Discovery Networks Denmark ApS

H.C. Andersens Boulevard 1, 1553 København V

CVR no. 20 05 29 02

Annual report 2023

Approved at the Company's annual general meeting on 28 June 2024

Chair of the meeting:

DocuSigned by:

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Thomas Gjøl Tønning

Contents

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 Discovery Networks 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, 28 June 2024
Executive Board:

DocuSigned by:

Christina Sulebakk Khawaja
Managing director

Board of Directors:

DocuSigned by:

Nicholas Mark Evans

Nicholas Mark Townsend Evans
Chairman

DocuSigned by:

Kasper Kryger

Kasper Kryger

DocuSigned by:

Pil Gundelach Brandstrup

Pil Gundelach Brandstrup

DocuSigned by:

Hanne Kjersti Ulleren Vik

Hanne Kjersti Ulleren Vik

Independent auditor's report

To the shareholder of Discovery Networks 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 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 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 Management's Review

Management is responsible for 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 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.

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

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.

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

Independent auditor's report

- 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, 28 June 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Allan Kamp Jensen
State Authorised Public Accountant
mne15126

Management's review

Company details

Name	Discovery Networks Denmark ApS
Address, Postal code, City	H.C. Andersens Boulevard 1, 1553 København V
CVR no.	20 05 29 02
Established	1 April 1997
Registered office	Copenhagen
Financial year	1 January - 31 December
Website	www.discoverydenmark.dk
Telephone	+45 70 10 10 10
Board of Directors	Nicholas Mark Townsend Evans, Chairman Kasper Kryger Pil Gundelach Brandstrup Hanne Kjersti Ulleren Vik
Executive Board	Christina Sulebakk Khawaja, Managing director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	255,645	310,931	523,835	596,778	920,980
Gross profit	59,732	101,929	269,276	344,886	695,949
Operating profit/loss	-59,603	-324,353	-504,110	-79,264	107,441
Profit before interest and tax (EBIT)	-59,189	-323,761	-376,612	-77,729	109,175
Net financials	61,650	-22,814	8,036	-8,072	21,056
Profit/loss for the year	-6,048	-329,083	-367,217	-67,224	115,571
Total assets	2,503,788	2,502,257	3,019,324	905,725	1,160,413
Investments in property, plant and equipment	4,048	10,988	2,031	9,528	4,037
Equity	2,269,463	2,275,511	2,604,594	686,468	753,692
Financial ratios					
Return on assets	-2.4%	-11.7%	-25.7%	-7.7%	9.7%
Equity ratio	90.6%	90.9%	86.3%	75.8%	65.0%
Return on equity	-0.3%	-13.5%	-22.3%	-9.3%	16.6%
Average number of full-time employees	124	121	139	162	168

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss: Profit/loss before net financials +/- Other operating income and other operating expenses

Return on assets: $$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$$

Equity ratio: $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity: $$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$$

In 2021 the Company have merged with Discovery Communications Nordic ApS, and the comparative figures have not been adjusted.

Management's review

Business review

Discovery Networks 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 TV channels made available in Denmark that Discovery Networks Denmark provides services for includes the TV Channels Kanal 5, Kanal 4, 6'eren, Canal 9, Eurosport 1 and Eurosport 2, Discovery Channel and TLC broadcasted into Denmark under broadcasting licenses from other EU countries. The company's operations include services related to purchase of programs, distribution sales, marketing and sales of advertising and sponsorship. Moreover, the Company provides a variety of support services related to the digital business.

The revenue consists of two primary elements: distribution revenue which is revenue from distributors who sells TV packages to end-users and sale of advertisements and sponsorships.

Moreover, the Company supports the digital streaming services provided by Dplay Entertainment Ltd. directly to end users.

The main part of Company's costs are content costs, which can be divided into use of sports rights, foreign acquisitions and local commissioning, as well as payroll costs.

Recognition and measurement uncertainties

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual matters having affected the financial statements

The financial position at 31 December 2023 of the Company and the results of the activities of the Company for the financial year for 2023 have not been affected by any unusual events.

Financial review

The income statement for 2023 shows a loss of DKK 6,048 thousand against a loss of DKK 329,083 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 2,269,463 thousand. The reason behind the change is much lower cost of amortization of intangible assets - mainly goodwill as almost fully amortized.

The past year and follow-up on development expectations from last year

The results for 2023 have been in line with management's expectations. Although a net profit was expected instead of a net loss and a slightly higher profit before tax, both metrics were affected by one off events: recognition of impairment of goodwill and deferred tax asset. In management's opinion, the income statement and balance sheet with related notes provide all significant information to assess the Company's performance for the past year as well as the Company's financial position at year end.

Knowledge resources

Intellectual Capital resources

It is essential to the Company's continued growth to be able to attract and retain creative and competent employees within program, sales and marketing as well as other in-house services.

Financial risks and use of financial instruments

Churn

As the media industry shifts towards a more digital oriented landscape, generally a churn of linear subscribers and decline in PUT (People Using Television) levels are experienced. If this continues or worsens, it will have a negative impact on distribution revenues from linear packages and/ or linear advertising revenues.

Management's review

Foreign exchange risks

Given that a substantial number of the Company's programs are acquired in foreign currency, results of operations, cash flows and equity are impacted by their exchange as well as interest rate developments. No foreign currency hedging is made.

Interest rate risks

As the Company has minimal interest-bearing debt, a change in the interest rate level will be without significant direct effect on earnings.

Impact on the external environment

The Company cares for the external environment. From an external point of view, the focus is to broadcast programs about the extreme conditions for the wildlife around the globe to educate the world’s population and to protect endangered species.

Events after the balance sheet date

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

Outlook

Over the past few years the Danish market, alongside the rest of the Nordic region, has experienced a shift from linear viewing to digital viewing and on products. The Company is positioning itself for the future and looking ahead, the combination of a continuation of this viewing trend and of a rationalization of the operating expenses to invest in digital growth, could result in fluctuations in our profit levels in the following years compared to 2023. For 2024 an improvement is expected for the net result, which is expected to be in lign with 2023.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Revenue	255,645	310,931
	Other operating income	414	14,822
	Other external expenses	-196,327	-223,824
	Gross profit	59,732	101,929
3	Staff costs	-83,660	-91,265
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-35,261	-320,194
	Other operating expenses	0	-14,230
	Profit/loss before net financials	-59,189	-323,760
	Financial income	63,416	2,620
	Financial expenses	-1,766	-25,434
	Profit/loss before tax	2,461	-346,574
5	Tax for the year	-8,509	17,491
	Profit/loss for the year	-6,048	-329,083

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
7	**Intangible assets**		
	Content Rights	2,333	8,943
	Goodwill	0	21,928
		2,333	30,871
8	**Property, plant and equipment**		
	Plant and machinery	5,227	7,636
	Fixtures and fittings, other plant and equipment	3,177	350
	Leasehold improvements	0	735
	Property, plant and equipment under construction	0	95
		8,404	8,816
	Total fixed assets	10,737	39,687
	Non-fixed assets		
	Receivables		
	Trade receivables	19,450	23,814
	Receivables from group enterprises	29,127	2,354
9	Deferred tax assets	3,816	12,247
	Other receivables	6,212	4,636
10	Prepayments	2,798	4,140
		61,403	47,191
	Cash	2,431,648	2,415,379
	Total non-fixed assets	2,493,051	2,462,570
	TOTAL ASSETS	2,503,788	2,502,257

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
11	Share capital	2,001	2,001
	Retained earnings	2,267,462	2,273,510
	Total equity	2,269,463	2,275,511
	Provisions		
12	Other provisions	7,092	7,092
	Total provisions	7,092	7,092
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	21,211	26,110
	Payables to group enterprises	168,143	169,123
	Corporation tax payable	1,931	0
	Other payables	33,428	21,271
	Deferred income	2,520	3,150
		227,233	219,654
	Total liabilities other than provisions	227,233	219,654
	TOTAL EQUITY AND LIABILITIES	2,503,788	2,502,257

1 Accounting policies
2 Events after the balance sheet date
6 Appropriation of profit/loss
13 Contractual obligations and contingencies, etc.
14 Security and collateral
15 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2022	2,001	2,602,593	2,604,594
6	Transfer, see "Appropriation of profit/loss"	0	-329,083	-329,083
	Equity at 1 January 2023	2,001	2,273,510	2,275,511
6	Transfer, see "Appropriation of profit/loss"	0	-6,048	-6,048
	Equity at 31 December 2023	2,001	2,267,462	2,269,463

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Discovery Networks Denmark ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Changes in accounting policies

Preparation of the annual report in accordance with the provisions of the Danish Financial Statements Act for medium-sized reporting class C 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 class C Large entities.

Applying the provisions and requirements for medium-sized class C entities did not affect the comparative figures or equity.

Additionally, the Company has changed the presentation of deferred revenue in the financial statement. This has resulted in that the comparative figures for financial year 2022 has been adjusted. Other payables have been reduced by DKK 3.150 thousand, and deferred revenue has increased by DKK 3.150 thousand. The change in presentation of deferred revenue has not impacted the Loss for the year or equity.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Warner Bros. Discovery, Inc., USA.

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'000).

Foreign currency translation

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Revenue

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

Revenue from the sale of TV commercials and transmission is recognised in the income statement when the delivery and transfer of risk has been made before year end.

Other operating income

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 intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise costs incurred in respect of sales, advertising, administration, office premises, bad debt losses, etc.

Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation/depreciation and impairment

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

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 comprise interest income and expense, finance lease payments,gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax

The Group entities are covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The Company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Programme rights comprise of acquired programme rights, prepayments for acquired programme rights and commisioned program rights.

Acquired programme rights are recognised when the license period has begun and commissioned programme rights are recognised upon first airing and are measured at cost less accumulated amortisation and impairment.

Cost comprises of the purchase price and any costs directly attributable to the programme until the date when the asset is available for use.

The amortization of programme rights spans between 1-4 years, depending on the type of content, using accelerated or straight-line amortization methods.

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

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

Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 32,000 are expensed in the year of acquisition.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price, less disposal costs and the carrying amount at the date of disposal. the gains or losses are recognised in the income statement as other operating income or other operating expenses respectively.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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".

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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 comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Cash

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 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 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 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.

As management company for all the entities in the joint taxation arrangement, the group entities are liable for payment of the sister entities income taxes vis à vis the tax authorities as the sister entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

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 Events after the balance sheet date

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

	DKK'000	2023	2022
3	**Staff costs and incentive programmes**		
	Wages/salaries	77,147	84,673
	Pensions	5,231	5,577
	Other social security costs	1,282	1,015
		83,660	91,265
	Average number of full-time employees	124	121

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

Incentive programmes

The Company has no special incentive programmes for the management.

4	**Amortisation/depreciation and impairment of intangible assets and property, plant and equipment**		
	Amortisation of intangible assets	10,965	314,451
	Impairment of intangible assets	19,836	0
	Depreciation of property, plant and equipment	3,725	5,743
	Impairment of property, plant and equipment	735	0
		35,261	320,194
5	**Tax for the year**		
	Estimated tax charge for the year	960	0
	Deferred tax adjustments in the year	5,122	-19,107
	Tax adjustments, prior years	2,427	1,616
		8,509	-17,491
6	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-6,048	-329,083
		-6,048	-329,083

Financial statements 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK'000	Content Rights	Goodwill	Total
Cost at 1 January 2023	559,549	3,302,040	3,861,589
Additions	2,263	0	2,263
Disposals	-22,108	-3,302,040	-3,324,148
Cost at 31 December 2023	539,704	0	539,704
Impairment losses and amortisation at 1 January 2023	550,606	3,280,112	3,830,718
Impairment losses for the year	0	19,836	19,836
Amortisation for the year	8,873	2,092	10,965
Reversal of accumulated amortisation and impairment of assets disposed	-22,108	-3,302,040	-3,324,148
Impairment losses and amortisation at 31 December 2023	537,371	0	537,371
Carrying amount at 31 December 2023	2,333	0	2,333

8 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings, other plant and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2023	53,716	2,781	14,636	95	71,228
Additions	531	3,517	0	0	4,048
Disposals	-3,074	-86	0	0	-3,160
Transferred	95	0	0	-95	0
Cost at 31 December 2023	51,268	6,212	14,636	0	72,116
Impairment losses and depreciation at 1 January 2023	46,080	2,431	13,901	0	62,412
Impairment losses	0	0	735	0	735
Depreciation	3,035	690	0	0	3,725
Reversal of accumulated depreciation and impairment of assets disposed	-3,074	-86	0	0	-3,160
Impairment losses and depreciation at 31 December 2023	46,041	3,035	14,636	0	63,712
Carrying amount at 31 December 2023	5,227	3,177	0	0	8,404

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	2023	2022
9	**Deferred tax**		
	Deferred tax at 1 January	-12,247	3,880
	Current year adjustments to deferred taxes	5,122	-19,107
	Adjustment to previous years deferred taxes	3,309	2,980
	Deferred tax at 31 December	-3,816	-12,247
	Deferred tax relates to:		
	Intangible assets	303	2,641
	Property, plant and equipment	-2,296	-2,697
	Receivables	-263	-83
	Provisions	-1,560	-1,560
	Tax loss	0	-10,548
		-3,816	-12,247

Deferred tax has been provided at 22% corresponding to the current tax rate.

The provision for deferred tax primarily relates to timing differences in respect of intangible assets, property, plant and equipment, provisions and tax losses.

Based on long-term budgets for the next 5 years, it is the management's expectation that the company can take full advantage of the deferred tax asset, and the tax asset is herefore recognised at 100%.

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

11 Share capital

Analysis of the share capital:

	2023	2022
2,001 A shares of DKK 1,000.00 nominal value each	2,001	2,001
	2,001	2,001

There is no difference in voting rights.

12 Other provisions

	2023	2022
Other provisions at 1 January 2023	7,092	7,185
Provisions in the year	0	-93
Other provisions at 31 December	7,092	7,092

Provisions relate to costs that may be incurred to restore current premises leased by the Company. The provision is based on Management's best estimate.

Financial statements 1 January - 31 December

Notes to the financial statements

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

Claims

At 31 December 2023 the Company was part in an open lawsuit which was initiated by the Company in 2019 which also included counterclaims. The case has been settled during 2024 without any material cost to the Company.

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2022 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 8 April 2022.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2023	2022
Rent and lease liabilities	9,720	19,785

Rent and lease liabilities payable within 1 year: DKK 9,720 thousand (2022: DKK 11,098 thousand).

14 Security and collateral

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

15 Related parties

Discovery Networks Denmark ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Warner Bros. Discovery, Inc. (Formerly. Discovery, Inc.)	230 Park Avenue South, New York, New York, 10003, USA	Ultimate Parent

Information about consolidated financial statements

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

Related party transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

The Company has in the financial year 2023 carried out transactions with related parties in accordance with the Groups Transfer Pricing policies.