VANTIVA 2022 CONSOLIDATED FINANCIAL STATEMENTS

Audited consolidated financial statements as of December 31, 2022

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vantiva

CONSOLIDATED STATEMENT OF OPERATIONS

(€ in million)	*Note*	Year ended December 31, 2022	2021 *
CONTINUING OPERATIONS			
Revenue	*(3.2)*	2,776	2,250
Cost of sales		(2,469)	(1,975)
Gross margin		**307**	**275**
Selling and administrative expenses	*(3.3)*	(205)	(182)
Research and development expenses	*(3.3)*	(89)	(84)
Other operating income	*(2.2)*	10	-
Restructuring costs	*(10.1)*	(17)	(31)
Net impairment losses on non-current operating assets	*(4.5)*	(5)	(3)
Other income (expense)	*(3.3)*	(13)	11
Earnings before Interest & Tax (EBIT) from continuing operations		**(11)**	**(13)**
Interest income		1	(0)
Interest expense		(168)	(116)
Net gain on financial restructuring		-	-
Other financial expenses		(10)	(1)
Net financial income (expense)	*(3.4)*	**(177)**	**(117)**
Gain (loss) from associates	*(2.4)*	(311)	0
Income tax expense	*(6)*	(30)	(14)
Income (loss) from continuing operations		**(529)**	**(143)**
DISCONTINUED OPERATIONS			
Income (loss) from discontinued operations	*(12)*	680	4
Net income (loss) for the year		**151**	**(140)**
Attributable to :			
- Equity holders		*151*	*(140)*
- Non-controlling interest		-	-

EARNINGS PER SHARE *(in euro, except number of shares)*		Year ended December 31, 2022	2021*
Weighted average number of shares outstanding (basic net of treasury shares held)	*(7.3)*	268,948,686	235,814,028
Earnings (losses) per share from continuing operations			
- basic		(1.97)	(0.61)
- diluted		(1.97)	(0.61)
Earnings (losses) per share from discontinued operations			
- basic		2.53	0.02
- diluted		2.53	0.02
Total earnings (losses) per share			
- basic		0.56	(0.59)
- diluted		0.56	(0.59)

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

The accompanying notes on pages 10 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ in million)	*Note*	Year ended December 31, 2022	2021 *
Net gain (loss) for the year		**151**	**(140)**
Items that will not be reclassified to profit and loss			
Remeasurement of the defined benefit obligations	*(9.2)*	48	40
Tax relating to these items		-	-
Items that may be reclassified subsequently to profit or loss			
Fair value gains / (losses), gross of tax on cash flow hedges:			
- reclassification adjustments when the hedged forecast transactions affect profit or loss	*(8.5)*	(5)	10
Tax relating to these items		-	-
Currency translation adjustments			
- currency translation adjustments of the year		47	78
- reclassification adjustments on disposal or liquidation of a foreign operation		310	(23)
Tax relating to these items		1	(1)
Total other comprehensive income		**401**	**105**
Total other comprehensive income of the period		**552**	**(35)**
Attributable to :			
- Equity holders of the parents		*552*	*(35)*
- Non-controlling interest		*-*	*-*

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	*Note*	December 31, 2022	December 31, 2021
ASSETS			
Goodwill	*(4.1)*	619	773
Intangible assets	*(4.2)*	163	510
Property, plant and equipment	*(4.3)*	98	162
Right-of-use assets	*(4.4)*	56	143
Other operating non-current assets	*(5.1)*	15	35
TOTAL OPERATING NON-CURRENT ASSETS		**951**	**1,622**
Non-consolidated investments	*(8.1)*	21	20
Other financial non-current assets	*(8.1)*	18	38
TOTAL FINANCIAL NON-CURRENT ASSETS		**39**	**58**
Investments in associates and joint-ventures	*(2.4)*	45	1
Deferred tax assets	*(6.2)*	19	50
TOTAL NON-CURRENT ASSETS		**1,053**	**1,730**
Inventories	*(5.1)*	452	335
Trade accounts and notes receivable	*(5.1)*	343	359
Contract assets	*(3.2)*	21	94
Other operating current assets	*(5.1)*	271	243
TOTAL OPERATING CURRENT ASSETS		**1,087**	**1,031**
Income tax receivable		9	13
Other financial current assets	*(8.1)*	27	26
Cash and cash equivalents	*(8.1)*	167	196
Assets classified as held for sale	*(12)*	1	3
TOTAL CURRENT ASSETS		**1,290**	**1,268**
TOTAL ASSETS		**2,343**	**2,999**

The accompanying notes on pages 10 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	*Note*	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
Common stock *(235,824,555 shares at December 31, 2022 with nominal value of 0.01 euro per share)*	*(7.1)*	4	2
Subordinated Perpetual Notes		500	500
Additional paid-in capital & reserves		(143)	30
Cumulative translation adjustment		(41)	(399)
Shareholders equity attributable to owners of the parent		**320**	**134**
Non-controlling interests		0	-
TOTAL EQUITY		**320**	**134**
Retirement benefits obligations	*(9.2)*	191	261
Provisions	*(10.1)*	28	35
Contract liabilities		-	0
Other operating non-current liabilities	*(5.1)*	5	19
TOTAL OPERATING NON-CURRENT LIABILITIES		**224**	**315**
Borrowings	*(8.3)*	363	1,025
Lease liabilities	*(8.3)*	44	145
Other non-current liabilities	*(8.1)*	-	0
Deferred tax liabilities	*(6.2)*	3	20
TOTAL NON-CURRENT LIABILITIES		**633**	**1,505**
Retirement benefits obligations	*(9.2)*	33	34
Provisions	*(10.1)*	43	44
Trade accounts and notes payable		855	671
Accrued employee expenses		69	147
Contract liabilities	*(3.2)*	3	81
Other operating current liabilities	*(5.1)*	344	284
TOTAL OPERATING CURRENT LIABILITIES		**1,347**	**1,263**
Borrowings	*(8.3)*	1	17
Lease liabilities	*(8.3)*	23	48
Income tax payable		18	29
Other financial current liabilities	*(8.1)*	0	3
Liabilities classified as held for sale	*(12)*	-	-
TOTAL CURRENT LIABILITIES		**1,389**	**1,360**
TOTAL LIABILITIES		**2,023**	**2,865**
TOTAL EQUITY & LIABILITIES		**2,343**	**2,999**

The accompanying notes on pages 10 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ in million)	*Note*	December 31, 2022	December 31, 2021 *
Net income (loss)		**151**	**(140)**
Income (loss) from discontinued operations		680	4
Profit (loss) from continuing operations		**(529)**	**(143)**
Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations			
Depreciation and amortization		135	139
Net (income) loss of associates	*(2.4)*	311	-
Impairment of assets		5	3
Net changes in provisions		(21)	(51)
Gain (loss) on asset disposals		3	(23)
Interest (income) and expense	*(3.4)*	167	116
Other items (including tax)		40	14
Changes in working capital and other assets and liabilities		57	(98)
Cash generated from continuing operations		**168**	**(42)**
Interest paid on lease debt		(8)	(5)
Interest paid		(57)	(49)
Interest received		1	0
Income tax paid		(19)	(14)
Net operating cash generated from continuing operations		**86**	**(111)**
Net operating cash used in discontinued operations	*(12)*	(78)	107
NET OPERATING CASH GENERATED FROM CONTINUING OPERATIONS (I)		**86**	**(111)**
Acquisition of subsidiaries, associates and investments, net of cash acquired		(0)	(0)
Proceeds from sale of investments, net of cash		0	-
Purchases of property, plant and equipment (PPE)		(36)	(33)
Proceeds from sale of PPE and intangible assets		2	0
Purchases of intangible assets including capitalization of development costs		(47)	(36)
Cash collateral and security deposits granted to third parties		(13)	(9)
Cash collateral and security deposits reimbursed by third parties		19	11
Net investing cash used in continuing operations		**(74)**	**(68)**
Net investing cash used in discontinued operations	*(12)*	35	(8)
NET INVESTING CASH USED IN CONTINUING OPERATIONS (II)		**(74)**	**(68)**
Increase of capital	*(11.1)*	284	0
Proceeds from borrowings	*(11.1)*	356	0
Repayments of lease debt	*(11.1)*	(22)	(29)
Repayments of borrowings	*(11.1)*	(1,138)	(0)
Fees paid in relation to refinancing	*(11.1)*	(5)	(2)
Other		6	(4)
Net financing cash generated in continuing operations		**(518)**	**(34)**
Net financing cash used in discontinued operations		544	(36)
NET FINANCING CASH USED IN CONTINUING OPERATIONS (III)		**(518)**	**(34)**
NET CASH FROM DISCONTINUED OPERATIONS (IV)	*(12.1)*	**501**	**63**
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR		**196**	**330**
Net increase (decrease) in cash and cash equivalents (I+II+III+IV)		**(4)**	**(149)**
Exchange gains / (losses) on cash and cash equivalents		(25)	16
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**167**	**196**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

The accompanying notes on pages 10 to 76 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ in million)	Share Capital	Additional paid-in capital	Perpetual Notes	Other reserves	Retained earnings	Cumulative translation	Equity attributable to equity holders of the Group	Non-controlling interest	Total equity
Balance as of January 1, 2021 *	**2**	**643**	**500**	**61**	**(588)**	**(454)**	**165**	**0**	**165**
Net loss for the year	-	-	-	-	(140)	-	(140)	0	(140)
Other comprehensive income	-	-	-	49	-	56	105	0	105
Total comprehensive income for the period	-	-	-	**49**	**(140)**	**56**	**(35)**	**0**	**(35)**
Capital increases	0	0	-	(0)	-	-	0	-	0
Dividend paid	-	-	-	0	-	-	0	-	0
Shared-based payment to employees	-	-	-	3	-	-	3	-	3
Transfer of lapsed awards from other reserves to retained earnings	-	-	-	(15)	15	-	-	-	-
Balance as of December 31, 2021	**2**	**643**	**500**	**99**	**(712)**	**(399)**	**134**	**0**	**134**
Net income (loss)					151		151		151
Other comprehensive income	-	-	-	44	-	357	401	0	401
Total comprehensive income for the period	-	-	-	**44**	**151**	**357**	**552**	**0**	**552**
Capital increases (€300m Mandatory Convertible Note less €16m of bank and legal fees)	1	283	-		-	-	284	-	284
Distribution of 65% TCS at fair value as of September 29, 2022	-	(694)	-	36	-	-	(658)	(0)	(658)
Share-based payment	-	-	-	7	-	-	7	-	7
Transfer of lapsed awards from other reserves to retained earnings	-	-	-	(12)	12	-	-	-	-
Balance as of December 31, 2022	**4**	**232**	**500**	**173**	**(549)**	**(41)**	**320**	**0**	**320**

* *2021 opening amounts are restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customising a software in a Saas arrangement should be accounted for.*

The accompanying notes on pages 10 to 76 are an integral part of these consolidated financial statements.

1 General information

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

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

1.1 Main events of the year

1.1.1 TCS Distribution and Refinancing

Reminder and presentation of the project

On February 24, 2022, the Group published its plan to separate Technicolor Creative Studios (TCS) by listing TCS shares on Euronext Paris and distributing in kind to Technicolor shareholders 65% of TCS (the "Distribution" also referred to the spin-off). While Vantiva (formerly Technicolor) remains listed on Euronext Paris and post Distribution will retain 35% ownership of TCS. Concomitantly, the Group announced its intention to refinance the entire existing debt structure, and the issue of €300 million of Mandatory Convertible Notes ("MCN") whose conversion into Technicolor shares would be effective upon the Distribution. This MCN is a key component of the Distribution process and is supported by selected subscribers who have committed to subscribe to the full amount.

This transaction allows each entity to pursue its own strategic path independently, consistent with its underlying business dynamics and financial fundamentals, and thereby achieve its value potential.

Distribution details

Vantiva has requested the admission of Technicolor Creative Studios shares on Euronext Paris, through the distribution of a 65% stake in TCS to Technicolor shareholders (the "Distribution") supported by a prospectus filed by TCS and approved on the 1st of August 2022. The prospectus presents all the key information about the operation. The resolutions allowing the Distribution have been approved during the September 6, 2022 Shareholders Meeting.

All Vantiva (formerly Technicolor) shareholders have received one Technicolor Creative Studios share, for each Vantiva share held. The distribution was made out of Technicolor's share premium account, and should, from a French tax perspective, be considered a tax-free return of share premium under article 112 of the French tax code (*remboursement de prime d'émission*). This Distribution should therefore not be subject to tax in France whether by way of a French levy, a French withholding tax or otherwise (subject to specific situations).

The September 6th, 2022 Extraordinary General Meeting also allowed for the remaining 35% Technicolor Creative Studios stake retained by Vantiva to be placed in a trust ("*fiducie-sûreté*") as a security to Vantiva first lien and second lien debt. Any proceeds from the sale of all or part of Vantiva's stake in Technicolor Creatives Studios, as long as the fiducie-sûreté exists, will be affected by the repayment of the debt.

Following the Distribution and until the separation is complete, Vantiva delivers Transition Services to TCS. The Transitional Services Agreement ("TSA") is managed by a common governance and TCS is committed to pay monthly its share of the costs incurred. The full separation is due to be completed by March 2024 and in any case no later than September 2024.

Refinancing package details

The spin-off (Distribution) was allowed through a complete refinancing removing the obstacles to the necessary legal reorganization of the TCS activity and allowing for a separate financing of the two groups and the recapitalization of Vantiva through:

- The issue of Mandatory Convertible Notes ("MCN") for €300 million in the form of separate reserved issuances. Angelo Gordon, Bpifrance and other selected subscribers have subscribed to the full amount of the MCN. The MCN would automatically be converted into Technicolor shares if a Technicolor Shareholders' Meeting approves the Distribution, and the Board of Directors decides such Distribution. The conversion price of €2.60 per share is equal to a 5% discount to the 3-month VWAP ("*Volume-Weighted Average Price*") per Technicolor ordinary share as of February 23, 2022. The fairness of the condition of the Mandatory Convertible Notes conversion has been addressed prior to the vote at the May 6, 2022, Extraordinary General Meeting by a fairness opinion to be prepared by Finexsi as an independent financial appraiser. The Extraordinary General Meeting for the approval of the Mandatory Convertible Notes (MCN) was held on May 6, 2022. The MCN was issued on September 15th 2022, and converted on September 22, 2022.

- The issuance on September 15, 2022, of two distinct and optimized financing packages for TCS and Vantiva respectively:

    - For Vantiva, Barclays Bank and Angelo Gordon have committed to provide €375 million debt package to Vantiva. In parallel, Wells Fargo Asset-Based Lending (ABL) Facility has been extended for 4 years; the details and security package of this financing are presented in note 8.
    - For TCS, a €623 million floating rate First Lien Term Facility. This facility is composed of two tranches, a €563 million tranche and a $60 million tranche. In addition, TCS has obtained commitments for a €40 million Revolving Credit Facility.

Effective listing and distribution of Technicolor Creative Studios

- The Board meeting held on September 12, 2022, confirmed that the Distribution would be charged to Technicolor's share premium for an amount of €1.9539 per share. This amount resulting from TCS share price, set by Technicolor's Board of Directors taking into account Finexsi valuation report and conclusions, the independent expert appointed for the purpose to assess the value of TCS, divided by the number of outstanding TCS shares (i.e. 546,681,915 shares).
- The technical reference price of each TCS share, communicated to Euronext Paris in view of the opening of the trading session on September 27, 2022, also amounts to €1.9539 per share. This technical reference price is indicative only and cannot be used to determine the future trading price of TCS shares. This price of €1.9539 per share must also be used by Technicolor shareholders to determine the tax value of the TCS shares received under the Distribution in Kind, in the event of a subsequent sale of these shares.
- The Distribution date was set on September 27th 2022 by the board meeting held on September 22nd, 2022. The settlement of securities was finalized on September 29th, 2022.

Presentation in the consolidation financial statements

TCS operations are disclosed under discontinued operations. The accounting treatment and impacts are presented in the note 2.2.2. The discontinued operations are disclosed in note 12.

Rebranding and Governance of the group

On June 14, 2022, the Group announced the launch of its new name and brand: Vantiva. The new brand comprises the Connected Home and Supply Chain Solutions (SCS) (previously named "DVD Services") activities. The change of the corporate name of Technicolor SA to Vantiva SA has been approved by Technicolor SA shareholders, during the shareholders' meeting held on September 6, 2022.

Governance

The Group has also appointed the executive board members:

- Richard Moat, the former CEO of Technicolor, has been appointed Chairman;
- Luis Martinez-Amago, former President of Connected Home, has been appointed CEO;

1.1.2 Completion of the disposal of Trademark Licensing operations

On May 31, 2022, the Group completed the closing of the disposal of its Trademark Licensing operations. As a result, the Group has accounted for Trademark Licensing operations as discontinued operations as from January 1, 2021.

Note 2 gives more details.

1.1.3 TCS Profit warning

On November 15, 2022, TCS announced lower forecasts for the years 2022 and 2023. On November 30, 2022, TCS also announced it may face a liquidity shortage as soon as the second quarter of 2023. On February 7, 2023, TCS declared that it is actively engaged in constructive discussions with its debtors and certain shareholders to recalibrate its debt and equity structure to address its financing needs as of Q2 2023.

Consequently, the group booked a €311 million impairment of its stake in TCS.

On March 8, 2023, TCS announced an agreement in principle securing their financing needs, further detailed in note 13 “Subsequent Event”.

1.1.4 Economic environment

While the group has no assets nor customers or suppliers in Ukraine or Russia, the ongoing conflict has added uncertainty in terms of supply for Connected Home. It has also led to an increase in transit times to some European customers as Connected Home transitioned from rail to sea transportation.

1.2 Accounting policies

1.2.1 Basis for preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) effective as of December 31, 2022, and adopted by the European Union as of March 9, 2023.

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

Vantiva financial statements are presented in euros and have been rounded to the nearest million. This may in certain circumstances lead to non-material differences so that the sum of the figures equals the sub-totals that appear in the tables.

The consolidated financial statements were approved by the Board of Directors of Vantiva SA on March 9, 2023. According to French law, the consolidated financial statements will be considered definitive when approved by the Company’s shareholders at the Shareholders’ Meeting.

The accounting policies applied by the Group are consistent with those followed last year except for standards, amendments and interpretations which have been applied for the first time in 2022 (see note 1.2.2.1.hereunder).

The accounts have been established with the going concern assumption after taking into account cash forecasts for the coming 12 months.

These forecasts were prepared considering the variability in working capital linked with the Group's high-volume activity and :

- Include the renewal in 2022 of the Wells Fargo line;
- Consider the operating cashflows from its customers and partners such as TCS under the TSA;
- And are based on the Group's ability to continue, if and when necessary, the smoothing of its working capital requirement through agreements with its customers and suppliers.

1.2.2 New standards and interpretations

1.2.2.1 Main standards, amendments and interpretations effective and applied as of January 1, 2022

New standard and interpretation	Main provisions
Amendment to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	The Board decided to prohibit an entity from deducting from the cost of an item of PPE the proceeds from selling items produced before that asset is available for use (proceeds before intended use)
Amendment to IAS 37 Provisions, contingent liabilities and contingent assets: Onerous Contracts – Cost of Fulfilling a Contract	The Board decided to require an entity to include all costs that relate directly to a contract. The Board concluded that: − including all such costs provides more useful information to users of the entity's financial statements; − the benefits of providing that information are likely to outweigh the costs; and − a requirement to include all costs that relate directly to a contract is consistent with other requirements in IAS 37 and requirements in other IFRS standards
Amendments to, IFRS 9 and IFRS 16	**IFRS 9**: this standard requires an entity to derecognize a financial liability and recognize a new financial liability when there is an exchange between an existing borrower and the lender of debt instruments with substantially different terms (including a substantial modification of the terms of an existing financial liability or part of it). • The terms are substantially different if the discounted present value of the remaining cash flows under the new terms are at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability ('10 per cent' test). • The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability: an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. **IFRS 16 "Lease incentives"** Illustrative Example 13 of IFRS 16 Leases includes as part of the fact pattern a reimbursement relating to leasehold improvements. The example does not explain clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16. • To resolve any potential confusion regarding the treatment of lease incentives, the amendment now removes the illustration of the reimbursement of leasehold improvements. • As the amendment to IFRS 16 only regards an illustrative example (non obligatory part of IFRS), so no effective date is stated.

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

New standards, amendments, and interpretations not effective as of January 1st, 2022

No new standard has been applied by anticipation.

1.2.2.2 Main standards, amendments and interpretations that are neither adopted by Vantiva nor effective yet

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

New standards and interpretation	Effective Date	Main provisions
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023 (not adopted by the EU)	An entity is now required to disclose its material accounting policy information instead of its significant accounting policies; several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. The amendments clarify that: - accounting policy information may be material because of its nature, even if the related amounts are immaterial; - accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and - if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	January 1, 2024 (not adopted by the EU)	The amendments aim to: i) specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. If a liability otherwise meets the criteria for classification as non-current, it is classified as non-current regardless of whether management intends or expects to settle the liability within 12 months or settles the liability between the end of the reporting period and the date the financial statements are authorized for issue; ii) clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period; iii) introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023	The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods. The amendments are not expected to have a material impact on the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023	The amendments aim to clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change is an exemption from the *initial recognition exemption* provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A. The amendments are not expected to have a material impact on the Group.
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	January 1, 2024 (not adopted by the EU)	*Lease Liability in* a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease.

1.2.3 Basis of measurement & estimates

The financial information has been prepared using the historical cost convention with some exceptions regarding various assets and liabilities, for which specific provisions recommended by the IFRS have been applied.

- Non-financial assets are initially recognized at acquisition costs or manufacturing costs including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Long term assets are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.
- Financial assets & liabilities are initially recognized at fair value or at amortized cost (see note 8.4).

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period of the consolidated financial statements. These assumptions and estimates inherently contain some degree of uncertainty.

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable and relevant. Actual results may differ from these estimates, while different assumptions or conditions may yield different results.

Management regularly reviews its valuations and estimates based on its past experience and various other factors considered reasonable and relevant for the determination of the fair estimates of the assets and liabilities' carrying value and the revenues and expenses.

Vantiva's management believes the following to be the critical accounting policies and related judgments and estimates used in the preparation of its consolidated financial statements:

- Absence of a going concern risk, despite the variability in the timing of sales, in particular with regard to the cash flow forecasts adopted by the board of directors on 9 March 2023 for the next 12 months;
- Classification of the stake in TCS (see note 2.2.2);
- Accounting for costs linked to the Distribution and refinancing (see notes 2.2.2 and 3.4);
- Impairment of goodwill and intangible assets with indefinite useful lives (see notes 4.1, 4.2);
- Determination of expected useful lives of tangible and intangible assets (see notes 4.2 & 4.3);
- Determination of the term of the rents for the estimation of the right of use and of recoverable amounts for individually impaired right-of-use asset (see note 4.4);
- Presentation in other income (expense) (see note 3.3.3);
- Determination of inventories net realizable value (see note 5.1.2);
- Deferred tax assets recognition (see note 6.2);
- Assessment of actuarial assumptions used to determine provisions for employee post-employment benefits (see note 9.2);
- Measurement of provisions and contingencies (see note 10);
- Determination of royalties payables (see note 5.1.4).

1.2.4 Translation

Translation of foreign subsidiaries

For the financial statements of all the Group's entities for which the functional currency is different from that of the Group, the following methods are applied:

- The assets and liabilities are translated into euro at the rate effective at the end of the period;
- The revenues and costs are translated into euro at the average exchange rate of the period.

The translation adjustments arising are directly recorded in Other Comprehensive Income.

Translation of foreign currency transactions

Transactions in foreign currency are translated at the exchange rate effective at the trade date. Monetary assets and liabilities in foreign currency are translated at the rate of exchange prevailing at the consolidated statement of financial position date. The differences arising from the translation of foreign currency operations are recorded in the consolidated statement of operations as a foreign exchange gain and loss.

The non-monetary assets and liabilities are translated at the historical rate of exchange effective at the trade date.

The main exchange rates used for translation (one unit of euro converted to each foreign currency) are summarized in the following table:

	Closing rate		Average rate	
	2022	2021	2022	2021
US dollar (USD)	1.0666	1.1326	1.0563	1.1851

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

2 Scope of consolidation

2.1 Scope and consolidation method

Subsidiaries

All the entities that are controlled by the Group (including special purpose entities) i.e. in which the Group has the power to govern the financial and operating policies in order to obtain benefits from the activities, are subsidiaries of the Group and are consolidated. Control is presumed to exist when the Group directly or indirectly owns more than half of the voting rights of an entity (the voting rights taken into account are the actual and potential voting rights which are immediately exercisable or convertible) and when no other shareholder holds a significant right allowing veto or the blocking of ordinary financial and operating decisions made by the Group. Consolidation is also applied to special purpose entities that met the criteria of IFRS 10, whatever their legal forms are, even where the Group holds no shares in their capital.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decisions of the investee without having either control or joint control over those policies. Investments in associates are accounted for under the equity method in accordance with IFRS 11. The goodwill arising on these entities is included in the carrying value of the investment.

Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control. Investments in joint ventures are consolidated under the equity method in accordance with IFRS 11.

For the years ended December 31, 2022 and 2021, Vantiva's consolidated financial statements include the accounts of all investments in subsidiaries, jointly controlled entities, and associates. Their location is summarized below, and the main entities are listed in note 15.

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

Number of companies as of December 31, 2021	FRANCE	EUROPE (exc. France)	U.S.	OTHER AMERICAS	ASIA & OCEANIA	TOTAL
Parent company and consolidated subsidiaries	17	30	13	11	18	89
Companies accounted for under the equity method	1	0	1	0	1	3
TOTAL	**18**	**30**	**14**	**11**	**19**	**92**

2.2 Change in the scope of consolidation of 2022

2.2.1 Trademark and Licensing disposal

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

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

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

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

2.2.2 Technicolor Creative Studios

<u>Accounting treatment of the spin-off and refinancing</u>

Distribution in kind

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

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

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

- Vantiva deconsolidated 100% of net assets.

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

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

Net gain on Distribution and initial valuation of the remaining stake

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

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

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

Refinancing

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

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

The new Debt instruments are presented in note 8

Accounting of the remaining 35% in TCS

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

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

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

Transitional Services Agreement ("TSA")

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

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

2.3 Change in the scope of consolidation 2021

On April 30, 2021, the Group concluded the sale to Streamland Media of the Post-Production business, included in the Technicolor Creative Studios (formerly Production Services) segment. The sale of Post-Production simplifies Technicolor Creative Studios portfolio of activities and allows management to increasingly focus on its remaining core computer-generated imagery activities.

Sales proceeds amounted to €29 million, with a gain on sale of €8 million booked in the “other income” line of the statement of operations.

2.4 Investments in associates & joint-ventures

As of December 31, 2022, the Group has €45 million in investments accounted for using the equity method or joint-ventures of which €43 million relate to Technicolor Creative Studios group accounting for using the equity method. The other entities are mentioned in note 15.

As of September 27, 2022, following the loss of control, the Group recognized TCS as an investment in associate at its initial fair value of €354 million. As of December 31, 2022, TCS shares have been depreciated by €311 million following TCS’ profit warning (considered as impairment indicator), reflecting the change in the market price between September 29, 2022 and December 31, 2022. This depreciation has been booked in the line *Gain/(loss) from associates* of the statement of operations.

Other investments are private companies; therefore, no quoted market prices are available for its shares. None of these associates or joint venture is individually material to the Group.

As of September 30, 2022, the unaudited consolidated balance sheet of Technicolor Creative Studios was as follows :

(€ in million)	September 30, 2022
Non-current assets	535
Current assets	298
TOTAL ASSETS	**834**
Total equity	(188)
Non-current liabilities	720
Current liabilities	302
TOTAL LIABILITIES	**834**

The Group was unable to obtain or estimate last 2022 quarter data to account for the share of gain / loss in its Technicolor Creative Studios associate. However, given the impairment booked in the line *Gain/(loss) from associates* of the statement of operations, the total impact of Technicolor Creative Studios in the statement of operations is correct.

It is to be noted that the difference between this initial equity for TCS and the value of net assets derecognized in the net gain of Distribution of TCS is due to the difference in the Technicolor trademark valuation considered as an internally generated intangible asset in TCS’ accounts and therefore booked at nil value.

Transactions with investments under the Equity Method

The consolidated financial statements include transactions made by the Group with associates and joint-ventures. These transactions are performed in normal market conditions and in the case of the TSA, under a no gain/no loss principe .

Since the Distribution date, Vantiva lost control of Technicolor Creative Studios which is no longer fully consolidated and is accounted for under the equity method, and which therefore remains a related party to Vantiva :

(€ in million)	Year Ended December 31, 2022
Assets	
Receivable with Technicolor Creative Studios entities	11
Total Related party assets	**11**
Liabilities	
Separation cost provision	6
Payables with Technicolor Creative Studios entities	2
Total Related party liabilities	**8**
Operating result from continuing operations	
Other operating income with Technicolor Creative Studios entities	10
Net operating result from continuing operations from Related parties	**10**
Operating result from discontinued operations	
Other income (expense) with Technicolor Creative Studios entities	1
Net operating result from discontinued operations from Related parties	**1**

Related party transactions included in the consolidated statement of operations only relate to transactions occurred after Technicolor Creative Studios spin-off.

3 Information on operations

3.1 Information by business segments

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

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

Trademarks Licensing operations and Technicolor Creative Studios are presented in the discontinued operations line for the year ending as of December 31, 2022, and 2021 and are not included in the note business segments.

Connected Home

The Connected Home segment offers a complete portfolio of Broadband and Video Customer Premise Equipment ("CPE") to Pay-TV operators and Network Service Providers ("NSPs"), including broadband modems and gateways, digital set-top boxes, and Internet of Things ("IoT") connected devices. The Connected Home revenues come from the sale of these devices and the associated services.

Supply Chain Solutions (SCS) (formerly DVD Services)

SCS segment is the worldwide leader in the replication, packaging and distribution of video, game and music CD, DVD and Blu-ray™ discs. The segment is increasingly focused on diversifying its business outside of packaged media, offering end-to-end supply chain solutions, comprising distribution, fulfillment, freight-brokerage, and transportation management services. Furthermore, SCS is the accelerating development of new non-disc related manufacturing businesses, including the production of polymer-based microfluidic devices for use in medical diagnostics and recent investments in vinyl record production capability.

Corporate & Other

This segment includes:

- Corporate functions, which comprise the costs of Group management, together with headquarters support functions, such as Human Resources, IT, Finance, Marketing and Communication, Corporate Legal Operations and Real Estate Management, and which do not service a particular business within the two operating segments of the Group;
- Patent Licenses which monetize valuable patents not sold to InterDigital;
- Post-disposal service operations and commitments related to former consumer electronics operations, mainly pension and legal costs.

(€ in million)	Connected Home	SCS	Corporate & Other	TOTAL Vantiva
	Year ended December 31, 2022			
Statement of operations				
Revenue	2,120	655	1	**2,776**
Intersegment sales	-	-	-	-
Earnings before Interest & Tax (EBIT) from continuing operations	**34**	**(3)**	**(41)**	**(11)**
Of which:				
Amortization of purchase accounting items	(24)	(7)	-	(31)
Net impairment losses on non-current operating assets	(3)	(1)	-	(5)
Restructuring costs	(1)	(12)	(4)	(17)
Other income (expenses)	(4)	(6)	(2)	(13)
Adjusted EBITA	**66**	**23**	**(35)**	**55**
Of which:				
Depreciation & amortization (excl PPA items)	(67)	(33)	(3)	(104)
Other non-cash items [1]	(1)	(0)	(1)	(2)
Adjusted EBITDA	**135**	**56**	**(30)**	**161**
Statements of financial position				
Segment assets	1,553	445	28	2,026
Unallocated assets				317
Total consolidated assets				**2,343**
Segment liabilities	1,077	199	296	1,572
Unallocated liabilities				451
Total consolidated liabilities excluding shareholders' equity	**475**	**246**	**(268)**	**2,023**
Other information				
Net capital expenditures	(61)	(18)	(1)	**(80)**
Capital employed	67	123	(25)	**165**

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

(€ in million)	Year ended December 31, 2021 Connected Home	SCS	Corporate & Other	TOTAL Vantiva
Statement of operations				
Revenue	1,544	701	5	**2,250**
Intersegment sales	-	-	-	-
Earnings before Interest & Tax (EBIT) from continuing operations	**11**	**0**	**(24)**	**(13)**
Of which:				
Amortization of purchase accounting items	(21)	(9)	-	(30)
Net impairment losses on non-current operating assets	(1)	(2)	-	(2)
Restructuring costs	(4)	(17)	(10)	(31)
Other income (expenses)	(8)	(0)	18	10
Adjusted EBITA	**45**	**27**	**(33)**	**39**
Of which:				
Depreciation & amortization (excl PPA items)	(64)	(37)	(2)	(103)
Other non-cash items [(1)]	6	(2)	(2)	2
Adjusted EBITDA	**103**	**67**	**(29)**	**141**
Statements of financial position				
Segment assets	1,324	715	(165)	1,875
Unallocated assets				2,863
Technicolor Creative Studios and Trademark Licensing assets [(2)]				772
Total consolidated assets				**5,509**
Segment liabilities	765	208	329	1,303
Unallocated liabilities				1,286
Technicolor Creative Studios and Trademark Licensing liabilities [(2)]				276
Total consolidated liabilities excluding shareholders' equity				**2,866**
Other information				
Net capital expenditures	(60)	(9)	(0)	**(69)**
Capital employed	179	247	(36)	**390**

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

[(2)] *2021 amounts considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as of discontinued operations see note 12.*

The following comments apply to the two tables above:

1. The caption “Adjusted EBITDA” corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense), depreciation and amortization (including the impact of provision for risks, litigation and warranties);
2. The caption “Adjusted EBITA” corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense) and amortization of purchase accounting items.

3. The captions "Total segment assets" and "Total segment liabilities" include all operating assets and liabilities used by a segment.
4. The caption "Unallocated assets" includes mainly financial assets, deferred and income tax assets, cash and cash equivalents and assets classified as held for sale;
5. The caption "Unallocated liabilities" includes mainly the financial debt, deferred and income tax liabilities and liabilities classified as held for sale;
6. The caption "Net capital expenditures" includes cash used related to tangible and intangible capital expenditures, net of cash received from tangible and intangible asset disposals;
7. The caption "Capital employed" is defined as being the aggregate of both net tangible and intangible assets (excluding goodwill), operating working capital and other current assets and liabilities (except for provisions including those related to employee benefits, income tax, payables on acquisition of companies and payables to suppliers of PPE and intangible assets).

3.2 Revenue from contracts with customers

Under IFRS 15 revenue is recognized to reflect the transfer of promised goods and services to customers for amounts that reflect the consideration to which an entity expects to be entitled in exchange for those goods and services.

When either the Group or the customer as party to a contract has performed, the contract is presented in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the goods delivered or services rendered and the customer's payment. Any unconditional rights to consideration are presented separately as a receivable.

Connected Home segment

Connected Home segment offers a complete portfolio of Broadband and Video Customer Premise Equipment ("CPE") and develops software solutions. The contracts signed have no multiple performance obligations and there is no variable consideration over time. Software inside modems or digital set top boxes are specific to each customer and are not marketed separately. Revenue is then recognized over at goods delivery.

Supply Chain Solutions (SCS) segment

Our SCS segment provides turnkey integrated supply-chain solutions including mastering, replication, packaging, direct-to-retail distribution through two separate contracts (a replication contract and a distribution contract). In the case of variable price over the contract term, the revenue is already adjusted to anticipate the probable discount.

Revenues are recognized upon the rendering of services.

3.2.1 Disaggregated revenue information

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

(€ in million)	December 31, 2022	Connected Home	SCS	Corporate & Other	December 31, 2021 *
Revenue recognized at delivery of goods or services	2,775	2,120	655	-	2,245
Revenue from licenses	1	-	-	1	5
Revenue of continuing operations	**2,776**	**2,120**	**655**	**1**	**2,250**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

Information on main clients

The three largest customers represent 35% of the Group's consolidated revenue as of December 31, 2022 (€985 million) and 34% of the Group's consolidated revenue as of December 31, 2021 (€754 million).

Information by geographical area

(€ in million)	France	U.K.	Rest of Europe	U.S.	Rest of Americas	Asia-Pacific	TOTAL
Revenue							
2022	456	18	117	1,523	419	243	**2,776**
2021 *	427	22	115	1,191	333	162	**2,250**
Segment assets							
2022	694	20	50	923	258	80	**2,025**
2021 *	564	25	49	927	232	77	**1,875**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

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

3.3 Operating income & expenses

3.3.1 Research & development expenses

(€ in million)	Year ended December 31,	
	2022	2021 *
Research and Development expenses, gross	(87)	(75)
Capitalized development projects	35	30
Amortization of capitalized projects	(37)	(39)
Research and Development expenses, net	**(89)**	**(84)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

3.3.2 Selling & administrative expenses

(€ in million)	Year ended December 31,	
	2022	2021*
Selling and marketing expenses	(81)	(69)
General and administrative expenses	(124)	(113)
Selling and administrative expenses	**(205)**	**(182)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

3.3.3 Other income and expense

Other income is defined under Recommendation 2013-03 of the French CNC relating to the format of consolidated financial statements prepared under international accounting standards, and comprises significant items that, because of their exceptional nature, cannot be viewed as inherent to Vantiva's current activities. These mainly include gains and losses on disposals of fully consolidated companies, incurred or estimated costs related to major litigation, as well as items in connection with Revised IFRS 3 and Revised IAS 27 such as acquisition costs related to business combinations and changes in earn-outs related to business combinations.

(€ in million)	Year ended December 31,	
	2022	**2021***
Net capital gains	(0)	23
Litigations and other	(13)	(13)
Other income (expense)	**(13)**	**11**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

Litigations and others for the period ended December 31, 2022 include the accounting effect related to the acceleration of definitive vesting of the shares allocated under the LTIP (Long-Term Incentive Plan) 2020 for €4 million, other costs entailed by the spin-off for €3 million and various ongoing litigation expenses.

Net capital gains for the period ended December 31, 2021, include mainly:

- Reclassification of cumulated CTA (Currency Translation Adjustment) to statement of operations for an amount of €22 million in accordance with IAS 21. This is primarily coming from the Singaporean subsidiary which was historically hosting several Asian Group activities.
- Net gain related to the disposal of Post-Production activity to Streamland.

Litigations and others for the period ended December 31, 2021, include mainly a litigation allowance in the Corporate & other segment.

3.4 Net financial income (expense)

(€ in million)	Year ended December 31,	
	2022	**2021***
Interest income	1	(0)
Interest expense	(168)	(116)
Net interest expense	**(167)**	**(116)**
Net interest expense on defined benefit liability	(4)	(2)
Foreign exchange gain / (loss)	4	(0)
Other	(10)	1
Other financial income (expense)	**(10)**	**(1)**
Net financial income (expense)	**(177)**	**(117)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

As of December 31, 2022, the interest expense includes €70 million related to the amortization of the difference between the nominal value of the Safeguard debt and its initial fair value out of which €63 million have been accelerated due to the Refinancing.

In 2022, the other financial expenses also include €5 million in fees paid in relation to the Refinancing.

4 Goodwill, intangible & tangible assets

4.1 Goodwill

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:
+ the fair value of the consideration transferred
+ the recognized amount of any previously owned non-controlling interests in the acquiree
+ if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Under option, for each business combination, any non-controlling interest in the acquiree is measured either at fair value (thus increasing the goodwill) or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Once control is achieved, further acquisition of non-controlling interest or disposal of equity interest without losing control are accounted as equity transaction.

Goodwill is recognized in the currency of the acquired subsidiary/associate and measured at cost less accumulated impairment losses and translated into euros at the rate effective at the end of the period. Goodwill is not amortized but is tested annually for impairment.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination, are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss, except if contingent consideration is classified in equity.

The following table provides the allocation of the significant amounts of goodwill to each Goodwill Reporting Unit (GRU) based on the organization effective as of December 31, 2022 (refer to note 4.5 for detail on impairment tests)

(€ in million)	**Technicolor Creative Studios**	**Connected Home**	**SCS**	**Total**
At January 1, 2021, net	**174**	**400**	**142**	**716**
Exchange difference	12	34	11	57
Acquisitions of businesses	-	-	-	-
Disposals	-	-	-	-
Scope change	-	-	-	-
Impairment loss	-	-	-	-
Other	(1)	-	-	-
At December 31, 2021, net	**185**	**434**	**153**	**773**
Exchange difference	10	23	8	42
Acquisitions of businesses	-	-	-	-
Disposals	-	-	-	-
Scope change	(196)	-	-	(196)
Impairment loss	-	-	-	-
Other	-	-	-	-
At December 31, 2022, net	**-**	**458**	**162**	**619**

As of December 31, 2022, the scope change refers to the Distribution presented in note 1.

4.2 Intangible assets

Intangible assets consist mainly of trademarks, rights for use of patents, capitalized development projects and acquired customer relationships.

Intangibles acquired through a business combination are recognized at fair value at the transaction date. For material amounts, Technicolor relies on independent appraisals to determine the fair value of intangible assets. Separately acquired intangible assets are recorded at purchase cost and internally generated intangibles are recognized at production cost.

Purchase cost comprises acquisition price plus all associated costs related to the acquisition and set-up. All other costs, including those related to the development of internally generated intangible assets such as brands, customer files, etc., are recognized as expenses of the period when they are incurred.

Intangible assets considered to have a finite useful life are amortized over their estimated useful lives and their value is written down in the case of any impairment loss. Depending on the nature and the use of the intangible assets, the amortization of these assets is included either in "Cost of sales", "Selling and administrative expenses", "Other income (expense)" or "Research and development expenses".

Intangible assets with indefinite useful lives are not amortized but are attached to GRU and tested for impairment annually (see note 4.5).

Accounting estimates and judgments

Regarding intangible assets with finite useful lives, significant estimates and assumptions are required to determine (i) the expected useful life of these assets for purpose of their depreciation and (ii) whether there is an impairment of their value requiring a write-down of their carrying amount. Estimates that are used to determine their expected useful lives are defined in the Group's accounting policy manual and consistently applied throughout the Group.

Regarding intangible assets with indefinite useful lives, significant estimates and assumptions are required to determine the recoverable amount of such assets. See note 4.5. for detail on the accounting policy related to impairment review on such assets.

4.2.1 Trademarks

Trademarks are considered as having an indefinite useful life and are not amortized, but are tested for impairment annually, on a stand-alone basis. The main reasons retained by the Group to consider a trademark as having an indefinite useful life were mainly its positioning in its market expressed in terms of volume of activity, international presence and notoriety, and its expected long-term profitability.

As of December 31, 2021, trademarks total €258 million and consist mainly of Technicolor® trademark for €199 million, RCA® trademark for €29 million and The Mill® tradename for €22 million.

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

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

4.2.2 Customer relationships, Patents & other intangible assets

Customer relationships

Customer relationships that are acquired through business combinations are amortized over the expected useful life of such relationships, which range from 8 to 20 years, taking into account probable renewals of long-term customer contracts that last generally from 1 to 5 years. The initial valuation methodology is generally the excess profit method using the attributable discounted future cash flows expected to be generated. They are tested for impairment only if management identifies triggering events that may result in a loss of value of such assets.

Patents and Patent licenses

Patents are amortized on a straight-line basis over the expected period of use. The Patent licenses' amortization pattern is determined by the timing of future economic benefits, generally measured on the basis of volumes benefitting from these licenses. When the economic benefits are evenly or uncertainly spread over the period of use, the asset is amortized on a straight-line basis. In the case of *decreasing volumes, the asset is amortized based on volumes sold, and the amortization rate reviewed at each closing.*

Other intangibles assets

Other intangibles comprise mainly capitalized development projects, acquired, or internally developed software and acquired technologies.

Research expenditures are expensed as incurred. Development costs are expensed as incurred unless the project to which they relate meets the IAS 38 capitalization criteria. Recognized development projects correspond to projects whose objectives are to develop new processes or to improve significantly existing processes, considered as technically viable and expected to provide future economic benefits for the Group. Development projects are recorded at cost less accumulated depreciation and impairment losses, if any. The costs of the internally generated development projects include direct labor costs (including pension costs and medical retiree benefits), costs of materials, service fees necessary for the development projects and reduced of tax credits if any. They are amortized over a period ranging from one to five years starting from the beginning of the commercial production of the projects, based on units sold or based on units produced or using the straight-line method.

(€ in million)	**Trademarks**	**Customer Relationships**	**Patents & Other intangibles**	**Total Intangible Assets**
At January 1, 2021, net *	**242**	**114**	**171**	**526**
Cost	*250*	*333*	*850*	*1,433*
Accumulated depreciation	*(8)*	*(219)*	*(679)*	*(907)*
Exchange differences	17	8	12	37
Additions	-	-	52	52
Depreciation charge	-	(30)	(75)	(104)
Impairment loss	(1)	-	(1)	(2)
At December 31, 2021, net	**258**	**92**	**160**	**510**
Cost	*267*	*358*	*916*	*1,541*
Accumulated depreciation	*(9)*	*(266)*	*(756)*	*(1,032)*
Exchange differences	13	6	9	28
Additions of continuing activities	-	-	49	49
Additions of discontinued activities	-	-	18	18
Depreciation charge	-	(28)	(68)	(96)
Impairment loss	-	-	(3)	(3)
Scope change	(271)	(45)	(27)	(342)
At December 31, 2022, net	**0**	**24**	**138**	**163**
Cost	*-*	*270*	*735*	*1,005*
Accumulated depreciation	*-*	*(246)*	*(597)*	*(843)*

** 2021 opening amounts are restated considering IFRS IC decision dated April 2021, addressing how costs of configuring and customizing a software in a Saas arrangement should be accounted for.*

4.3 Property, plant & equipment

All Property, Plant and Equipment (PPE) are recognized at cost less any depreciation and impairment losses. They are amortized either using the straight-line method or, in case of expected decreasing volumes, using the production units method over the useful life of the asset which ranges from 20 to 40 years for buildings and from 1 to 12 years for materials and machinery. Each material component of a *composite asset with different useful lives or different patterns of depreciation is accounted for separately for the purpose of depreciation and for accounting of subsequent expenditure.*

Accounting estimates and judgments

Significant estimates and assumptions are required to determine (i) the expected useful lives of these assets for purposes of their depreciation and (ii) whether there is an impairment of their value requiring a write-down of their carrying amount. Estimates that are used to determine their expected useful lives are defined in the Group's accounting policy manual and consistently applied throughout the Group.

(€ in million)	Land	Buildings	Machinery & Equipment	Other Tangible Assets	TOTAL
At January 1, 2021, net	**3**	**12**	**48**	**77**	**140**
Cost	*3*	*52*	*884*	*269*	*1,208*
Accumulated depreciation	*-*	*(40)*	*(836)*	*(192)*	*(1,068)*
Exchange differences	-	1	3	5	9
Additions	-	0	3	48	51
Disposals	-	-	-	(2)	(2)
Depreciation charge	-	(1)	(26)	(23)	(50)
Impairment loss	-	0	(1)	(2)	(3)
Change in scope [(1)]	-	-	21	(4)	17
At December 31, 2021, net	**3**	**12**	**48**	**99**	**162**
Cost	*3*	*54*	*904*	*358*	*1,320*
Accumulated depreciation	*-*	*(42)*	*(857)*	*(259)*	*(1,158)*
Exchange differences	-	-	2	7	10
Additions of continuing activities	-	-	1	38	38
Additions of discontinued activities	-	0	-	25	25
Disposals	-	0	(0)	(1)	(1)
Depreciation charge	-	(1)	(26)	(18)	(45)
Impairment loss	-	0	(1)	(1)	(2)
Other	-	0	21	(26)	(5)
Scope change	-	-	(1)	(83)	(83)
At December 31, 2022, net	**3**	**11**	**44**	**40**	**98**
Cost	*3*	*55*	*786*	*127*	*972*
Accumulated depreciation	*-*	*(44)*	*(743)*	*(88)*	*(875)*

(1) Corresponds to the transfer of tangible assets in progress to Machinery and Equipment..

4.4 Right-of-use assets

The Group has adopted IFRS 16 at the beginning of 2019. The standard provides a single lease accounting model, requiring the lessee to recognize assets and liabilities for all leases unless the term lease is 12 months or less or the underlying asset has low value. The initial value of the right-of-use asset is equal to the sum of the present value of the lease payments over the rent period and of direct costs incurred in entering or modifying the lease. The Group depreciates its right-of-use assets using the straight-line method, starting when the right-of-use asset is ready for use until the end of the lease.

The analysis of the rent period, mainly for buildings, considers the non-cancellable contract period, cancellable contract period and extension options, when the Group is reasonably certain to exercise these extension options. The Group reassesses whether it is reasonably certain through appreciation of the following information:

- *The depreciation period of the fittings*
- *The rent evolution compared to market prices*
- *Visibility regarding business activity for each site.*

(€ in million)	Real Estate	Others	Total Right-of-use assets
At January 1, 2021, net	**129**	**19**	**148**
New contracts	27	22	51
Change in contract	18	-	18
Reclassification	(21)	-	(21)
Depreciation charge	(35)	(17)	(52)
Impairment loss	(8)	-	(8)
Other	6	2	9
At December 31, 2021, net	**117**	**26**	**143**
New contracts of continuing activity	1	6	7
New contracts of discontinued activity	3	19	22
Change in contract[1]	38	2	41
Reclassification	4	-	4
Depreciation charge	(32)	(15)	(48)
Impairment loss	(2)	-	(2)
Other	4	2	6
Scope change	(81)	(34)	(116)
At December 31, 2022, net	**51**	**5**	**56**

[1] This line refers to remeasurements of rights of use following lease modifications.

At December 31, 2022 leased assets mainly comprise office premises and other real estate leases (91%), IT equipment (7%), and other (2%).

Total cash outflows on leases (excluding annual lease costs on short-term leases and low-value assets leases) amounted to €39 million in the year ended December 31, 2022.

A maturity analysis of the lease liability is disclosed in note 8.5.5.

4.5 Impairment on non-current operating assets

Goodwill, intangible assets having an indefinite useful life and development projects not yet available for use are tested annually for impairment during the last quarter of the year and updated at the end of December and whenever circumstances indicate that they might be impaired.

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

PPE and intangible assets having a definite useful life are tested for impairment at the consolidated statement of financial position date only if events or circumstances indicate that they might be impaired. The main evidence indicating that an asset may be impaired includes the existence of significant changes in the operational environment of the assets, a significant decline in the expected economic performance of the assets, or a significant decline in the revenues or margin versus prior the year and budget or in the market share of the Group.

The impairment test consists of comparing the carrying amount of the asset with its recoverable amount. The recoverable amount of the asset is the higher of its fair value (less costs to sell) and its value in use.

The fair value (less costs to sell) corresponds to the amount that could be obtained from the sale of the asset (or the CGU/GRU), in an arm-length transaction between knowledgeable and willing parties, less the costs of disposal. It can be determined using an observable market price for the asset (or the CGU/GRU) or using discounted cash flow projections, that include estimated future cash inflows or outflows expected to arise from future restructuring or from improving or enhancing the asset's performance but exclude any synergies with other CGU/GRU of the Group.

Value in use is the present value of the future cash flow expected to be derived from an asset or CGU/GRU.

For determining the recoverable value, the Group uses estimates of future pre-tax discounted cash flows generated by the asset including a terminal value when appropriate. These flows are consistent with the most recent budgets approved by the Board of Directors of the Group. Estimated cash flows are discounted using pre-tax long-term market rates, reflecting the time value of money and the specific risks of the assets.

An impairment loss corresponds to the difference between the carrying amount of the asset (or group of assets) and its recoverable amount and is recognized in "Net impairment losses on non-current operating assets" for continuing operations unless the impairment is part of restructuring plans, or related to discontinued operations in which case it is recognized in "Restructuring expenses". In accordance with IAS 36, impairment of goodwill cannot be reversed.

Accounting estimates and judgments

The Group reviews annually goodwill and other indefinite-lived intangible assets for impairment in accordance with the accounting policy.

Vantiva's management believes its policies related to such annual impairment testing are critical accounting policies the recoverable involving critical accounting estimates because determining the amount of GRU requires (i) determining the appropriate discount rate to be used to discount future expected cash flows of the cash-generating unit and (ii) estimating the value of the operating cash flows including their terminal value, the growth rate of the revenues generated by the assets tested for impairment, the operating margin rates of underlying assets for related future periods and the royalty rates for trademarks.

In addition to the annual review for impairment, Vantiva evaluates at each reporting date certain indicators that would result, if applicable, in the calculation of an additional impairment test in accordance with the Group accounting policy.

Management believes the updated assumptions used concerning sales growth, terminal values and royalty rates are reasonable and in line with updated market data available for each GRU.

(€ in million)	Technicolor Creative Studios	Connected Home	Supply chain solutions	Corporate & Others	TOTAL
2022					
Impairment loss on goodwill	-	-	-	-	-
Impairment losses on intangible assets	(0)	(3)	-	-	(3)
Impairment losses on tangible assets	-	(1)	(2)	0	(2)
Impairment losses on right-of-use assets	(1)	0	-	-	(1)
Impairment losses on non-current operating assets	**(1)**	**(3)**	**(2)**	**0**	**(6)**
Impairment reversal on intangible assets	-	-	-	(0)	(0)
Net impairment losses on non-current operating assets	**(1)**	**(3)**	**(2)**	**(0)**	**(6)**
2021					
Impairment loss on goodwill	-	-	-	-	-
Impairment losses on intangible assets	(2)	(1)	-	0	(3)
Impairment losses on tangible assets	(0)	(0)	(1)	(1)	(3)
Impairment losses on right-of-use assets	(3)	(2)	(3)	(0)	(8)
Impairment losses on non-current operating assets	**(5)**	**(3)**	**(4)**	**(0)**	**(13)**
Impairment reversal on intangible assets	-	-	-	2	2
Net impairment losses on non-current operating assets	**(5)**	**(3)**	**(4)**	**1**	**(11)**

At December 31, 2022, the Group recognized an impairment loss on the right-of-use-assets of €1 million versus €8 million in 2021. €6 million was booked in the restructuring costs line of the consolidated statement of operations in 2021 and reflected the Group's efforts to reduce its real estate footprint especially in its North American (USA and Canada) locations.

As part of the determination of the recoverable value of assets for impairment, the main assumptions relate to the sublease income scenarios which were determined considering current economic conditions and available market values.

4.5.1 Main assumptions at December 31, 2022

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

	Connected Home	SCS
Basis used to determine the recoverable amount	Fair Value	Fair Value
Description of key assumptions		
Period for projected future cash flows	5 years	(*)
Growth rate used to extrapolate cash flow projections beyond projection period:		
- As of December 31, 2022	1.0%	(*)
- As of December 31, 2021	1.0%	(*)
Post-tax discount rate applied:		
- As of December 31, 2022	10.0%	13.0%
- As of December 31, 2021	9.8%	9.9%

(*) Revenues linked to disc replication and distribution are expected to decline over time and have a finite life. Other revenue streams have a long-term growth rate of 2%

For the SCS GRU, in the absence of a binding sale agreement at the closing date, of an active market and of comparable recent transactions, discounted cash flow projections have been used to estimate fair value less costs to sell. Vantiva management considers that fair value less costs to sell is the most appropriate method to estimate the value of its GRU as it takes into account the future restructuring measures the Group will need to make against a rapid technological environment change. It has to be noted that restructuring costs amounted to €33 million in 2020, €17 million in 2021 and €12 million in 2022. Such restructuring actions would be considered by any market participant given the economic environment of the business.

The discounted cash flow of SCS integrates historical revenues of disc replication and distribution, as well as diversification revenues (Vinyl, Precision biodevices and Distribution & Logistics). The former and Vinyl revenues have a finite life of circa 15 years, while the latter growing business revenues have integrated a long-term growth rate of 2%.

The Group recorded no impairment charge on Goodwill in 2022.

4.5.2 Sensitivity of recoverable amounts at December 31, 2022

For Connected Home:

- an increase of 1 point in the post-tax discount rate assumption would decrease the enterprise value by €76 million without generating any impairment;
- a decrease of 1 point of the Adjusted EBITDA margin from 2023 would decrease the enterprise value by €218 million without generating any impairment.

For SCS:

- a decrease of 10% on BD, SD and CD volumes from 2023 would decrease the enterprise value by €10 million, without generating any impairment;
- a decrease of 10% in Vinyl volumes from 2023 would decrease the enterprise value by €5 million, without generating any impairment;
- an increase of 0.5 points in the WACC rate assumption would decrease the enterprise value by €9 million, without generating any impairment;
- a decrease of 1 point of the EBITDA margin from 2023 would decrease the enterprise value by €35 million, without generating any impairment;

5 Other operating information

5.1 Operating assets & liabilities

5.1.1 Non-current operating assets & liabilities

(€ in million)	2022	2021
Customer contract advances and up-front prepaid discount	5	6
Other	9	29
Other operating non-current assets	**15**	**35**
Payable on acquisitions of business & fixed assets	(3)	(3)
Other	(2)	(16)
Other operating non-current liabilities	**(5)**	**(19)**

As part of its normal course of business, Vantiva makes cash advances and up-front prepaid discounts to its customers, principally within its SCS segment. These are generally in the framework of a long-term relationship or contract and can take different forms. Consideration is typically paid as an advance to the customers in return for the customer's various commitments over the life of the contracts. These contracts award to the Group a customer's business within a particular territory over the specified contract period (generally from 1 to 5 years). The contracts contain provisions that establish pricing terms for services and volumes to be provided and other terms and conditions.

Such advanced payments are classified under “Non-current assets”, recorded as “Contracts advances and up-front prepaid discount” and are amortized as a reduction of "Revenues" on the basis of units of production or film processed.

5.1.2 Inventories

Inventories are valued at acquisition or production cost. The production costs include the direct costs of raw materials, labor costs and a part of the overheads representative of the indirect production costs, and exclude general administrative costs. The cost of inventory sold is determined based on the weighted average method or the FIFO (first in – first out) method, depending on the nature of the inventory. When the net realizable value of inventories is lower than its carrying amount, the inventory is written down by the difference.

***Accounting estimates and judgments**:*

The management takes into consideration all elements that could have an impact on the inventory valuation, suh as declining sales forecasts, expected reduction in selling prices, specific actions engaged as a rework or incentive plans, and obsolescence of products or slow rotation.

(€ in million)	2022	2021
Raw Materials	169	142
Work in progress	5	3
Finished goods and purchase goods for resale	292	201
Gross Value	**466**	**345**
Less: valuation allowance	(14)	(11)
Total inventories	**452**	**335**

5.1.3 Trade accounts receivables

The trade receivables are part of the current financial assets. At the date of their initial recognition, they are measured at the fair value of the amount to be received. This generally represents their nominal value because the effect of discounting is generally immaterial between the recognition of the instrument and its realization.

Loss allowances on trade receivables are determined from expected credit losses. The Group chose the simplified approach offered by IFRS 9 which allows the recognition of an allowance based on the lifetime expected credit losses at each reporting date.

The expected credit losses are determined from the trade date the following way:

- application to non-major customer segments of each division of a matrix determined by the Group’s historical credit loss experience

- specific follow-up of the credit risk for major customers based on their credit rating

Derecognition of assets

A receivable is derecognized when it is sold without recourse and when it is evidenced that the Group has transferred substantially all the significant risks and rewards of ownership of the receivable and has no more continuing involvement in the transferred asset.

(€ in million)	2022	2021
Trade accounts and notes receivable	357	374
Less: valuation allowance	(14)	(15)
Total trade accounts and notes receivable	**343**	**359**

As of December 31, 2022 and 2021 trade accounts receivable include past due amounts respectively for €54 million and €76 million for which a valuation allowance was recorded for an amount of €(14) million and €(13) million.

The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets €343 million as of December 31, 2022 compared to €359 million as of December 31, 2021.

5.1.4 Other current assets & liabilities

Estimation of accrued royalty liabilities

In the normal course of its business, the Group may use certain technology protected by patents owned by third parties. In the majority of cases, the amount of royalties payable to these third parties for the use of this technology will be defined in a formal licensing contract. In some cases, and particularly in the early years of an emerging technology when the ownership of intellectual property rights may not yet be ascertained, management's judgment is required to determine the probability of a third party asserting its rights and the likely cost of using the technology when such assertion is probable. In making its evaluation, management considers past experience with comparable technology and/or with the particular technology owner. The royalties payable are presented within the captions "Other current liabilities" and "Other non-current liabilities" in the Group's balance sheet.

(€ in million)	**2022**	**2021**
Value added tax receivable	50	40
Research tax credit and subsidies	1	5
Prepaid expenses	12	28
Other	207	170
Other operating current assets	**271**	**243**
Taxes payable	(42)	(43)
Accrued royalties expense	(38)	(42)
Payables for fixed assets	(32)	(31)
Other	(232)	(169)
Other operating current liabilities	**(344)**	**(284)**

6 Income Tax

6.1 Income tax recognized in profit and loss

6.1.1 Income tax expense

Income tax expense comprises current and deferred tax. Deferred tax is recognized in profit or loss, except to the extent that it relates to items previously recognized outside profit or loss (either in OCI or directly in equity). Moreover, IAS 12 does not specify whether tax benefits arising from tax losses should be allocated to the source of the loss or the source of the realization of the benefit. The Group has accounted for any tax benefits arising from tax losses from discontinued operations in continuing operations since these tax losses will be used by future benefits from continuing operations.

Further to the application of IFRIC 23 Uncertainty over Income Tax Treatments, current taxes also include uncertain tax positions previously included in Provisions.

(€ in millions)	2022	2021*
Current income tax		
France	(1)	(3)
Foreign	(17)	(6)
Total current income tax	**(19)**	**(9)**
Deferred income tax		
France	0	(1)
Foreign	(12)	(4)
Total deferred income tax	**(11)**	**(5)**
Income tax (loss) on continuing operations	**(30)**	**(14)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

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

In 2021, the current income tax charge is mainly made of current taxes due in Mexico, India and Canada.

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

6.1.2 Group tax proof

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

(€ in million)	2022	2021 *
Gain (Loss) from continuing operations	**(529)**	**(143)**
Gain (Loss) from associates	(311)	0
Income tax	(30)	(14)
Pre-tax accounting loss on continuing operations	**(188)**	**(130)**
	26%	*28%*
Expected tax expense	**49**	**37**
Effect of unused tax losses and tax offsets not recognized as deferred tax assets (1)	(80)	149
Effect of permanent differences	(15)	(35)
Effect of different tax rates applied	16	(6)
Effect of change in applicable tax rate (2)	1	(156)
Withholding taxes not recovered	(0)	(2)
Effective tax expense on continuing operations	**(30)**	**(14)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

(1) In 2022, mainly due to the valuation allowance of deferred tax assets generated on the losses of the period.
(2) In 2021, the amount includes mainly the impact of change of future tax rate in France (26% in 2021 vs 32% in 2020).

6.2 Tax position in the statement of financial position

Deferred taxes result from:
- Temporary differences arising from differences between the tax bases of assets and liabilities and their carrying amounts in the Group consolidated balance sheets; and

- The carry forward of unused tax losses and tax credits.

Deferred taxes for all temporary differences are calculated for each taxable entity (or group of entities) using the balance sheet liability method.

All deferred tax liabilities are recorded except:
- When the deferred tax liability results from the initial recognition of goodwill, or from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the trade date, affects neither the net income nor the taxable income or loss; and
- For taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, when the Group is able to control the timing of the reversal of the temporary differences and when it is probable that these temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recorded:
- For all deductible temporary differences, to the extent that it is probable that future taxable income will be available against which these temporary differences can be utilized, except when the related deferred tax asset results from the initial recognition of an asset or a liability in a transaction which is not a business combination and, at the trade date, affects neither the net income nor the taxable income or loss; and
- For the carry forward of unused tax losses and unused tax credits, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

The recoverable amount of the deferred tax assets is reviewed at each balance sheet date and adjusted to take into account the level of taxable profit available to allow the benefit of part or all of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are valued using the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred taxes are classified as non-current assets and liabilities.

Deferred tax assets and liabilities are set off by taxable entity for the same maturities.

Accounting estimates and judgments

Management judgment is required to determine the Group's deferred tax assets and liabilities. When a specific subsidiary has a history of recent losses, future positive taxable income is assumed improbable, unless the asset recognition can be supported for reasons such as:
- the losses having resulted from exceptional circumstances which are not expected to re-occur in the near future, and/or
- the expectation of exceptional gains or
- future income to be derived from long-term contracts.
The Group considered tax-planning in assessing whether deferred tax assets should be recognized.

6.2.1 Change in net deferred taxes

(€ in millions)	Deferred tax assets	Deferred tax liabilities	Total, net deferred tax assets
Year ended December 31, 2020	**45**	**(15)**	**30**
Changes impacting continuing profit or loss *	(7)	2	(5)
Other movement (1)	12	(7)	5
Year ended December 31, 2021	**50**	**(20)**	**30**
Changes impacting continuing profit or loss	(35)	23	(12)
Other movement (1)	4	(6)	(2)
Year ended December 31, 2022	**19**	**(3)**	**16**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

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

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

As of December 31, 2021, the net deferred tax assets amounting to €30 million mainly relate to the recognition of losses carried forward and other temporary differences in Australia, India, Mexico, UK and Canada.

6.2.2 Source of deferred taxes

(€ in million)	2022	2021
Tax losses carried forward	**1,049**	**1,055**
Tax effect of temporary differences related to:		
Property, plant and equipment	12	30
Goodwill	4	(2)
Intangible assets	(48)	(55)
Receivables and other assets	22	24
Borrowings	198	170
Retirement benefit obligations	46	46
Provisions and other liabilities	115	30
Total deferred tax on temporary differences	**349**	**244**
Deferred tax assets / (liabilities) before netting	**1,398**	**1,299**
Valuation allowances on deferred tax assets	(1,382)	(1,269)
Net deferred tax assets / (liabilities)	**16**	**30**

Vantiva reports €2.7 billion of tax losses carried forward generated in countries where the Group still conducts business.
In 2022, tax losses mainly arose from France, the US and the UK.

7 Equity & Earnings per share

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

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

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

7.1 Change in share capital

(in euros, except number of shares in units)	Number of shares	Par value	Share capital in Euros
Share Capital as of December 31, 2021	**235,824,555**	**0.01**	**2,358,246**
capital increase by MCN conversion	115,384,615	0.01	1,153,846
issuance of new shares under LTIP 2019 (1)	78,637	0.01	786
issuance of new shares under LTIP 2020 (1)	2,800,276	0.01	28,003
issuance of new shares under ASP 2020 (1)	1,215,858	0.01	12,159
Exercice of New Shareholders Warrants	91,739	0.01	917
Share Capital as of December 31, 2022	**355,395,680**	**0.01**	**3,553,957**

(1) *Plans described in note 9.3.*

Using the delegation granted by the Board of Directors, the Chief Executive Officer approved on September 19, 2022 the following decisions in an acceleration of the vesting of several existing plans prior to the effective separation of Technicolor Creatives Studios effective on September 27,2022 :

- Capital increase for a nominal amount of €393.04 by way of issuance of 39,304 new shares due to the exercise of 49,130 Shareholders Warrants;
- Issuance of 78,637 new shares with a par value of €0.01 to be delivered to the LTIP 2019 plan's beneficiaries leading to a capital increase for a nominal amount of €786.37;
- Issuance of 2,800,276 new shares with a par value of €0.01 to be delivered to the LTIP 2020 plan's beneficiaries due to accelerated vesting leading to a capital increase for a nominal amount of €28,002.72;
- Issuance of 1,215,858 new shares with a par value of €0.01 to be delivered to the ASP 2020 plan's beneficiaries due to accelerated vesting leading to a capital increase for a nominal amount of €12,158.58;

On May 6th 2022, the EGM of shareholders approved the issuance with suppression of rights of 115,384,615 mandatory convertible notes for certain investor, giving the right to a maximum of the same amount of newly issued shares. Under delegation of the General Meeting, the Board of directors of the 6 and the 22 September 2022, and under delegation of the Board the CEO decided on 26 September 2022, decided the issuance, then noted the automatic subscription of the MCN, then finally acknowledged the capital increase through the issuance of 115,384,615 new shares with a nominal value of 0.01 €.

An additional 25,040 Warrants have been exercised after the suspension that happened between September 6, 2022 and October 6, 2022 for the needs of the Distribution and before December 31, 2022, leading to the issuance of 52,435 new shares.

As of December 31, 2022, 74,170 Shareholders Warrants (corresponding to 91,739 new shares) have been exercised in the course of 2022 and 15,288,534 remain representing a maximum of 32,072,286 new shares.

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

As of December 31, 2022, and to the Company's knowledge, the following entities held more than 5% of the Company's share capital:

- Angelo, Gordon & CO.LP, held 79,671,524 shares which represent 22.4% of the share capital and 22.4% of the voting rights of the Company.
- Bpifrance Participations S.A. held 38,437,497 shares which represent 10.8% of the share capital and 10.8% of the voting rights of the Company
- Briarwood Chase Management LLC held 36,950,740 shares which represent 10.4% of the share capital and 10.4% of the voting rights of the Company;
- Baring Asset Management Ltd held, 29,016,111 shares which represent 8.2% of the share capital and 8.2% of the voting rights of the Company;
- Credit Suisse Asset Management held, 22,512,745 shares which represent 6.3% of the share capital and 6.3% of the voting rights of the Company;
- Farallon Capital Management L.L.C held 19,491,396 shares which represent 5.5% of the share capital and 5.5% of the voting rights of the Company.

7.2 Other elements of equity

7.2.1 Subordinated perpetual notes

On September 26, 2005, Vantiva issued deeply subordinated perpetual notes (TSS) in a nominal amount of €500 million. No derivative was identified because the provisions of the notes fall outside the scope of the definition of a derivative under IAS 39.

Because of their perpetual and subordinated nature and the optional nature of the coupon, the notes were recorded under IFRS in shareholder's equity for the net value received of €492 million (issue price less offering discount and fees).

Further to the restructuring of the Group's debt in 2010, the characteristics of the notes are now as follows:

- they are not repayable other than (i) at Vantiva's sole option in specific contractually defined events or (ii) in case of liquidation of the Company;
- they no longer bear interest, since an amount of €25 million was paid to TSS holders as final payment of all interest claims in 2010.

7.2.2 Dividends and distribution

In connection with the 2020 and 2021 periods, Shareholders' Meetings held respectively on May 12, 2021 and June 30, 2022 did not vote for any payment of dividends.

7.2.3 Non-controlling interests

In 2022 and 2021, there is no change in non-controlling interests.

7.3 Earnings (Loss) per share

Basic earnings per share are calculated by dividing income (loss) attributable to ordinary equity holders of the parent entity by the weighted-average number of shares outstanding during the period, excluding treasury shares.

Diluted earnings per share are calculated by dividing income (loss) attributable to ordinary equity holders of the parent entity by the weighted-average number of shares outstanding during the period assuming that all potentially dilutive securities were exercised and that any proceeds from such exercises were used to acquire shares of the Company's stock at the average market price of the period or the period the securities were outstanding.

Potentially dilutive securities comprise:
- Outstanding options and shareholders' warrants, if dilutive;
- The securities to be issued under the Company's management incentive plan, to the extent the average market price of the Company's stock exceeded the adjusted exercise prices of such instruments.

Diluted earnings (loss) per share

	Year ended December 31,	
(€ in million, except number of shares in thousands)	**2022**	**2021***
Net income (loss)	**151**	**(140)**
Net (income) loss attributable to non-controlling interest	-	-
Net (income) loss from discontinued operations	(680)	(4)
Numerator: Adjusted profit "Group share" from continuing operations attributable to ordinary shareholders	**(529)**	**(143)**
Basic weighted number of outstanding shares **('000)**	**268,949**	**235,814**
Dilutive impact of stock-option, free share and performance share plans and convertible debt	-	-
Denominator: Diluted weighted number of outstanding shares **('000)***	**268,949**	**235,814**

** 2021 amounts restated considering Technicolor Creatives Studios and Trademark Licensing as accounted for as of discontinued operations see note 12.*

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

7.4 Related party transactions

A party is related to the Group if:
- Directly or indirectly the party (i) controls, is controlled by or is under common control with the Group, (ii) has an interest in the Group that gives it significant influence over the Group;
- The party is an associate or a joint venture in which the Group is a venture;
- The party or one of its Directors is a Member of the Board of Directors or of the Executive Committee of the Group or a close Member of the family of any individual referred to above.

Related party transactions with associates & joint ventures are detailed in note 2.4.

Remuneration of key management is detailed in note 9.4.

In 2022, Angelo, Gordon & Co., L.P, which holds 22.4% (12.64% in 2021) of the equity of the group subscribed to the MCN issuance for a total amount of €129.6 million. Angelo, Gordon & Co., L.P also provided for a total amount of €123.6 million of the Vantiva debt package. Vantiva group paid interest to Angelo, Gordon & Co., L.P with regards to former Technicolor Group debt for €6.7million and €1.6million for the new Vantiva Group debt and €0.1 million for the MCN;

Vantiva accrued interests due to Angelo, Gordon & Co., L.P at the end of December 2022 for €0.3 million for a closing debt position of €123.6 million.

In 2022, Bpifrance Participations SA, which is represented in on the Board, and as such identified as a related party, holds 10.8% (4.4% in 2021) of the equity of the group. Bpifrance participations SA participated in New money financing in the amount of €21 million in 2020 and subscribed to the MCN issuance for a total amount of €45 million in 2022. Vantiva Group paid interest to Bpifrance Participations SA with regards to former Technicolor Group debt for €1.6 million and less than €0.1 million with regards to the MCN.

No other related party transactions have been identified in 2022.

8 Financial assets, financing liabilities & derivative financial instruments

8.1 Financial assets

Cash and cash equivalents

1. Cash corresponds to cash in bank accounts as well as demand deposits.

2. Cash equivalents correspond to very liquid short-term investments, with an original maturity not exceeding three months, which are easily convertible at any time into a known amount of cash and for which the risk on the principal amount is negligible.

(€ in million)	**2022**	**2021**
Cash	88	187
Cash equivalents	79	9
Cash and cash equivalents	**167**	**196**

8.2 Financial liabilities

8.2.1 Borrowings

8.2.1.1 Main features of the Group's borrowings

In 2022, in close relation to the TCS spin-off, Vantiva refinanced the debt from the 2020 financial restructuring.

On September 15, 2022, the New Money and the Reinstated debt were fully repaid through:

- the issuance of debt lodged in the new TCS group before the spin-off,
- the issuance of a convertible note (subsequently converted into equity) for €292.5 million,
- two private loans that were contracted with Barclay's and Angelo Gordon for €250m and €125m respectively.

In parallel, Wells Fargo has extended the existing $125 million Asset-Based Lending ("ABL") facility for further 4 years.

Following the spin-off of TCS, Vantiva is not in any sense or form party to the TCS credit arrangements.

Details of the Group's debt without and with operating leases as of December 31, 2022, are given in the table below:

Vantiva December 2022 Net Debt - without Operating Leases

€ in million

Borrower	Line	Characteristics	Currency	Nominal	IFRS Amts	Nominal Rate	IFRS Rate	Maturity
Vantiva	Barclays 1L	Cash: E + 2.5% Margin & PIK (1)	EUR	250	240	7.5%	11.8%	Sep-26
Vantiva	AG 2L	Cash: E + 4.00% & PIK: 5.00% (2)	EUR	125	117	11.0%	16.1%	Mar-27
Technicolor USA Inc.	WF	9.5%	USD	0	0	9.5%	9.5%	Sep-26
Several Aff	Capital Lease		Various	1	1	2.5%	2.5%	
Vantiva	Acc Interest Debt		EUR	1	1	0.0%	0.0%	
Vantiva	Acc PIK		EUR	6	6	0.0%	0.0%	
Several Aff	Others		Various	0	0	0.0%	0.0%	
	Total Debt			**382**	**364**	**8.5%**	**13.0%**	
	Cash & Cash Equivalents			**167**	**167**			
	Net Debt			**216**	**197**			

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

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

Vantiva December 2022 Net Debt - with Operating Leases

€ in million

Borrower	Line	Characteristics	Currency	Nominal	IFRS Amts	Nominal Rate	IFRS Rate	Maturity
Vantiva	Barclays 1L	Cash: E + 2.5% Margin & PIK (1)	EUR	250	240	7.5%	11.8%	Sep-26
Vantiva	AG 2L	Cash: E + 4.00% & PIK: 5.00% (2)	EUR	125	117	11.0%	16.1%	Mar-27
Technicolor USA Inc.	WF	9.5%	USD	0	0	9.5%	9.5%	Sep-26
Several Aff	Operating Lease		Various	66	66	12.2%	12.2%	
Several Aff	Capital Lease		Various	1	1	2.5%	2.5%	
Vantiva	Acc Interest Debt		EUR	1	1	0.0%	0.0%	
Vantiva	Acc PIK		EUR	6	6	0.0%	0.0%	
Several Aff	Others		Various	0	0	0.0%	0.0%	
	Total Debt			**448**	**430**	**9.1%**	**12.8%**	
	Cash & Cash Equivalents			**167**	**167**			
	Net Debt			**282**	**263**			

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

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

8.2.1.2 Key terms of the credit agreements

Vantiva has entered into two private debt agreements with the main characteristics described as per below:

- Barclays first lien credit agreement for €250 million ("1L")
  - The first lien is senior over the second lien credit agreement
  - 4 years maturity through September 2026 with the option of 1-year extension upon an extension fee payment
  - The loan carries a combination of cash and PIK (Pay-in-Kind) interests:
    - PIK interests: 3% for the first year, increasing to 4% 12 months after closing, then 5.5% 24 months after closing, then + 0.5% every 12 months thereafter
    - Cash Interest EURIBOR 3 months + margin of 2.5% per year
  - The loan carries an exit fee upon repayment for the first anniversary of 2.5% and 5% thereafter (including at maturity)

- Angelo Gordon second lien credit agreement for €125 million ("2L")
  - The credit line is subordinated to the first lien credit agreement
  - 4.5 years maturity through March 2027 with the option of 1-year extension upon an extension fee payment
  - The loan carries a combination of cash and PIK (Pay-in-Kind) interests:
    - PIK interests: 5% for the first year, increasing to 5.5% after 12 months, then 6%

- Cash Interest: EURIBOR + 4% then 6% after year 2
- The loan carries an exit fee upon repayment for 4% (including at maturity)

The exit fee is taken into account in the calculation of the IFRS rate (cf. table above).

Wells Fargo existing Asset-Based Lending (“ABL”) facility of $125m was extended for a further 4 years starting September 15th, 2022.

The first lien loan; the second lien loan and the Wells Fargo credit line are collectively referred to as the “Debt Instruments”.

The key terms of the debt documentation specified above are detailed below.

Security Package and Guarantors

First and Second Lien Loans

The previous trusts (“fiducies-sûretés”) structures, guaranteeing the repaid debt, were disassembled.

The first and the second lien loans have primarily the following securities:

- The equity pledge over Gallo 8 and Technicolor Brasil
- A trust containing the remaining TCS shares
- Pledges over the bank accounts of Vantiva
- Pledges over intercompany receivables by Vantiva

Guarantors of the first and the second lien loans are:

- Gallo 8
- Technicolor Delivery Technologies Canada Inc
- US subsidiaries party to the Wells Fargo ABL gave a subordinated, unsecured guarantee.

Wells Fargo (WF) Agreement

The WF Agreement is secured by a 1st ranking pledge on most of the commercial receivables and inventories of the U.S. companies of the Group.

Mandatory and voluntary prepayments

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

Through December 31, 2022, 75% of net proceeds from non-ordinary disposal needs to be used to repay the debt subject to a retention cap of €25m of the cash proceeds. Thereafter, this repayment requirement covers 100% of the cash proceeds, subject to reinvestment right in the case of casualty events and the ability to retain up to €10m of the cash proceeds.

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

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

The events of defaults in the Debt Instruments include among other things and are subject to certain exceptions, thresholds and grace periods:

- failure by borrowers to make required payments when due under the Debt Instruments or of any other financial indebtedness or to comply with material obligations related to the Debt Instruments;
- a cross default under which there is a default if any member of the Group defaults under any indebtedness involving an aggregate amount of more than $25 million.

Financial Covenants

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

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

The breach of this financial covenant is an event of default upon the occurrence of which the lenders can instruct the debt's agent to declare it immediately due and payable.

The net debt as defined for the covenant is equal to the nominal value of the Group's debt (excluding operating leases under IFRS16) minus (i) cash and (ii) cash collaterals that guarantee debt.

The EBITDA as defined for the covenant is equal to the Group adjusted EBITDA minus all IFRS 16 expenses.

Although untested at December 31, 2022, the Group's net leverage ratio was 1.66.

Affirmative Covenants

The Debt Instruments contain various standard and customary affirmative covenants and in addition contain requirements to the Group to provide:

- Semestrial financials: unaudited balance sheet, income statement, and cashflow statement (without notes);
- Annual financials: audited balance sheet, income statement, and cashflow statement;
- Full-year guidance: including Revenue, EBITDA, FCF, and Net Leverage ratio.

Negative Covenants

The Debt Instruments and WF Agreement contain various standard and customary negative covenants as well as other specific covenants which restrict the Group's ability to undertake certain actions. These include restrictions on:

- Indebtedness: Generally new indebtedness is not permitted with various exceptions and baskets notably for capital leases and unsecured debt.
- Liens: New liens are generally not allowed except for some carve-outs and a general lien basket
- Disposals: Subject to certain carve-outs and baskets, the Group is limited in its ability to make disposals.
- Acquisitions: Except for a lifetime basket amount the Group cannot make acquisitions.
- Distributions: The Group is limited in its ability to make distributions, in particular to shareholders.

At December 31, 2022 Vantiva fully respects all applicable covenants and no case of default occurred between this date and the approval of the financial statements.

8.3 Derivative financial instruments

GENERAL PRINCIPLES

The Group uses derivative instruments notably to hedge its exposure to foreign currency risk and changes in interest rates. The financial derivatives are executed in the over the counter market and are governed by standard ISDA (International Swaps and Derivatives Association, Inc.) agreements or agreements standard for the French market.

HEDGE ACCOUNTING

Derivative instruments may be designated as hedging instruments in one of three types of hedging relationships:
- Fair value hedge, corresponding to a hedge of the exposure to the change in fair value of an asset or a liability;
- Cash flow hedge, corresponding to a hedge of the exposure to the variability in cash flows from future assets or liabilities;
- Net investment hedge in foreign operations, corresponding to a hedge of the amount of the Group's interest in the net assets of these operations.

Derivative instruments qualify for hedge accounting when at the inception of the hedge,
- there is a formal designation and documentation of the hedging relationship when put in place,
- the hedge is expected to be highly effective,
- its effectiveness can be reliably measured, and it has been highly effective throughout the financial reporting periods for which the hedge was designated.

The effects of hedge accounting are as follows:
- For fair value hedges of existing assets and liabilities, the hedged portion of the asset or liability is recognized in the balance sheet at fair value. The gain or loss from remeasuring the hedged item at fair value is recognized in profit or loss and is offset by the effective portion of the loss or gain from remeasuring the hedging instrument at fair value.
- For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income (OCI), because the change in the fair value of the hedged portion of the underlying item is not recognized in the balance sheet, and the ineffective portion of the gain or loss on the hedging instrument, if any, is recognized in profit or loss. Amounts recognized in OCI are subsequently recognized in profit or loss in the same period or periods during which the hedged transaction affects profit or loss. Such periods are generally less than 6 months except for the licensing activity.

8.3.1 Financial derivative portfolio

At December 31, 2022 and December 31, 2021, the fair value of the Group's financial derivatives was as follows:

	2022		2021	
(€ in million)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Foreign currency hedges	2	0	1	(2)
Interest rate hedges	0	0	0	-
Total	**2**	**0**	**1**	**(2)**

Foreign currency hedge characteristics

The foreign currency hedges outstanding at December 31, 2022 are shown in the table below:

€ in millions	Currencies	Notional [(1)]	Maturity	Fair value [(2)]
Forward purchases/sales and currency swaps	EUR/GBP	49	2023	1
Forward purchases/sales and currency swaps	EUR/USD	73	2023	0
Forward purchases/sales and currency swaps	GBP/USD	(21)	2023	0
Forward purchases/sales and currency swaps	USD/CAD	(29)	2023	0
Forward purchases/sales and currency swaps	USD/MXN	(24)	2023	0
Forward purchases/sales and currency swaps	Other currencies	10	2023	0
Fair value				**2**

(1) Net forward purchases/(sales), in millions of the first currency of the pair

(2) Market value in millions of euros at December 31, 2022

Interest rate hedges

The Group has no interest rate hedging instruments outstanding at December 31, 2022.

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

Instruments not documented as hedges

At December 31, 2022 the Group does not have any outstanding instruments that are not documented as hedges.

8.3.2 Impact of derivative financial instruments on Group performance

As indicated in note 8.5.3.2, the Group has a policy of covering transactional foreign exchange exposure. The exposure is covered with short-term derivatives instruments and rolled over as a function of the global exposure, which is monitored daily. The characteristics of its portfolio of hedging instruments at the closing date are not representative of the impact on the year's results nor that of future years.

The table below presents the impact of hedging instruments on the Group's performance in 2022:

(in million euros)	Foreign currency hedges	
	Impact of effective portion(1)	Impact of ineffective portion(2)
Gross margin	**16**	**-**
Net interest expense	-	(3)
Foreign currency gain (loss)	-	2
Net financial result	**-**	**(1)**
Income (loss) from discontinued operations	1	-
Net income (loss)	**17**	**(1)**
Gains/(losses) before tax resulting from the valuation at fair value of instruments hedging future cash flows	(4)	-
Other comprehensive income (loss)	**(4)**	**-**

(1) The effective portions of the hedges are recorded in the same item of the financial statement as the underlying hedged elements.

(2) The ineffective portions of foreign exchange hedges come mainly from forward points on forward exchange operations and foreign currency swaps, which the Group excludes from hedging relationships and from the foreign exchange gains and losses on the reduction of overhedges. Forward points related to the hedges of financial exposures are recorded in "Net interest expense". The forward points related to the hedges of commercial exposures as well as the foreign exchange result on the reduction of these hedges are recorded in "Foreign exchange gain / (loss)".

8.4 Fair values

8.4.1 Classification and measurement

FINANCIAL ASSETS (EXCLUDING DERIVATIVES)

Management determines the classification of its financial assets at initial recognition in the light of the Group's business model for the management of financial assets, as well as the characteristics of the asset's contractual cash flows.

Further to IFRS 9 implementation, the Group chose to classify its financial assets between financial assets at amortized costs and financial assets at fair value through profit and loss or OCI.

Financial assets at amortized cost

This category is used for a financial asset when the objective is to receive its contractual cash flows, corresponding only to repayments of principal and, where applicable, interest on principal.

These assets are initially recognized at fair value less any transaction costs. They are then recognized at amortized cost using the effective interest rate method.

Where applicable, an impairment loss is recognized for the amount of expected credit losses at 12 months, unless the credit risk has increased significantly since initial recognition, in which case the impairment is calculated for the amount of expected credit losses over the life of the asset. For trade receivables and assets on trade contracts, the Group applies a simplified impairment method (see Note 5.1.3.).

Financial assets at fair value through profit or loss or through other comprehensive income

This category is used when the financial asset is not recognized at amortized cost. For these financial assets carried at fair value, changes in value are recognized in the income statement under "Other net financial income (expense)", or for equity investments that are not held for trading and upon initial election, in a dedicated line of the other comprehensive income.

A financial asset is derecognized when the contractual rights to the cash flows associated with it expire or have been transferred together with substantially all the risks and rewards of ownership of the asset.

FINANCIAL LIABILITIES (EXCLUDING DERIVATIVES)

Borrowings are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Any difference between (i) net proceeds of transaction costs and (ii) *redemption value is recognized in financial income over the life of the borrowings using the effective interest rate method.*

Borrowings are presented as current liabilities, unless the Group has an unconditional right to defer repayment of the liability beyond a period of 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

DERIVATIVES

Derivatives are recorded at fair value. Changes in value are recognized in the income statement and/or in equity within other comprehensive income, in accordance with the principles set out in Note 8.3.

In accordance with IFRS 13 – Fair Value measurement, 3 levels of fair value measurement have been identified for financial assets & liabilities:

- Level 1: quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: internal models with observable parameters including the use of recent arm's length transactions (when available), reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs;
- Level 3: internal models with non-observable parameters.

The stake in TCS has been presented in non-consolidated investments as explained in note 2.2.2

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

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

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

(€ in million)	At December 31, 2021, net	Measurement by accounting categories as of December 31, 2021				
		Amortized costs	Fair value through profit & loss	Fair value through equity	Derivative Instruments (see note 8.5)	Fair Value measurement
Non-consolidated Investments	**20**	-	20	-	-	Level 3
Cash collateral & security deposits	31	20	10	-	-	Level 1
Loans & others	2	2	-	-	-	Level 2
Subleases receivables	5	5	-	-	-	Level 2
Derivative financial instruments	-	-	-	-	-	Level 2
Other non-current financial assets	**38**					
Total non-current financial assets	**58**					
Cash collateral and security deposits	24	3	22	-	-	Level 1
Other current financial assets	-	-	-	-	-	
Derivative financial instruments	2	-	-	-	2	Level 2
Other financial current assets	**26**					
Cash	187	-	187	-	-	Level 1
Cash equivalents	9	-	9	-	-	Level 1
Cash and cash equivalents	**196**					
Total current financial assets	**222**					
Non current borrowings [(1)]	(1,025)	(1,025)	-	-	-	Level 2
Borrowings	**(1,025)**					
Derivative financial instruments	-	-	-	-	-	Level 2
Other non-current liabilities	**-**					
Lease liabilities	**(145)**	(145)	-	-	-	Level 2
Total non-current financial liabilities	**(1,170)**					
Financial debt	**(17)**	(17)	-	-	-	Level 2
Lease liabilities	**(48)**	(48)	-	-	-	Level 2
Derivative financial instruments	(2)				(2)	Level 2
Other current financial liabilities	**(3)**	-	-	-	(3)	Level 2
Total current financial liabilities	**(70)**					
TOTAL FINANCIAL LIABILITIES	**(1,240)**					

(1) Borrowings are recognized at amortized costs. As of December 31, 2021, the fair value of the New Money debt and Reinstated Term Loans was €1,105 million.

Some cash collaterals for U.S. entities are classified as current because of their short maturity but are renewed automatically for periods of 12 months.

8.5 Financial instruments and risk management objectives and policies

8.5.1 Market risk

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

Vantiva's financial risks are managed centrally by the Group Treasury Department in France and its regional treasury department in California – U.S., in accordance with the policies and procedures of the Group.

All financial market risks are monitored continually and reported regularly to the Chief Financial Officer, the Investment Committee and the Audit Committee via various reports showing the company's exposures to these risks with details of the transactions undertaken to reduce them.

These risks are managed in a strict framework with specific limits and authorizations approved by the Investment Committee for each type of transaction and monitored by the Group Internal Control Department.

8.5.2 Interest rate risk

8.5.2.1 Exposure to interest rate risk

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

At December 31, 2022 the portion of the Group's financial debt exposed to floating interest rates is shown below. The Group does not have any interest rate hedging operations outstanding.

(€ in million)	2022
Nominal debt (without operating leases)	382
Percentage at floating rate	98%

In 2022 the Group's deposits were entirely at floating rate.

8.5.2.2 Interest rate risk management

At December 31, 2022, the Group has no outstanding interest rate hedging operations.

In September 2022, the Group has restructured its debt, and a new EUR floating debt was contracted.

The interest rates' markets have been particularly volatile by the second half of 2022 and the start of 2023. The main Central Banks, (i.e. the FED and BCE), are constantly monitoring the inflation rate that has increased significantly in 2022 and have reacted with the classical monetary policy instruments of raising interest rates.

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

8.5.2.3 Sensitivity to interest rate movements

The Group believes a 100 basis point fluctuation in interest rates is reasonably possible in a given year and the table below shows the maximum annual impact of such a change.

Maximum impact over one year on the net exposure as of December 31, 2022 of a variation versus current rates (*)

(€ in million)	Impact on cash net interest	Impact on equity before taxes
Impact of interest rate variation of +1%	(4)	(4)
Impact of interest rate variation of -1%	4	4

(*) Impact being calculated using the 1L and 2L last reset on 3M EURIBOR at 2.046%

8.5.3 Foreign exchange risk

8.5.3.1 Translation Risk

The Group's consolidated financial statements are presented in euros. Thus, assets, liabilities, revenues and expenses denominated in currencies other than euro must be translated into euro at the applicable exchange rate to be included in the consolidated financial statements.

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

The Group's policy is not to hedge translation risk.

Translation risk is measured by doing sensitivity analyses on the main exposures in the subsidiaries where the functional currency is different from euro (see below).

8.5.3.2 Transaction Risk - Operational

Foreign currency transaction risk occurs when purchases and sales are made by Group entities in currencies other than their functional currencies.

The Group's main transaction risk is its U.S. dollar exposure versus euros. After offsetting the U.S. dollar purchase exposures with U.S. dollar sale exposures, the net U.S. dollar exposure versus euros for continuing operations was net purchases of $89 million in 2022 versus $136 million in 2021.

The policy of the Group is to have its subsidiaries:

- to the extent possible denominate their costs in the same currencies as their sales;
- regularly report their projected foreign currency needs and receipts to the Group Treasury Department which then nets purchases and sales in each currency on a global basis. Exposures that remain after this process are generally hedged with banks using foreign currency forward contracts.

For products with a short business cycle, the Group's policy is to hedge on a short-term basis for up to six months. For products and services which are sold on a longer-term basis, hedges may be put in place for periods greater than six months.

Regardless of the term of the hedging, the Treasury department uses short-term foreign currency derivatives (maturity of several days to several months) that it rolls over as a function of its global exposure which is monitored on daily basis. The derivative instruments used are described in note 8.3.

Transaction risk on commercial exposures is measured by consolidating the Group's exposures and doing sensitivity analyses on the main exposures (see below).

8.5.3.3 Transaction Risk - Financial

The Group's policy is to centralize to the extent possible its financing and the associated currency risk, if any, at the level of the Group Treasury.

As a result, the majority of the Group's subsidiaries borrow, and lend their surplus cash, to the Group Treasury, which in turn satisfies liquidity needs by borrowing externally. Subsidiaries that cannot enter into transactions with the Group Treasury because of local laws or restrictions may borrow or invest with local banks in accordance with the rules established by the Group Treasury.

The Group's policy is also that subsidiaries borrow or invest excess cash in their functional currency. In order to match the currencies that Vantiva's Group Treasury Department borrows with the currencies that it lends, Vantiva may enter into currency swaps primarily to convert euro borrowings into U.S. dollars or vice versa. The forward points on these currency swaps are accounted for as interest, with a result of €(2.5) million in 2022 and €(1.4) million in 2021.

8.5.3.4 Sensitivity to Foreign Currency

The Group's main exposure is the fluctuation of the U.S. dollar against the euro.

The Group believes a 10% fluctuation in the U.S. dollar versus the euro is reasonably possible in a given year and thus the table below shows the impact of a 10% increase in the U.S. dollar versus the euro on the Group's Profit from continuing operations before tax and net finance costs and on the currency translation adjustment component of equity. A 10% decrease in the U.S. dollar versus the euro would have a symmetrical impact in the opposite amount. These calculations assume no hedging is in place.

2022 *(€ in million)*	Transaction	Translation	Total
Profit from continuing operations before tax and net finance costs [(1)]	(9)	(3)	(12)
Equity Impact (cumulative translation adjustment) [(2)]		74	74

[(1)] *Profit impact*

- *Transaction impact is calculated before hedging by applying a 10% increase in the U.S. dollar/euro exchange rate to the (i) net U.S. dollar exposure (sales minus purchases) of affiliates which have the euro as functional currency and to the (ii) net euro exposure of affiliates that have the U.S. dollar as functional currency.*

- *Translation impact is calculated before hedging by applying a 10% increase in the U.S. dollar/euro exchange rate to the profits of the affiliates with the U.S. dollar as the functional currency..*

(2) *Equity impact: calculated by applying a 10% increase in the U.S. dollar/euro exchange rate to the net investments in foreign subsidiares that are denominated in the U.S. dollars.*

8.5.4 Credit and counterparty risk management

Credit risk arises from the possibility that counterparties may not be able to perform their financial obligations to Vantiva:

- credit risk on trade receivables is managed by each operational division based on policies that take into account the credit quality and history of customers. From time to time, the Group may decide to insure or factor without recourse trade receivables to manage underlying credit risk. The credit risk exposure on the Group's trade receivables corresponds to the net book value of these assets.
- with €167 million cash and cash equivalents as of December 31, 2022, the Group minimizes this risk by limiting the deposits made with any single bank and by making deposits primarily with banks that have strong credit ratings and by investing in diversified, highly liquid money market funds. As of December 31, 2022, 65% of the Group's cash was deposited with well rated (AAA) money market funds and 35% of the cash deposited with highly-rated banks.
- the financial instruments used by the Group to manage its currency exposure are all undertaken with counterparts having a rating of at least A-2 according to Standard & Poor's. Credit risk on such transactions is minimized by the foreign exchange policy of trading short-term operations. The marked-to-market carrying values are therefore a good proxy of the maximum credit risk.

Vantiva's clients are mainly large well-financed network operators and major studios. The Group has not seen any significant increase in overdues and continues to monitor its credit risk carefully. Likewise, the Group works only with highly rated financial counterparts.

Derecognized transferred financial assets

The Group uses factoring agreements to discount some of its receivables. As of December 31, 2022, the Group had not entered into any agreement for which it has continuing involvement beyond commercial risk and normal representations and warranties relating to fraudulent transfer and concepts of reasonableness, good faith and fair dealings that could invalidate a transfer as a result of legal action. The amount assigned as at December 31, 2022 is equal to €77 million. The cost associated is about €2.4 million and presented in the other financial expense line.

The Group is also party to several discount programs and reverse factoring programs set up by its customers. These programs allow the Group to benefit from shortened payment terms, especially for some customers with exceptionally long payment terms compared to habitual business practices. As the commercial risk is extinguished or estimated to be nil through acknowledgment of the receivables by the customer, there is no continuing involvement associated with these programs.

8.5.5 Liquidity risk and management of financing and of capital structure

Liquidity risk is the risk of not being able to meet upcoming financial obligations. To reduce this risk, the Group pursues policies with the objective of having continued uninterrupted access to financial markets at reasonable conditions.

These policies are developed based on regular reviews and analysis of its capital structure, including the relative proportion of debt and equity in the context of market conditions and the Group's financial objectives and projections.

Among other things these reviews take into account the Group's debt maturity schedule, covenants, forecast cash flows, access to financial markets and projected financing needs. To implement these policies, the Group uses various long-term and committed financings which may include equity (see note 7), debt (see note 8.2.1), and committed credit lines (here below).

The tables below show the future contractual cash flow obligations due on the Group's financial liabilities. The interest rate flows due on floating rate instruments are calculated based on the rates in effect at December 31, 2022.

	31 December 2022							
	2023-S1	2023-S2	2024	2025	2026	2027	After	Total
Barclays 1L	0	0	0	0	250	0	0	250
AG 2L	0	0	0	0	0	125	0	125
Accrued Interests	1	0	0	0	0	0	0	1
PIK Interests	0	0	0	0	4	2	0	6
Lease liabilities	11	11	17	8	5	6	8	66
Other debt	0	0	0	0	0	0	0	1
Total debt principal payments	**12**	**11**	**17**	**8**	**259**	**132**	**8**	**448**
IFRS adjustment								(17)
Debt in IFRS								**430**

	2023-S1	2023-S2	2024	2025	2026	2027	After	Total
Cash Interest 1L & 2L	10	10	21	24	22	3	0	89
PIK Interests 1L & 2L	0	0	0	0	50	36	0	86
Lease liabilities - interest	7	6	4	3	2	1	1	23
Other debt - interest	0	0	0	0	0	0	0	0
Total Interest payments	**16**	**16**	**25**	**27**	**74**	**40**	**1**	**199**

The contractual cash flow obligations of the Group due to its current debt are considered to be equal to the amounts shown in the consolidated statement of financial position

Credit Lines

(€ in million)	2022	2021
Undrawn, committed lines expiring in more than one year	117	110

The Group's committed credit lines consist of a receivable-backed committed credit facility in an amount of U.S.$125 million, €117 million at the December 31, 2022 exchange rate, (the "WF Line") which matures in 2026. The availability of this credit line varies depending on the amount of receivables and at December 31, 2022, €91 million was available. This facility was undrawn at December 31, 2022.

9 Employee benefits

9.1 Information on employees

The total headcount of the Group consolidated entities as of December 31, 2022 is 5,322 employees (5,981 as of December 31, 2021 for continuing operations). Please refer to chapter 5.1 of the Universal Registration Document for more detail on employees of the Group.

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

(€ in million)	2022	2021*
Wages and salaries	230	212
Social security costs	64	60
Compensation expenses linked to share-based payments granted to directors and employees (Note 9.3.3)	6	3
Pension costs - defined benefits plans (Note 9.2.2.1)	2	2
Termination benefits	14	15
Total employee benefits expenses (excluding defined contribution plans)	**316**	**292**
Pensions costs - Defined contribution plans	**9**	**9**

(*) 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.

The termination benefits are presented in restructuring expenses within continuing operations in the consolidated statement of operations.

9.2 Post-employment & long-term benefits

Post-employment obligations

The Group operates various post-employment schemes for some employees. Contributions paid and related to defined contribution plans, i.e. pension plans under which the Group pays fixed contributions and has no legal or constructive obligation to pay further contributions (for example if the fund does not hold sufficient assets to pay to all employees the benefits related to employee service in the current and prior periods), are recorded as expenses when employees have rendered services entitling them to the contributions.

The other pension plans are analyzed as defined benefit plans (i.e. pension plans that define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation) and are recognized in the balance sheet based on an actuarial valuation of the defined benefit obligations being carried out at the end of each annual reporting period.

The method used for determining employee benefits obligations is based on the Projected Unit Credit Method. The present value of the Group benefit obligations is determined by attributing the benefits to employee services in accordance with the benefit formula of each plan. The provisions for these benefits are determined annually by independent qualified actuaries based on demographic and financial assumptions such as mortality, employee turnover, future salaries, benefit levels and discount rates.

Remeasurement, comprising actuarial gains and losses, the effect of changes in asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in OCI. Remeasurement recognized in OCI is reflected immediately in retained earnings and will not be classified in profit or loss.

Defined benefit costs are classified as follows:

- *Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) to be recognized in profit or loss;*
- *Net interest expense or income, to be recognized as financial expense and financial income (Note 8.5).*

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus between the present value of the Group's defined benefit obligation and the fair value of plan asset. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plans.

Other long-term benefits

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs. The obligations related to other long-term benefits (for example jubilee award) are also based on actuarial valuations. Actuarial gains or losses are recognized in the consolidated statement of operations.

The liability related to other long-term benefits are not presented within the retirement benefit obligation but within the restructuring provision or other liabilities.

Accounting estimates and judgments

The Group's determination of its pension and post-retirement benefits obligations, expenses and OCI impacts for defined benefit plans is dependent on the use of certain assumptions used by actuaries in calculating such amounts, among others, the discount rate and annual rate of increase in future compensation levels. Assumptions regarding pension and post-retirement benefits obligations are based on actual historical experience and external data.

The Group is exposed to actuarial risks such as interest rate risk, investment risk and longevity risk. The Group's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Capital markets experience fluctuations that cause downward or upward pressure on the quoted values and higher volatility. While Vantiva's management believes the assumptions used are appropriate, significant differences in actual experience or significant changes in the assumptions may materially affect the Group's pension and post-retirement benefits net obligations under such plans and related future expense.

9.2.1 Summary of the provisions and plans description

(€ in million)	Pension plan benefits		Medical post-retirement benefits		Total	
	2022	2021	2022	2021	2022	2021
At January 1	**291**	**350**	**5**	**5**	**295**	**355**
Net periodic pension cost	7	5	-	-	7	5
Curtailment	(1)	(2)	-	-	(1)	(2)
Benefits paid and contributions	(26)	(26)	(1)	-	(27)	(26)
Change in perimeter	0	0	(2)	-	(2)	-
Actuarial (gains) losses recognized in OCI	(49)	(40)	-	-	(49)	(40)
Currency translation adjustments and other	1	4	-	-	1	4
At December 31	**223**	**291**	**2**	**5**	**224**	**295**
Of which current	*33*	*34*	*0*	*-*	*33*	*34*
Of which non-current	*190*	*257*	*2*	*5*	*191*	*262*

9.2.1.1 Defined contribution plans

The pension costs of these plans correspond to the contributions paid by the Group to independently administered funds. These plans guarantee employee benefits that are directly related to contributions paid.

The total contributions paid by Vantiva for continuing operations amounted to €9 million in 2022 same as in 2021.

9.2.1.2 Defined benefit plans

These plans mainly cover pension benefits, retirement indemnities and medical post-retirement benefits. In 2022, the geographical breakdown of such net obligations was as follows:

(€ in million)	Germany	U.S.	U.K.	France	Others	Total
Present value of defined benefit obligation	174	90	90	6	25	385
Fair value of plan assets	(0)	(66)	(79)	-	(15)	(160)
Retirement benefit obligations	**173**	**23**	**12**	**6**	**10**	**223**
Cash flows	(16)	(2)	(8)	-	(2)	(27)
Average duration (in years)	9	8	14	8	N/A	N/A

Pension benefits and retirements indemnities

Pension plans maintained by the Group are mainly the following:

- **In Germany**, employees are covered by several vested unfunded defined benefit and defined contribution pension plans. These plans mainly provide employees with retirement annuities and disability benefits. Employees participate in plan based on final pay and services. The pension plans are no longer available to new entrants.

The retirement age is between 60 and 63 years old.

- **In the United States**, the employees of Vantiva are covered by a defined benefit pension plan. Vantiva mainly operates two defined benefit pension plans: a cash balance pension plan that covers substantially all non-union employees, funded through a trust fund, and an additional pension plan for executive employees, closed to new participants. Benefits are equal to a percentage of the plan Member's earnings each year plus a guaranteed rate of return on earned benefits until retirement.
  A hard freeze occurred over 2009 on U.S. pension plans. The rights as of January 1, 2010 remain vested but no additional pay-based credits are added to the cash balance account under the Plans. Interest credit, however, continue to be added to employees' account.
  The retirement age is 65 years old.

- **In the United Kingdom**, Vantiva mainly maintains a dedicated funded pension plan, which provides retirement annuity benefits. This plan is no longer available to new entrants.

  The retirement age is 65 years old.

- **In France**, the Group is legally required to pay lump sums to employees when they retire. The amounts paid are defined by the collective bargaining agreement in force and depend on years of service within the Group and employee's salary at retirement.

  The retirement age is 62 years old but the average retirement age observed is 64 years old.

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

Medical Post-retirement benefits

In the U.S. Vantiva provided to certain employees a post-retirement medical plan. The medical plan in the U.S. includes basic medical and dental benefits and has been closed to new entrants.

9.2.2 Elements of the statement of operations and other comprehensive income

9.2.2.1 Statements of operations

(€ in million)	Pension plan benefits		Medical Post-retirement benefits		TOTAL	
	2022	2021	2022	2021	2022	2021
Service cost:						
- Current service cost	(2)	(2)	-	-	(2)	(2)
- Past service cost and gain from settlements	0	2	-	-	0	2
Financial interest expense, net:						
- Interest cost on obligation	(8)	(6)	-	-	(8)	(6)
- Interest income on plan assets	5	3	-	-	5	3
- Administrative expense and taxes	(1)					
Components of defined benefit costs recognized in profit or loss	**(6)**	**(2)**	**-**	**-**	**(6)**	**(2)**

9.2.2.2 Other comprehensive income

(€ in million)	Pension plan benefits		Medical Post-retirement benefits		TOTAL	
	2022	2021	2022	2021	2022	2021
Opening					**(196)**	**(236)**
Actuarial gains/(losses) arisen on plan assets:						
- due to the return on plan assets	(64)	2	-	-	(64)	2
Actuarial gains/(losses) arisen on benefit obligation:						
- due to changes in demographic assumptions	3	2	-	-	3	2
- due to changes in financial assumptions [(1)]	122	35	0	-	122	35
- due to experience adjustments	(12)	1	0	-	(12)	1
Components of defined benefit costs recognized in OCI	**49**	**40**	**1**	**-**	**50**	**40**
Closing					**(146)**	**(196)**

(1) *In 2022, the variance in discount rates (see note 9.2.5) resulted in an actuarial gain for €49 million while in 2021 this variance resulted in an actuarial loss for €40 million.*

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

(€ in million)	Pension plan benefits		Medical Post-retirement benefits		TOTAL	
	2022	2021	2022	2021	2022	2021
Benefit obligation at opening	**(514)**	**(558)**	**(5)**	**(5)**	**(519)**	**(563)**
Current service cost	(2)	(2)	-	-	(2)	(2)
Interest cost	(8)	(6)	0	-	(8)	(6)
Remeasurement - actuarial gains / (losses) arising from:						
- changes in demographic assumptions	3	2	-	-	3	2
- changes in financial assumptions	122	35	0	-	122	35
- experience adjustments	(12)	1	0	-	(12)	1
Past service cost, including gains / (losses) on curtailments	0	1	-	-	0	1
Change in scope	0	-	2	-	3	-
Benefits paid	29	32	0	-	29	32
Currency translation adjustments	(2)	(18)	0	-	(1)	(18)
Others (Change in Pension system)			-	-	-	-
Benefit obligation at closing	**(383)**	**(514)**	**(2)**	**(5)**	**(385)**	**(518)**
Benefit obligation wholly or partly funded	*(188)*	*(248)*	*-*	*-*	*(188)*	*(248)*
Benefit obligation wholly unfunded	*(195)*	*(266)*	*(5)*	*(5)*	*(199)*	*(270)*
Fair value of plan assets at opening	**223**	**208**	**-**	**-**	**223**	**208**
Interest income	4	3	-	-	4	3
Remeasurement gains / (losses)	(65)	2	-	-	(65)	2
Employer contribution	8	8	-	-	8	8
Benefits paid	(11)	(14)	-	-	(11)	(14)
Currency translation adjustments	0	15	-	-	0	15
Others (Change in Pension system)	-	-	-	-	-	-
Fair value of plan assets at closing	**160**	**223**	**-**	**-**	**160**	**223**
Retirement benefit obligations	**(224)**	**(291)**	**(2)**	**(5)**	**(225)**	**(295)**

The Group expects the overall 2023 benefits paid to be equal to €25 million for defined benefits plans, of which €18 million directly by the company to the employees and €7 million by the plans.

9.2.4 Plan assets

9.2.4.1 Funding policy and strategy

When defined benefit plans are funded, mainly in the U.S. and in the U.K., the investment strategy of the benefit plans aims to match the investment portfolio to the membership profile.

In the U.K., contributions are negotiated with the Trustees as per the triennial valuation. Trustees are advised by an external leading global provider of risk management services regarding investment policy. The average yearly funding contribution **is £6.6 million (€7.7 million at 2022 average rate).**

In the U.S., Vantiva's policy is to contribute on an annual basis in an amount that is at least sufficient to meet the minimum requirements of the U.S. law. There was no contribution in 2022.

Periodically an asset-liability analysis is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles.

- In the U.S., as the pension plan is frozen, the investment strategy aims to increase the funded ratio toward termination liability while simultaneously attempting to minimize the volatility of the funded ratio (currently funded ratio is close to 75%). Asset mix is fully based on bonds and cash equivalents. This year a mandate has been given to an external fund manager to apply this strategy.
- In the U.K., the funded status reaches 90%. Asset mix is based on 54% of insurance contracts that cover obligations with pensioners, 34% of bonds and cash equivalents, 11% of equity instruments, and 1% of properties.

9.2.4.2 Disaggregation of the fair value by category

(in % and € in millions)	Plan assets allocation at December 31		Fair value of plan assets at December 31	
	2022	2021	2022	2021
Cash and cash equivalents	3%	1%	5	2
Equity investments	50%	13%	79	30
Debt securities	31%	69%	50	154
Properties	1%	1%	2	3
Annuity contracts	15%	15%	25	33
Total	**100%**	**100%**	**160**	**223**

The fair value of the above equity and debt instruments is determined based on quoted market prices in active markets. The fair value of the plan assets did not include any Vantiva's own financial instruments or any asset used by the Group.

The 2022 actual return on plan assets amounts to €(59) million negative (€5 million in 2021).

9.2.5 Assumptions used in actuarial calculation

	Pension plan benefits		Medical post-retirement benefits	
	2022	2021	2022	2021
Weighted average discount rate	4.40%	1.61%	4.89%	2.55%
Weighted average long-term rate of compensation increase	1.22%	1.17%	N/A	N/A

Discount rate methodology

The projected benefit cash flows under the U.S. schemes are discounted using a specific yield curve based on AA rated corporate bonds. The discount rates used for the Euro zone and the U.K. are determined based on AA rate corporate bonds common indexes and are as follows:

(in %)	Pension plan benefits	Early retirement	Medical post-retirement benefits	Index Reference
Euro zone	3.77%	0.00%	N/A	Iboxx AA10+
U.K.	4.70%	N/A	N/A	Aon Hewitt AA curve
U.S.	4.81%	N/A	4.89%	Citigroup pension discount curve

9.2.6 Risk associated to the plans & sensitivity analysis

Pension plans are mainly exposed to:

- Longevity risk due to mortality assumption;
- Financial risks due to discount rate and salary increase rate assumptions.

Medical plans are mainly exposed to:

- Longevity risk due to mortality assumption;
- Financial risks due to discount rate and medical trend rate assumptions.

The sensitivity of the actuarial valuation is described below:

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

The sensitivity analysis presented have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

9.3 Share-based compensation plans

The Group may use equity-settled and cash-settled share-based incentives to certain employees. According to IFRS 2, the advantage given to the employees regarding the grant of stock options or free shares consists of an additional compensation to these employees estimated at the grant date.

Equity-settled share-based payments are measured at fair value at the grant date. They are accounted for as an employee expense on a straight-line basis over the vesting period of the plans, based on the Group's estimate of instruments that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognized at the current fair value determined at each balance sheet date with any changes in fair value recognized in profit or loss for the period within "Other financial income (expense)". In addition, for plans based on non-market performance conditions, the probability of achieving the performance is assessed each year and the expense is adjusted accordingly.

The fair value of instruments, and especially of options granted, is determined based either on a binomial option pricing model or on the Black-Scholes valuation model that takes into account an annual reassessment of the expected number of exercisable options. The Black-Scholes valuation model is also used to take into account the market conditions of the plans' Group.

9.3.1 Stock-options plans granted by Vantiva

Management Incentive Plans (MIP)

The Shareholders' Meeting of May 23, 2013, in its fifteenth resolution, authorized the Board of Directors to proceed with the allocation, in one or several times, in favor of employees or Executive Officers of the Company and its French and foreign subsidiaries, of share subscription or purchase options. This authorization has been given for a 38-month period, and was valid until July 23, 2016. Options granted under this authorization should not give rights to a total number of shares greater than 994,204 (i.e, taking into account the 2020 reverse split adjustment, 8% of the share capital at the date of the Shareholders' Meeting of May 23, 2013).

The Chief Executive Officer, acting on the delegation granted by the Board of Directors at its meeting of September 22, 2022, in order to preserve the rights of the stocks-options holders after the Distribution, has decided to proceed as follows with the adjustment to the holders who have not exercised their stocks-options before September 6, 2022 :

• Management Incentive Plan June 2017: applying an adjustment coefficient of 2.62239944, the exercise price was adjusted to €60.54, and the number of existing Company stock-options (one option for one share) was adjusted to 10,083;

• Management Incentive Plan October 2017: applying the same adjustment coefficient, the exercise price was adjusted to €73.21, and the number of existing Company stock-options (one option for one share) was adjusted to 47,587.

As of December 31, 2022, 7,563 and 23,800 options related respectively to MIP June 2017 and MIP October 2017 are still outstanding.

Remaining options related to MIP 2016 have been canceled after plan expiration on June and October, 2022.

2019 Long-Term Incentive Plan (LTIP)

The Shareholders' Meeting of June 14, 2019, in its twentieth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees. This authorization has been given for a 12-month period and was valid until June 13, 2020. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3,000,000 (equivalent to 111,111 shares after 2020 reverse split).

Making use of this authorization and upon recommendation by the Remuneration Committee, the Board of Directors approved on June 14, 2019, the implementation of 2019 Long Term Incentive Plan.

This three-year plan provides conditional rights to the beneficiaries to receive Restricted Shares, the delivery of which is subject to the satisfaction of a continued employment condition through June 14, 2022.

Making use of this authorization and upon recommendation of the Remunerations Committees, the Board of Directors granted in several times from June 14, 2019 to January 20, 2020 a total of 2,907,000 Restricted Shares (equivalent to 107,601 Restricted Shares after 2020 reverse split).

This plan came to vesting date on June 14, 2022.

Using the delegation granted by the Board of Directors, the Chief Executive Officer approved on September 19, 2022 the deferred delivery of the shares granted under this Plan and vested in June 2022, ahead of the Distribution to take place on September 27,2022. For this purpose, 78,637 new shares have been issued and delivered to the LTIP 2019 plan's beneficiaries.

As of December 31, 2022, the outstanding share rights under the plan are nil.

2020 Long-Term Incentive Plan (LTIP)

The Shareholders' Meeting of June 30, 2020 in its twenty-fifth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of the Group's employees or certain categories of employees and corporate officers. This authorization has been given for a 36-months period and is valid until June 30, 2023. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3.6% of the share capital stated at the date of use of the authorization.

Making use of this authorization and upon recommendation by the Remuneration Committee, the Board of Directors approved on December 17, 2020, the implementation of the 2020 Long-Term Incentive Plan and granted 2,829,146 free shares. These three-year plans provide conditional rights to the beneficiaries to receive Performance Shares, the delivery of which is subject to the satisfaction of a continued employment condition for the full duration of the Plan (i.e. until December 17, 2023), and the achievement of two performance conditions, one based of cumulated EBITA objectives and the other on Total Shareholder Return until the end of 2022. It is noted however that 754,656 of these free shares are not Performance Shares but Restricted Shares allocated to beneficiaries who are not members of the Executive Committee and subject only to the continued employment condition.
Pursuant to the authorization given by the same General Meeting and upon recommendation of the Remuneration Committee, the Board of Directors held on March 24, 2021, granted 1,424,899 Performance Shares for the benefit of Executive Committee members under the same conditions as the ones listed above. The vesting period, starting on the date of the grant shall end also on its third anniversary (i.e. initially on March 24, 2023).

In the context of the Distribution, upon the Remuneration Committee's proposal, the Board of Directors wished, for the purpose encouraging the loyalty of the beneficiaries of these plans and aligning their interests with those of the shareholders so as to allow them to participated in this transaction, to reduce by several months the vesting of the shares (this change marking it possible for the beneficiaries to benefit from the Distribution by receiving TCS shares at the time of the Distribution).

On the proposal of the Board of Directors, the Shareholders General Meeting held on September 6, 2022 approved the Distribution and, under the terms of the twelfth resolution, approved the amendment with retroactive effect of the twenty-fifth resolution approved by the General Meeting of June 30, 2020 and the possibility of thus reducing the initial vesting period to a minimum of sixteen months.

The expiry of the vesting period has thus been brought back to August 30, 2022, i.e. 7 days before the date of the General Meeting of September 6, 2022.

On September 19, 2022, the Chief Executive Officer, using the delegation granted by the Board of Directors and based on the prior assessment by the Board of the level of achievement of the readjusted performance conditions, issued 2,800,276 new shares and delivered them to the beneficiaries of the 2020 LTIP having satisfied the presence condition during the adjusted vesting period of the Plan.

As of December 31, 2022, the outstanding share rights under the plan are nil.

Additional Performance Shares Plan (ASP 2020)

Using the authorization given by the Shareholders' Meeting of June 30, 2020, in its twenty-sixth resolution and upon recommendation of the Remunerations Committee, the Board of Directors approved on April 15, 2021 the implementation of the 2020 Additional Performance Shares Plan (ASP) for the benefit of the Chief Executive Officer & other senior executives eligible beneficiaries (members of the Executive Committee) and granted a total of 1,744,416 Performance Shares, respectively 1,365,533 (including 1,027,398 for the CEO) on April 15, 2021 and 378,883 on April 23, 2021.

These two-year plans provide conditional rights to the beneficiaries to receive Performance Shares.

The grant of these performance shares was subject to the prior execution by each eligible beneficiary of a significant personal investment in ordinary shares of the Company. In consideration of such investment, the Board of Directors granted to each eligible beneficiary Additional Performance Shares up to an amount representing three times the amount of the personal investment made in Vantiva shares made by each beneficiary.

The delivery of these Additional Performance Shares at vesting date is also subject to:

- the satisfaction of continued employment condition for the full duration of the Plan until April 2023,
- and the achievement of cumulated EBITA and Total Shareholder Return performance conditions until the end of 2022.

In the same way as for the LTIP 2020, the Board of Directors wished in the context of the Distribution to bring back by a few months the vesting dates of the additional shares allocated under this plan, and thus to allow their beneficiaries to participated in the Distribution.

On the proposal of the Board of Directors, the Shareholders General Meeting held on September 6, 2022 approved the Distribution and under the terms of the thirteenth resolution, approved the amendment with retroactive effect of the twenty-sixth resolution approved by the General Meeting of June 30, 2020 and the possibility of thus reducing the initial vesting period to a minimum of sixteen months.

The expiry of the vesting period has thus been brought back to August 30, 2022, i.e. 7 days before the date of the General Meeting of September 6, 2022.

On September 19, 2022, the Chief Executive Officer, using the delegation granted by the Board of Directors and based on the prior assessment by the Board of the level of achievement of the readjusted performance conditions, issued 1,215,858 new shares and delivered them to the beneficiaries of the ASP 2020 having satisfied the presence condition during the adjusted vesting period of the Plan.

As of December 31, 2022, the outstanding share rights under the plan amounts are nil.

2022 LTIP

The Shareholders' Meeting of September 6, 2022, in its fourteenth resolution, authorized the Board of Directors to proceed with the allocation of existing shares or shares to be issued, in favor of Group's employees or certain categories of employees and corporate officers. This authorization has been given for a 36-months period and is valid until September 6, 2025. The shares to be granted pursuant to this authorization should not give rights to a total of shares greater than 3% of the share capital stated at the date of use of the authorization.

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

This three-year plan provides conditional rights to the beneficiary to receive Performance Shares, the delivery of which is subject to the satisfaction of a continued employment condition for the full duration of the Plan (i.e. December 21, 2025) and the achievement of three performance conditions each partly conditioning the definitive delivery of the shares: (i) one financial condition based on the 2023, 2024 and 2025 operating cash flows (conditioning the definitive delivery of 40% of the shares), (ii) another condition based on the Total Shareholder Return ("TSR") until the end of 2025 (weighting for 40%), and and (iii) a CSR condition based on the Vantiva three annual ratings following 2023 issued by Ecovadis (weighting for 20%).

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

The details of these options and shares are disclosed hereafter:

	Type of plan	Grant date	Number of instruments initially granted	Number of instruments outstanding [(1)]	Initial number of beneficiaries	Vesting date	Contractual instrument life	Exercise price / Share value [(1)]	Estimated fair values granted [(1)]
MIP June 2017 Options (*)	Subscription options	June 26, 2015	9,260	7,563	2	June 2017 (50%) June 2018 (25%) June 2019 (25%)	8 years	€ 60.54	€ 19.67
MIP October 2017 Options (*)	Subscription options	December 3, 2015	63,334	23,800	22	October 2017 (50%) October 2018 (25%) October 2019 (25%)	8 years	€ 73.21	€ 23.37
2022 LTIP (**)	Performance shares	December 21, 2022	2,665,074	2,665,074	1	December 2025	3	€ 0.19	€ 0.14

(*) Management Incentive Plans (MIP) (see description above).

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

[(1)] Exercise prices, fair value and number of options outstanding were modified following the 2015 capital increase, the 2020 share consolidation and the 2022 TCS Distribution. Exercise price refers to MIP and share value means for LTIP the value of the share at the time of the grant.

9.3.2 Changes in outstanding options & free shares

Movements in the number of options and free shares outstanding with their related weighted average exercise prices are as follows for 2022 and 2021:

		Number of options and free shares	Weighted Average Exercise Price / Share value *(in €)*
Outstanding as of December 31, 2020		**3,204,907**	**11.23** *(ranging from 0 to 192)*
	Of which exercisable	*261,568*	*114.24*
Granted [(1)]		3,149,437	1.72
Delivered (Free Share Plan)		*(9,800)*	34.4
Delivered (MIP)		-	-
Forfeited & other		(468,157)	40.80
Outstanding as of December 31, 2021		**5,876,387**	**3.74** *(ranging from 0 to 192)*
	Of which exercisable	*76,368*	*152.17*
Granted [(1)]		2,665,074	0.19
Delivered (Free Share Plan)		*(4,094,771)*	2.60
Delivered (MIP)		-	-
Forfeited & other		(1,750,253)	5.22
Outstanding as of December 31, 2022		**2,696,437**	**1.00** *(ranging from 0 to 74)*
	Of which exercisable	*31,363*	*70.15*

[(1)] Related to 2022, 2021 and 2020 Long Term Incentive Plan (LTIP) and 2020 Additional Performance Shares Plan (ASP).

Significant assumptions used

The estimated fair values of the options granted were calculated using the Black&Scholes valuation model. The inputs into the model were as follows:

(in % and in euro)	Stock options plan granted in **	
	December 2015	June 2015
Weighted average share price at measurement date	72.59	63.11
Weighted average exercise price	73.21	60.54
Expected volatility	0.40	0.40
Expected option life (*)	5 years	5 years
Risk free rate	0.12%	0.17%
Expected dividend yield	0.70%	0.8%
Fair value of option at measurement date	23.37	19.66

(*) Expected option life is shorter than the contractual option life as it represents the period from grant date to the date on which the option is expected to be exercised.
(**) Exercise prices and fair value were modified following the 2020 share consolidation and 2022 TCS Distribution

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

For shorter maturity options, expected volatility was determined based on implied volatility on Vantiva's share observable at grant date.

9.3.3 Compensation expenses charged to income

The compensation charged to income for the services received during the period amount respectively to € (7) million (of which € (4) million relate to the acceleration of definitive vesting of the shares) for the year ended December 31, 2022 and (3) million for the year ended December 31, 2021. The counterpart of this expense has been credited to equity.

As of December 31, 2022, balances of lapsed plans amounting to €12 million have been reclassed in another caption of equity according to IFRS 2 requirements.

9.4 Key management compensation

Directors' fees and compensation expenses (incl. Social security costs) amounted to € 0.8 million in 2022 and € 0.9 million in 2021. The amounts due to Directors who are non-resident for French tax purposes are subject to a withholding tax. Fees due to Directors and advisors in respect to fiscal year 2022 will be paid in 2023.

Compensation expenses allocated by the Group to Members of the executive committee, during 2022 and 2021 are shown in the table below: (including those who left this function during 2022 and 2021)

(€ in million)	2022	2021 (1)
Short-term employee benefits (1)	7	11
LT employment benefit	3	2
Termination benefits (2)	2	1
Share-based payment	1	1
Total	**13**	**15**

(1) 9 members in 2022 and 8 members in 2021.
(2) Amounts accrued under post-employment obligations are almost nil as of December 31, 2022 and 2021.

The Members of the executive committee can benefit from severance packages in case of an involuntary termination and in absence of fault, which represent a total estimated amount of € 1.4 million.

10 Provisions & contingencies

Provisions are recorded at the statement of financial position date when the Group has an obligation as a result of a past event and when it is probable that an outflow of resources embodying economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

The obligation may be contractual, legal, regulatory or it may represent a constructive obligation deriving from the Group's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the Group has indicated to other parties that it will accept certain responsibilities, and as a result, has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The recorded provision represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded but details of the obligation are disclosed in the notes to the consolidated financial statements.

Where the discounting effect is material, the recorded amount is the present value of the expenditures expected to be required to settle the related obligation. The present value is determined using pre-tax discount rates that reflect the assessment of the time value of money. Unwinding of discounts is recognized in the line item "Net financial income (expense)" in the consolidated statement of operations.

Accounting estimates and judgments

Vantiva's management is required to make judgments about provisions and contingencies, including the probability of pending and potential future litigation outcomes that, by their nature, are dependent on future events that are inherently uncertain. In making its determinations of likely outcomes of litigation and tax matters, management considers the opinion of outside counsel knowledgeable about each matter, as well as developments in case law.

Provisions for restructuring

Provisions for restructuring costs are recognized when the Group has a constructive obligation towards third parties, which results from a decision made by the Group before the statement of financial position date and supported by the following items:
- The existence of a detailed and finalized plan identifying the sites concerned, the location, the role and the approximate number of headcounts concerned, the nature of the expenses that are to be incurred and the effective date of the plan; and
- The announcement of this plan to those affected by it.

The restructuring provision only includes the costs directly linked to the plan.

10.1 Detail of provisions

(€ in million)	Provisions for warranty	Provisions for risks & litigations related to		Provisions for restructuring related to		Total
		continuing operations	discontinued operations	continuing operations	discontinued operations	
As of December 31, 2021	**18**	**21**	**21**	**18**	**1**	**79**
Current period additional provision	12	4	7	19	3	45
Release	(9)	(0)	(2)	(2)	(1)	(16)
Usage during the period	(2)	(0)	(3)	(22)	(6)	(32)
Other movements and currency translation adjustments	-	(6)	1	(4)	3	(6)
As of December 31, 2022	**19**	**18**	**24**	**10**	**-**	**70**
Of which current	*19*	*8*	*6*	*10*	*0*	*43*
Of which non-current	*-*	*10*	*18*	*-*	*-*	*28*

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

10.2 Contingencies

In the ordinary course of the business, the Group is involved in various legal proceedings and is subject to tax, customs and administrative regulation. The Group's general policy is to accrue a reserve when a risk represents a contingent liability towards a third-party and when the probability of a loss is probable and it can be reasonably estimated. Significant pending legal matters include the following:

Brazilian tax Litigation

The Brazilian Tax Authorities have raised a tax assessment on Technicolor Brasil Midia E Entretenimento LTDA for fiscal years 2014 and 2015. Vantiva challenged the entirety of this assessment before the Brazilian courts and won at the first administrative level. The Receita Federal Brasil (federal tax authority) appealed and Vantiva is now waiting for the outcome of this appeal.

Taoyuan County Form RCA Employees' Solicitude Association

Vantiva, certain of its subsidiaries and General Electric are being sued by an Association of former employees (or heirs of former employees) at a former manufacturing facility in Taiwan (TCETVT). They allege exposure to various contaminants while living or working at the facility, which allegedly caused them to suffer various diseases, including cancer, or caused emotional distress from fear that living and working at the facility increased their risk of contracting diseases.

After a first ruling of the Taiwan court and an appeal before the Taiwan High Court (first appeals court), the Taiwan Supreme Court, in August 2018:

> (i) confirmed the Taiwan High Court decision of awarding NTD 518 million (c. 15.8€ million at the exchange rate as of December, 2022) in damages to 260 claimants; and
>
> (ii) remanded the claims of 246 claimants for further proceedings at the High Court.

General Electric paid to the Court the full amount of the decision in December 2019.

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

In 2016, the Association brought a second lawsuit against Vantiva and certain of its subsidiaries and General Electric on behalf of additional former workers, making virtually identical allegations as were made in the first lawsuit. The Taipei District Court announced its ruling on December 27, 2019, and awarded approximately NTD 2.3 billion (c. €70 million at the exchange rate as of December 31,2022) plus interest. Vantiva and General Electric were held jointly and severally liable. Vantiva filed its appeal of this decision to the Taiwan High Court in January 2020 and on April 21, 2022, the High Court entered judgment of NTD 1.667 billion (€51 million at the exchange rate as of December 31, 2022) for 1,112 claims. This ruling is on appeal to the Taiwan Supreme Court. Due to an attachment made by the Association of certain GE assets, GE has deposited with the court in Taiwan a bank guarantee for NTD 3 billion (€ 91.7 million at the exchange rate as of December 31,2022).

Vantiva and its subsidiaries claim, among other reasons, that TCETVT operated for less than four years after its purchase from General Electric, while General Electric and its predecessor-in-interest RCA Corporation, ultimately owned TCETVT for approximately twenty years of operations.

Should the Group or any of the subsidiaries ultimately be held liable or settle the claims, the amounts of any such liability or settlement could be high. There are currently too many uncertainties to assess the extent of any liability that Vantiva or its subsidiaries may incur as a consequence of this lawsuit. Vantiva also has various avenues to mitigate any risk, including contractual indemnities owed to it by General Electric and others.

Cathode Ray Tubes cases

United States

In September 2019, the defendants entered into amended settlement agreements with a class of indirect purchaser plaintiffs in which the plaintiff class agreed to return a small portion of the settlement amounts to defendants, including Vantiva, in return for plaintiffs from nine U.S. states being carved out of the amended settlements agreements.

While the amended settlement agreements were granted final approval by the District Court, the excluded indirect purchaser plaintiff classes (the so-called Omitted Repealer States ("ORS") and Non-Repealer States ("NRS")) appealed that approval, as well as the District Court's decision to deny their motions to intervene in the settlement approval proceedings and the multi-district litigation, to the Ninth Circuit Court of Appeals. On September 22, 2021, the Ninth Circuit upheld the District Court's decisions relating to the amended settlements. And on December 23, 2021, the Ninth Circuit declined the ORS and NRS classes' motions for rehearing and rehearing en banc. The ORS and NRS classes petitioned for certiorari/review by the United States Supreme Court, which denied certiorari/review on June 13, 2022. Vantiva is now technically no longer in the CRT cases. On September 16, 2022, however, a motion to amend a previously filed indirect purchaser class complaint was filed in the District Court MDL on behalf of class members representing several states. The proposed amended complaint does not name Vantiva as a defendant, but does allege that the class reserves the right to further amend the complaint in the future and name Vantiva as a defendant. Defendants who are named in that proposed amended complaint have opposed the motion. The District Court has not yet ruled in the matter.

Europe

Since 2014, Vantiva has also been defending, along with other defendants (Samsung, LG, Philips, etc.), several similar legal actions in various European jurisdictions alleging damages suffered as a result of anticompetitive behavior in the CRT industry until 2005. All such cases are in the wake of the EU Commission decision of December 2012 pursuant to which Vantiva was fined €38.6 million as a result of alleged involvement in a cartel. The cases remaining are as follows.

In the Netherlands, a case filed by Vestel, a Turkish TV manufacturer, under Turkish law which is still pending. Vestel also brought suit in Turkey, which was dismissed on procedural grounds by the Court of First Instance as well as by the Regional Court of Appeals in December 2020. Vestel's request to bring an appeal against the Regional Court of Appeals decision has been rejected. In February 2021, Vestel has brought an appeal to the Supreme Court against the rejection of its request to bring an appeal.

At this time, Vantiva is not in a position to assess the potential outcome from those cases and the resulting potential liability due to the complexity of the cases, as Vantiva is still defending certain of these on procedural grounds and/or as the claims have not all been fully substantiated. Depending on jurisdictions, decisions on liabilities first and then on quantum which are regularly delayed and not expected before the first quarter 2023.

Vantiva also defended (i) a case in the United Kingdom against Arcelik, a Turkish manufacturer, which was settled in February 2020 and (ii) two cases in Germany against three German former TV manufacturers (Grundig and Loewe/Metz) which were settled in December 2020 and (iii) three cases in the Netherlands against three Brazilian TV manufacturers which were settled in November 2021.

Environmental matters

Some of Vantiva's current and previously owned manufacturing sites have a history of industrial use. Soil and groundwater contamination, which occurred at some sites, may occur or be discovered at other sites in the future. Industrial emissions at sites that Vantiva has built or acquired expose the Group to remediation costs. The Group has identified certain sites at which chemical contamination has required or will require remedial measures.

Soil and groundwater contamination were detected at a former manufacturing facility in Taoyuan, Taiwan that was acquired from GE in a 1987 transaction. In 1992, the facility was sold to a local developer. Soil remediation was completed in 1998. In 2002, the Taoyuan County Environmental Protection Bureau ("EPB") ordered remediation of the groundwater underneath the former facility. The groundwater remediation process is underway. EPB and TCETVT continue to negotiate over the scope of that work, with the Groundwater Remediation Plan Fourth Amendment (Fourth Revision) and Off-site Groundwater Work Plan, First Amendment (Fourth Revision) approved by EPB on July 21, 2020. Vantiva has reached an agreement with General Electric with respect to allocation of responsibility related to the soil and groundwater remediation.

In addition to soil and groundwater contamination, the Group sells or has sold in the past products which are subject to recycling requirements and is exposed to changes in environmental legislation affecting these requirements in various jurisdictions.

The Group believes that the amounts reserved and the contractual guarantees provided by its contracts for the acquisition of certain production assets will enable it to reasonably cover its safety, health and environmental obligations. However, potential problems cannot be predicted with certainty and it cannot be assumed that these reserve amounts will be precisely adequate.

11 Specific operations impacting the consolidated statement of cash-flows

11.1 Cash impact of debt repricing and financing operations

(€ in million)	**2022**	**2021 ***
Proceeds from non-current borrowings [(1)]	356	-
Reimbursement of non-current borrowings to debt holders [(2)]	(1,138)	-
Cash impact of non-current borrowings variation	**(782)**	**-**
Proceeds from current borrowings	0	-
Reimbursement of current borrowings to debt holders [(3)]	(22)	(29)
Cash impact of current borrowings variation	**(22)**	**(29)**
Increase in capital [(4)]	284	0
Fees paid in relation to financing operations and other [(5)]	1	(5)
CASH IMPACT ON NET FINANCING CASH USED IN CONTINUING OPERATIONS	**(518)**	**(34)**
Proceeds from current borrowings [(6)]	575	-
Reimbursement of current borrowings to debt holders [(7)]	(31)	(35)
CASH IMPACT ON NET FINANCING CASH USED IN DISCONTINUED OPERATIONS	**544**	**(35)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations see note 12.*

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

(2) In 2022, repayment of Safeguard debt.

(3) In 2022, €22 million related to repayments of lease debts.
In 2021, €29 million related to repayments of lease debts.

(4) In 2022, Vantiva increased its capital as part of its refinancing.

(5) Fees paid directly linked to the Group's debt refinancig have been recorded as financing cash flows for €5 million in 2022.
In 2021, it included mainly fees related Group financial restructuring.

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

(7) In 2022, €27 million related to repayments of lease debts.
In 2021, €35 million related to repayments of lease debts.

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

			Non cash variation						
(€ in million)	31-Dec-21	Cash impact of borrowing variation (1)	Non cash movements on lease contracts	IFRS adjustment	Interest expenses	Currency Translation Adjustments and Forex	Scope change	Transfer Current - Non current	31-Dec-22
Non current borrowing	1,025	(222)	-	76	44	5	(565)	-	363
Current borrowing	17	11	-	-	(14)	0	(15)	-	1
TOTAL BORROWING	**1,042**	**(211)**	**-**	**76**	**29**	**6**	**(580)**	**-**	**364**
Non current lease liabilities	145	(39)	66	-	-	10	(145)	6	44
Current lease liabilities	48	(10)	3	-	-	1	(12)	(6)	23
TOTAL LEASE LIABILITIES	**192**	**(49)**	**69**	**-**	**-**	**11**	**(157)**	**0**	**66**

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

			Non cash variation							
(€ in million)	31-Dec-20	Cash impact of borrowing variation (1)	Non cash movements on lease contracts	Effect of financial restructuring	Interest expenses	Currency Translation Adjustments and Forex	Scope change	Transfer Current - Non current	Reclassification in liabilities related to assets held for sale	31-Dec-21
Non current borrowing	948	-	-	15	46	16	-	-	-	1,025
Current borrowing	16	-	-	-	1	1	-	-	-	17
TOTAL BORROWING	**964**	**-**	**-**	**15**	**47**	**17**	**-**	**-**	**-**	**1,042**
Non current lease liabilities	122	(52)	61	-	-	10	-	-	3	145
Current lease liabilities	56	(12)	5	-	-	1	-	-	(2)	48
TOTAL LEASE LIABILITIES	**178**	**(64)**	**67**	**-**	**-**	**11**	**-**	**-**	**1**	**192**

(1) In 2021, €36 million are related to discontinued activities.

11.2 Contractual obligations and commercial commitments

The Group provides certain guarantees to third parties (financial institutions, customers, partners and government agencies) to ensure the fulfilment of contractual obligations by Vantiva and its consolidated subsidiaries in the ordinary course of their business. The guarantees do not increase the Group's commitments in relation to the initial commitments undertaken by the entities concerned. These commitments (letters of credit) represent €8 million at the end of 2022.

Subsidiaries within the SCS segment may provide guarantees to its customers on the products stored and then distributed against any risk or prejudice that may occur during manufacturing, storage or distribution. Some guarantees provided are covered by insurance.

Guarantees comprise various operational guarantees granted to customs administrations in order to exempt from duties goods transiting through customs warehouses for re-exportation, and transit guarantees in order that taxes on goods are only paid at their final destination in the import country. The maturity of these bank guarantees matches the one-month renewable term of the agreements.

Guarantees and commitments received amount to €72 million as of December 31, 2021 are all transferred after selling the trademark division.

12 Discontinued operations and held for sale operations

12.1 Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of (by sale or otherwise) or is held for sale. In accordance with IFRS 5, to be disclosed as discontinued:

- the operation must have been stopped or be classified as “asset held for sale”;
- the component discontinued must clearly be distinguishable operationally and for reporting purposes;
- it must represent a separate major line of business (or geographical area of business);
- it must be part of a single major plan of disposal or is a subsidiary acquired exclusively for resale.

The profit (loss) from discontinued operations is presented as a separate line item on the face of the statement of operations with a detailed analysis provided below. The statement of operations data for all prior periods presented are reclassified to present the results of operations meeting the criteria of IFRS 5 as discontinued operations. In the statement of cash flows, the amounts related to discontinued operations are disclosed separately.

When a non-current asset or disposal group no longer meet the held for sale criteria, the asset or disposal group ceases to be classified as held for sale.

It is then measured at the lower of:
- its carrying value before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization that would have been recognized had the asset (or disposal group) not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell. Recoverable value is the higher of fair value less costs to sell and value in use.

Any adjustment to the carrying amount is included in profit and loss from continuing operations in which the assets ceased to be classified as held for sale.

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

- Technicolor Creative Studios’ earnings and cash flows for 2021 and from January 1, 2022 to September 27, 2022, as well as the capital gain and cash impact of the Distribution;
- Trademark Licensing activity earnings and cash flows for 2021 and from January 1, 2022 to May 31, 2022, as well as the capital gain and cash impact of its disposal;
- Other discontinued activities relate to remaining subsequent impacts of activities disposed or abandoned such as Cathode Tubes activities from 2004 and 2005.

TCS accounts as of September 27, 2022 were prepared using September 2022 closing data communicated by TCS consistent with their November 30, 2022, disclosure.

12.1.1 Results of discontinued operations

	Year ended December 31,							
(€ in million)	2022	Technicolor Creative Studios	Trademark Licensing	Other	2021 *	Technicolor Creative Studios	Trademark Licensing	Other
DISCONTINUED OPERATIONS								
Revenues	630	623	6	0	649	629	19	1
Cost of sales	(542)	(542)	(0)	0	(519)	(518)	(1)	(0)
Gross margin	**88**	**82**	**6**	**0**	**130**	**112**	**18**	**0**
Selling and administrative expenses	(64)	(60)	(1)	(3)	(85)	(78)	(3)	(4)
Research and development expenses	(0)	0	(0)	(0)	(1)	0	(1)	(1)
Restructuring Costs	(2)	(3)	0	1	(5)	(6)	0	0
Net impairment losses on non-current operating assets	(2)	(1)	-	(1)	(2)	(4)	2	0
Net gain on Technicolor Creative Studios divestiture	633	633	-	-	-	-	-	-
Net gain on Trademark Licensing disposal	57	-	57	-	-	-	-	-
Net gain on Post-Production disposal	-	-	-	-	8	8	-	-
Other income (expenses)	(1)	(2)	(0)	1	(17)	(4)	(0)	(12)
Earnings before Interest & Tax from discontinued operations	**709**	**650**	**62**	**(2)**	**28**	**28**	**16**	**(16)**
Financial net expenses	(11)	(13)	2	(0)	(13)	(11)	1	(3)
Income tax	(17)	(17)	-	-	(11)	(10)	(1)	(0)
Net gain (loss)	**680**	**619**	**63**	**(2)**	**4**	**7**	**15**	**(19)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations.*

12.1.2 Net cash from discontinued operations

	Year ended December 31,							
(€ in million)	2022				2021 *			
	TOTAL	Technicolor Creative Studios	Trademark Licensing	Other	TOTAL	Technicolor Creative Studios	Trademark Licensing	Other
Profit (loss) from discontinued operations	**680**	**619**	**63**	**(2)**	**4**	**7**	**15**	**(19)**
Summary adjustments to reconcile profit from discontinued activities to cash generated from discontinued operations								
Depreciation and amortization	64	63	-	1	83	83	0	0
Impairment of assets	0	0	-	-	(3)	(1)	(2)	(0)
Net change in provisions	(1)	3	(0)	(4)	(6)	(3)	0	(4)
Net gain on Technicolor Creative Studios divestiture	(633)	(633)	-	-	-	-	-	-
Net gain on Trademark Licensing sale	(57)	-	(57)	-	-	-	-	-
Net gain on Post-Production disposal	-	-	-	-	8	8	-	-
(Gain) loss on asset disposals	1	0	0	0	(14)	(14)	0	0
Interest (income) and expense	14	13	-	0	11	10	-	0
Other items (including tax)	13	13	0	0	17	14	1	2
Changes in working capital and other assets and liabilities	(86)	(77)	4	(13)	19	17	(0)	2
Interest paid on lease debt	(10)	(10)	-	(0)	(11)	(10)	-	(0)
Interest paid	(1)	(1)	-	0	1	0	-	0
Interest received	1	1	-	0	0	0	-	0
Income tax paid	(17)	(17)	(0)	0	(1)	(0)	(1)	(0)
NET OPERATING CASH GENERATED FROM DISCONTINUED OPERATIONS (I)	**(32)**	**(25)**	**10**	**(17)**	**107**	**110**	**13**	**(18)**
Acquisition of subsidiaries, associates and investments, net of cash acquired	(4)	(0)	(0)	(4)	(10)	(0)	-	(10)
Effect from Technicolor Creative Studios divestiture	(52)	(52)	-	-	-	-	-	-
Effect from Trademark Licensing disposal	88	-	88	-	-	-	-	-
Effect from Post-Production disposal	-	-	-	-	27	27	-	-
Proceeds from sale of investments, net of cash	(0)	0	(0)	(0)	(1)	(0)	0	(1)
Purchases of property, plant and equipment (PPE)	(25)	(25)	-	(0)	(12)	(12)	-	-
Proceeds from sale of PPE and intangible assets	1	1	-	-	2	2	-	-
Purchases of intangible assets including capitalization of development costs	(19)	(19)	-	-	(16)	(16)	-	-
Cash collateral and security deposits granted to third parties	(0)	(0)	-	(0)	(1)	(1)	-	(0)
Cash collateral and security deposits reimbursed by third parties	2	(0)	-	2	3	1	-	2
NET INVESTING CASH USED IN DISCONTINUED OPERATIONS (II) [1]	**(10)**	**(95)**	**88**	**(2)**	**(8)**	**1**	**0**	**(9)**
Increase of capital	(0)	12	-	(12)	(0)	-	-	(0)
Proceeds from borrowings	575	153	-	422	0	(0)	-	0
Repayments of lease debt	(27)	(25)	-	(2)	(35)	(33)	-	(2)
Dividends and distributions paid to Group's shareholders	-	-	-	-	(0)	(0)	-	-
Repayments of borrowings	(3)	(3)	-	-	(1)	(1)	-	-
NET FINANCING CASH USED IN DISCONTINUED OPERATIONS (III)	**544**	**136**	**-**	**408**	**(36)**	**(34)**	**-**	**(2)**
NET CASH FROM DISCONTINUED OPERATIONS (I+II+III)	**502**	**16**	**98**	**388**	**63**	**78**	**13**	**(29)**

** 2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations.*

12.2 Assets & liabilities held for sale

In accordance with IFRS 5, if the Group decides to dispose of an asset (or disposal group) it should be classified as held for sale if:

- the asset or group of assets is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets;

- it is highly likely to be sold within one year.

Consequently, this asset (or disposal group) is shown separately as "Assets held for sale" on the statement of financial position. The liabilities related to this assets (or disposal group) are also shown separately on the liabilities side of the statement of financial position.

For the Group, only assets meeting the above criteria and subject to a formal disposal decision at the appropriate management level are classified as assets held for sales. The accounting consequences are as follows:

- the asset (or disposal group) held for sale is measured at the lower of carrying amount and fair value less cost to sell;

- the asset stops being depreciated with effect from the date of transfer.

(€ in million)	December 31, 2022	December 31, 2021
Assets classified as held for sale	**1**	**3**
Liabilities classified as held for sale	**-**	**-**

As of December 31, 2022, assets held for sale include real estate right-of-use assets available for long-term sublease or in renegotiation with the lessor for €1 million versus €3 million in December 2021.

13 Subsequent events

On March 8th, 2023, Technicolor Creative Studios ("TCS"), a large majority of its creditors and shareholders, including Vantiva, reached an agreement in principle in order to fund TCS with a €170 million new financing including equity, securing its position as a leader of the industry. This plan will be submitted to the Paris commercial court by the end of March 2023. The final closing of the agreement is expected to take place by the end of Q2 2023. In the meantime, Angelo Gordon and New Money lenders are expected to provide a bridge financing of €85 million.

The Group is expecting to be diluted in TCS as a result of this agreement. The impact of this agreement on the valuation and the classification of Vantiva's investment in TCS has not been reflected in the 2022 accounts; any potential impact, positive or negative, on Vantiva's investment will be considered in 2023 financial statements.

14 Table of auditors' fees

	Deloitte		Mazars		Total	
(in thousands of euros)	**2022**	**2021 ***	**2022**	**2021 ***	**2022**	**2021 ***
Statutory audit, certification, consolidated and individual financial statements						
▪ Vantiva SA	768	983	889	1,064	1,657	2,047
▪ Subsidiaries	620	1,361	737	835	1,357	2,196
Subtotal	**1,387**	**2,344**	**1,626**	**1,899**	**3,013**	**4,243**
Services other than certification of financial statements as required by laws and regulations (1)						
▪ Vantiva SA	136	93	230	-	366	93
▪ Subsidiaries	18	14	22	2	40	15
Subtotal	**154**	**107**	**252**	**2**	**406**	**108**
Services other than certification of financial statements provided upon the entity's request (2)						
▪ Vantiva SA	-	7	-	-	-	7
▪ Subsidiaries	9	52	-	22	9	74
Subtotal	**9**	**58**	**0**	**22**	**9**	**80**
TOTAL	**1,550**	**2,509**	**1,878**	**1,923**	**3,428**	**4,431**

** 2021 amounts include fees relating to Technicolor Creative Studios subsidiaries.*

(1) Include capital increase and financial restructuring services in 2022 and other services required by laws and regulation.

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

15 List of main consolidated subsidiaries

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

	% share held by Vantiva (% rounded to one decimal)	
COMPANY - (Country)	**2022**	**2021**
Fully consolidated		
Vantiva SA[1] 8-10 rue du Renard, 75004 Paris (France)	Parent company	Parent company
Connected Home		
Beijing Technicolor Management Co., Ltd. (China)	100.0	100.0
Technicolor Asia Limited (Hong-Kong)	100.0	100.0
Technicolor Brasil Midia e Entretenimento Ltda. (Brazil)	100.0	100.0
Technicolor Connected Home Mexico S.A. De C.V. (Mexico)	100.0	100.0
Technicolor Connected Home India Private Limited (India)	100.0	100.0
Technicolor Connected Home Rennes SNC (France)[2]	0.0	100.0
Technicolor Connected Home USA LLC (USA)	100.0	100.0
Technicolor Delivery Technologies (France)	100.0	100.0
Technicolor Delivery Technologies Australia Pty Ltd (Australia)	100.0	100.0
Technicolor Delivery Technologies Belgium (Belgium)	100.0	100.0
Technicolor Delivery Technologies Canada Inc. (Canada)	100.0	100.0
Technicolor Japan K.K. (Japan)	100.0	100.0
Technicolor Korea Yuhan Hoesa (Korea Republic)	100.0	100.0
Technicolor Creative Studios		
Technicolor Creative Studios (France)	0.0	100.0
Tech 7 (France)	0.0	100.0
Mikros Image Belgium (Belgium)	0.0	100.0
Mikros Image (France)	0.0	100.0
MPC (Shanghai) Digital Technology Co., Ltd (China)	0.0	89.8
Technicolor Animation Productions (France)	0.0	100.0
Technicolor Canada, Inc (Canada)	0.0	100.0
Technicolor Creative Services USA, Inc. (USA)	0.0	100.0
Technicolor Limited (UK)	0.0	100.0
Technicolor India Private Limited (India)	0.0	100.0
Technicolor Creative Studios Australia Pty Limited (Australia)	0.0	100.0
The Mill (Facility) Limited (USA)	0.0	100.0
The Mill Berlin GmbH (Germany)	0.0	100.0
The Mill Group Inc. (USA)	0.0	100.0
Technicolor Creative Studios UK Limited (UK)	0.0	100.0
Thomson Multimedia Distribution (Netherlands) BV (The Netherlands)	0.0	100.0
Trace VFX Solutions India Private Limited (India)	0.0	100.0
Supply Chain solutions		
Technicolor Disc Services International Limited (UK)	100.0	100.0
Technicolor Distribution Services France (France)	100.0	100.0
Technicolor Distribution Australia Pty Limited (Australia)	100.0	100.0
Vantiva Global Logistics, LLC (USA)	100.0	100.0
Technicolor Home Entertainment Services Canada ULC (Canada)	100.0	100.0
Technicolor Home Entertainment Services de Mexico, S. de R.L. de C.V. (Mexico)	100.0	100.0
Vantiva Supply Chain Solutions, Inc. (USA)[1]	100.0	100.0
Vantiva SCS Nashville, LLC (USA)(1)	100.0	100.0
Technicolor Mexicana, S. de R.L. de C.V. (Mexico)	100.0	100.0
Technicolor Milan SRL (Italy)	100.0	100.0
Technicolor Polska Sp. Z.O.O. (Poland)	100.0	100.0
Technicolor Export de Mexico, S. de R.L. de C.V. (Mexico)	100.0	100.0
Technicolor Pty Limited (Australia)	100.0	100.0
Vantiva SCS Memphis, Inc. (USA)[1]	100.0	100.0

	% share held by Vantiva (% rounded to one decimal)	
COMPANY - (Country)	**2022**	**2021**
Corporate & Other		
Deutsche Thomson OHG (Germany)	100.0	100.0
Gallo 8 (France)	100.0	100.0
RCA Trademark Management (France)	100.0	100.0
Société Française d'Investissement et d'Arbitrage Sofia (France)	100.0	100.0
Tech 6 (France)	0.0	100.0
Tech 9 (France)	0.0	100.0
Technicolor Trademark Management (France)	0.0	100.0
Technicolor Treasury USA LLC (USA)	100.0	100.0
Technicolor USA Inc (USA)	100.0	100.0
Consolidated by Equity method		
3DCD LLC (USA)	50.0	50.0
Techfund Capital Europe FCPR (France)	19.8	19.8
Technicolor SFG Technology Co. Ltd (China)	49.0	49.0
Technicolor Creative Studios	35.0	0.0

(1) *Name changed from Technicolor to Vantiva due to the Distribution.*
(2) *Merged into Technicolor Delivery Technologies in 2022.*