TURNER BROADCASTING SYSTEM DENMARK ApS

H.C. Andersens Boulevard 1, 1553 København V

CVR no. 26 40 45 09

Annual report 2023

Approved at the Company's annual general meeting on 11 July 2024

Chair of the meeting:

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Christina Sulebakk Khawaja

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of TURNER BROADCASTING SYSTEM DENMARK 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, 11 July 2024
Executive Board:

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Christina Sulebakk Khawaja Managing director	Jesper Steenberg Director	Nicholas Mark Townsend Evans Director

Independent auditor's report

To the shareholder of TURNER BROADCASTING SYSTEM DENMARK 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 and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Turner Broadcasting System Denmark ApS for the financial year 1 January - 31 December 2023, which comprises the 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, in our view, the Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in 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 about 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 these 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 judgment and maintain professional scepticism 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 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, 11 July 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Signed by:
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Allan Kamp Jensen
State Authorised Public Accountant
mne15126

Management's review

Company details

Name	TURNER BROADCASTING SYSTEM DENMARK ApS
Address, Postal code, City	H.C. Andersens Boulevard 1, 1553 København V
CVR no.	26 40 45 09
Established	1 January 2002
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Christina Sulebakk Khawaja, Managing director Jesper Steenberg, Director Nicholas Mark Townsend Evans, Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review

Business review

TURNER BROADCASTING SYSTEM DENMARK ApS is a subsidiary of Warner Bros. Discovery Inc. (Nasdaq: WBD). Warner Bros. Discovery is a premier global media and entertainment company with a differentiated and complete portfolio of content, brands and franchises across television, film, streaming and gaming.

The main activity of the company is to distribute Cartoon Network, Boomerang, CNN, Toonix and TNT both digitally and linear.

Financial review

The income statement for 2023 shows a profit of DKK 1,776,437 against a profit of DKK 2,861,457 last year, and the balance sheet at 31 December 2023 shows equity of DKK 40,636,962.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	10,982,222	6,091,247
2	Staff costs	-6,289,899	-7,070,984
	Profit/loss before net financials	4,692,323	-979,737
3	Financial income	1,548,738	5,270,378
	Financial expenses	-3,951,211	-580,590
	Profit before tax	2,289,850	3,710,051
4	Tax for the year	-513,413	-848,594
	Profit for the year	1,776,437	2,861,457
	Recommended appropriation of profit		
	Retained earnings	1,776,437	2,861,457
		1,776,437	2,861,457

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
5	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	0	0
		0	0
6	**Investments**		
	Deposits, investments	0	578,897
		0	578,897
	Total fixed assets	0	578,897
	Non-fixed assets		
	Receivables		
	Trade receivables	11,962,866	46,175,457
	Receivables from group enterprises	20,109,273	17,403,266
7	Deferred tax assets	45,081	81,776
	Corporation tax receivable	595,519	1,798,735
	Other receivables	347,629	0
		33,060,368	65,459,234
	Cash	24,664,122	16,826,833
	Total non-fixed assets	57,724,490	82,286,067
	TOTAL ASSETS	57,724,490	82,864,964

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	40,511,962	38,735,525
	Total equity	40,636,962	38,860,525
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	0	304,381
		0	304,381
	Current liabilities other than provisions		
	Trade payables	1,213,061	207,915
	Payables to group enterprises	14,388,047	41,116,146
	Other payables	1,436,225	1,468,287
	Deferred income	50,195	907,710
		17,087,528	43,700,058
	Total liabilities other than provisions	17,087,528	44,004,439
	TOTAL EQUITY AND LIABILITIES	57,724,490	82,864,964

1 Accounting policies
8 Contractual obligations and contingencies, etc.
9 Security and collateral
10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2022	125,000	35,874,068	35,999,068
Transfer through appropriation of profit	0	2,861,457	2,861,457
Equity at 1 January 2023	125,000	38,735,525	38,860,525
Transfer through appropriation of profit	0	1,776,437	1,776,437
Equity at 31 December 2023	125,000	40,511,962	40,636,962

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of TURNER BROADCASTING SYSTEM DENMARK 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.

Changes in accounting policies

Preparing the annual report in accordance with the provisions of the Danish Financial Statements Act for reporting class B entities is a change compared to the annual report for 2022, in which the annual report was prepared in accordance with the provisions for reporting medium-class C entities.

Applying the provisions and requirements for reporting class B entities did not affect the comparative figures or equity.

Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of property, plant and equipment.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

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).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments

Deposits are measured at amortised cost and represent lease deposits, etc.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Cash

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2023	2022
2	**Staff costs**		
	Wages/salaries	6,106,734	8,586,580
	Pensions	419,435	397,312
	Other social security costs	-236,270	-1,912,908
		6,289,899	7,070,984
	Average number of full-time employees	9	12
3	**Financial income**		
	Interest receivable, group entities	259,914	11,122
	Other interest income	220,517	30,221
	Exchange gain	1,068,206	5,229,035
	Other financial income	101	0
		1,548,738	5,270,378
4	**Tax for the year**		
	Estimated tax charge for the year	475,481	818,942
	Deferred tax adjustments in the year	36,695	-916
	Tax adjustments, prior years	1,237	30,568
		513,413	848,594

5 **Property, plant and equipment**

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 January 2023	1,477,750
Cost at 31 December 2023	1,477,750
Impairment losses and depreciation at 1 January 2023	1,477,750
Impairment losses and depreciation at 31 December 2023	1,477,750
Carrying amount at 31 December 2023	0

6 **Investments**

DKK	Deposits, investments
Cost at 1 January 2023	578,897
Disposals	-578,897
Carrying amount at 31 December 2023	0

7 **Deferred tax assets**

The deferred tax assets primarily relate to timing differences in respect of tangible assets and receivables. Based on a long-term budget for the next 3 years, it is the management's expectation that the Company can take full advantage of the deferred tax asset, and the tax asset is therefore recognised at 100%.

Financial statements 1 January - 31 December

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent liabilities:

DKK	2023	2022
Rent liabilities	0	651,828

Other contingent liabilities

The Company is jointly taxed with its sister, Discovery Networks Denmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 8 April 2022.

The company was included in the national joint taxation with its sister companies, in which Turner Broadcasting System Denmark ApS was the administration company until 7 April 2022. Turner Broadcasting System Denmark ApS was liable unlimitedly and jointly with the other jointly taxed companies for the payment of corporation tax as well as withholding tax on interest, royalties and dividends.

9 Security and collateral

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

10 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Warnerbros. Discovery Inc.	230 Park Avenue South, New York, New York, 10003, USA	Can be retrieved on: https://ir.wbd.com/financials/annual-reports-and-proxies/default.aspx