

# Warner Bros. International Television Production Danmark ApS

H.C. Andersens Boulevard 1, 1553 København V

CVR no. 10 63 30 44

## Annual report 2023

Approved at the Company's annual general meeting on 27 June 2024

Chair of the meeting:



[Johan Idering \(Jun 28, 2024 12:07 GMT+2\)](#)

.....  
Johan Idering

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Warner Bros. International Television Production Danmark ApS for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 27 June 2024  
Executive Board:



Johan Idering (Jun 28, 2024 12:07 GMT+2)

Johan Idering  
Director

Board of Directors:



Johan Idering (Jun 28, 2024 12:07 GMT+2)

Johan Idering  
Chairman



Maria Olivares (Jun 28, 2024 12:32 GMT+2)

Maria Anette Christina  
Olivares



William Alexander Ogilvie

## Independent auditor's report

To the shareholder of Warner Bros. International Television Production Danmark ApS

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Discovery Networks Denmark ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 the financial statements.


## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 June 2024  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

  
[Allan Kamp Jensen \(Jun 28, 2024 14:20 GMT+2\)](#)

Allan Kamp Jensen  
State Authorised Public Accountant  
mne15126

## Management's review

### Company details

Name	Warner Bros. International Television Production Danmark ApS
Address, Postal code, City	H.C. Andersens Boulevard 1, 1553 København V
CVR no.	10 63 30 44
Established	9 February 1987
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Johan Idering, Chairman Maria Anette Christina Olivares William Alexander Ogilvie
Executive Board	Johan Idering, Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

## Management's review

### Business review

As in previous years, the Company's principal activities comprise the production of television, entertainment and documentary programmes as well as leasing of technical facilities.

### Recognition and measurement uncertainties

The Company receives monies from the distribution and retransmission of productions. The amount recognized in the financial statements for 2023 in relation to this revenue is based on estimated usage and is thus associated with some uncertainty. Management considers that the estimate of cable money is reasonable.

### Unusual matters having affected the financial statements

On 15 June 2023, it was announced that strategic, executive and operational responsibility for the Company would be consolidated with the executive management of Warner Bros. International Television Production Sverige AB and Warner Bros. International Television Production Sverige Drama AB.

Warner Bros. International Television Production Holding B.V. has issued a letter of comfort inter alia stating that it is in the interest of the parent company to ensure that the company meets its financial obligations at all times and that it is the policy of the parent company to provide the company with such support and assistance as may be required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations in conformity with standards of prudence generally accepted for its field of business. This letter of comfort is valid until date of the general meeting in the company where the annual report for the year ending 31 December 2024 is approved, however, in no event later than 30 June 2025. Based on this, it is the Management's assessment that the Company can continue as going concern.

### Financial review

The income statement for 2023 shows a loss of DKK 5,628 thousand against a profit of DKK 1,662 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 2,387 thousand.

A one-off amount of DKK 6,792,807 has been included in the accounts in relation to the aforementioned restructuring of the business above.

The management considers the year's result to be satisfactory in light of these changes and on a par with previous submitted expectations.

### Events after the balance sheet date

No events have occurred after the end of the financial year of material importance for the Company's financial position.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2023	2022
	Gross profit	12,909,516	16,076,660
4	Administrative expenses	-19,462,962	-13,842,674
	Operating profit/loss	-6,553,446	2,233,986
	Other operating expenses	-139,890	0
	Profit/loss before net financials	-6,693,336	2,233,986
5	Financial income	26,717	0
6	Financial expenses	-281,971	-107,221
	Profit/loss before tax	-6,948,590	2,126,765
7	Tax for the year	1,320,866	-464,564
	Profit/loss for the year	-5,627,724	1,662,201
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-5,627,724	1,662,201
		-5,627,724	1,662,201



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
8	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	262,489	703,874
	Leasehold improvements	0	56,136
		<u>262,489</u>	<u>760,010</u>
9	Investments		
	Rent deposit	1,055,680	955,901
		<u>1,055,680</u>	<u>955,901</u>
	Total fixed assets	<u>1,318,169</u>	<u>1,715,911</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	13,590,546	662,848
	Receivables from group enterprises	1,129,703	7,654,925
	Deferred tax assets	2,737,174	1,416,308
	Other receivables	3,361,592	5,095,245
	Prepayments	102,271	222,317
		<u>20,921,286</u>	<u>15,051,643</u>
	Cash	4,951,643	10,576,440
	Total non-fixed assets	<u>25,872,929</u>	<u>25,628,083</u>
	TOTAL ASSETS	<u><u>27,191,098</u></u>	<u><u>27,343,994</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,304,406	1,304,406
	Retained earnings	1,082,882	6,710,606
	Total equity	<u>2,387,288</u>	<u>8,015,012</u>
	Provisions		
10	Other provisions	2,355,445	1,000,000
	Total provisions	<u>2,355,445</u>	<u>1,000,000</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Construction contracts	11,666,139	7,187,745
	Trade payables	785,019	1,779,973
	Payables to group enterprises	102,236	6,004,966
	Other payables	9,894,971	3,356,298
		<u>22,448,365</u>	<u>18,328,982</u>
	Total liabilities other than provisions	<u>22,448,365</u>	<u>18,328,982</u>
	TOTAL EQUITY AND LIABILITIES	<u>27,191,098</u>	<u>27,343,994</u>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Unusual circumstances
- 11 Contractual obligations and contingencies, etc.
- 12 Security and collateral
- 13 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2022	1,304,406	5,048,405	6,352,811
Transfer through appropriation of profit	0	1,662,201	1,662,201
Equity at 1 January 2023	1,304,406	6,710,606	8,015,012
Transfer through appropriation of loss	0	-5,627,724	-5,627,724
Equity at 31 December 2023	1,304,406	1,082,882	2,387,288

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Warner Bros. International Television Production Danmark ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income is recognised as revenue at the date of transfer of risk, which usually is at delivery of tape/digital file.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross profit

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

##### Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs of raw materials, consumables and production staff, rent and leases, as well as depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Also, provision for losses on construction contracts is recognised.

##### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3 years
Leasehold improvements	10 years

##### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Construction contracts

Construction contracts are measured at cost price including directly related costs. No profits on account relating to construction contracts have been recognised.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Provisions

Provisions comprise anticipated expenses related to reestablishment. Provisions are recognised when the Company has a legal or actual obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

##### Income taxes and deferred taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Recognition and measurement uncertainties

The Company receives cable money from PRD, which manages all revenues from cable and antenna associations, and ensures distribution of cable money to the manufacturers. The associations calculate cable money based on a point system based on broadcast data.

The calculation and payment of cable money for the financial year 2023 will be made in the following financial year in the period June - December 2024. On December 31, 2023, based on historical and accessible data from the associations, an estimate of the amount expected to be received from the associations, was prepared.

The calculation of recognized cable money in the financial statements for 2023 has been carefully calculated and is thus associated with some uncertainty. Management considers that the estimate of cable money is reasonable.

#### 3 Unusual circumstances

Warner Bros. International Television Production Holding B.V. has issued a letter of comfort inter alia stating that it is in the interest of the parent company to ensure that the company meets its financial obligations at all times and that it is the policy of the parent company to provide the company with such support and assistance as may be required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations in conformity with standards of prudence generally accepted for its field of business. This letter of comfort is valid until date of the general meeting in the company where the annual report for the year ending 31 December 2024 is approved, however, in no event later than 30 June 2025. Based on this, it is the Management's assessment that the Company can continue as going concern.

DKK	2023	2022
4 Staff costs		
Average number of full-time employees	44	60
5 Financial income		
Interest receivable, group entities	26,717	0
	26,717	0
6 Financial expenses		
Interest expenses, group entities	227,292	58,506
Other financial expenses	54,679	48,715
	281,971	107,221
7 Tax for the year		
Deferred tax adjustments in the year	-1,320,866	464,564
	-1,320,866	464,564



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	7,313,217	4,350,332	11,663,549
Disposals	-4,832,493	-2,775,335	-7,607,828
Cost at 31 December 2023	<u>2,480,724</u>	<u>1,574,997</u>	<u>4,055,721</u>
Impairment losses and depreciation at 1 January 2023	6,609,343	4,294,196	10,903,539
Depreciation	310,196	47,433	357,629
Reversal of accumulated depreciation and impairment of assets disposed	-4,701,304	-2,766,632	-7,467,936
Impairment losses and depreciation at 31 December 2023	<u>2,218,235</u>	<u>1,574,997</u>	<u>3,793,232</u>
Carrying amount at 31 December 2023	<u><u>262,489</u></u>	<u><u>0</u></u>	<u><u>262,489</u></u>

#### 9 Investments

DKK	Rent deposit
Cost at 1 January 2023	955,901
Additions	99,779
Cost at 31 December 2023	<u>1,055,680</u>
Carrying amount at 31 December 2023	<u><u>1,055,680</u></u>

#### 10 Other provisions

The provision for liability at 31 December 2023 is expected to be DKK 2,355,445. This amount is expected to be split with a liability of DKK 2,355,445 in 2024 (short-term) and DKK 0 in 2025 (long-term).

#### 11 Contractual obligations and contingencies, etc.

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

#### 12 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 13 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Warner Bros. Discovery Inc.	USA	230 Park Avenue South, New York City, New York, USA