vantiva, Barclays Bank and Angelo Gordon have committed to provide a €375 million debt package to Vantiva. In parallel, advanced discussions are underway with Wells Fargo to extend the Asset-Based Lending (ABL) Facility for 4 years;
  - For TCS, the Group has obtained commitments for a €623 million floating rate First Lien Term Facility. This facility is composed of two tranches, a €563 million tranche and a $60 million tranche. Maturity for both tranches will be 4 years. In addition, the Group has obtained commitments for a €40 million Revolving Credit Facility. The terms of the TCS refinancing as well as the terms of the distribution will be subject to a prospectus to be approved by the AMF.
- Technicolor will convene a Shareholders Meeting on September 6th, 2022, and the notice of this meeting will be published in the BALO (mandatory legal announcement bulletin) on August 1st, 2022. It will be proposed that the shareholders vote on the change of the corporate name of Technicolor S.A. to Vantiva S.A., and on the matters related to the distribution in kind of at least 65% of the capital of Technicolor Creative Studios ("TCS") to the shareholders of Technicolor S.A.. This will enable the latter to receive TCS shares while remaining shareholders of Technicolor, on the basis of one Technicolor Creative Studios share for one Technicolor share. The Distribution will also result in the admission of the TCS shares to the regulated market of Euronext Paris ("Euronext Paris").

The spin-off is expected to be completed in Q3 2022, subject to (i) the shareholders' approval of the terms of the spin-off on September 6th, 2022, and (ii) customary conditions, consultations and regulatory approvals.

III- Segment Review – First Half 2022 Results Highlights

Technicolor Creative Studios

Technicolor Creative Studios revenues amounted to €408 million in the first half 2022, up 38.3% (up 29.6% at constant rate) compared to H1 2021. Excluding the Post-Production business divested in April 2021, revenue growth was 53.3% (43.7% at constant exchange rate) compared to H1 2021. This improvement resulted from the significant demand for original content compared to the first half 2021, and was achieved despite the market shortage of talent and decelerating advertising spending growth in Q2 2022 due to macroeconomic conditions.

- At MPC, revenues more than doubled compared to H1 2021, driven by the continued ramp up in production of major theatrical projects, as well as increasing contributions from all the major streaming platforms. H1 2021 was still suffering from pandemic-related impacts on production;
- At The Mill, advertising revenues decreased in H1 2022 compared to H1 2021 at constant currency (but were slightly up at current exchange rates), driven by lower year-on-year revenues in the second quarter, as activity was restricted by decelerating advertising spending growth in Q2 2022 compared with a high comparative base in H1 2021;
- At Mikros Animation revenues were up mainly as a result of higher volumes in feature animation projects;
- At Technicolor Games, revenues were higher thanks to greater production capacity.

Adjusted EBITDA amounted to €61 million, up €16 million compared to H1 2021 at constant rate, and Adjusted EBITA was €26 million, up €18 million compared to H1 2021 at constant rate. On top of the increase in revenues, EBITDA margin improvement from 13.7% to 15.0% resulted from the positive impacts of multiple operational transformation programs in conjunction with permanent cost reduction measures. These included mutualization of resources through, for example, the production platform in India, centralized global IT infrastructure, and the consolidation of real estate and other resources in key locations. However, H1 2022 margin was partly reduced by higher costs required to complete major projects, and a shortage of experienced talent is causing delays and additional costs. Lower revenues at The Mill in the second quarter of 2022 also reduced profitability. At The Mill and at MPC, actions to mitigate the impact on margin have already been identified and initiated relating to costs and operational efficiencies. In addition, the Group is actively working on accelerating its recruiting and training plan. Delivering on all projects committed remains the main challenge for 2022.

On June 14th, 2022 during the capital markets day, Technicolor Creative Studios updated its Key Performance

Indicators ("KPIs"), with the goal of becoming more comparable with its peers and market practice, and to further align them with the way the business is managed. These KPIs include Adjusted EBITDA after lease (new definition), Adjusted EBITA after lease (new definition), and Adjusted Operating Free Cash Flow after lease (new definition). TCS' first half 2022 combined accounts along with an MD&A commenting on these new KPIs will be available in the days to come as part of the Prospectus to be filed with the Autorité des Marchés Financiers.

Connected Home

Connected Home revenues totaled €897 million in the first half 2022, up 16.4% (up 5.8% at constant exchange rates) compared the same period in 2021. Although the worldwide semiconductor shortage and supply chain disruptions limited the division's ability to fully satisfy the demand from its broadband customers, second quarter revenues benefited from the first signs of improvement in the allocation of supply and in transit times. This, combined with broadband now representing 77% of total sales (vs. 64% in H1 2021), with notably a strong rebound in North America in Q2 2022, is driving revenue improvement, despite decreased video products sales.

Adjusted EBITDA was €70 million in the first half 2022 (up 14.4% at constant exchange rate), or 7.8% of revenue, compared to 7.2% of revenues in the first half 2021. Margin improvement is mainly resulting from operating efficiencies and cost savings, along with sales improvement. H1 2022 Adjusted EBITA was €37 million, +18.0% compared to the first half 2021 at constant rate and representing 4.2% of revenues in the first half.

The division continues its collaboration with clients and suppliers to maximize deliveries, and to mitigate potential profitability and working capital impacts of fulfillment difficulties. A significant portion of cost increases is currently passed through to customers. The division continues to focus on selective investments in key customers, platform-based products and partnerships, and on optimizing fixed costs.

Vantiva Supply Chain Services (former DVD Services division)

Vantiva Supply Chain Services revenues totaled €296 million in the first half 2022, up 4.5% (down 3.2% at constant exchange rate) compared with first half 2021. Lower disc volumes year-on-year[3] (-30%) were driven by expected market declines, and were further exacerbated by the inventories built up in 2021 by the major US studios, which reduced new manufacturing demand in H1 2022. The impact of volume reductions was partially offset by disc price increases, and pass through of cost increases, along with the performance of new growth businesses (notably transportation management and vinyl).

In the first half 2022, **adjusted EBITDA** amounted to €15 million (vs. €10 million in the first half 2021), representing 5.2% of H1 2022 revenues, compared to 3.6% in H1 2021. EBITDA margin improvement mainly resulted from significant footprint optimization, headcount reductions and higher activity in non-disc activities, partly offset by the impacts of lower disc volumes and higher labor costs in North America and Mexico. Vantiva Supply Chain Services continued to adapt distribution and manufacturing operations, and related customer contract agreements, in response to continued volume reductions.

Corporate & Other

Corporate & Other revenues were nil in the first half of 2022, compared with €4 million in the first half 2021. Adjusted EBITDA amounted to €(12) million, and Adjusted EBITA was €(15) million.

[3] *Volume break-down by product is available in Appendix 1 "Business highlights by division" of this press release.*

IV- Results analysis

P&L analysis

In € million	First Half 2022	2021	Actual Change	Change at constant rate
Revenues from continuing operations	**1,601**	**1,352**	*+18.4%*	*+8.8%*
Adjusted EBITDA from continuing operations	**134**	**94**	*+43.1%*	*+30.7%*
As a % of revenues	*8.4%*	*6.9%*	*+145 bps*	*+139 bps*
D&A[1] & Reserves[2], w/o PPA amortization	(86)	(84)		
Adjusted EBITA from continuing operations	**48**	**10**		
As a % of revenues	*3.0%*	*0.7%*	*228 bps*	*219 bps*
PPA amortization	(20)	(19)		
Non-recurring items	(20)	(3)		
EBIT from continuing operations	**8**	**(11)**		
As a % of revenues	*0.5%*	*-0.8%*		
Net financial income (loss)	(65)	(63)		
Income tax	(19)	(10)		
Profit (loss) from continuing operations	**(77)**	**(84)**	*+8.9%*	*+10.1%*
Net gain (loss) from discontinued operations	63	5		
Net income (loss)	**(14)**	**(79)**	*+82.6%*	*+83.8%*

[1] *Including IT capacity use for rendering in Technicolor Creative Studios of €(4)m in H1 2022 and €0m in H1 2021*
[2] *Risk, litigation and warranty reserves*

First half 2022 revenues amounted to €1,601 million and were up 18.4% (up 8.8% at constant exchange rates). Excluding change in perimeter (i.e. excluding Post Production), first half 2022 revenues would have been up 21.0% (up 11.2% at constant exchange rate and perimeter). This good performance was driven by the high level of demand for Technicolor Creative Studios and Connected Home products and services, despite continued supply constraints and decelerating advertising spending growth in Q2 2022 compared with a high comparative base in H1 2021.

First half 2022 Adjusted EBITDA of €134 million improved by €40 million (up €29 million at constant exchange rate). Margin improved by 139 basis points to 8.4% of revenues, mainly thanks to higher revenues and improved performance from all divisions and more particularly from Technicolor Creative Studios, resulting from the significant cost savings and operating efficiencies achieved across all divisions.

First half 2022 Adjusted EBITA of €48 million represented a €38 million improvement (+€33 million at constant rate) compared to the first half 2021. This resulted mainly from the EBITDA improvement.

EBIT from continuing operations was a €8 million profit compared to a €(11) million loss in the first half 2021. This resulted from better operational performance, despite higher non-recurring items. Non-recurring items amounted to €(20) million compared to €(3) million in H1 2021. This increase mainly resulted from positive non-current items of €24 million recorded in H1 2021 (mainly capital gains) compared to negative €(9) million recorded in H1 2022 (mainly related to the ongoing spin off project), offset by lower restructuring costs of €(8) million in H1 2022 compared to €(26) million in H1 2021.

The financial loss totaled €(65) million, compared to €(63) million in the first half 2021.

Income tax was up at €(19) million, compared to €(10) million in the first half 2021, mainly due to Technicolor Creative Studios improved performance.

Net gain from discontinued operations amounted to €63 million compared to €5 million in the first half 2021. On May 31st, 2022, the Group completed the sale of its Trademark Licensing operations, and received a cash consideration of approximately €100 million, subject to customary price adjustments. As a result, the Group has accounted for Trademark Licensing operations as discontinued operations as from January 1, 2021.

The Group net loss therefore amounted to €(14) million in H1 2022, compared to €(79) million in H1 2021.

FCF and debt analysis

In € million	First Half 2022	First Half 2021
Adjusted EBITDA from continuing operations	**134**	**94**
Capex	(57)	(40)
Non-recurring items (cash impact)	(37)	(59)
Change in working capital and other assets and liabilities[1]	(76)	(211)
Free Cash Flow from continuing operations before Tax & Financial	**(35)**	**(215)**
	30/06/2022	**31/12/2021**
Nominal gross debt (including Lease debt)	1,373	1,306
Cash and cash equivalents	(168)	(196)
Net financial debt at nominal value (non IFRS)	**1,205**	**1,110**
IFRS adjustment	(64)	(71)
Net financial debt (IFRS)	**1,141**	**1,039**

[1] *Including IT capacity use for rendering in Technicolor Creative Studios of €(4) million in H1 2022 and nil in H1 2021*

Free Cash Flow from continuing operations before financial and taxes improved to €(35) million compared to €(215) million in the first half 2021. This €180 million improvement mainly reflects positive impacts from:

- **Improved operating performance** (adjusted EBITDA was up €40 million);
- **Lower increase of working capital requirements** (+€135 million). **The change in working capital** was €(76) million compared with €(211) million in the first half 2021. This improvement came from a positive variation year-on-year at Connected Home as first half 2021 working capital was notably impacted by the negative impact of reductions in supplier payment terms;
- Lower non-recurring cash outflows (+€22 million), notably lower **cash restructuring** (+€33 million), principally at the Connected Home and Vantiva Supply Chain Services divisions.

These positive impacts were partly offset by:

- **Capex** increase of €17 million from €40 million to €57 million, mainly at Technicolor Creative Studios, mostly due to higher activity and higher headcount, and to payment phasing.

The cash position at the end of June 2022 was €168 million, compared to €196 million at the end of December 2021. Change in cash over the period was €(28) million, mainly explained by negative €(35) million free cash flow from continuing operations before financial and taxes, and €(36) million net cash interest paid and €(18) million net tax paid over the period, partly offset by the proceeds from the sale of the Trademark Licensing operations. Cash out for operating leases amounted to €21 million, compared to €28 million in the first half 2021. Total liquidity amounts to €216 million, with €48m of the Wells Fargo line available (undrawn at the end of the quarter).

As a consequence, **net financial debt at nominal value** amounted to €1,205 million at the end of June 2022, compared with €1,110 million at the end of December 2021. **IFRS net debt amounted** to €1,141 million as of June 30, 2022, compared with €1,039 million as of December 31, 2021. The Net Debt / EBITDA ratio of 4.01x was below the 4.50x covenant.

An analyst audio webcast hosted by Richard Moat, CEO and Laurent Carozzi, CFO will be held today, July 28, 2022, at 6:30pm CEST.

Indicative Timetable

AGM to approve the spin off	September 6, 2022
Spin-off of the TCS shares	Q3, 2022
Technicolor SA (Vantiva) Q3 communication	End November /Early December 2022

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Warning: Forward Looking Statements

This press release contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted, or implied by such forward-looking statements. For a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers. 2021 Universal Registration Document (Document d'enregistrement universel) has been filed with the French Autorité des marchés financiers (AMF) on April 5, 2022, under number D-22-0237 and an amendment to the 2021 URD has been filed with the AMF on April 29, 2022, under number D-22-0237-A01.

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About Technicolor:
www.technicolor.com

Technicolor shares are admitted to trading on the regulated market of Euronext Paris (TCH) and are tradable in the form of American Depositary Receipts (ADR) in the United States on the OTCQX market (TCLRY).

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APPENDIX

Appendix 1 – Business highlights by division

	First Half			
In € million	**2022**	2021	Actual Change	Change at constant rate
Revenues	**1,601**	**1,352**	*18.4%*	*8.8%*
Technicolor Creative Studios	408	295	*38.3%*	*29.6%*
Connected Home	897	770	*16.4%*	*5.8%*
Vantiva Supply Chain Services	296	283	*4.5%*	*-3.2%*
Corporate and Other	0	4	*na*	*na*
Adjusted EBITDA	**134**	**94**	*43.1%*	*30.7%*
Technicolor Creative Studios	61	40	*51.3%*	*40.3%*
As a % of revenues	*15.0%*	*13.7%*		
Connected Home	70	56	*25.1%*	*14.4%*
As a % of revenues	*7.8%*	*7.2%*		
Vantiva Supply Chain Services	15	10	*49.5%*	*34.8%*
As a % of revenues	*5.2%*	*3.6%*		
Corporate and Other	(12)	(13)	*na*	*na*
Adjusted EBITA	**48**	**10**	*na*	*na*
Technicolor Creative Studios	26	6	*na*	*na*
As a % of revenues	*6.4%*	*1.9%*		
Connected Home	37	29	*28.6%*	*18.0%*
As a % of revenues	*4.2%*	*3.8%*		
Vantiva Supply Chain Services	(1)	(10)	*na*	*na*
As a % of revenues	*-0.2%*	*-3.6%*		
Corporate and Other	(15)	(15)	*na*	*na*

Technicolor Creative Studios

MPC

In H1 2022, main projects at MPC in production were:

Theatrical Films	Episodic and/or Streaming	Awards & Nominations
MPC was in production on over 20 theatrical films, incl.: **H1 deliveries:** *Elvis* (Warner Bros.) *Secret Headquarters* (Paramount) *Sonic the Hedgehog 2* (Paramount) *The Toxic Avenger* (Legendary) *Three Thousand Years of Longing* (FilmNation / MGM) *Where the Crawdad Sings* (Sony) **Continuing productions at end of H1:** *Aquaman and the Lost Kingdom* (Warner Bros.) *Dungeons & Dragons* (Entertainment One / Paramount) *The Little Mermaid* (Disney) *The Lion King prequel* (Disney) *Nope* (Universal) *Transformers: Rise of the Beasts* (Paramount)	**MPC was in production on over 35 episodic and/or streaming projects, incl.:** **H1 deliveries:** *The Boys* season 3 (Amazon) *Chip 'n' Dale: Rescue Rangers* (Disney+) *Halo* (Amblin / Showtime / Paramount+) *Ms. Marvel* (Marvel / Disney+) *Prehistoric Planet* (BBC / Apple) *Rise* (Disney+) *Vikings: Valhalla* season 1 (MGM / Netflix) **Continuing productions at end of H1:** *Disenchanted* (Disney+) *Hocus Pocus 2* (Disney+) *House of the Dragon* (HBO) *Pinocchio* (Disney+) *Spaceman* (Netflix) *Wednesday* (Netflix)	César Award for Best Visual Effects won for *Annette* BAFTA nomination for Special Visual Effects for Sony's *Ghostbusters: Afterlife* Three VES Award nominations, including a win for Outstanding Animated Character in a Photoreal feature for its work on Apple TV+'s *Finch* In July, MPC talents were recognised with an Emmy nomination for Outstanding Special Visual Effects in a Single Episode for their work on Netflix's *Vikings: Valhalla*

During H1, 11 films selected for the 2022 Cannes Film Festival feature the work of MPC, including the Dardenne brothers' *Tori and Lokita* (Prix Spécial); the world premiere of Baz Luhrmann's *Elvis*; and screening of *Top Gun: Maverick* starring Tom Cruise.

The Mill:

In H1, The Mill contributed to approximately 1,900 projects, including 34 Super Bowl projects - 29 of which were TV spots that aired during the game, and were nominated for and won several prestigious industry awards, including:

- Two VES Awards (Visual Effects Society), including Outstanding Animated Character in a Commercial for Smart Energy's '*Einstein Knows Best'* and Outstanding Compositing & Lighting in a Commercial for Verizon's 'The Reset'
- Six British Arrows for Burberry's '*Festive'* (VFX Gold and Colourist Silver), Three's '*Real 5G'* (VFX Silver), BBC's '*Tokyo 2020 Olympics*' (CGI Silver), Verizon's '*The Reset*' (VFX Bronze), and Amazon's '*An Unlikely Friendship'* (CGI Bronze)
- Six Clio Awards, including Gold in Film Craft – Visual Effects for Verizon '*The Reset'* and Gold in Design Craft – Animation for Samsung's *'The Spider and the Window'*
- Four AICP (Association of Independent Commercial Producers) Awards including Gold in the VFX category for Verizon's '*The Reset'*
- Four Cannes Lions, including a Gold for VFX for Burberry's '*Open Spaces'* and a Gold for Animation for Samsung's *'The Spider and the Window'*

Notable projects during the half year include Samsung's *'The Spider and the Window'*, Samsung's *'Playtime Is Over'*, Pepsi's Super Bowl halftime trailer *'The Call'*, Mastercard's '*What's Priceless to You?'* and the annual opening title sequence for the 2022 AICP Show.

Mikros Animation:

Features	Episodic
Mikros Animation was in production on six feature projects, including: • *Ozi* (GCI Film) • *PAW Patrol: The Mighty Movie* (Spin Master Entertainment / Paramount) • *Thelma the Unicorn* (Netflix) • *The Tiger's Apprentice* (Paramount)	**Mikros Animation was in production on several series, including:** • *Charlie and the Chocolate Factory* (Netflix) • *The Croods: Family Tree* seasons 1 & 2 (DreamWorks / Hulu / Peacock) • *Kamp Koral: SpongeBob's Under Years* (Nickelodeon / Paramount+) • *Kung Fu Panda: The Dragon Knight* (Dreamworks / Netflix) • *Mickey Mouse Funhouse* (Disney) • *Mira, Royal Detective* season 2 (Wild Canary / Disney) • *Rugrats* season 2 (Nickelodeon / Paramount+) • *Star Trek: Prodigy* season 1 (Nickelodeon / Paramount+) And IP projects including: • *ALVINNN!!! and the Chipmunks* season 5 (M6) • *The Coop Troop* (Sixteen South / Tencent co-production) • *Gus – The Itsy Bitsy Knight* season 2 (TF1)

Technicolor Games:
During the first half 2022, Technicolor Games continued to work with major gaming clients like Capcom, Electronic Arts, Gameloft, Take-Two Interactive's 2K Sports and Rockstar Games, and Ubisoft. The team contributed to major H1 releases like Ubisoft's *Tom Clancy's Rainbow 6 Extraction* and 2K Sports' *WWE 2K22*.

Connected Home

Revenues breakdown by region and product

	First Half			
In € million	**2022**	2021	Actual Change	Change at constant rate
Revenues	**897**	**770**	**16.4%**	**5.8%**
o/w by region				
o/w Americas	605	517	16.9%	5.9%
North America	*515*	*449*	*14.9%*	*4.4%*
Latin America	*89*	*69*	*29.9%*	*16.1%*
o/w Eurasia	292	253	15.6%	5.6%
Europe, Middle East & Africa	*179*	*155*	*15.1%*	*4.2%*
Asia-Pacific	*114*	*98*	*16.4%*	*7.9%*
o/w by product				
Video	**203**	**278**	***-26.8%***	***-32.8%***
Broadband	**694**	**492**	***41.0%***	***27.8%***

Key business highlights

Connected Home division continues its ongoing commitment to leveraging open and innovative technologies for Network Service Providers (NSPs) to deliver seamless connectivity and premium entertainment experiences to consumers:

- Availability of Cobra 5G, an indoor customer premises equipment (CPE) solution that provides an ultimate fixed wireless access (FWA) modem and high-fidelity Wi-Fi router functionality in a single enclosure. Cobra 5G leverages Connected Home application-oriented middleware, based on OpenWRT and RDK-B standards deployed in over 150 million homes. Thus, Cobra 5G allows operators to offer the same services to their FWA subscribers as they do for their fiber, copper, and cable customers;
- Connected Home division has partnered with Telstra, Australia's leading telecommunications and technology company, to deploy the new Smart Modem 3. The innovative CPE is a hybrid modem that not only provides reliable broadband access to Australia's National Broadband Network (NBN), but offers 4G network back-up to ensure continuous availability of high-speed connectivity. Beyond ensuring dependable broadband access to the home, Telstra's Smart Modem 3 also ensures pervasive connectivity throughout the home with the latest Wi-Fi 6 technology;
- Connected Home division has partnered with Bouygues Telecom to develop the Bbox 4K HDR, a futureproof and premium Android 4K UHD set-top box integrated with best-in-class Wi-Fi. This flexible open platform allows Bouygues Telecom customers to experience reliable IPTV-over-Wi-Fi and thus enjoy a broad spectrum of high-quality TV and Android TV services and applications - including over-the-top (OTT) video content and gaming - over high performing Wi-Fi.

On the Corporate Social Responsibility side:

- Technicolor has committed on climate change with Science Based Targets, and is the only company in the connected home industry that has signed the 2050 Net-Zero Standard;
- Our relationships with our customers go beyond business: as part of the TIM Brasil's Positive Women project aimed at the employability of women, which TCH CH joined last year, we have participated in a virtual job fair for a week of professional and personal development through courses, workshops and employment opportunities.

Vantiva Supply Chain Services (former DVD Services division)

	First half		
In million units	**2022**	**2021**	**% Change**
Total Combined Volumes	238	339	-30%
By Format			
SD-DVD	159	246	-35%
Blu-ray™	63	77	-18%
CD	16	16	0%
By Segment			
Studio/Video	215	315	-32%
Games	3	5	-40%
Music & Software	20	19	5%

Key commercial successes for non-disc operations:

Microfluidics:

- New lab/capability in Poland beyond prototyping was nearing completion at the end of Q2. Microfluidic cartridge and medical device engineering was accredited in Poland, having passed the EU IVDD standard audit (February 2021)

Vinyl:

- Contracts were executed with two of the world's top 3 music companies (Universal Music Group and Sony Music)
- Launched commercial record pressing in May 2022
- Achieved high quality recognition from the industry
- Expanded capacity to continue through the balance of the year (new equipment delivery and capability increasing each month)

Supply Chain/Fulfilment/Transportation:

- Continued new customer additions driving supply chain / fulfilment growth in the first half 2022
- Significant year-over-year growth in the freight brokerage business, due to the addition of new customers and increased penetration of existing customers

Appendix 2 – Debt Structure

As part of the financial restructuring transaction completed in 2020, debt maturities were extended and new financings executed, reinforcing the Group's liquidity.

In million currency	**Currency**	**Nominal Amount**	**IFRS Amount**	**Type of rate**	**Nominal rate (1)**	**Repayment Type**	**Final maturity**	**Moodys / S&P rating**
New Money Notes	EUR	371	378	Floating	12.00%(2)	Bullet	Jun. 30, 2024	Caa1/B
New Money Term Loans	USD	126	128	Floating	12.45%(3)	Bullet	Jun. 30, 2024	Caa1/B
Reinstated Term Loans	EUR	467	411	Floating	6.00%(4)	Bullet	Dec. 31, 2024	Caa3/CCC
Reinstated Term Loans	USD	140	123	Floating	7.04%(5)	Bullet	Dec. 31, 2024	Caa3/CCC
Subtotal	**EUR**	**1,104**	**1,040**		**8.88%**			
Lease Liabilities(6)	Various	212	212	Fixed	8.96%			
Accrued Interest	Various	18	18	NA	0%			
Accrued PIK	EUR+USD	37	37	NA	0%			
Other Debt	Various	1	1	NA	0%			
Total Gross Debt		**1,373**	**1,309**		**8.52%**			
Cash & Cash equivalents	Various	(168)	(168)					
Total Net Debt		**1,205**	**1,141**					

(1) Rates as of June 30th, 2022.

(2) Cash interest of 6-month EURIBOR with a floor of 0% +6.00% and PIK interest of 6.00%.

(3) Cash interest of 6-month USD LIBOR with a floor of 0% +6.00% and PIK interest of 6.00%.

(4) Cash interest of 6-month EURIBOR with a floor of 0% + 3.00% and PIK interest of 3.00%.

(5) Cash interest of 6-month USD LIBOR with a floor of 0% + 2.75% and PIK interest of 3.00%

(6) Of which €26 million are capital leases and €186 million is operating lease debt under IFRS 16

Appendix 3 – Reconciliation of adjusted operating indicators

In addition to published results, and with the aim of providing a more comparable view of the evolution of its operating performance, Technicolor is presenting a set of adjusted indicators which exclude the following items as per the statement of operations of the Group's consolidated financial statements:

- Net restructuring costs;
- Net impairment charges;
- Other income and expenses (other non-current items).

	H1		
In € million	**2022**	**2021**	*Change[1]*
EBIT from continuing operations	**8**	**(11)**	***19***
Restructuring charges, net	8	26	*(18)*
Net impairment gain (losses) on non-current operating assets	3	1	*2*
Other income (expense)	9	(24)	*34*
PPA amortization	20	19	*2*
Adjusted EBITA from continuing operations	**48**	**10**	***38***
IT capacity use for rendering in Technicolor Creative Studios	4	(0)	*4*
Depreciation and amortization ("D&A") [2]	82	84	*(2)*
Adjusted EBITDA from continuing operations	**134**	**94**	***39***

[1] *Variation at current rates*

[2] *excluding IT capacity use for rendering in Technicolor Creative Studios, excluding PPA amortization, and including reserves (risk, litigation, and warranty reserves)*

"**Adjusted EBITDA**" corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense), depreciation and amortization (including impact of provision for risks, litigation and warranties).

"**Adjusted EBITA**" corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense) and amortization of purchase accounting items.

Appendix 4 - Free Cash Flow Reconciliation and Summarized Financial Structure

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

		First Half	
In € million		**2022**	**2021**
Adjusted EBITDA from continuing operations	**A**	**134**	**94**
Changes in working capital and other assets and liabilities	**B**	(72)	(211)
IT capacity use for rendering in Technicolor Creative Studios	**C**	(4)	-
Non-recurring items (cash paid)	**D**	(37)	(59)
o/w Pension cash usage of the period		*(13)*	*(13)*
o/w Restructuring provisions – cash usage of the period		*(13)*	*(46)*
o/w Other items		*(10)*	*(0)*
Net interests paid and received	**E**	(36)	(32)
o/w Interest paid - leases		*(9)*	*(7)*
o/w Interest paid - excluding leases		*(28)*	*(25)*
o/w Interest received		*0*	*0*
Income tax paid	**F**	(18)	(8)
Net operating cash generated from continuing activities **(A+B+C+D+E+F)**	**G**	**(33)**	**(216)**
Capex	**H**	(57)	(40)
o/w Purchases of property, plant and equipment (PPE)		(23)	(20)
o/w Proceeds from sale of PPE and intangible assets		2	2
o/w Purchases of intangible assets including capitalization of development costs		*(36)*	(22)
FCF from continuing operations, before financial and taxes (A+B+C+D+H)		**(35)**	**(215)**
FCF from continuing operations, after financial and taxes (A+B+C+D+E+F+H)	**I**	**(89)**	**(257)**
Net operating cash used/(generated) in discontinued activities	**J**	(4)	(8)
Free cash-flow (I+J)		**(94)**	**(265)**
Net cash collateral and security deposits		(5)	5
Other net investing cash used in continuing activities		(0)	27
Net financing cash used in continuing activities		(28)	(4)
Net investing cash used from discontinued activities		97	(1)
Net financing cash used from discontinued activities		(1)	(1)
Exchange gains / (losses) on cash and cash equivalents		3	8
Change in cash and cash equivalent over the period		**(28)**	**(231)**
Cash and cash equivalent at the beginning of the period		196	330
Cash and cash equivalent at the end of the period		**168**	**99**

	June 30, 2022	Dec. 31, 2021
Net financial debt (IFRS) at the beginning of the period	**1,039**	**812**
Change in cash and cash equivalent over the period	31	149
Exchange gain / (losses) on cash and cash equivalents	(3)	(16)
Decrease / (increase) in operating cash and cash equivalent over the period	**28**	**134**
Change in nominal gross debt (including lease debt)	62	79
Change in IFRS adjustments	12	14
Net financial debt (IFRS) at the end of the period	**1,141**	**1,039**

	June 30, 2022	Dec. 31, 2021
Nominal gross debt (including lease debt)	**1,373**	**1,306**
Cash and cash equivalent at the end of the period	(168)	(196)
Net financial debt at nominal value (non IFRS)	**1,205**	**1,110**
IFRS adjustment	(64)	(71)
Net financial debt (IFRS)	**1,141**	**1,039**

Appendix 5 – IFRS 16

- **IFRS 16 impacts** can be summarized as follows:

	IFRS 16 impact first half		
In € million	**2022**	2021	Impact change
EBIT from continuing operations	*7*	*7*	*(0)*
Tangible asset depreciation	*20*	*19*	*1*
Adjusted EBITDA from continuing operations	27	26	1
EBITA from continuing operations	7	7	(0)
Net financial income (expense)	(8)	(7)	(1)
FCF from continuing operations before interests and taxes	*29*	*34*	*(5)*
Operating leases cash out (principal payment and interest)	*21*	*28*	7

Appendix 6 – Unaudited Financial Statements

6.1 - UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

(€ in million)	Six months ended June 30, 2022	2021
CONTINUING OPERATIONS		
Revenues	1,601	1,352
Cost of sales	(1,400)	(1,191)
Gross margin	**201**	**161**
Selling and administrative expenses	(130)	(127)
Research and development expenses	(42)	(43)
Restructuring costs	(8)	(26)
Net impairment gains (losses) on non-current operating assets	(3)	(2)
Other income (expense)	(9)	24
Earning before Interest & Tax (EBIT) from continuing operations	**8**	**(11)**
Interest income	0	0
Interest expense	(71)	(61)
Other financial income (expense)	6	(2)
Net financial income (expense)	**(65)**	**(63)**
Income tax	(19)	(10)
Profit (loss) from continuing operations	**(77)**	**(84)**
DISCONTINUED OPERATIONS		
Net gain (loss) from discontinued operations	63	5
Net income (loss)	**(14)**	**(79)**
Attribuable to:		
- Equity holders	*(14)*	*(79)*
- Non-controlling interest	*0*	*0*

6.2 - UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	June 30, 2022	December 31, 2021
ASSETS		
Goodwill	830	773
Intangible assets	496	510
Property, plant and equipment	174	162
Right-of-use assets	157	143
Other operating non-current assets	23	35
TOTAL OPERATING NON-CURRENT ASSETS	**1,680**	**1,622**
Non-consolidated investments	27	20
Other non-current financial assets	38	38
TOTAL FINANCIAL NON-CURRENT ASSETS	**65**	**58**
Investments in associates and joint-ventures	2	1
Deferred tax assets	52	50
TOTAL NON-CURRENT ASSETS	**1,799**	**1,730**
Inventories	439	335
Trade accounts and notes receivable	378	359
Contract assets	119	94
Other operating current assets	315	243
TOTAL OPERATING CURRENT ASSETS	**1,250**	**1,031**
Income tax receivable	14	13
Other financial current assets	34	26
Cash and cash equivalents	168	196
Assets classified as held for sale	1	3
TOTAL CURRENT ASSETS	**1,468**	**1,268**
TOTAL ASSETS	**3,267**	**2,999**

(€ in million)	June 30, 2022	December 31, 2021
EQUITY AND LIABILITIES		
Common stock *(235,842,443shares at June 30, 2022 with nominal value of 0.01 euro per share)*	2	2
Subordinated Perpetual Notes	500	500
Additional paid-in capital & reserves	81	30
Cumulative translation adjustment	(320)	(399)
Shareholders equity attributable to owners of the parent	**263**	**134**
Non-controlling interests	-	-
TOTAL EQUITY	**263**	**134**
Retirement benefits obligations	198	261
Provisions	34	35
Contract liabilities	1	-
Other operating non-current liabilities	10	19
TOTAL OPERATING NON-CURRENT LIABILITIES	**243**	**315**
Borrowings	1,079	1,025
Lease liabilities	156	145
Other non-current liabilities	-	-
Deferred tax liabilities	22	20
TOTAL NON-CURRENT LIABILITIES	**1,500**	**1,505**
Retirement benefits obligations	31	34
Provisions	39	44
Trade accounts and notes payable	801	671
Accrued employee expenses	116	147
Contract liabilities	96	81
Other current operating liabilities	309	284
TOTAL OPERATING CURRENT LIABILITIES	**1,392**	**1,263**
Borrowings	17	17
Lease liabilities	57	48
Income tax payable	34	29
Other current financial liabilities	4	3
Liabilities classified as held for sale	-	-
TOTAL CURRENT LIABILITIES	**1,504**	**1,360**
TOTAL LIABILITIES	**3,004**	**2,865**
TOTAL EQUITY & LIABILITIES	**3,267**	**2,999**

6.3 - UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(€ in million)	Six months ended June 30, 2022	2021
Net income (loss)	**(14)**	**(79)**
Income (loss) from discontinuing activities	63	5
Profit (loss) from continuing activities	**(77)**	**(84)**
Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations		
Depreciation and amortization	103	107
Impairment of assets	2	1
Net changes in provisions	(18)	(33)
Gain (loss) on asset disposals	(0)	(29)
Interest (income) and expense	71	61
Other items (including tax)	17	12
Changes in working capital and other assets and liabilities	(77)	(211)
Cash generated from continuing activities	**21**	**(176)**
Interest paid on lease debt	(9)	(7)
Interest paid	(27)	(25)
Interest received	0	0
Income tax paid	(18)	(8)
NET OPERATING CASH GENERATED FROM CONTINUING ACTIVITIES (I)	**(33)**	**(216)**
Proceeds from sale of investments, net of cash	0	27
Purchases of property, plant and equipment (PPE)	(23)	(20)
Proceeds from sale of PPE and intangible assets	2	2
Purchases of intangible assets including capitalization of development costs	(36)	(22)
Cash collateral and security deposits granted to third parties	(8)	(3)
Cash collateral and security deposits reimbursed by third parties	3	8
NET INVESTING CASH USED IN CONTINUING ACTIVITIES (II)	**(61)**	**(8)**
Proceeds from borrowings	(0)	35
Repayments of lease debt	(28)	(36)
Repayments of borrowings	(0)	(0)
Fees paid in relation to financing operations	(8)	(1)
Other	8	(2)
NET FINANCING CASH USED IN CONTINUING ACTIVITIES (III)	**(28)**	**(4)**
NET CASH FROM DISCONTINUED ACTIVITIES (IV)	**91**	**(10)**
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE PERIOD	**196**	**330**
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)	**(31)**	**(239)**
Exchange gains / (losses) on cash and cash equivalents	3	8
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**168**	**99**