



PRESS RELEASE

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

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

Paris (France), 4 August 2020 – [Technicolor](#) (Euronext Paris : TCH; OTCQX: TCLRY) (the "**Company**") announces today the launch of a capital increase with shareholders' preferential subscription rights ("**Subscription Rights**") for a maximum gross amount, including issue premium, of EUR 329,999,999.90 (the "**Rights Issue**").

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

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

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

It is reminded that the aforementioned issuance operations provided for in the Safeguard Plan form an indivisible whole, so that if one of them could not be carried out, none of them would then be carried out. The launch of the Rights Issue thus constitutes the first step in the completion of the issuances provided for under the terms of the Safeguard Plan.

The shares to be issued in the context of the Rights Issue and of the Shareholders Warrants as well as the admission to trading on the regulated market of Euronext Paris of the shares to be issued in the context of the Rights Issue, the Reserved Capital Increase and the shares to be issued upon exercise of the Shareholders Warrants and the New Money Warrants were the subject of a prospectus approved by the *Autorité des marchés financiers* ("**AMF**") on 10 July 2020 under number 20-343 (the "**Prospectus**"), updated and completed by a supplement to the Prospectus approved by the AMF on 4 August 2020 under the number 20-378.



Main terms and conditions of the Rights Issue

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

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

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

Subscription requests on a reducible basis (*à titre réductible*) are admitted but remain subject to reduction in the event of oversubscription. Only the New Shares that may not be absorbed by subscriptions on an irreducible basis (*à titre irréductible*) will be allocated and allotted to subscribers on a reducible basis (*à titre réductible*). Orders for subscriptions subject to reduction will be served within the limit of their requests and in proportion to the number of existing shares whose rights will have been used in support of their subscription on irreducible basis (*à titre irréductible*).

In accordance with the provisions of article L. 225-134 of the French Commercial Code, if the subscriptions on an irreducible basis (*à titre irréductible*) and, as applicable, on a reducible basis (*à titre réductible*), have not covered the entire amount of the issuance, the Board of Directors or the CEO, is entitled to allocate the unsubscribed shares between the holders of Claims in accordance with their subscription undertakings, detailed below, to guarantee the Rights Issue.

Based on Technicolor's closing share price on 17 June 2020, prior to the announcement of the restructuring operations on the market, of EUR 3.91:

- The issue price of the New Shares of EUR 2.98 represents a discount of 23.8% to the share price,
- The theoretical value of the Subscription Right is EUR 0.82,
- The theoretical value of the share ex-rights would therefore be 3.09 euros.

For information purposes, based on the closing price on 3 August 2020 of EUR 2.68, the theoretical value of the Subscription Right is considered as zero. However, for the technical purposes of listing the Subscription Right, the Subscription Right could be detached from the Company's share on 7 August 2020 at a minimum value of EUR 0.01 per Subscription Right.

These values do not prejudice either the value of the preferential subscription right during the period of trading of the preferential subscription rights or the value of the share ex-rights or discounts, as they will be recorded on the market.



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

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

Credit Suisse and Natixis are acting as Global Coordinators and Joint Lead Managers in connection with the Rights Issue.

Indicative timetable

The trading period for the Subscription Rights will last from 7 August to 9 September 2020 (included). During this period, the Subscription Rights will be tradable on the regulated market of Euronext Paris under ISIN code FR0013526217. It will no longer be possible to buy or sell the Subscription Rights after the close of the trading day of 9 September 2020.

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

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

The settlement-delivery and admission to trading of the New Shares is scheduled for 22 September 2020. The New Shares will carry immediate rights to dividends, and will be immediately assimilated to the existing shares of the Company and will be traded on the same quotation line under the same ISIN code FR0013505062.

Commitments and subscription intentions

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

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

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

Lock-up period

As part of the Safeguard Plan, the Company asked the lenders under the New Money and the holders of the Claims who would hold more than 2% of the Company's share capital after the completion of the Rights Issue and the Reserved Capital Increase (together, the "**Capital Increases**") and assuming the issue of the new shares upon exercise of the New Money Warrants (whether or not they are exercised), to retain:

- for a period of 90 days following the settlement-delivery date of the Capital Increases, at least 50% of the new shares that would be delivered to them pursuant to the Capital Increases and upon exercise of the New Money Warrants; and
- for an additional period of 90 days, at least 16.67% of the new shares that would be delivered to them pursuant to the Capital Increases and upon exercise of the New Money Warrants, to which the holders of Claims and the lenders under the New Money have agreed to commit, it being specified that this commitment does not apply to transfers of new shares by the lenders under the New Money and holders of Claims to their respective affiliates and other lenders under the New Money and holders of Claims, provided that the latter take over on their behalf and for the remaining period of the lock-up.

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

Use of proceeds

The amount of the subscriptions to the Rights Issue will be fully allocated to the repayment of the non-reinstated and non-converted Claims, up to EUR 330 million, it being specified that the subscription in specie by the shareholders will permit the cash repayment of the said Claims up to the amount of the said subscription and that the balance of the Rights Issue, not subscribed at the close of the subscription period will be fully subscribed by the holders of Claims, pursuant to their commitment under the Safeguard Plan, by way of set-off against part of the Claims (which shall become payable on that date pursuant to the Safeguard Plan).



Impact of the issuances on a shareholder's position

	Absence of subscription to the Capital Increase with DPS and of exercise of the Shareholders Warrants by the shareholder		Exercise of all its preferential subscription rights and absence of exercise of the Shareholders Warrants by the shareholder		Exercise of all its preferential subscription rights and Shareholders Warrants by the shareholder	
	On a non-diluted basis	On a diluted basis*	On a non-diluted basis	On a diluted basis*	On a non-diluted basis	On a diluted basis*
<i>Equity stake of the shareholder (in %)</i>						
Prior to the Issuance of the New Shares and allocation of the Warrants	1%	0.99%	1%	0.99%	1%	0,99%
After issuance of 110,738,255 new shares in connection with the Capital Increase with DPS	0.12 %	0.12%	1%	1%	1%	1%
After issuance of 202,917,025 new shares in connection with the Capital Increase with DPS and the Reserved Capital Increase	0.07 %	0.07%	0.58%	0.58%	0.58%	0.58%
After issuance of 220,618,982 new shares in connection with the Capital Increase with DPS, the Reserved Capital Increase and the exercise of all the New Money Warrants	0.07 %	0.07%	0.53%	0.53%	0.53%	0.53%
After issuance of 232,944,673 new shares in connection with the Capital Increase with DPS, the Reserved Capital Increase and the exercise of all the Shareholders Warrants and the New Money Warrants	0.06 %	0.06%	0.51%	0.51%	0.56%	0.56%

*Calculations based on the assumption of the issuance of the maximum number of free shares to be issued in connection with the free allocations plans in force on the date of the Prospectus, i.e., 121,172 free shares, it being specified that the stock options allocated by the Company and remaining outstanding on the date of the Prospectus have not been taken into account in the potential dilution since their minimum exercise price (i.e. EUR 86.13) is far above the Company's share price.

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Indicative Timetable related to the Shareholders Warrants

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

Forecasts

In connection with the publication of its half-yearly results on last 30 July, the Company has further refined its forecasts and published forecasts established and drawn up on the basis of the same "Base Case" scenario as the strategic plan and on a basis comparable with the historical financial information and consistent with the issuer's accounting methods. All the assumptions submitted in connection with the "Base Case" scenario (in particular those relating to the turnover) and mentioned in the Amendment remain valid to date and have permitted to establish the forecasts submitted in the Supplement. It should however be noted that the data relating to the turnover submitted in the "Base Case" scenario constitute assumptions on which the Company has relied in order to establish its refined forecasts but that the Company shall not subsequently disclose any update of these turnover forecasts unless they have an impact on the EBITDA, EBITA and cash flow forecasts submitted in the Supplement.

Public Information

Copies of the Prospectus having received approval number 20-343 from the AMF dated 10 July 2020, and composed of (i) the Company's 2019 Universal Registration Document filed with the AMF on 20 April 2020 under number D.20-0317, (ii) the Amendment to the 2019 Universal Registration Document filed with the AMF on 10 July 20 under number D.20-0317-A01 (the "**Amendment**") and (iii) a securities note (including the summary of the Prospectus) dated 10 July 2020 (the "**Securities Note**") and (iv) the supplement to the Prospectus having received approval number 20-378 from the AMF on 4 August 2020 (the "**Supplement**") and incorporating by reference the Half-Year Financial Report of the Company as of 30 June 2020 filed with the AMF on 30 July 2020, are available free of charge at the registered office of Technicolor, 8-10 rue du Renard - 75004 Paris, on the Company's website (www.technicolor.com) as well as on the AMF website (www.amf-france.org).

The Company draws the public's attention to the risk factors described in section 3.1 of chapter 3 of the Universal Registration Document forming part of the Prospectus, in section 2 of the Amendment to the Universal Registration Document and in chapter 2 of the Securities Note.



Appendix: Summary of the Prospectus as updated and completed by the Supplement (translated for information purpose only - French version shall prevail).

Disclaimer

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

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

The release, publication or distribution of this press release may, in certain jurisdictions, constitute a breach of the applicable local laws and regulations. Consequently, persons physically present in such jurisdictions in which this press release is released, published or distributed must be aware of and comply with any such local restrictions. This press release must not be released, published or distributed, directly or indirectly, in Australia, Canada, Japan or the United States of America.

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

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

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

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the registration or in a transaction not subject to the registration requirements thereof and any applicable states securities laws.

Warning: Forward Looking Statements

This press release contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements. For a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers and, in particular, the Prospectus.

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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SUMMARY OF PROSPECTUS

Approval of the AMF n° 20-378 dated 4 August 2020

Section 1 – Introduction

1.1 Identification of the securities offered

Denomination for the shares: Technicolor

ISIN Code for the shares: FR0013505062

ISIN Code for the Shareholders Warrants: FR0013526225

1.2 Identity and contact details of the Issuer, including its legal entity identifier (LEI)

Corporate name and trade name: Technicolor (the “Company” and, together with its subsidiaries and participations, the “Group”)

Registration place and number: R.C.S Paris 333 773 174

LEI Code: 4N6SD705LP5XZKA2A097

1.3 Identity and contact details of the competent authority having approved the Prospectus

Autorité des marchés financiers (“AMF”) – 17 place de la Bourse, 75002 Paris, France.

The Universal Registration Document of the Company was filed on 20 April 2020 under number D.20-0317 with the AMF.

The Amendment to the Universal Registration Document of the Company was filed on 10 July 2020 under number D.20-0317-A01 with the AMF

Date of approval of the Prospectus: Prospectus approved on 10 July 2020 and supplement approved on 4 August 2020

1.5 Warning to the reader

This summary prospectus must be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on the consideration of the Prospectus as whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, depending on the relevant national legislation, have to bear the costs of translating the Prospectus before initiating the legal proceeding. The persons who have prepared the summary, including any translation thereof, will only incur civil liability to the extent that the content of the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information needed to help the investors considering investing in the securities. The investor could lose all or part of the capital invested upon a decline in the Company’s share price.

Section 2 – Key information about the issuer

2.1 Who is the issuer of the securities?

Corporate name: Technicolor

Registered office: 8-10, rue du Renard, 75004 Paris

Legal form: French *Société anonyme à conseil d’administration*

Applicable law: French law

Country of origin: France

RCS: R.C.S Paris 333 773 174

LEI: 4N6SD705LP5XZKA2A097

Main activities: One of the world leaders in the Media & Entertainment sector, Technicolor operates in three leading operating businesses:

- in Production Services, Technicolor is a leading provider of services to content creators, including visual effects, animation and video post-production services (“**Production Services**”);
- in DVD Services, Technicolor is the leader in replication, packaging and distribution services of CD, DVD, Blu-ray™ and UHD (“**DVD Services**”);
- in Connected Home, Technicolor is leader in the design and supply of solutions enabling the delivery of digital video entertainment, data, voice and Smart Home services to Pay-TV operators and Networks, including broadband modems and gateways, Set-Top Box and other connected devices (“**Connected Home**”).

**Shareholding as of 30 June 2020:**

Shareholders	Number of shares	% of the capital	% of the voting rights*
RWC	993,139	6.45%	6.45%
BPI	1,167,944	7.58%	7.58%
Caisse des Dépôts et Consignation	134,491	0.87%	0.87%
➤ <i>Subtotal BPI and Caisse des dépôts et Consignation</i>	<i>1,302,435</i>	<i>8.45%</i>	<i>8.45%</i>
Invesco	1,100,000	7.14%	7.14%
Bain Capital Credit	952,407	6.18%	6.18%
Credit suisse AM	131,509	0.85%	0.85%
Public	10,927,624	70.93%	70.93%
TOTAL	15,407,114	100%	100%

*Percentage of actual voting rights (excluding treasury shares (auto-détention))

No entity controls the Company and, to the latter's knowledge, there is no shareholders' agreement relating to the Company.

Identity of the main corporate officers: Mr. Richard Moat, Chief Executive Officer and Mrs. Anne Bouverot, Chairman of the Board of Directors,

Identity of the statutory auditors:

Deloitte & Associés – Tour Majunga, 6 place de la Pyramide, 92908 Paris – La Défense represented by Mr. Bertrand Boisselier.

Mazars – Tour Exaltis, 61 rue Henri-Regnault, 92400 Courbevoie represented by Mr. Jean-Luc Barlet.

2.2 What is the key financial information concerning the issuer?**Key financial information from the consolidated income statement**

<i>(in millions of euros)</i>	Fiscal year ended 31 December			Half-year ended June 30	
	2019	2018	2017	2020	2019
Revenues of the continuing operations	3,800	3,988	4,253	1,433	1,764
Earnings before interest and tax (EBIT) from continuing operations	-121	-119	40	-194	-88
Net income attributable to equity holders of the Company	-230	-68	-172	-265	-139
Growth in revenues from one year to another at constant exchange rates (<i>à taux constants</i>)	-7.30%	-2.9%	Na	-19.3%	Na
Gross margin	425	467	602	110	151
Net total earnings per share	-0.56	-0.16	-0.42	-17.22	-9.35

Key financial information from the consolidated balance sheet

<i>(in millions of euros)</i>	Fiscal year ended 31 December			Half-year ended June 30
	2019	2018	2017	2020
Total assets	3,210	3,759	3,712	3,040
Total equity (<i>capitaux propres</i>)	36	272	336	-275
cash and cash equivalent	65	291	319	63
Total current and non-current liabilities	3,173	3,487	3,376	3,314

**Key financial information from the consolidated cash flows**

(in millions of euros)	Fiscal year ended 31 December			Half-year ended June 30	
	2019	2018	2017	2020	2019
Cash flows from operating activities	146	171	312	-195	-131

Other key financial information

(in millions of euros) at actual rates (à taux reels)	Fiscal year ended 31 December			Half-year ended June 30	
	2019	2018	2017	2020	2019
Adjusted EBITDA *	324	266	341	53	104
Adjusted EBITA **	42	98	151	-67	-44

* 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 EBITDA" in 2019 at budget rate (EUR = USD 1.15) and without IFRS 16 impact amounts to €248 million;

** 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.

Qualified statement in the audit report relating to the historical financial information: none.

Profit forecasts or estimates:

The 2020-2022 profit forecasts below have been prepared and produced on a comparable basis to the historical financial information and in accordance with the issuer's accounting policies.

Continuing operations - post IFRS 16

€m ; FYE-Dec post-IFRS 16	2019a	2020e	2022e
Adj. Continuing EBITDA	324	169	425
Adj. Continuing EBITA	42	(64)	202
Continuing FCF*	(8)	(115)-(150)	259

* Before financial interest, interest and tax

2.3 What are the risks specific to the issuer?

The main risks factors specific to the Company and its business sectors:

Liquidity risk (cash flow forecasts): • The Company does not have, as at the date of this summary and prior to the implementation of the Safeguard Plan, a sufficient consolidated net working capital to meet its future obligations over the next twelve months.

• In the event that the Safeguard Plan is not approved, the Company considers that its ability to continue as a going concern would be compromised.

It is specified that this plan was approved by the Paris Commercial Court on 28 July 2020.

Indebtedness related risks:

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• The Group's high level of indebtedness (EUR 1,302 million as of 31 December 2019) as compared to the Group's generated free cash flow (EUR -163 million as of 31 December 2019) could increase the Group's vulnerability to adverse economic events or industrial evolutions.

The Group's important debt could restrict its capacity to anticipate or react to changes in the businesses and sectors in which it operates and could further restrict its capacity to incur additional debts or to strengthen its shareholders' equity (*capitaux propres*).

Health and safety related risks:

• The recent events, the evolution of the COVID-19 pandemic as well as the instructions issued by the World Health Organization could significantly impact the Technicolor Group. The effects of these instructions on the business of some of its customers and suppliers (i.e., business slowdown, interruption of studio and streaming platform productions, closure of movie theaters, etc.) have directly affected the Group's business in several markets, through supply delays or order interruptions, including Asia, France, the United Kingdom, India, Canada and the United States, and to different extents depending on the Group's divisions. • The distribution centers of the DVD Services division also constitute a vector of exposure to the environmental, hygiene and safety risks. They are mainly located in the United-States, in Mexico, in Canada, in the United-Kingdom and in Australia.

Risks of dependency on suppliers and main components:

• In 2019, the 5 first suppliers of the division supplied approximately 45% of the indispensable components. This dependency on suppliers involves several risks, including a limited control on prices, on conditions, on availability of goods, on quality and on delivery deadlines.

• The market prices increases, the shortage of components such as memory chips DRAM and Flash as well as our inability to control these factors could significantly reduce the profitability of the Connected Home business.

Risks associated with attracting, training and retaining creative, production and technology talents:

• In order to ensure its growth and renew its key collaborators, the division must attract and retain the best talents. Any loss of attractiveness of both the Group and the division on the employment market could be detrimental to the division's performance.

Risks of clients' concentration and negotiation of contracts (Connected Home):

• A large portion of the Technicolor's revenues in the Connected Home division is generated with the large operators of Pay-TV and networks. In 2019, the sales to the division's five main clients represented approximately 43% of the revenues from the Connected Home segment and approximately 22% of the Group's consolidated revenues.

• The market further concentrated around a restricted number of players. This sectoral concentration could permit to restore the balance of the negotiation power with the clients whose purchasing power increases.

Risks associated with the fluctuations in interest rates and exchange rates:

• The Group is exposed to the fluctuations in interest rates mainly with respect to its indebtedness and cash flow.

• The Group is exposed to currency risk because a significant part of its consolidated revenues and a part of its assets relate to subsidiaries that use currencies other than euro.

• Due to the opening of the accelerated financial safeguard procedure, the banks have cancelled the foreign currency credit lines and as a result the Group is unable to hedge its interest and exchange rates.

Risks of clients concentration and negotiation of contracts (DVD Services):

• The DVD Services division operates on a concentrated market with a limited number of significant clients pursuant to long-term contracts. In 2019, the DVD Services division's five largest clients represented approximately 75% of the segment's revenues, i.e. approximately 8% of the Group's consolidated revenues.

• The division's operating result could be impacted should its clients decide to terminate these contracts (in accordance with their provisions) in the case where the division would not be in a position to renew these contracts at their expiry or could only renew them under far less favorable conditions.

Risks related to antitrust procedures

• Technicolor has been defending several legal actions in various European jurisdictions alleging damages suffered as a result of anti-competitive behavior in the Cathode Ray Tubes industry. All of these cases follow the European Commission's decision of December 2012 under which Technicolor was fined EUR 38.6 million for its alleged participation in a cartel.

• Technicolor is not able to evaluate the potential outcome of those cases and the resulting potential liability due to the complexity of these cases, as Technicolor is still defending some of them on procedural grounds and/or on the basis that not all of these claims have not been fully substantiated.



Section 3 – Key information about the securities

3.1 What are the main characteristics of the securities?

1) New shares issued in connection with the share capital increases and upon exercise of the warrants:

Nature, class and ISIN code

The new shares issued in connection with the capital increase in cash with preferential subscription right that would be carried out on the basis of the first resolution of the combined general meeting of the Company's shareholders (the "**General Meeting**") held on July 20, 2020 (the "**Right Issue**"), the capital increase in cash without the shareholders' preferential subscription right in favor of the holders of Claims (as this term is defined in section 4 of the summary below) that would be carried out on the basis of the second resolution of the General Meeting (the "**Reserved Capital Increase**" and together with the Right Issue, the "**Capital Increases**"), and upon exercise of the free warrants that may be allocated to the shareholders on the basis of the third resolution of the General Meeting (the "**Shareholders Warrants**") and the free warrants that would be allocated to the lenders under the New Money (as this term is defined in section 4 of the summary below) on the basis of the fourth and fifth resolutions of the General Meeting (the "**New Money Warrants**" and, together with the Shareholders Warrants, the "**Warrants**") will be ordinary shares of the same class as the Company's existing shares (ISIN FR0013505062) which shall be subject to all the provisions of the Company's by-laws and shall be governed by French law. They shall be created with immediate rights to dividends and shall entitle, as from their issue date, to all dividends and all distributions decided by the Company as from this date (together, these "**New Shares**").

Currency, denomination, nominal value and number of New Shares likely to be issued

Issue currency: euro

Denomination for the shares: Technicolor

Nominal value: 0.01 euro

Maximum number of New Shares likely to be issued in connection with the Right Issue: 110,738,255

Maximum number of New Shares likely to be issued in connection with the Reserved Capital Increase: 92,178,770

Maximum number of New Shares likely to be issued upon exercise of the Shareholders Warrants: 12,325,691

Maximum number of New Shares likely to be issued upon exercise of the New Money Warrants: 17,701,957

Rights attached to the New Shares: the new shares shall, as from their issue date, be subject to all the provisions of the Company's by-laws. Under current French law and the Company's current by-laws, the following main rights shall be attached to the new shares: (i) right to dividends, it being specified that the New Shares shall be created with immediate right to dividends and shall entitle, as from their issuance, to all the distributions decided by the Company as from this date (ii) voting right, (iii) preferential subscription right, (iv) right to participate in any liquidation surplus and (v) shareholders' right to information.

Rank relating to the New Shares in the issuer's equity structure upon insolvency: not applicable

Restrictions on the free transferability of the New Shares: no clause of the by-laws limits the free transferability of the shares composing the Company's share capital.

Dividends policy: the payment of dividends or any other distribution is based on the Group's financial results, including its net result and its investment policy. No dividend has been distributed over the last three fiscal years. In the long run, considering the current restructuring, the future dividends policy has not been determined at this stage.

2) Shareholders Warrants

Nature, class and ISIN code

In connection with the contemplated transactions, a maximum number of 15,407,114 free Shareholders Warrants shall be issued and allocated on 22 September 2020, according to indicative timetable, to the shareholders providing proof of a book entry of their shares on the date retained for the detachment of the shareholders' preferential subscription rights under the Right Issue, i.e., on 7 August 2020 according to the indicative timetable. The Shareholders Warrants shall be admitted to trading on Euronext Paris as from 22 September 2020 under the ISIN code number FR0013526225.

The Shareholders Warrants constitute securities giving access to the capital within the meaning of Articles L. 225-91 *et seq.* of the French Commercial Code.

Rights attached to the Shareholders Warrants:

The Shareholders Warrants shall be allocated to the Company's shareholders on the basis of one (1) Shareholders Warrant for one existing share.

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Five (5) Shareholders Warrants shall entitle to the subscription to four (4) New Shares, at the price of 3.58 euros per new share, i.e. a total exercise price of 14.32 euros. Any holder who does not hold at least 5 Warrants (or a multiple of 5) will not be able to exercise all of his Warrants. Holders will be responsible for dealing personally with fractional shares at the time of the exercise of the Warrants and acquire the number of Warrants necessary to hold a multiple of 5 and thus subscribe to the Company's shares. The exercise ratio may be adjusted further to transactions that the Company could carry out as from the date of issuance of the Shareholders Warrants under the provisions of applicable law in order to maintain the rights of the holders of Shareholders Warrants. It is specified that the Right Issue, the Reserved Capital Increase and the issuance and free allocation of the New Money Warrants shall not entitle to an adjustment of the Shareholders Warrants.

The holders of Shareholders Warrants shall be entitled to obtain at any time, during a period of four (4) years as from the settlement-delivery date of the last of the Capital Increases, i.e., according to the indicative timetable from 22 September 2020 until 22 September 2024 included, New Shares through the exercise of the Shareholders Warrants. In the event of financial transactions involving a preferential subscription right or reserving a priority subscription period for shareholders, as well as in the event of a merger or demerger, the Board of Directors is entitled to suspend the exercise of the Shareholders Warrants for a period that may not exceed three months or any other period set by the applicable regulations, and this option may under no circumstances result in the holders of the Shareholders Warrants losing their rights to subscribe for New Shares of the Company.

The Shareholders Warrants which would not have been exercised within the aforementioned deadline shall become null and void thereby losing any value and all rights attached thereto.

The holders of Shareholders Warrants are gathered together in a French "*masse*" with legal personality governed by provisions identical to those set forth under Articles L. 228-47 to L. 228-64, L. 228-66 and L. 228-90 of the French Commercial Code.

The representative of the *masse* of Shareholders Warrants is Aether Financial Services - 34 rue Monceau, 75008 Paris
A request for the admission to trading of the Shareholders Warrants on the regulated market of Euronext Paris will be made.

Theoretical value of the Shareholders Warrants: between 0.44 euros and 1.36 euros on the basis of a reference share price (ex right) between 2.10 euros and 3.89 euros and a retained volatility of 55%.

Issue currency: euro

Denomination for the Shareholders Warrants: TECH BSA 2024

Rank relating to the securities in the issuer's equity structure upon insolvency: not applicable

Maximum number of Shareholders Warrants: 15,407,114

Restrictions on the free transfer of the Shareholders Warrants: none

Dividend or distribution policy: not applicable

3) New Money Warrants

Nature and class

In connection with the contemplated transactions, a maximum number of 17,701,957 New Money Warrants could be issued. The New Money Warrants shall not be admitted to trading on any market whether regulated or not.

The New Money Warrants constitute securities giving access to the capital within the meaning of Articles L. 225-91 *et seq.* of the French Commercial Code.

They shall be issued in accordance with the delegation of authority granted to the Board of Directors with a view to proceeding with the issuance and the free allocation of warrants with cancellation of the shareholders' preferential subscription right reserved for (i) the lenders under the 420 million euros new money to be made available to Technicolor's subsidiaries in connection with the Safeguard Plan (except for BPI) constituting a category of persons meeting specific characteristics in accordance with article L. 225-138 of the French Commercial Code and (ii) BPI in accordance with the terms of the same article (the "**New Money**").

Rights attached to the New Money Warrants: The free New Money Warrants shall be allocated to the New Money lenders. One (1) New Money Warrant shall entitle to the subscription to one (1) New Share at the price of 0.01 euro per New Share without issue premium.

The exercise ratio may be adjusted further to transactions that the Company could carry out as from the date of issuance of the New Money Warrants under the provisions of applicable law in order to maintain the rights of the holders of New Money Warrants. It is specified that the Right Issue, the Reserved Capital Increase and the issuance and free allocation of the Shareholders Warrants shall not entitle to an adjustment of the New Money Warrants.

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The holders of New Money Warrants shall be entitled to obtain at any time, during a period of three (3) months as from the settlement-delivery date of the last of the Capital Increases, i.e., according to the indicative timetable from 22 September 2020 until 22 December 2020 included, New Shares through the exercise of the New Money Warrants.

The New Money Warrants which would not have been exercised within the aforementioned deadline shall become null and void thereby losing any value and all rights attached thereto.

The holders of New Money Warrants are gathered together in French "masse" with legal personality governed by provisions identical to those set forth under Articles L. 228-47 to L. 228-64, L. 228-66 and L. 228-90 of the French Commercial Code.

The representative of the masse of New Money Warrants is Aether Financial Services - 34 rue Monceau, 75008 Paris.

Issue currency: euro

Denomination of the New Money Warrants: not applicable

Rank relating to the securities in the issuer's equity structure upon insolvency: not applicable

Number of New Money Warrants: 17,701,957

Restrictions on the free transfer of the New Money Warrants: none

Dividend or distribution policy: not applicable

3.2 Where are the securities traded?

A request will be made for admission to trading of the New Shares on Euronext Paris (compartment B).

The New Shares issued in connection with the Capital Increases shall be admitted to trading on that market as from 22 September 2020. They shall be immediately assimilated to the Company's existing shares already negotiated on Euronext Paris and negotiable, as from that date, on the same trading line under the ISIN code FR0013505062.

A request will be made for admission to trading of the Shareholders Warrants allocated to the shareholders, on Euronext Paris under the ISIN code FR0013526225. The admission to trading on Euronext Paris is scheduled on 22 September 2020.

A request will be made for admission to trading of the New Shares resulting from the exercise of the Shareholders Warrants and the New Money Warrants on Euronext Paris (compartment B) and shall be negotiable on the same line as the existing shares.

The New Money Warrants shall not be admitted to trading on the regulated market of Euronext Paris. However, a request will be made for the admission of the New Money Warrants to the operations of Euroclear France which shall ensure the clearing of the New Money Warrants between the custodians.

3.3 Is there a guarantee attached to the securities?

not applicable

3.4 What are the main risks specific to the securities?

Risks common to the issuances:

- In the case where the conditions precedent relating to the Issuances would not be satisfied, the Issuances as well as the other transactions provided for under the Safeguard Plan could not be implemented and the Group would not have sufficient consolidated net working capital to meet its obligations for the next twelve months and the continuity of business operations would be compromised.

- The existing shareholders will suffer a dilution of their equity stake in the Company's share capital as a result of the completion of the Issuances, it being specified that this dilution would be higher should the existing shareholders not subscribe to the Right Issue or not exercise their Shareholders Warrants. For information purposes, a shareholder holding 1% of the Company's share capital would have its stake reduced (on a diluted basis), after completion of the Issuances and exercise of all the Warrants, to (i) 0.06% in the event that he does not subscribe to the Right Issue, and does not exercise its Shareholders' Warrants and (ii) 0.56% in the event that he exercises all of his preferential subscription rights under the Right Issue as well as all of his Shareholders' Warrants.

- Given the very large number of shares issued in connection with the Issuances, sales of a significant number of the Company's shares, preferential subscription rights or Warrants could occur rapidly from the date of completion of the Issuances, or such sales could be expected by the market, which could have an adverse impact on the market price of the shares, the preferential subscription rights and/or the market price of the Warrants.

Risks associated with the capital increase with preferential subscription right:

- No assurance can be given as to the fact that a market will develop for preferential subscription rights and, even if it does develop, it may only offer limited liquidity and be subject to high volatility. Holders of preferential subscription rights who do not




wish to exercise them may not be able to sell them on the market. In addition, in the event of a price decrease in the Company's shares, the value of the preferential subscription rights may decrease.

Risks associated with the issuances of the Shareholders Warrants:

- No assurance can be given as to the fact that a market will develop for Shareholders Warrants and, even if it does develop, it may only offer limited liquidity and be subject to high volatility. In the event of a decrease in the market price of the Company's shares, the value of the Shareholders' Warrants may decrease.
- The market price of the Company's shares could fluctuate and remain below the subscription price of the new shares issued upon exercise of the Shareholders Warrants and, as a result, the holders of Shareholders Warrants may not be able to readjust their stake in the Company's share capital at favorable price conditions. If a decrease in the share price occurs after the exercise of the Shareholders Warrants by their holders, the latter could suffer a loss in case of immediate sale of such shares.

Section 4 – Key information about the offer of securities to the public and/or the admission to trading on a market

4.1 Under what conditions and according to what timetable may I invest in these securities?

Conditions of the transaction:

Right Issue

The Right Issue, of a maximum amount of EUR 329,999,999.90 (including a nominal amount of 1,107,382.55 euros and an issue premium of 328,892,617.35 euros) shall be carried out with the shareholders' preferential subscription right on the basis of 43 New Shares for 6 existing shares with a nominal value of 0.01 euro each via the issuance of a maximum number of 110,738,255 New Shares.

6 preferential subscription rights shall entitle to subscribe, on an irreducible basis (*à titre irréductible*), to 43 New Shares with a nominal value of 0.01 euro each, at a unit subscription price of 2.98 euros (issue premium included). The shareholders or the assignees of preferential subscription rights may also subscribe, on a reducible basis (*à titre réductible*), to the number of New Shares they want. Only the New Shares, non-subscribed on an irreducible basis (*à titre irréductible*), will be allocated and allotted to subscribers on a reducible basis (*à titre réductible*). Orders for subscriptions subject to reduction will be served within the limit of their requests and in proportion to the number of existing shares whose rights will have been used in connection with their irrevocable subscriptions, without this resulting in the allocation of fractional New Shares.

According to the provisional timetable, it is expected that the trading period of the preferential subscription rights will be opened from 7 August until 9 September 2020 (included) under the ISIN code number FR0013526217.

According to the provisional timetable, it is expected that the subscription period of the New Shares, in connection with the Right Issue through the exercise of the preferential subscription rights will be opened from 11 August until 11 September 2020 (included). The preferential subscription rights not exercised shall automatically become null and void after the closing of the subscription period. Shareholders willing to subscribe to the Right Issue must, until 11 September 2020 included (according to provisional timetable), send their subscription requests and proceed with the payment of their subscription funds (i) for shareholders registered in administered registered form or in bearer form, to their authorized intermediary acting in their name and on their behalf and (ii) for shareholders registered in pure registered form, to Société Générale Securities Services.

In accordance with the provisions of Article L. 225-134 of the French Commercial Code and pursuant to the first resolution approved by the General Meeting, if the subscriptions on an irreducible basis (*à titre irréductible*) and, as applicable, on a reducible basis (*à titre réductible*), have not covered the entire amount of the issuance, the Board of Directors is entitled to allocate the unsubscribed shares between the holders of Claims in accordance with their subscription undertakings to guarantee the Right Issue.

The Right Issue is subject, in accordance with the Safeguard Plan, to (i) an irreducible subscription commitment by BPI corresponding to the amount of its stake in the Company's share capital, i.e. 7.58% of the share capital, and (ii) subscription commitments by the holders of Claims given as a guarantee covering 100% of the Right Issue.

It is expected that the settlement-delivery of the Right Issue will occur on 22 September 2020 according to the provisional timetable.

Reserved Capital Increase

The Reserved Capital Increase, of a maximum amount (issue premium included) of EUR 329,999,996.60 (including a nominal amount of 921,787.70 euros and an issue premium of 329,078,208.90 euros) shall be carried out through the issuance of a maximum number of 92,178,770 New Shares, to be subscribed by way of set-off against a part of the Claims at their face value (*valeur faciale*), at the subscription price of 3.58 euros (i.e. a nominal value of 0.01 euro and an issue premium of 3.57 euros).

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According to the provisional timetable, it is expected that the subscription period of the New Shares, in connection with the Reserved Capital Increase will be opened on 18 September 2020 exclusively. The holders of Claims have irrevocably undertaken, for each in proportion to its share in the Claims subject to conversion through the Reserved Capital Increase, to subscribe to the Reserved Capital Increase. These commitments cover the entire amount of the Reserved Capital Increase. It is expected that the settlement-delivery of the Reserved Capital Increase will occur on 22 September 2020 concurrently with the settlement-delivery of the Right Issue.

Shareholders Warrants

A maximum number of 15,407,114 free Shareholders Warrants shall be issued and allocated on 22 September 2020 to the Company's shareholders on the basis of one (1) Shareholders Warrant for one (1) ordinary share of the Company.

5 Shareholders Warrants shall entitle to subscribe, during a period of 4 years as from the date of the settlement-delivery of the last of the Capital Increases, to four (4) New Shares, at a subscription price (issue premium included) of 3.58 euros per New Share (subject to adjustments). The aggregate maximal number of Shareholders Warrants shall be equal to 15,407,114. The aggregate number of New Shares to which all the issued Shareholders Warrants shall entitle to subscribe shall not exceed 12,325,691 New Shares.

The delivery date scheduled for the Shareholders Warrants is 22 September 2020.

The New Shares shall be issued after exercise of the Shareholders Warrants on the day of their settlement-delivery and the funds shall be paid on that date.

New Money Warrants

A maximum number of 17,701,957 free New Money Warrants shall be issued and allocated on 22 September 2020 according to the provisional timetable in connection with a capital increase with cancellation of the shareholders' preferential subscription right (i) to the benefit of the New Money lenders (except for BPI) and (ii) to the benefit of BPI. The allocation of the New Money Warrants to the benefit of the said lenders, including BPI, will be carried out in proportion to their share in the New Money, it being specified that to date, only BPI's share in the New Money has been definitively determined, the other lenders may transfer their interests, in particular with respect to the balance of the New Money.

The New Money Warrants shall be exercisable during a period of 3 months following the settlement-delivery date of the last of the Capital Increases, one (1) New Money Warrant entitling to subscribe to one (1) New Share (subject to adjustments) for a unit subscription price of 0.01 euro (without issue premium).

The delivery date scheduled for the New Money Warrants is 22 September 2020.

The New Shares shall be issued after exercise of the New Money Warrants on the day of their settlement-delivery and the funds shall be paid (or the claims permitting the paying-up of the New Shares shall be set-off) on the exercise date.

Admission to trading on a regulated market:

It is expected that the New Shares issued in connection with the Right Issue and the Reserved Capital Increase will be admitted to trading on Euronext Paris as from 22 September 2020 according to the provisional timetable.

The New Shares resulting from the exercise of the Shareholders Warrants and the New Money Warrants shall be subject to periodic applications for admission to trading on Euronext Paris (compartment B) and shall be negotiable on the same line as the existing shares.

It is expected that the Shareholders Warrants will be admitted to trading on Euronext Paris as from 22 September 2020 according to the provisional timetable.

No request for admission to trading of the New Money Warrants on Euronext Paris will be made.

Distribution plan

Right Issue

The subscription to the New Shares to be issued in connection with the Right Issue is reserved for the initial holders of the preferential subscription rights and for the assignees of these preferential subscription rights. Each shareholder shall receive on 7 August 2020 one (1) preferential subscription right per share recorded on its securities account (after the close of trading) on the last accounting day preceding the opening date of the trading period of the preferential subscription rights, i.e. at the end of the accounting day of 6 August 2020 according to the provisional timetable. The preferential subscription rights shall be admitted to trading on Euronext Paris as from 7 August 2020 until 9 September 2020 under the ISIN code number FR0013526217 and may be exercised as from 11 August 2020 until 11 September 2020 according to the provisional timetable.

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Shareholders Warrants

The Shareholders Warrants shall be allocated to the Company's shareholders providing proof of a book entry of their shares on the date retained for the detachment of the shareholders' preferential subscription rights under the Right Issue, i.e., on 7 August 2020 according to the provisional timetable.

Reserved Capital Increase

The New Shares issued in connection with the Reserved Capital Increase shall be issued with cancellation of the shareholders' preferential subscription right to the benefit of the holders of Claims in accordance with the provisions of Article L. 225-138 of the French Commercial Code.

New Money Warrants

The New Money Warrants shall be issued in connection with a capital increase with cancellation of the shareholders' preferential subscription right to the benefit of (i) the lenders under the New Money (except for BPI), constituting a category of persons meeting specific characteristics pursuant to the terms of fourth resolution of the General Meeting and in accordance with Article L. 225-138 of the French Commercial Code and (ii) BPI pursuant to the terms of fifth resolution of the General Meeting and in accordance with the provisions of Article L. 225-138 of the French Commercial Code.

Countries in which the offer shall be opened: a public offer of the New Share will only be made in France.

Key dates of the provisional timetable:

07/20/2020	Authorization by the combined General Meeting of Technicolor shareholders of the Right Issue, of the Reserved Capital Increase and of the free allocation of the Shareholders Warrants and of the New Money Warrants
07/28/2020	Approval by the Paris Commercial Court of the Safeguard Plan
07/30/2020	Decision of the Company's Board of Directors acknowledging the fulfillment of the conditions precedent to the Issuances and deciding on the implementation of the delegations of authority relating to these Issuances
08/04/2020	AMF approval of the Supplement to the Prospectus Publication by the Company of the press release announcing the main terms of the Capital Increases and the free allocation of the Warrants as well as the availability of the Prospectus
08/05/2020	Publication by Euronext of the issuance notice relating to the Right Issue and announcing the listing of the preferential subscription rights
08/06/2020	Accounting day at the end of which persons registered in the accounts will be granted preferential subscription rights
08/07/2020	Detachment of the preferential subscription rights Opening of the trading period of the preferential subscription rights on Euronext Paris Record date for the allocation of the Shareholders Warrants
08/11/2020	Opening of the subscription period of the Right Issue
09/09/2020	Closing of the trading period of the preferential subscription rights
09/11/2020	Closing of the subscription period of the Right Issue
09/16/2020	Outcome of the subscription to the Right Issue Decision of Technicolor's Board of Directors with a view to (i) acknowledge the amount of subscriptions on an irreducible (<i>à titre irréductible</i>) and reducible (<i>à titre réductible</i>) basis and (ii) call the guarantee of the Creditors Publication by the Company of a press release announcing the outcome of the subscriptions under the Right Issue and the call in guarantee
09/18/2020	Decision of Technicolor's Board of Directors with a view to (i) allocating the shares not subscribed in connection with the Right Issue to the holders of Claims by way of set-off against their claims (ii) launching the Reserved Capital Increase (iii) allocating the Warrants Publication by Euronext of the admission notice for the New Shares under the Right Issue and the Reserved Capital Increase and the Shareholders Warrants stating, inter alia, the final amount of the Right Issue and the allocation scale of the subscriptions on a reducible basis (<i>à titre réductible</i>)

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09/22/2020	Subscription to the Reserved Capital Increase Issuance of the New Shares under the Right Issue and the Reserved Capital Increase Settlement-delivery of the Right Issue and the Reserved Capital Increase Settlement-delivery of the Warrants Admission of the New Shares issued in connection with the Right Issue and the Reserved Capital Increase to trading on Euronext Paris Admission of the Shareholders Warrants to trading on Euronext Paris Opening of the Exercise period of the Warrants
12/22/2020	Closing of the Exercise Period of the New Money Warrants – Nullity of the New Money Warrants not exercised
09/22/2024	Closing of the Exercise Period of the Shareholders Warrants – Nullity of the Shareholders Warrants not exercised

Amount and percentage of dilution immediately resulting from the Issuances:

On an indicative basis, the theoretical impact of the issuance of the New Shares resulting from the Right Issue, the Reserved Capital Increase and the exercise of all the Shareholders Warrants and the New Money Warrants over the equity stake held by a shareholder holding 1% of the Company's share capital prior to the issuance of the New Shares and the Warrants (calculated on the basis of a number of 15,407,114 shares composing the Company's share capital as of 30 June 2020) would be as follows:

Equity stake of the shareholder (in %)	Absence of subscription to the Right Issue and of exercise of the Warrants by the shareholder		Exercise of all its preferential subscription rights and absence of exercise of the Warrants by the shareholder		Exercise of all its preferential subscription rights and Shareholders Warrants by the shareholder	
	On a non-diluted basis	On a diluted basis*	On a non-diluted basis	On a diluted basis*	On a non-diluted basis	On a diluted basis*
Prior to the issuance of the New Shares and the allocation of the Warrants	1%	0.99%	1%	0.99%	1%	0.99%
After issuance of 110,738,255 New Shares in connection with the Right Issue	0.12%	0.12%	1%	1%	1%	1%
After issuance of 202,917,025 New Shares in connection with the Right Issue and with the Reserved Capital Increase	0.07%	0.07%	0.58%	0.58%	0.58%	0.58%
After issuance of 220,618,982 New Shares in connection with the Right Issue, with the Reserved Capital Increase and the exercise of all the New Money Warrants	0.07%	0.07%	0.53%	0.53%	0.53%	0.53%
After issuance of 232,944,673 New Shares in connection with the Right Issue, with the Reserved Capital Increase and the exercise of all the New Money Warrants and the Shareholders Warrants	0.06%	0.06%	0.51%	0.51%	0.56%	0.56%

*Calculations based on the assumption of the issuance of the maximum number of free shares to be issued in connection with the free allocations plans in force on the date of the Prospectus, i.e., 121,172 free shares, it being specified that the stock options allocated by the Company and remaining outstanding on the date of the Prospectus have not been taken into account in the potential dilution since their minimum exercise price (i.e. EUR 86.13) is far above the Company's share price.



On an indicative basis, the allocation of the share capital and voting rights after the Issuances would be based on the following assumptions:

Shareholders	Subscription/exercise of 100% of the Right Issue and of the Shareholders' Warrants by the Shareholders		Subscription/exercise of 50% of the Right Issue of the Shareholder and of the Warrants by the Shareholders		Absence of subscription to the Right Issue and exercise of the Shareholders Warrants by the Shareholders	
	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights
RWC	8,905,136	3.59%	4,949,114	1.99%	993,139	0.42%
BPI	11,315,497	4.56%	10,848,321	4.37%	10,381,145	4.40%
Caisse des Dépôts et Consignation	1,205,928	0.49%	670,188	0.27%	134,491	0.06%
➤ <i>Subtotal Bpifrance Participations and Caisse des dépôts et Consignation</i>	12,521,425	5.04%	11,518,509	4.64%	10,515,636	4.45%
Invesco	9,863,319	3.97%	5,481,638	2.21%	1,100,000	0.47%
Bain Capital Credit	12,203,758	4.91%	16,968,857	6.83%	20,980,258	8.89%
Credit suisse AM	15,967,833	6.43%	24,229,484	9.76%	31,273,416	13.25%
Barings	13,701,516	5.52%	20,423,464	8.22%	26,160,903	11.08%
Alcentra (Jubilee)	8,726,271	3.51%	12,988,244	5.23%	16,626,000	7.04%
Goldman Sachs	8,286,908	3.34%	12,352,456	4.97%	15,822,555	6.70%
ICG	5,408,227	2.18%	8,061,495	3.25%	10,326,161	4.38%
Other holders of Claims /Lenders	46,694,308	18.80%	70,759,690	28.49%	91,300,404	38.68%
Public	106,073,086	42.71%	60,618,836	24.41%	10,927,624	4.63%
TOTAL	248,351,787	100%	248,351,787	100%	236,026,096	100%

Total estimated expenditures: expenditures relating to the Issuances to be borne by the Company are estimated at 37 million euros

Expenditures charged to the investor by the Company: not applicable

4.2 Why is this Prospectus drawn up?

Reason for the issuances and use of the proceeds: Context of the Issuances - The contemplated Right Issue, Reserved Capital Increase and contemplated allocation of Shareholders Warrants and New Money Warrants (the "**Issuances**") fall within the scope of the Company's draft accelerated financial safeguard plan approved by all the Company's relevant creditors' committees on 5 July 2020 and approved pursuant to a judgment of the Paris Commercial Court on 28 July 2020 (the "**Safeguard Plan**"). As a reminder, considering the financial situation which the Group has been facing since February 2020 urgent liquidity needs which have increased during the second quarter of 2020 due to the Covid-19 epidemic and the confinement measures put in place to prevent the spread of the virus having impacted, both in France and abroad, to varying degrees the activity of the Group's various divisions and (i) considering the impossibility to carry out the proposed EUR 300M


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capital increase which was intended to cover the Group's initial liquidity needs and (ii) the material impossibility to obtain the creditors' unanimous consent in connection with the conciliation proceedings opened on 2 June 2020 in order to envisage a more global restructuring of the Group's indebtedness, the Company has requested the opening of an accelerated financial safeguard proceeding (*procédure de sauvegarde financière accélérée*) with a view to reducing the Group's debt and meeting its operating needs. Under these circumstances, pursuant to a judgment dated 22 June 2020, the Paris Commercial Court opened, for a duration of one month, an accelerated financial safeguard proceeding (*procédure de sauvegarde financière accélérée*). The Company and some of its main holders of Claims (as defined below), have formalized and confirmed in legally binding agreements (lock-up agreement or support agreement to the restructuring) the main terms and conditions of the Company's financial restructuring. The Safeguard Plan, formalizing the terms and conditions of the aforementioned agreements, provides for the following main restructuring and financing measures:

- the Contribution of a sum equivalent to approximately 420 million euros (net of costs and commissions) of new liquidities for the purposes of the continuation of the 2020-2022 strategic plan (updated with respect to the COVID-19 impact), the financing of the Group's current operations and the full refinancing of a bridge loan in an amount of USD 110 million, in principal, granted, *inter alia*, to Technicolor USA, Inc. (the "**Bridge**") due on 31 July 2020 (the "**New Money**"), it being specified that in consideration for the contribution as part of the New Money, the New Money lenders shall, *inter alia*, be granted New Money Warrants (each in proportion to its participation in the New Money), which may be exercised during a 3 month-period, at the par value of the share and representing approximately 7.5% of the capital post Capital Increases (but prior to the dilution of the Shareholders Warrants). With a view to limiting the shareholders' dilution resulting from these New Money Warrants, the Safeguard Plan provides for the issuance of free Shareholders Warrants, which may be exercised during a 4 year-period, at the same price as the Reserved Capital Increase (3.58 euros per share) and representing approximately 5% of the capital post dilution resulting from all the Issuances. Various security interests and guarantees of the Company will be granted as collateral for the New Money and, in particular, a *fiducie sûreté* of Tech 7, a wholly-owned subsidiary of the Company, and, a *fiducie sûreté* on the shares of Gallo 8, a wholly-owned subsidiary of the Company, it being specified that in the context of internal restructuring operations, the ownership of some of the Group's companies has been or will be transferred to these companies.
- the restructuring of the existing indebtedness in order to bring it back to a level consistent with the Group's business prospects, i.e.:
 - o the reinstatement of 45.2% of the claims due under (i) the facility agreement of approximately 1 billion euros (which includes EUR 755 million facilities and USD 300 million facilities), dated 6 December 2016 entered into, *inter alia*, between the Company, Citibank N.A., London Branch, as security agent, J.P. Morgan Europe Limited, as agent, J.P. Morgan Limited and Citigroup Global Markets Limited, as co-bookrunners (such as amended, modified, supplemented, or restated from time to time) (the "**Term Loan B**") and (ii) the revolving credit facility of EUR 250 million entered into on 21 December 2016 between, *inter alia*, the Company, Natixis as agent and Citibank N.A., London Branch as security agent (such as amended, modified, supplemented, or restated from time to time) (the "**RCF**") and, together with the Term Loan B, the "**Facility Agreements**") (the "**Claims**"), within new term lines of credit in an amount equivalent to 572 million euros in principal, due 31 December 2024 and the granting, as a collateral, of new security interests on the Group's assets and a personal guarantee;
 - o the settlement of the remaining balance of the Claims in an amount equivalent to 660 million euros, in connection with the Right Issue and with the Reserved Capital Increase or, as applicable, with cash payments;
 - o the extension to 31 December 2023 of the maturity date of another credit line facility granted to Technicolor USA, Inc. (the "**Wells Fargo Line**") as well as other modifications necessary for the implementation of the restructuring operations.

The approval of the Safeguard Plan by the Paris Commercial Court was one of the conditions precedent to the implementation of the Safeguard Plan (including the completion of the Issuances), and such approval was itself conditioned to the favorable vote of the General Meeting on each one of the Issuances.

The completion of the Capital Increases will thus permit to substantially reduce its financial indebtedness, up to 660 million euros.

As announced in the press release dated 20 July 2020 issued by the Company, the General Meeting approved all of the resolutions necessary for the implementation of the Issuances and the first tranche of the New Money for an amount of

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approximately 240 million euros was made available to the Group.

In addition, as announced in the press release dated 28 July 2020 issued by the Company, following the approval of the Safeguard Plan by the Paris Commercial Court on the same day, all of the Conditions Precedent relating to the Issuances have been met. Consequently, the Issuances (which are interdependent) were decided by the Company's Board of Directors on 30 July 2020 and will be subscribed under the terms and conditions set forth above.

Use of proceeds - the amount of the subscriptions to the Right Issue will be fully allocated to the repayment of the non-reinstated and non-converted Claims, up to 330 million euros, it being specified that the subscription in cash by the shareholders will permit the cash repayment of the said Claims up to the amount of the said subscription and that the balance of the Right Issue, not subscribed at the close of the subscription period will be fully subscribed by the holders of Claims, pursuant to their commitment under the Safeguard Plan, by way of set-off against part of the Claims (which shall become payable on that date pursuant to the Safeguard Plan).

The Reserved Capital Increase, in an amount of 330 million euros, shall be fully subscribed by way of set-off against part of the Claims (which shall become payable on that date pursuant to the Safeguard Plan). Consequently, the Reserved Capital Increase will only allow the Company to reduce the Company's indebtedness and will not generate any proceeds.

In the event that the Shareholders Warrants were exercised, the proceeds from the subscriptions, in cash, of the Shareholders' Warrants would be used to finance the Group's corporate purposes.

Net estimated amount of the proceeds: the gross proceeds of the Capital Increases would be used exclusively to reduce the Group's indebtedness through the repayment or conversion into New Shares of a part of the Claims. The maximum gross amount of the exercise of all the New Money Warrants would be of 177,019.57 euros and the maximum gross amount of the exercise of the Shareholders Warrants would be of 44,125,973.78 euros. Expenses relating to the Issuances will be fully financed with the Group's available cash after the New Money has been granted.

Underwriting agreement with firm commitment: not applicable.

Main conflicts of interests: to the Company's knowledge, there is no interest, including any conflicting interest of a shareholder or group of shareholders likely to significantly impact the Issuances. It is however recalled that:

- BPI, member of the Company's Board of Directors holding, as of the date of the Prospectus, 7.58% of the Company's share capital and voting rights, has undertaken to subscribe, as a shareholder, on an irreducible basis, to the Right Issue up to the stake it holds in the share capital;
- The funds and account managed by Bain Capital Credit LP hold, as of the date of the Prospectus, 6.18% of the Company's share capital and voting rights. Some of these funds are also holders of Claims and may be lenders under the New Money;
- the holders of Claims have irrevocably undertaken, in the case where, at the end of the subscription period, all the subscription on an irreducible basis (*à titre irréductible*) and, as applicable, on a reducible basis (*à titre réductible*), would not have covered the entire Right Issue, to subscribe, for each in proportion to its share in the Claims to be repaid or converted as a result of the Right Issue (except any agreement between the holders of Claims), to the unsubscribed portion of the Right Issue by way of set-off against their Claims (these commitments covering the entire amount of the Right Issue);
- the holders of Claims have irrevocably undertaken, to subscribe, for each in proportion to its share in the Claims to be repaid or converted as a result of the Right Issue, by way of set-off against their Claims, to the Reserved Capital Increase (these undertakings covering the entire amount of the Reserved Capital Increase).

The Safeguard Plan further provides, in consideration for the granting of the New Money, for the allocation free of charge of the New Money Warrants to the exclusive benefit of the Lenders (including BPI).

To the Company's knowledge and as of the date hereof, with the exception of BPI and Bain Capital Credit LP, no Lender or holders of Claims holds more than 1% of the Company's capital.

The Global Coordinators and Joint Lead Managers and/or some of their affiliates have rendered and/or may render in the future various banking, financial, investment, commercial and other services to the Company and other companies of the Group, their shareholders or their corporate officers, for which they have received or may receive remuneration.

In particular, Credit Suisse AM, an affiliate of Credit Suisse Securities (Europe) Limited, in its capacity as Creditor and Lender, has undertaken to subscribe to the Right Issue as a guarantee. As a Creditor, Credit Suisse AM is likely to be allocated New Shares in the event of implementation of the guarantee of the Creditors in accordance with the terms and conditions described

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in section 5.2.3 of the securities note.

Independent expertise: the firm Finexsi, appointed on a voluntary basis by the Company as independent expert to assess the fairness of the transactions planned under the Safeguard Plan for the Company's shareholders, has, in its fairness opinion, issued the following opinion: *"In conclusion, for the shareholder, the implementation of these financings makes it possible to maintain the Company as a going concern, by reducing its current debt at a high overall average cost but close to market conditions for issues of comparable class, the terms and conditions of which have been included in our calculations on the evolution of its assets and liabilities.*

Therefore, in the context of the Company's current financial difficulties, we consider that, as of the date of this report, the terms and conditions of the Transaction are fair from a financial point of view to the shareholders".

Retention undertaking: Subject to the usual exceptions, the Lenders and the holders of Claims which would hold more than 2% of the Company's share capital after completion of the Capital Increases and assuming the issuance of New Shares upon the exercise of the New Money Warrants (whether exercised or not) have agreed to undertake to retain (i) during a 90 days period following the settlement-delivery of the Capital Increases, at least 50% of the New Shares which would be allocated to them as a result of the Capital Increases and upon exercise of the New Money Warrants, and (ii) during an additional 90 days period, at least 16.67% of the said New Shares.

Lockup commitment of the Company:

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