

Warner Bros. Denmark ApS

H.C. Andersens Boulevard 1, 1553 København V


CVR no. 42 98 98 19

Annual report 2022

(As of the establishment of the Company 17 January - 31 December 2022)

Approved at the Company's annual general meeting on 22 June 2023

Chair of the meeting:


Christina Sulebakk (Jun 22, 2023 13:57 GMT+2)

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Christina Sulebakk Khawaja

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Warner Bros. Denmark ApS for the financial year as of the establishment of the Company 17 January - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year as of the establishment of the Company 17 January - 31 December 2022.

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, 22 June 2023
Executive Board:



Christina Sulebakk (Jun 22, 2023 13:57 GMT+2)

Christina Sulebakk Khawaja
Director



Tore Fredrik Dreyer (Jun 22, 2023 13:35 GMT+2)

Tore Fredrik Lund Dreyer
Director



Nick Evans (Jun 22, 2023 12:24 GMT+1)

Nicholas Mark Townsend
Evans
Director

The Independent Practitioner's Report

To the shareholder of Warner Bros. Denmark ApS

Conclusion

We have performed an extended review of the Financial Statements of Warner Bros. Denmark ApS for the financial year 17 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company operations for the financial year 17 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on the Management's review

Management is responsible for the Management's Review.


Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review 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 extended review, or otherwise appears to be materially misstated.

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.

Hellerup, 22 June 2023
PRICEWATERHOUSECOOPERS
STATSAUTORISERET REVISIONSPARTNERSELSKAB
CVR no. 33 77 12 31


Allan Kamp Jensen (Jun 22, 2023 16:45 GMT+2)

Allan Kamp Jensen
State Authorised Public Accountant
mne15126

Management's review

Company details

Name	Warner Bros. Denmark ApS
Address, Postal code, City	H.C. Andersens Boulevard 1, 1553 København V
CVR no.	42 98 98 19
Established	17 January 2022
Registered office	Copenhagen
Financial year	17 January - 31 December 2022
Executive Board	Christina Sulebakk Khawaja, Director Tore Fredrik Lund Dreyer, Director Nicholas Mark Townsend Evans, Director
Auditors	PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44, 2900 Hellerup

Management's review

Business review

Over the course of the year, our company has been exclusively involved in the distribution of films to cinemas throughout Denmark. Our primary objective is to excel in promoting and distributing our films, leveraging well-established strategies that contribute to the growth of box office revenue.

Financial review

The income statement for 2022 shows a profit of DKK 272,477, and the balance sheet at 31 December 2022 shows equity of DKK 2,169,220.

From the incorporation of the company in 2022, we have successfully established the theatrical distribution business within Denmark with our dedicated sales and marketing divisions.

The company does not consider that there are any significant risks or uncertainty factors in the business.

Events after the balance sheet date

The company does not consider there to be any material events after the balance sheet date.

Financial statements for the period 17 January - 31 December 2022

Income statement

Note	DKK	2022
	Revenue	8,680,429
	Cost of sales	-6,821,322
	Other external expenses	-155,751
	Gross profit	1,703,356
2	Staff costs	-1,350,049
	Profit before net financials	353,307
	Financial income	145
	Profit before tax	353,452
3	Tax for the year	-80,975
	Profit for the year	272,477
	 Recommended appropriation of profit	
	Retained earnings	272,477
		272,477

Financial statements for the period 17 January - 31 December 2022

Balance sheet

Note	DKK	<u>2022</u>
	ASSETS	
	Non-fixed assets	
	Receivables	
	Trade receivables	5,502,281
	Prepayments	<u>208,373</u>
		<u>5,710,654</u>
	Cash	<u>2,991,702</u>
	Total non-fixed assets	<u>8,702,356</u>
	TOTAL ASSETS	<u><u>8,702,356</u></u>
	EQUITY AND LIABILITIES	
	Equity	
4	Share capital	1,896,743
	Retained earnings	<u>272,477</u>
	Total equity	<u>2,169,220</u>
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Trade payables	247,897
	Payables to group enterprises	4,214,532
	Corporation tax payable	80,975
	Other payables	<u>1,989,732</u>
		<u>6,533,136</u>
	Total liabilities other than provisions	<u>6,533,136</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>8,702,356</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral
- 7 Related parties

Financial statements for the period 17 January - 31 December 2022

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Cash payments concerning formation of enterprise	40,000	0	40,000
Capital increase	1,856,743	0	1,856,743
Transfer through appropriation of profit	0	272,477	272,477
Equity at 31 December 2022	<u>1,896,743</u>	<u>272,477</u>	<u>2,169,220</u>

Financial statements for the period 17 January - 31 December 2022

Notes to the financial statements

1 Accounting policies

The annual report of Warner Bros. Denmark ApS for 2022 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.

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.

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.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

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

Financial statements for the period 17 January - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

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.

Financial income

Financial income are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income 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 entity is jointly taxed with other group entities. 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

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.

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 for the period 17 January - 31 December 2022

Notes to the financial statements

1 Accounting policies (continued)

Income 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.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Other liabilities are measured at net realisable value.

Financial statements for the period 17 January - 31 December 2022

Notes to the financial statements

DKK	<u>2022</u>
2 Staff costs	
Wages/salaries	1,233,280
Pensions	97,843
Other social security costs	14,681
Other staff costs	4,245
	<u>1,350,049</u>
Average number of full-time employees	<u>3</u>
3 Tax for the year	
Estimated tax charge for the year	<u>80,975</u>
	<u>80,975</u>

4 Share capital

Analysis of changes in the share capital over the past 2 years:

DKK	<u>2022</u>	<u>Opening balance at 17 January 2022</u>
Establishment	40,000	40,000
Capital increase	1,856,743	0
	<u>1,896,743</u>	<u>40,000</u>

5 Contractual obligations and contingencies, etc.

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 group, in which Turner Broadcasting System Denmark ApS, CVR no. 26404509 was the administration company and was liable unlimitedly and jointly with the other jointly taxed companies for the payment of corporation tax from 17 January 2022 until 7 April 2022, as well as withholding tax on interest, royalties and dividends due for payment on 17 January 2022 and until 7 April 2022.

6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2022.

Financial statements for the period 17 January - 31 December 2022

Notes to the financial statements

7 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. (Formerly, Discovery, Inc.)	230 Park Avenue South, New York, New York, 10003, USA	https://ir.corporate.discovery.com/financials/annual-reports-and-proxies/default.aspx