
Turner Broadcasting System Denmark ApS

Jens Kofods Gade 1, 2., DK-1268 København K

Annual Report for 1 January - 31 December 2019

CVR No 26 40 45 09

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
16/09 2020

Bo Falk Østergaard
Chairman of the General
Meeting

DocuSigned by:

Bo Østergaard

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Turner Broadcasting System Denmark ApS for the financial year 1 January - 31 December 2019.

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 at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.


We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 16 September 2020

Executive Board

DocuSigned by:

49E425718EAFA45
Bo Park Østergaard
CEO

Board of Directors

DocuSigned by:

49E425718EAFA45
Bo Park Østergaard
Chairman

DocuSigned by:

ERDB15537E124D1
Pierre Emmanuel Neves
Branco

DocuSigned by:

CB594E9927374C5
Eleanor Caroline Browne

Independent Auditor's Report

To the Shareholder of Turner Broadcasting System Denmark ApS

Opinion

We have audited the financial statements of Turner Broadcasting System Denmark ApS for the financial year 1 January – 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

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.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 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.

Statement on Management's Review

Management is responsible for 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent Auditor's Report

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

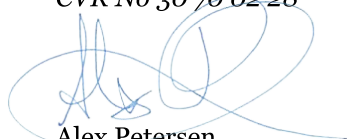
Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 16 September 2020

EY

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28



Alex Petersen

statsautoriseret revisor

mne28604

Company Information

The Company

Turner Broadcasting System Denmark ApS
Jens Kofods Gade 1, 2.
DK-1268 København K

CVR No: 26 40 45 09

Financial period: 1 January - 31 December

Incorporated: 1 January 2002

Municipality of reg. office: København

Board of Directors

Bo Falk Østergaard, Chairman
Pierre-Emmanuel Neves Branco
Eleanor Caroline Browne

Executive Board

Bo Falk Østergaard

Auditors

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Bankers

SEB

Management's Review

Key activities

The main activity of the company is to distribute Cartoon Network, Boomerang, CNN, Toonix and TNT both digitally and linear. As part of the distribution business, is the sale of advertising on participating channels.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 4,362,410, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 24,173,359.

During the year a decision was made to restructure the Turner Nordic region, as a result the Swedish office was closed on 31st March 2019.

This decision resulted in a shift of the distribution billing from Sweden to Denmark. Novation of existing contracts in Sweden across to TBS Denmark occurred on 1st of April 2019. New contracts were executed in Denmark during 2019.

Subsequent events

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates. For the company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The company currently assesses that the virus will not have a significant effect on the company's financial position, results of operations or cash flows in the future. The directors will however continue to monitor the possible impact of the Coronavirus on the activities of the company.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Revenue		112.543.646	37.618.511
Other external expenses		<u>-83.314.557</u>	<u>-20.900.075</u>
Gross profit/loss		29.229.089	16.718.436
Staff expenses	2	-19.223.837	-14.137.217
Depreciation, amortisation and impairment of property, plant and equipment		<u>-85.139</u>	<u>-208.182</u>
Profit/loss before financial income and expenses		9.920.113	2.373.037
Financial income		446.781	2.479
Financial expenses		<u>-4.674.045</u>	<u>-141.427</u>
Profit/loss before tax		5.692.849	2.234.089
Tax on profit/loss for the year	3	<u>-1.330.439</u>	<u>-548.310</u>
Net profit/loss for the year		<u>4.362.410</u>	<u>1.685.779</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>4.362.410</u>	<u>1.685.779</u>
		<u>4.362.410</u>	<u>1.685.779</u>

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		59.354	144.493
Property, plant and equipment		59.354	144.493
Deposits		578.897	578.897
Fixed asset investments		578.897	578.897
Fixed assets		638.251	723.390
Trade receivables		26.409.214	300.758
Receivables from group enterprises		0	10.516.611
Other receivables		408.649	1.361.184
Deferred tax asset		46.689	47.874
Corporation tax		0	319.241
Prepayments		0	121.479
Receivables		26.864.552	12.667.147
Cash at bank and in hand		58.032.337	11.563.891
Currents assets		84.896.889	24.231.038
Assets		85.535.140	24.954.428

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		125.000	125.000
Retained earnings		24.048.359	19.685.949
Equity	4	24.173.359	19.810.949
Other payables		547.610	0
Long-term debt	5	547.610	0
Trade payables		3.964.379	1.936.406
Payables to group enterprises		50.744.859	0
Corporation tax		229.253	0
Other payables	5	5.875.680	3.207.073
Short-term debt		60.814.171	5.143.479
Debt		61.361.781	5.143.479
Liabilities and equity		85.535.140	24.954.428
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		
Accounting Policies	8		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	125.000	19.685.949	19.810.949
Net profit/loss for the year	0	4.362.410	4.362.410
Equity at 31 December	125.000	24.048.359	24.173.359

Notes to the Financial Statements

1 Subsequent events

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates. For the company's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The company currently assesses that the virus will not have a significant effect on the company's financial position, results of operations or cash flows in the future. The directors will however continue to monitor the possible impact of the Coronavirus on the activities of the company.

	2019 DKK	2018 DKK
2 Staff expenses		
Wages and salaries	17.212.346	13.047.334
Pensions	1.462.821	1.271.387
Other social security expenses	548.670	-181.504
	19.223.837	14.137.217
Average number of employees	27	24
3 Tax on profit/loss for the year		
Current tax for the year	1.329.254	602.597
Deferred tax for the year	1.185	-19.245
Adjustment of tax concerning previous years	0	-35.042
	1.330.439	548.310

4 Equity

The share capital consists of 1,000 shares of a nominal value of DKK 125. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u> DKK	<u>2018</u> DKK
Other payables		
Between 1 and 5 years	547.610	0
Long-term part	547.610	0
Other short-term payables	5.875.680	3.207.073
	<u>6.423.290</u>	<u>3.207.073</u>

6 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Rent obligation	524.900	663.000
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Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The Company is the management company of the joint taxation Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on royalty and interest payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Related parties

Basis

Controlling interest

Turner Broadcasting System Europe Limited, United Kingdom	Parent Company
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Consolidated Financial Statements

Notes to the Financial Statements

7 Related parties (continued)

The Company is included in the consolidated annual report of the Parent Company.

<u>Name</u>	<u>Place of registered office</u>
Turner Broadcasting Systems Europe Limited	London, United Kingdom

The Group Annual Report of Turner Broadcasting Systems Europe Limited may be obtained at the following address:

160 Old Street
EC1V 9BW
London

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Turner Broadcasting System Denmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

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

All leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed in contingencies, etc.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

Income Statement

Revenue

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

Income from delivery of services is recognised as revenue as the service is delivered.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses, pensions and social security costs.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

8 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the assets or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Fixed asset investments

Fixed asset investments consist of deposits. Deposits are measured at cost.

Receivables

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

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning prepaid cost regarding subsequent financial years.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Notes to the Financial Statements

8 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.