PRESS RELEASE

AGREEMENT IN PRINCIPLE ON FINANCIAL RESTRUCTURING PLAN

€420 MILLION NEW FINANCING AND DELEVERAGING THROUGH € 660 MILLION DEBT EQUITIZATION

OPENING OF AN ACCELERATED FINANCIAL SAFEGUARD PROCEDURE

Paris (France), 22 June 2020 – Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) (the "**Company**") announces today that it has reached an agreement in principle on a financial restructuring plan (the "**Agreement In Principle**"), which meets the Company's objectives of (i) obtaining a new financing in an amount of €420 million, addressing the liquidity needs of the Group and (ii) deleveraging the Company's balance sheet, through the equitization of up to €660 million of its Term Loan B and Revolving Credit Facility. The Company has received the support of a majority (65,77%[1]) of its lenders under the Term Loan B and Revolving Credit Facility and of Bpifrance Participations, an institutional shareholder.

This Agreement in Principle, whose terms and conditions are described in more details below, provides a framework for long-term sustainability for the Company's businesses, employees, customers and suppliers, and offers its current shareholders an opportunity to participate in the Company's recovery. Based on the proposed new financing plan, gross debt[2] is to decrease from the current position of €1,444 million to €1,102 million. The net debt to EBITDA target (post IFRS 16 adjustments) is around 3x at end of 2021, decreasing thereafter.

Furthermore, the Company announces the opening today of an accelerated financial safeguard procedure, in order to facilitate the implementation of the Agreement in Principle, by the Paris commercial Court.

1 On the basis of an exchange rate (€/$) of 1.1193
2 Before IFRS operating lease debt

1. Status of the restructuring process

In February 2020, Technicolor informed the market of its intention to launch a €300 million rights issue by June 30th 2020 at the latest, which was authorized by the general meeting of the Company's shareholders on March 23rd 2020. Since then, the impact of the Covid-19 crisis on the business activities of the Group, and the uncertainty in global market conditions, have rendered it difficult to launch the initially contemplated rights issue within the contemplated timeline, and have increased the liquidity needs of the Group, which were originally intended to be covered by the rights issue.

In May, the Company launched a confidential process aiming at raising a new money facility replacing the rights issue in order to finance the group's operations and to repay the $110 million bridge loan due on July 31st.

Technicolor has received offers both from third parties and from existing creditors, including notably, as announced in the June 4th press release, an offer from a group of creditors representing 59% at that time of the Term Loan B and the Revolving Credit Facility, in the framework of the conciliation proceedings opened on June 2nd. This proposal addresses both the Group's liquidity requirements and the need to deleverage the Company's balance sheet, through a combination of a rights issue (fully backstopped by the Term Loan B and Revolving Credit Facility lenders by way of set-off of their claims) and a capital increase reserved to the Term Loan B and Revolving Credit Facility lenders (subscribed by way of set-off of their claims).

Upon the recommendation of the *Comité Ad Hoc* (appointed by the board in the context of the debt restructuring and composed of a majority of independent directors) and given the potential significant dilution implied by such capital increases, the Board of Directors decided on June 5th to appoint, on a voluntary basis, Finexsi (g.windsor@finexsi.com / 01 43 18 42 42), as independent appraiser, in accordance with article 261-3 of the AMF General Regulation. Finexsi will, in particular, issue a fairness opinion on the proposed capital increases.

On June 11th, the Company announced the launching of a waiver consent solicitation of its existing lenders under its Credit Facilities, in order to allow the Company to have the option to request (i) the opening in France of a "*procédure de sauvegarde financière accélérée*" (which is a form of pre-negotiated safeguard procedure with financial creditors only) ("**SFA**") on Technicolor SA and (ii) the recognition of the SFA in the US, in accordance with applicable regulations (the "**Recognition Procedure**"), without such actions constituting an event of default under the Credit Facilities.

After having received waiver consents from the requisite majority of its lenders, the Company therefore decided on June 18th to file a request for the opening in France of an SFA, with the Recognition Procedure to be filed shortly after the SFA has been opened. The SFA was effectively opened today.

The SFA allows for the implementation of the transaction with only a 2/3 majority of impacted lenders under the Credit Facilities. As of today, lenders representing 65,77% of the principal amount of the Term Loan B and Revolving Credit Facility, as well as Bpifrance Participations, an institutional shareholder holding c. 7.5% of the share capital (the "**Ad Hoc Group**"), support the Agreement in Principle, setting out the terms and conditions of the debt restructuring of the Group, as further detailed below.

Technicolor intends to implement the debt restructuring provided for by the Agreement in Principle in the framework of an SFA plan which remains subject to conditions precedent as further detailed below, in particular to a favorable vote by an extraordinary shareholders' meeting of the Company (the "**EGM**") on certain aspects of the SFA plan, and to French court approval.

2. Key Transaction Principles

The Agreement in Principle sets forth the following key principles (the "**Restructuring**"):

- New money in an aggregate principal amount, net of Original Issue Discount ("O.I.D.") and underwriting fees, equal to € 420 million, to be made available, subject to the satisfaction of certain conditions precedent, to Technicolor's Affiliates by (i) any lenders under the TLB and the RCF who wish to participate, in an amount of €400 million (fully underwritten by the Ad Hoc Group excluding Bpifrance Participations) and (ii) by Bpifrance Participations in an amount of €20 million (the "**New Money Lenders**"), as follows:
    - initial new money to be made available around mid-July to Technicolor USA, Inc. ("**TCH US**") (the "**US New Money**"), subject to positive vote of the financial creditors committee, approval of the judge and other conditions, by way of a New York law term loan facility in order to repay in full in cash the $110 million bridge loan which was made available to TCH US on March 5th, 2020 and which is due to be repaid on July 31st 2020 (the "**Bridge Loan**");
    - additional initial new money to be made available on the same date as the US New Money to Tech 6, a direct subsidiary of the Company incorporated in France, subject to positive vote of the financial creditors committee, approval of the judge and other conditions, by way of a New York law notes issue (the "**Initial FR New Money**" and, together with the US New Money, the "**Initial New Money**");
    - remaining new money to be made available by the end of August 2020 to Tech 6, subject to among, other conditions, approval of the SFA plan by the Court (the "**Balance FR New Money**" and, together with the Initial New Money, the "**New Money**");
    - New Money to be secured by "fiducies-sûretés" (equivalent of a trust under French law) in respect of the shares of sub-holding companies, holding quasi all (after some corporate reorganization) of the members of the Group (the "**Fiducies**"), it being specified that the implementation of the Fiducie for the Balance FR New Money will be submitted to a consultative vote of the EGM, in accordance with the AMF recommendation n°2015-05 on transfer of assets. The New Money shall also be secured by certain other security interests, including by security over the assets currently securing the Bridge Loan (for the US New Money only), the TLB and the RCF.
- The existing indebtedness of the Group (together, the "**Credit Facilities**") will be restructured, as follows:
    - Bridge Loan would be repaid using the proceeds of the injection of the US New Money;
    - $125 million asset-based loan made available to TCH US on November 6th 2017 and certain other US members of the Group (the "**ABL Facility**") to be amended, in particular to extend the final maturity date of the loan to December 2023, and to allow

the implementation of all of the transactions contemplated herein in order to achieve the Restructuring;

- €725 million plus $290 million term loan facility dated December 6th 2016 (the "**Term Loan B"** or "**TLB**") made available to the Company to be partially equitized as described below and, in respect of the reinstated debt, amended as to extend the maturity to December 2024 with a bullet repayment;

- €250 million revolving credit facility dated December 21st 2016 (the "**Revolving Credit Facility**" or the "**RCF**") made available to the Company (fully drawn to date) to be partially equitized as described below and, in respect of the reinstated debt, amended as to extend the maturity to December 2024 with a bullet repayment.

- The partial equitization of the debt (up to € 660 million) will be structured as follows, subject in particular to (i) the positive vote of the EGM on all resolutions relating to the Restructuring (such resolutions being linked to each other, it being specified that Bpifrance Participations committed to vote in favor of such resolutions, subject to legal or regulatory constraints preventing him from voting, as the case may be) and (ii) approval by the AMF of a prospectus relating to:

  - a rights issue of the Company, with shareholders' preferential subscription rights, for a total amount of €330 million, at a subscription price of €2.98 per share, fully backstopped by the TLB and RCF lenders by way of set-off of their claims at par under the Credit Facilities; Bpifrance Participations will subscribe to the rights issue in cash pro rata its current shareholding (c. 7.5%) on a non-reductible basis (*souscription à titre irréductible*) for an aggregate amount up to €25.5 million; any cash proceeds of the rights issue will be used in full to repay the TLB and RCF lenders, at par value;

  - a reserved capital increase of the Company, for a total amount of €330 million, at a subscription price of €3.58 per share, reserved to the TLB and RCF lenders and which will be fully subscribed by way of set-off against their claims at par under the Credit Facilities;

  - free warrants to be allocated to the New Money lenders ("**New Money Warrants**"), with a 3-month maturity, with an exercise price of €0.01, equal to the par value of the shares, and giving access to 7.5% of the share capital of the Company (after the rights issue, the reserved capital increase and the exercise of New Money Warrants, but before exercise of the free warrants by the shareholders);

  - free warrants to be allocated to existing shareholders at the time of the launching of the rights issue, with a 4-year maturity and a strike price equal to the reserved capital increase price (i.e. €3.58 per share); the free warrants will give access to 5% of the share capital of the Company on a fully diluted basis (i.e., after the rights issue, the reserved capital increase, the exercise of New Money Warrants and the exercise of the free shareholders' warrants). Each existing share will give right to 1 warrant, which will give right to circa 0.8 new share at a price of 3.58 per share.

- It should be noted that, should the EGM that will be convened on July 20th 2020 decide to vote against one of the resolutions linked to the Restructuring, the SFA plan cannot be approved by the Court and, in this case, the Company will:

  - petition the court to terminate the SFA proceedings, considering the fact that no SFA plan can be approved; and

  - file for rehabilitation proceedings (*redressement judiciaire*) in order to implement the debt reorganization as part of a court-approved rehabilitation plan (*plan de continuation*), failing which quasi all of the Company's assets could be attributed or sold to the New Money Lenders, with the aim to permit continuation of the activities conducted by the Group and trading with clients and suppliers. In this latter case, (i) all employment contracts entered into by the Company will be maintained, (ii) as will the Balance FR New Money and (iii) the liabilities of the Company benefitting from senior legal privileges repaid.

The Agreement in Principle has received the support of the Board of Directors of the Company. It remains subject to the finalization of the negotiations of its terms as well as negotiations of the necessary documents and agreements.

Implementation of the Agreement in Principle remains subject also to the usual conditions precedent,which include obtaining the favorable support of impacted lenders under the Credit Facilities as well as judicial authorizations and approvals, evidenced at each of the steps of the proceedings. In essence:

- Concerning the new money made available to the Group:

  - the US New Money and the Initial FR New Money, which shall be made available around mid-July 2020, i.e. during the SFA proceedings, remain notably subject to the authorization of the judge supervising the SFA and to the favorable vote of Technicolor's financial creditors; and

  - the Balance FR New Money shall be funded, among other usual conditions precedent, after the favourable vote of the EGM convened on July 20th 2020 and subject to the court's approval of the SFA plan.

- The Restructuring of the Term Loan B and the RCF remains notably subject to (i) the favorable vote of the EGM on the Restructuring, (ii) the court's approval of the SFA plan and (iii) the approval by the AMF of a prospectus relating to the Restructuring. The reinstatement of a portion of those two credit facilities, and the equitization of the balance, shall occur upon settlement and delivery of the rights issue and the reserved capital increase.

The information contained in this press release and its appendices and annexes is designed to re-establish, in all material respects and where necessary, equal access for the various shareholders and investors to the information relating to the Group.

3. **Next steps : based on legal timetable (indicative calendar)**

June 22nd	Opening of the SFA
June 29th	Publication of the EGM meeting notice (SFA rules allow a shorter publication timeline than usual)
July 3rd	Financial Creditors Committee votes on the SFA plan (minimum majority: 2/3 in value)
July 10th	Approval of the prospectus by the AMF and availability of the independent expert report Publication of the EGM convening notice
Around Mid July	First drawdown of the New Money facility for an amount of c. €240 million to repay the Bridge Loan and address the short term liquidity needs of the Group (subject to a positive vote of the financial creditors committee, approval of the judge and other conditions)
July 20th	Extraordinary shareholders' meeting to vote on the capital increases and the Fiducie implemented for the Balance FR New Money
End of July	Court approval of the SFA plan (subject to financial creditors' committee favourable vote at a 2/3 majority and favorable EGM vote)
End of August	Second drawdown of the New Money facility for the remainder, i.e. c € 180 million (subject to, among other conditions, approval of the SFA plan or continuation plan by the Court) Alternatively, if no SFA Plan (or continuation plan) can be approved by the Court before end of August, the Balance FR New Money should be made available to Tech 6 in September, provided quasi all the Group's assets have been attributed or sold to the benefit of the lenders as part of a rehabilitation proceedings.
September	If Court approval on the SFA plan is received, launching of the capital increase and allocation of warrants

4. Key business trends

2020-2022 Reforecast

- Early in the second quarter of 2020, the Group established a 3 step process to develop a new 2020-2022 Business Plan which included:
  - A revised forecast for 2020 including an extension of its Panorama transformation plans;
  - Two scenarios, a Base Case and a High Case Business Plan, to take into account the uncertainty surrounding the COVID-19 crisis recovery.

- Some contingencies were included in the Base Case to reflect this uncertainty, which mainly related to recovery of the Production Services and DVD services new release activities. The Group also included contingencies relating to the Connected Home business, which is nevertheless anticipated to be able to maintain its initial 2020-2022 plan. These contingencies have been removed in the High Case.

- The High Case assumes faster reopening of the Production Services businesses and some larger projects, together with higher volumes for Connected Home across all business lines.

Continuing operations - post IFRS 16

		Base Case			***High Case***		
€m ; FYE-Dec post-IFRS 16	**2019a**	**2020e**	**2021e**	**2022e**	**2020e**	**2021e**	**2022e**
Revenues	**3,800**	**3,118**	**3,476**	**3,632**	**3,274**	**3,820**	**4,035**
% Growth		*(17.9%)*	*+11.5%*	*+4.5%*	*(13.9%)*	*+16.7%*	*+5.6%*
Adj. Continuing EBITDA	**324**	**169**	**340**	**425**	**255**	**471**	**578**
% of revenues	*8.5%*	*5.4%*	*9.8%*	*11.7%*	*7.8%*	*12.3%*	*14.3%*
Adj. Continuing EBITA	**42**	**(64)**	**105**	**202**	**20**	**236**	**342**
% of revenues	*1.1%*	*(2.1%)*	*3.0%*	*5.6%*	*0.6%*	*6.2%*	*8.5%*
Continuing FCF*	**(26)**	**(162)**	**89**	**259**	**(47)**	**223**	**402**

** Before financials results and tax*

- Regardless of COVID-19 impacts in 2020 and early 2021, revenues under the Base Case are expected to remain flat with growth in Film & Episodic VFX, Animation & Games, and Broadband, and the new DVD Services contract structure offsetting volume declines from DVD and Blu-Ray.

- Adjusted EBITDA is expected to increase to €425 million in 2022 (€578 million under High Case) mainly driven by the cost saving plans targeting more than €300 million of costs which include the previously announced €150 million savings from Panorama 1, and a further €150 million from additional initiatives by 2022.

Operating activities trends

- Connected Home:
    - Revenues CAGR 19-22 (Base to High case): nil to +3%;
    - Despite early March supply chain disruption due to Covid-19, the Connected Home division is headed for a good year driven by strong demand in the US;
    - The Group expects stable and resilient revenues over the plan mostly driven by growth in gateway / broadband that offsets a video revenues decrease;
    - EBITDA is to grow on the back of cost savings and lower component costs, in line with initial budget expectations.
- DVD Services:
    - Revenues CAGR 19-22 (Base to. High case): (10%) to (9%);
    - The DVD Services division will be negatively impacted given the delay in new theatre releases, mitigated by catalogue sales in the US and Europe which are showing signs of resilience;
    - Broadly normal market conditions expected thereafter, but still negatively impacted by changed consumer behavior (increased streaming, etc.) and continued structural market decline;
    - EBITDA margin to recover on the back of accelerated cost savings initiatives and contract renewals that include volume-based pricing principles.
- Production Services:
    - Revenues CAGR 19-22 (Base to High case): +3% to +10%;
    - Film & Episodic VFX revenues largely impacted by the cessation of all live-action shoots, pushed back to third / fourth quarter 2020 and 2021; visual effects cannot be produced until live shoots are completed:
        - Volume of movies under production in 2023 expected to be similar to what was originally planned for in 2022, with more weight toward episodic vs. tentpole movies;
    - Animation & Games not as severely impacted by the COVID-19 crisis as it is less dependent on live action;
    - Advertising expects more resilience to the COVID-19 as it is less reliant on large crewed, on-location live shoots, and has a customer base that includes Big Tech companies;
    - Post-Production impacted for similar reasons as Film & Episodic VFX:

- Still handles a larger number of smaller and quicker turnaround projects and can take on work from clients with whom Film & Episodic VFX does not typically work at the beginning of live shooting. This along with Film & Episodic VFX growth should allow a faster recovery in the second half.

18-month liquidity forecasts to December 2021

- The proposed €420 million new financing has been designed to cover the Group's needs in the short / medium term. This new financing together with cash generation will provide liquidity flexibility for the Group thereafter.
  - By mid-July, the Group is to receive €240 million of net proceeds from the new financing proposal (subject to the conditions precedent mentioned above):
    - This amount will cover (i) the operational needs over that period and, (ii) the repayment of the $110 million Bridge Facility at the end of July.

  - In early September, to cover additional operational needs, the Group is to receive a further €180 million injection as part of the financing proposal (subject to conditions precedent mentioned above):
    - Following this new financing, the Group expects to have excess cash of more than €100 million;
    - Operational needs early in each month are in line with the working capital pattern of the Group, as most key vendors payments are concentrated during the first week of each month.

  - In total the €420 million net amount new financing proposal will cover the Group's needs over the next 18 months, including additional needs of circa €100 million in the first half of 2021:
    - The cash pattern has historically shown a negative FCF in the first half vs. a positive FCF over the second half[3];
    - Overall cash injections are to cover the needs arising in H2 2020 as well as first half 2021.

As of the end of each semester, for the next four closings, the Group expects the following cash position in the next 18 months (taking into account the €420 million New Financing).

in m€	**June 30 2020**	**December 31 2020**	**June 30 2021**	**December 31 2021**
Group Cash before Credit Lines (CL)	(323)	(311)	(582)	(386)
Available CL as per current structure[4]	418	318	318	318
Liquidity after Credit Lines	**96**	**7**	**(264)**	**(68)**
(+) New financing, net of O.I.D and underwriting	0	420	420	420
Pro Forma Liquidity	**96**	**427**	**156**	**352**

[3] Unlike previous year, H2 2020 is not expected to be FCF positive due to Covid-19 impact on the Group activities and working capital pattern

[4] €250m RCF, $125m ABL and up to end of July $110m Bridge Facility

Based on the proposed new financing plan, gross debt[5] is to decrease from current position of € 1,444 million to €1,102 million. Net debt to EBITDA target (post IFRS 16 adjustments) is around 3x at end of 2021, decreasing thereafter.

###

An analyst conference call hosted by Richard Moat, CEO, and Laurent Carozzi, CFO, will be held today, Monday, 22 June 2020 at 5pm CEST.

The presentation slide slow is available on our website https://www.technicolor.com/Presentation06-22 or http://www.technicolor.com

The trading of the shares on Euronext Paris will resume tomorrow, June 23rd, 2020, at 9 a.m. CEST.

###

[5] Before IFRS 16 operating lease debt

Appendix

Continuing operations - pre IFRS 16

		Base Case			High Case		
€m ; FYE-Dec pre-IFRS 16	**2019a**	**2020e**	**2021e**	**2022e**	**2020e**	**2021e**	**2022e**
Revenues	**3,800**	**3,118**	**3,476**	**3,632**	**3,274**	**3,820**	**4,035**
% Growth		*(17.9%)*	*+11.5%*	*+4.5%*	*(13.9%)*	*+16.7%*	*+5.6%*
Adj. Continuing EBITDA	**246**	**101**	**280**	**372**	**187**	**411**	**525**
% of revenues	*6.5%*	*3.3%*	*8.0%*	*10.3%*	*5.7%*	*10.8%*	*13.0%*
Adj. Continuing EBITA	**36**	**(71)**	**99**	**196**	**13**	**230**	**336**
% of revenues	*0.9%*	*(2.3%)*	*2.9%*	*5.4%*	*0.4%*	*6.0%*	*8.3%*
Continuing FCF*	**(90)**	**(170)**	**42**	**219**	**(102)**	**176**	**362**

** Before financial results and tax*

###

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.

###

About Technicolor:

www.technicolor.com

Technicolor shares are on the Euronext Paris exchange (TCH) and traded in the USA on the OTCQX marketplace (OTCQX: TCLRY).

Investor Relations

Christophe le Mignan: +33 1 88 24 32 83

Christophe.lemignan@technicolor.com