

NEW PHASE TO ENHANCE
THE FULL POTENTIAL
OF THE TECHNICOLOR BUSINESSES AND
CREATE VALUE
FOR ALL STAKEHOLDERS

February 2022

technicolor.com



FORWARD LOOKING STATEMENTS - - COMMUNICATION OF A PROMOTIONAL NATURE

This document contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted, or implied by such forward-looking statements. For a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers, and more specifically the Universal Registration Document filed with the AMF on April 7, 2021, and available on the Company's and the AMF websites. Investors' attention is drawn to the risk factors described in this document.

This document contains non-GAAP alternative performance indicators. A definition and a reconciliation of these indicators (Adjusted EBITDA, Adjusted EBIT and Free Cash Flow) with the income statement and the cash flow statement is available in appendix 3 and 4 of the press release published by the company on February 24, 2022 and available on the company's website, in the Regulated Information section: <https://www.technicolor.com/investor-center/regulated-information>



A prospectus relating to the admission of the Technicolor shares resulting from the conversion of the MCNs and a prospectus relating to the admission of the TCS shares on the regulated market Euronext Paris will be drawn up and published on the Company's website once approved by the AMF.

PROPOSED SPIN-OFF OF TCS AND REFINANCING

CONTEMPLATED TRANSACTIONS

Spin-off:
creating two
independent market
leaders in their
respective sectors

- **TCS:** a global leader in VFX, offering an attractive 'pure play' equity story
- **Technicolor Ex-TCS:** market leader in its segments with a stronger balance sheet, retaining upside exposure to TCS

Technicolor Ex-TCS

Connected Home + DVD Services



- ▶ Listing: Euronext Paris
- ▶ HQ: Paris
- ▶ CEO: Luis Martinez Amago to be appointed

TCH SHAREHOLDERS
(incl. MCN subscribers)

100%

65%

35%

TCS

Technicolor Creative Studios



- ▶ Proposed Listing: Euronext Paris
- ▶ HQ: Paris
- ▶ CEO: Christian Robertson to be appointed

Refinancing:
targeting deleveraging and
a capital structure consistent
with the proposed separation

- **Equip TCS and Technicolor Ex-TCS** with a more agile balance sheet which will support each entity's strategic priorities, including growth

SPIN-OFF RATIONALE

Create **two independent companies**, each with a more focused strategy and freedom to pursue their own agenda

Ensure both entities have a capital structure that can support their viability, **long-term ambitions and organic growth**

Unlock value to Technicolor shareholders by creating an independent TCS, a unique pure play story in the exponentially-growing VFX industry

Opportunity to further **deleverage** while **refinancing existing debt**: reimbursing existing lenders, reducing cost of debt, and deleveraging

MAXIMIZE VALUE TO ALL TECHNICALOR'S STAKEHOLDERS:
SHAREHOLDERS, CUSTOMERS, SUPPLIERS, LENDERS, EMPLOYEES

INTENTION TO FULLY REFINANCE THE GROUP'S DEBT

ENVISAGED REFINANCING PACKAGE

Issuance of €300m Mandatory Convertible Notes which would be converted into Technicolor shares:

- Mandatory conversion into Technicolor shares at the discretion of the Issuer, contingent on the approval of the spin-off by the Technicolor EGM (expected end of June) and prior to the execution of the spin-off (i.e. distribution of shares) itself
- Right to convert into Technicolor shares at any time at the discretion of the MCN Holders
- Conversion price: €2.60 per share
- Fully subscribed by a set of existing shareholders
- Issuance of the MCN contingent on the approval of an ad-hoc Technicolor EGM (expected end of April)

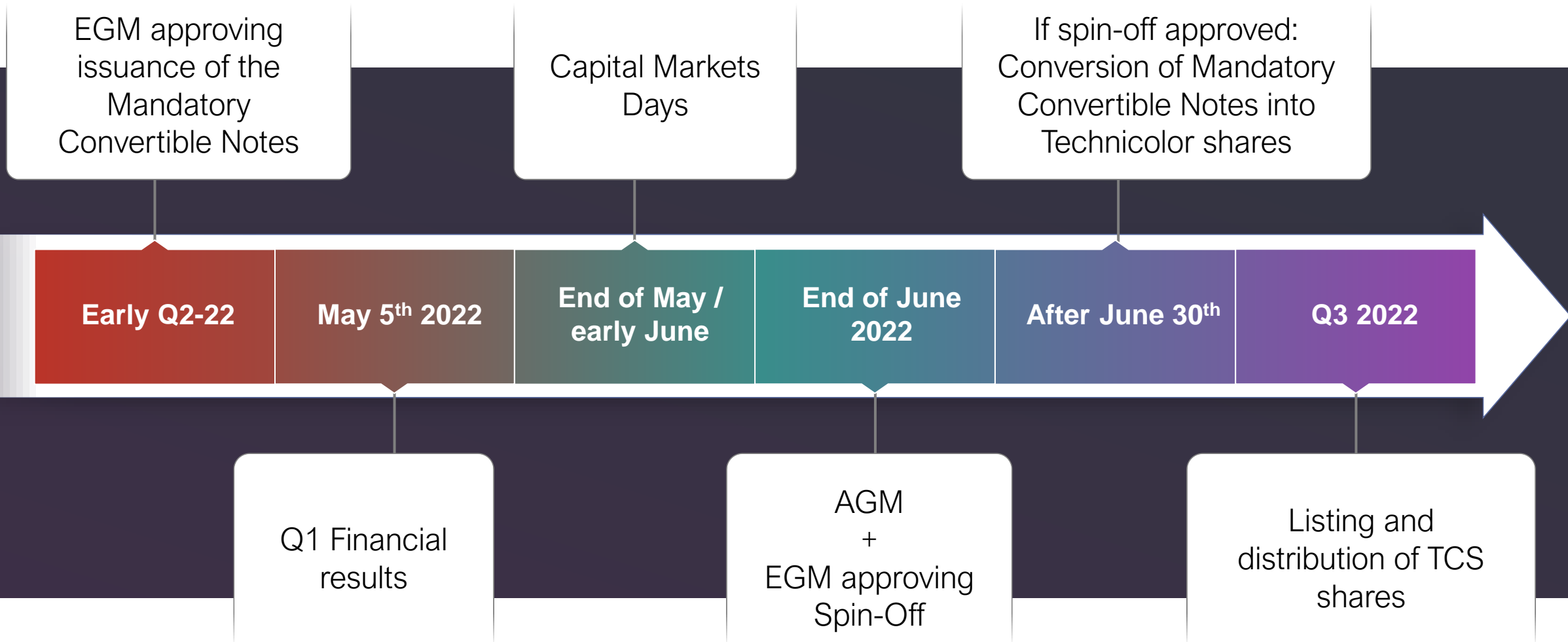
Launch of negotiations on new debt structure, consistent with the proposed separation, with a view to putting in place two distinct and optimized financing packages for TCS and Technicolor Ex-TCS respectively

UNLOCK the possibility of refinancing existing expensive debt at attractive conditions

CREATE OPTIONALITY to refinance the balance sheet of both entities

REDUCE COST of debt

ENVISAGED TRANSACTION TIMELINE



4

**TCS and
TECHNICOLOR EX-TCS**

**TWO INDEPENDENT
LEADERS**

in their markets



TCS: WORLD'S LEADING INDEPENDENT PROVIDER OF CREATIVE VISUAL ARTS SERVICES

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CREATIVE STUDIOS

Award-winning teams of artists and technologists partnering with the creative community across Feature Film, Episodic, Animation, Brand Experience & Advertising, and Gaming to bring the universal art of visual storytelling to audiences everywhere

Four distinct leading brands

M P C



mikros
ANIMATION

technicolor
GAMES

Long-standing and deep relationships with all the major players in Hollywood and with the streaming platforms

Uniquely positioned for the metaverse as the premium content creation engine at scale across all platforms



Largest concentration of digital artists in the world



Interconnected business lines greater than the sum of the parts



Significant geographical reach



The SpongeBob Movie: Sponge on the Run



The Lion King



The Call | Pepsi Super Bowl LVI Halftime Show Trailer



FIFA 22



The Jungle Book



Dream House | Rocket Mortgage Super Bowl LVI



FOUR COMPLEMENTARY BUSINESS LINES – GREATER THAN THE SUM OF THE PARTS

M P C

A worldwide leader in Film & Episodic VFX with the highest quality artistry and cutting-edge technology offering strong competitive advantage

Capabilities include pre-visualization / virtual production, asset building, texturing, animation, rigging, rotoscoping, lighting, match move and compositing



Global creative partner for agencies, production companies & brands, working across all media channels & platforms

From ideation to creative execution

Campaigns from traditional TV ads to branded and immersive experiences



High quality, end-to-end animation services, from concept art to final deliverables for theatrical, streaming and TV clients



A leading provider of external development for art & animation to video game developers and publishers

Key Customers



Key Customers



Key Customers



Key Customers



AS AN INDEPENDENT ENTITY, TCS WILL BE ABLE TO ACCELERATE THE EXECUTION OF ITS STRATEGIC AGENDA

TODAY

The world's leading independent provider of creative visual arts services

OUR AMBITION

- Continue to be the first-choice partner for the world's most creative companies
- Generate significant runway for EBITDA expansion and strong cash flow generation
- Capture the metaverse opportunity as the premium content creation engine at scale across all platforms

STRATEGIC PRIORITIES



Expand Capacity To Meet Strong Demand For VFX and High-end CG Animation

- Benefit from strong tailwind for VFX and animation services
- Increase volume and extend market leadership



Geographic Expansion of The Mill into New Markets

- Scale direct-to-brand business
- Add capacity in faster growing, untapped markets, particularly in APAC and LATAM
- Invest in new or emerging services (e.g., immersive experiences, digital twins, metaverse consulting)



Expand Capacity and Add New Services To Scale Technicolor Games

- Evaluate geographic expansion
- Expand addressable market with investment into adjacent services



Develop Our Brand To Be Seen As Employer Of Choice By Talent

- Increase investment in TCS Academy programs to train and develop talent
- Recruit at scale



Continue to Invest in R&D and Technology

- Focus R&D priorities on producing and delivering quality content at scale and integrating emerging real-time technologies to service the massive volume of digital content the Metaverse will require

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CREATIVE STUDIOS

M P C



mikros
ANIMATION

technicolor
GAMES

STRONG FUNDAMENTALS UNDERPINNING TCS GROWTH

- 1 Positioned for Accelerated Structural Growth in a Large and Growing TAM*
- 2 Leadership Position in Tech-Enabled Content Creation with an Award-Winning Portfolio
- 3 Global Footprint with Highly Skilled and Flexible Talent
- 4 Long-Standing and Deeply Cemented Relationships with Blue-chip Customers
- 5 Cutting Edge and Proprietary Technology Strengthening Competitive Advantage
- 6 Significant Runway for Top-Line Growth, EBITDA Expansion and Strong Cash Flow Generation
- 7 Potential Growth Levers Via Entry into New Scalable Markets
- 8 Experienced Management Team with Proven Track Record and Deep Sector Expertise

* Total Addressable Market



TECHNICOLOR EX-TCS

TECHNICOLOR EX-TCS IS IDEALLY POSITIONED TO LEVERAGE ITS LEADERSHIP IN EXISTING AND NEW MARKETS

CONNECTED HOME (“CH”)

GLOBAL LEADER IN CUSTOMER-PREMISES EQUIPMENT

1
In Broadband and Android TV

60% of Top 10 Broadband Suppliers Served by CH

14% Global Market Share in Home Gateways⁽¹⁾

50% of Top 10 Video Suppliers Served by CH

45% Global Market Share In Android TV⁽¹⁾

Worldwide leader in the attractive segments of the CPE Market (cable, fiber, Android TV...), with a comprehensive product offering

Proven diversification strategy in IoT solutions at the heart of the home

Critical supplier to NSPs with best-in-class supply chain and innovative products and solutions

Undertook a major transformation plan

DVD SERVICES

Specialist manufacturing and supply chain services

LEADER IN DISC, WITH SPECIALIST MANUFACTURING AND SUPPLY CHAIN SERVICES DRIVING GROWTH

1
Worldwide in DVD, Blu-ray, UHD and CD

65% Global Market Share in Discs

800 Million Discs Sold in 2021

55k Consolidated Shipments Per Day

ISO ISO 13485 (CA) in Microfluidic Cartridge

Capitalizing on our experience in disc replication, production and distribution to provide end-to-end solutions to all Major Studios

Leveraging existing assets, know-how, and customer relationships with its new profitable and high-growth adjacent businesses

Network of global facilities strategically located to provide clients with highly flexible, scalable solutions to meet demand across the globe

Specialist Manufacturing: Vinyl and Microfluidics

Supply Chain Services: transportation freight brokerage and supply chain services/fulfilment services

Exposure to TCS upside via the **35%** stake retained, also providing flexibility going forward

⁽¹⁾ Figures as of September 2021 – Sources: Dell Oro, Omdia
CPE: Customer Premise Equipment; NSP: Network Service Provider

TECHNICOLOR VALUE PROPOSITION

1

As a Market Leader, Technicolor has Developed **Highly Differentiated Capabilities**

2

Technicolor is **Highly Strategic to its Customers**, Creating Strong Stickiness

3

Great Opportunity to **Expand the Total Addressable Market** in Highly Attractive Adjacent Markets

4

Stronger Balance Sheet to Support Strategic Priorities

5

Experienced Management Team in Both Divisions to Pursue the Repositioning of the Group and Create Value

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