

VANTIVA SA

**Statutory auditors' report on the
financial statements**

(For the year ended December 31, 2022)

VANTIVA

Société anonyme with share capital of €3,553,956.80

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Shareholders' Meeting of Vantiva,

Opinion

In compliance with the engagement entrusted to us by the Annual General Shareholders' Meeting, we have audited the accompanying financial statements of Vantiva (formerly called Technicolor) for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Assessment of liquidity risk

Notes 9.2.2 and 9.2.3 to the financial statements

Risk identified

As of December 31, 2022, the available cash and cash equivalents of your Company amount to €130 million (compared to €24 million as of December 31, 2021) and term loans total €375 million, down €592 million compared to December 31, 2021.

To continuously monitor the liquidity risk to which the Vantiva SA is exposed, Management assesses the cash forecasts based mainly on expected cash flows, including the operational flows of its subsidiaries and the repayment deadlines of the financial debt.

On the basis of these forecasts and at each half-year close, the Board of Directors assesses whether or not cash flows are sufficient for financing the current activities and working capital requirements of the Company and its subsidiaries for at least the twelve months following this closing, taking into consideration the available credit lines.

As described in Note 9.2.2 to the financial statements, in September 2022 your Company refinanced in full the debt arising from the 2020 accelerated safeguard plan, by subscribing to two new floating-rate loans. As described in Note 9.2.3 to the financial statements, the financing obtained from this transaction is subject to financial covenants. The breach of a covenant would make the financial debt payable immediately and represents a case in which your Company would lose the control it exercises over its subsidiaries.

In this context and considering that Management's judgments are essential when determining the cash forecasts, we considered the assessment of liquidity risk to be a key audit matter.

Our response

We familiarized ourselves with the IT processes and systems enabling Management to establish the cash forecasts of your Company and its subsidiaries.

We evaluated the controls implemented in order to establish these twelve-month cash forecasts, and:

- assessed procedures implemented to ensure compliance with the specific requirements of the bank covenants over the next twelve months;
- assessed the consistency of operational activity assumptions adopted by your Company, in the macroeconomic context and given the global component crisis which impacted the performance of the Company and its subsidiaries, to determine cash forecasts related to the business plan prepared by Management and approved by the Board of Directors on March 9, 2023. We notably assessed these forecasts based on our knowledge of the business,

operational assumptions, working capital requirement and the repayment deadlines of the restructured debt, as well as the availability of credit lines at subsidiary level;

- monitored liquidity at the 2022 year-end, compared actual positions with budgeted positions and analyzed any variances to assess the quality of these forecasts;
- verified the appropriateness of the disclosures in Notes 9.2.2 and 9.2.3 to the financial statements;
- questioned Management concerning its knowledge of actual or potential circumstances or events subsequent to December 31, 2022, which could undermine the Company's liquidity.

Valuation of shares in subsidiaries

Notes 7 and 14 to the financial statements

Risk identified

Shares in subsidiaries and the rights representing the net assets held in trusts represent one of the most significant line items of the December 31, 2022 balance sheet, amounting to €989 million and €43 million, respectively, i.e. a total net carrying amount of €1,032 million or 47% of total assets. These securities are recorded initially at acquisition cost and impaired based on their value in use.

As indicated in Note 7 to the financial statements, the value in use of the shares in subsidiaries is defined, according to the case, based on their share of equity, net asset value or their recoverable amount. If the carrying amount of the shares in subsidiaries exceeds the value in use, an impairment loss is recognized for the difference. In the event of a negative net cash position, provisions for the impairment of current accounts are recorded. In addition, a contingency provision covers the residual negative balance. In fiscal 2022, provisions for impairment, net of provision reversals, totaled €712 million.

Furthermore, the value of the rights representing the net assets held in trusts includes the earnings of the trust acquired but not distributed at the year-end, including as of December 31, 2022 the valuation of the Technicolor Creative Studios (TCS) subsidiary at its recoverable amount, based on the TCS share price. Accordingly, a €331 million loss was recorded in net financial income for the year ended December 31, 2022.

The economic environment in which the Group operates changes rapidly. Subsidiaries can therefore experience changes in their activity with a negative impact on their operating income and expected outlook.

As mentioned in Note 14 "Subsequent events", the impacts of the refinancing agreements and the recapitalization of TCS, announced in March 2023 and scheduled to be completed at the end of the first half of 2023, on the valuation and classification of your Company's share in TCS were not reflected in the 2022 financial statements but will be reflected, if necessary, in the 2023 financial statements.

In this context and given the materiality of shares in subsidiaries in the Company's financial statements and the judgments and assumptions needed to determine the value in use, we considered the measurement of the value in use of shares in subsidiaries to be a key audit matter.

Our response

To assess the reasonableness of the estimated value in use of shares in subsidiaries, based on the information communicated to us, our work mainly consisted in:

- verifying that shares in subsidiaries acquired during the period were initially recorded at acquisition cost;
- obtaining an understanding of the processes set up by Management to conduct impairment tests, particularly changes to processes following the legal reorganization of the subsidiaries, assessing the methods used to implement these tests and verifying the validity of the methods used according to the tested line of securities;
- for securities valued at their recoverable amount, particularly the trust assets, obtaining the cash flow forecasts prepared by Management, assessing the underlying assumptions adopted by Management and verifying their consistency with the forecast data used for impairment tests in the consolidated financial statements;
- for the trust assets, obtaining the valuation based on the TCS share price;
- for securities valued according to the share of equity in the entity, verifying that the equity used matches the financial statements of the entity and was subject to an audit or analytical procedures and that any adjustments to this equity were based on supporting documentation;
- testing the mathematical accuracy of the value calculations adopted by the Company.
- questioned Management concerning its knowledge of actual or potential circumstances or events subsequent to December 31, 2022, which could call into question the valuation of shares in subsidiaries, particularly the value of the TCS securities held in trusts.

We also assessed the appropriateness of the disclosures in Notes 7 and 14 to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

As the Board of Directors had yet to decide, at the date of this report, on the text of the draft resolutions to be submitted to the Annual General Shareholders' Meeting, we did not obtain this document. We were thus unable to verify it as provided for in Article L.823-10 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-9 and L.22-10-10 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by or awarded to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Vantiva by the Annual General Shareholders' Meeting held on June 20, 2012 for Deloitte & Associés and on May 29, 1985 for Mazars.

As at December 31, 2022, Deloitte & Associés were in the 11th year of total uninterrupted engagement and Mazars were in the 38th year of total uninterrupted engagement, including 24 years since the Company's securities were admitted to a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense and Courbevoie, March 28, 2023

Deloitte & Associés

Mazars

Nadège Pineau
Partner

Daniel Escudeiro
Partner