

CBS Studios Distribution UK Limited

Annual report and financial statements
Registered number 11682919
for the year ended 31 December 2022



*CBS Studios Distribution UK Limited
(Registered number 11682919)
Annual report and financial statements
for the year ended 31 December 2022*

Company information

Directors

Rick Jones
Gielijn Hilarius

Company secretary

Fieldfisher Secretaries Limited
Fieldfisher Riverbank House,
2 Swan Lane,
London,
United Kingdom,
EC4R 3TT

Registered number

11682919

Country of Incorporation

United Kingdom

Registered office

Fieldfisher LLP
Fieldfisher Riverbank House,
2 Swan Lane,
London,
United Kingdom,
EC4R 3TT

*CBS Studios Distribution UK Limited
(Registered number 11682919)
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Strategic report

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2022.

Business review

The year under review, represents the third period of trading for CBS Studios Distribution UK Limited (the “Company”). Due to an internal reorganization, as of 1 October 2021, the Company ceased trading and all its net assets, including its owned TV licenses contracts, were distributed to its new immediate parent Paramount Pictures International Limited (“PPIL”), for a total amount of \$5.1bn, leaving a residual share capital amount of \$1. The entity has reported a turnover figure of \$nil (Up to 30 September 2021, \$591.0m). Expense includes administrative expenses of \$nil (2021: 151.9m). The Company has generated a gross profit of \$nil (2021: 179.7m) and an operating profit of \$nil (2021: \$27.8m). The Company provided a revolving credit facility to ViacomCBS Corporate, which has generated the majority of the net interest income of \$nil (up to 30 September 2021: \$7.6m). The net loss for the financial year is \$nil (2021: loss of \$65.5m).

It is the intention to liquidate the company as soon as is feasible.

Principal risks and uncertainties

The Company’s revenues are exposed mainly to secondary sales of content (from TV channels or streaming services) and therefore exposed to the risks and rewards associated with the TV content distribution market and it does not benefit from other income streams like: advertising, subscription, publishing, merchandising, etc.

The Company in adherence to the agreements embedded in the Licences, is completely reliant on ViacomCBS for its supply of content and does not as well control the quality of production.

In addition, the Company does not hold any relationship with end customers which increases its dependence with ViacomCBS.

Risk mitigating factors

As the Company is focused only on content distribution, it is exposed to the risks and rewards associated with the production of new original content, more in the longer term than in the shorter term.

By virtue of the various agreements with ViacomCBS embedded in the Licences, the Company has exclusive, evergreen access to a content library that has already been tried-and-tested (most shows are released in the US first before being distributed internationally).

However, as the intention is to liquidate the Company as soon as feasible there is no need to highlight any risk mitigation factor.

Financial key performance indicators

The directors regard turnover, profit and gross margin as the key performance indicators of the Company. Details of these are given in the performance of the business discussion above and the directors are in agreement with the performance of the business against these indicators.

Other key performance indicators

The company had a positive net cash balance of \$nil (2021: \$nil) at period-end.

Strategic report *(continued)*

Section 172 statement

Section 172(1) of the Companies Act 2006 requires the directors to act in the way they consider would be most likely to promote the success of the company for the benefit of its members as a whole and in doing so to have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct;
- (f) the need to act fairly as between members of the company.

The directors understand that the company's relationships with both internal and external stakeholders are dynamic, and that its stakeholders' interests may change over time. In response to this, the directors manage their key stakeholders' interests through various means of engagement; meetings, reports, telecommunications, emails and presentations. The directors respect these interests when discharging their duties and have identified the company's key stakeholders as its customers, shareholders, suppliers and the communities in which it operates.

As the Company is no longer a going concern and therefore, it will not generate sales and results in the foreseeable future nor engage further with any participant, no further disclosure is deemed necessary of any stakeholder.

Corporate governance arrangements

The Company is part of the Paramount Global group and as such corporate governance and decision making, engagement with stakeholders and the Company's impact on the environment is driven by the Paramount Global group strategy. Paramount Global has a complete commitment to the highest standards of corporate governance and complies with the NASDAQ Stock Market LLC ("NASDAQ") marketplace rules and other legal requirements.

This report, as part of the 2022 financial statements, was approved by the board on 27 September 2023 and signed on its behalf by:

DocuSigned by:

C8F78BBAADF44BF...
Gielijn Hilarius
Director

Directors' report

The directors present their report and the audited financial statements of CBS Studios Distribution UK Limited ("the Company") for the year ended 31 December 2022.

Principal activities

Up to 30 September 2021, the company's main activity was to acquire intra-group license agreements and to carry out and manage intra-group licensing activities. The Company also provided Treasury services for other Group entities, like: short term funding, foreign exchange rates spot trading and cash pooling.

Based on these intra-group license agreements the Company has the right to distribute and exploit Programs by Television Exploitation in the territories of responsibility. The partnership earns revenue based on sublicensing all its rights to CBS International (Netherlands) BV and its fellow Dutch registered companies: Showtime Distribution BV, WVI Films BV, CBS-CSI International BV and CBS Broadcast International BV.

During the financial year the Company did not generate sales and results. It is the intention to liquidate the Company as soon as is feasible.

Financial reporting period

The Company's financial year starts on 01 January and ends on 31 December of each year.

Number of employees

The Company does not employ personnel.

Remuneration of the directors

No remuneration has been paid to the directors for this financial period.

Principal risks and uncertainties

The management of the Company and execution of the Company's strategy are subject to a number of risks. The directors have identified the need to manage the Company's material financial risks, including foreign exchange and liquidity. These risks are monitored through a Group Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for ViacomCBS Inc. group companies (the 'Group').

Group Treasury also seeks to limit counter-party risk by conducting all of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

Financial Risk Management

As at the balance sheet date the company was not exposed to any financial risk.

Interest rate risk

The Company incurs interest rate risk on interest-bearing receivables (in particular those included in cash).

Liquidity Risk

The Company finances its operations through a combination of issued capital, retained earnings and intercompany payables.

Foreign Exchange Risk

To the extent that the Company enters into banking arrangements and intercompany agreements in currencies different to that of the Company's functional currency (USD), there is an exposure to movements in exchange rates. This risk is monitored by the CBS Central Treasury which in addition to investing surplus funds and managing borrowings as well mitigates foreign exchange exposure.

Credit Risk

The Company is exposed to the risk of uncollectible intercompany receivables. However, this risk is capped by ViacomCBS Inc.

Bank accounts held by the Company are part of a cash pool arrangement. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

Directors' report *(continued)*

Key performance indicators (KPI)

Given the straightforward nature of the business, KPIs are limited to the financial results of the Company.

Results and Dividends

The Company's results for the period are set out on page 10. The Company made a loss of \$nil (2021: loss of \$65,546,627). From 1 October 2021 the Company has ceased trading and all its net assets, including its owned TV licenses contracts, were distributed to its new immediate parent Paramount Pictures International Limited ("PPIL"), for a total amount of \$5.1bn, leaving a residual share capital amount of \$1. The intention is to liquidate the Company as soon as feasible.

The results are in line with the expectations of the directors.

Directors

The directors who held office during the period and up to the date of signing these financial statements were as follows:

Richard Jones
Gielijn Hilarius

Directors' Liability Insurance

Qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements; and that the indemnity is a qualifying third party indemnity where applicable. These indemnity policies are held by the ultimate holding company, ViacomCBS Inc.

Future developments and going concern

It is the intention to liquidate the company as soon as is feasible.

As the Company has ceased its activities, the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a basis other than going concern. Consequently, the assets and liabilities have been disclosed at values at which they are expected to be realized.

Post balance sheet events

Effective February 16, 2022, ViacomCBS Inc., the ultimate parent of the Company changed its name to Paramount Global.

Streamlined Energy and Carbon Reporting (SECR)

The entity meets the exemption of being low energy users, using less than 40,000 kWh annually.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report *(continued)*

Audit exemption

For the financial year 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year 2022 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The accounts have been prepared in accordance with the micro-entity provisions.

Approved by the board and signed on its behalf by:

DocuSigned by:

C8F78BBADF44BF...
Gielijn Hilarius
Director

CBS Studios Distribution UK Limited
Company registered number: 11682919
Fieldfisher Riverbank House
2 Swan Lane
London
EC4R 3TT

27 September 2023

Statement of Directors' Responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Profit and Loss account and Other Comprehensive Income

for the year ended 31 December 2022

| | <i>Note</i> | Year to 31 December 2022 \$ | Year to 31 December 2021 \$ |
|--|-------------|--|--|
| Turnover | 2 | - | 591,013,137 |
| Cost of sales | | - | (411,325,478) |
| | | <hr/> | <hr/> |
| Gross profit | | - | 179,687,659 |
| Administrative expenses | 3 | - | (151,873,625) |
| Net foreign exchange gains | 6 | - | (2,666) |
| | | <hr/> | <hr/> |
| Operating profit / (loss) | | - | 27,811,368 |
| Interest receivable and similar income | 7 | - | 7,671,062 |
| Interest payable and similar expenses | 7 | - | (74,379) |
| | | <hr/> | <hr/> |
| Profit / (loss) before taxation | | - | 35,408,051 |
| Tax on profit / (losses) | 8 | - | (100,954,678) |
| | | <hr/> | <hr/> |
| Loss for the financial year | | - | (65,546,627) |
| | | <hr/> | <hr/> |

There were no other recognised gains and losses in the current period other than those included in the profit and loss account shown above.

The notes on pages 10 to 21 form part of these financial statements.

Balance Sheet
As at 31 December 2021

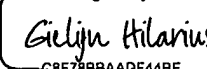
| | Note | | 2021 | | 2020 |
|---|------|----|------|----|------|
| | | \$ | \$ | \$ | \$ |
| Fixed assets | | | | | |
| Intangible assets | 9 | - | | - | |
| Investments | 10 | - | | - | |
| | | | | | |
| | | | - | | - |
| Current assets | | | | | |
| Debtors | 11 | - | | - | |
| Cash at bank and in hand | | - | | - | |
| | | | | | |
| | | - | | - | |
| Creditors: amounts falling due within one year | 12 | - | | - | |
| | | | | | |
| Net current assets | | | - | | - |
| | | | | | |
| Total assets less current liabilities | | | - | | - |
| | | | | | |
| Net assets | | | - | | - |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 1 | | 1 |
| Share Premium | | | - | | - |
| Profit and loss account | | | (1) | | (1) |
| | | | | | |
| Total Shareholders' funds | | | - | | - |

The notes on pages 10 to 21 form part of these financial statements.

For the financial year 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year 2022 in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The accounts have been prepared in accordance with the micro-entity provisions.

These financial statements were approved by the board of directors on 27 September 2023 and were signed on its behalf by:

DocuSigned by:

 Gielijn Hilarius
 Director

Company registered number: 11682919

Statement of Changes in Equity
for the year ended 31 December 2022

| | Note | Called up Share capital \$ | Share Premium \$ | Profit and loss Account \$ | Total equity \$ |
|---|------|-------------------------------------|------------------------|----------------------------------|-----------------------|
| Balance at 1 January 2021 | | 1,000,000,101 | 592,687,519 | 3,629,372,149 | 5,222,059,769 |
| Share capital reduction | 14 | (1,000,000,100) | - | 1,000,000,100 | - |
| Share premium reduction | 14 | - | (592,687,519) | 592,687,519 | - |
| Dividends: | | | | | |
| Investment in subsidiary distribution | 10 | - | - | (17,000,000) | (17,000,000) |
| Net assets distribution | | - | - | (5,139,513,542) | (5,139,513,542) |
| Total comprehensive income for the period: | | | | | |
| Loss for the period | | - | - | (65,546,627) | (65,546,627) |
| Balance at 31 December 2021 | | 1 | - | (1) | - |
| Balance at 1 January 2022 | | 1 | - | (1) | - |
| Result for the period | | - | - | - | - |
| Balance at 31 December 2022 | | 1 | - | (1) | - |

The notes on pages 10 to 21 form part of these financial statements.

On 30 September 2021 the Company declared and settled a dividend distribution (in "kind") of the entire owned issued share capital of CBS International (Netherlands) BV to its immediate parent VCL, for an amount of \$17,000,000. On 1 October 2021 the Company declared and settled a dividend distribution (in "kind") of the entire net assets of the Company to the immediate parent PPIL for an amount of \$5,139,513,542.

Notes to the financial statements

1 Accounting policies

CBS Studios Distribution UK Limited (the “Company”) is a private company limited by shares and incorporated and domiciled in England and Wales, within the United Kingdom. The address of its registered office is Fieldfisher Riverbank House, 2 Swan Lane London EC4R 3TT.

These financial statements were prepared in accordance with the Companies Act 2006 under the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“FRS 102”). The presentation currency of these financial statements are United States dollars. All amounts in the financial statements have been rounded to the nearest \$1.

As the Company is a wholly owned subsidiary of ViacomCBS Inc., the Company has taken advantage of the exemption contained in Paragraph 33.1A of FRS 102 and has therefore not disclosed transactions or balances with the ultimate parent of the group or any other wholly owned subsidiaries.

The Company’s ultimate parent undertaking, ViacomCBS Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of ViacomCBS Inc. are available to the public and may be obtained from 1515 Broadway, New York, New York 10036, USA. The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS102 “the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland”:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- The requirements of Section 7 Statement of Cash Flows paragraph 3.17 (d); and
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

As the consolidated financial statements of ViacomCBS Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1 (SI 2008/410).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company’s financial year starts on 01 January and ends on 31 December of each year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Functional currency

The financial statements are denominated in USD as this currency represents the primary economic environment in which the entity generates and expends the majority of its cash. Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency).

1.3 Going concern

As set out in the Directors’ Report, the Company has intentions to cease its activities and the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a basis other than going concern. No adjustments were necessary in the financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

From 1st October 2021 the Company has ceased trading and all its net assets, including its owned TV licenses contracts, were distributed via a dividend in kind to its new immediate parent Paramount Pictures International Limited (“PPIL”), for a total amount of \$5.14bn, leaving a residual share capital amount of \$1. The intention is to liquidate the Company as soon as feasible.

Notes to the Financial Statements *(continued)*

Accounting policies *(continued)*

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Basic financial instruments

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

1.6 Investments

Investments in subsidiary undertakings are valued at cost less provision for impairment. Any distribution from subsidiary is accounted as a gain to the profit and loss account. Any contribution made to the subsidiary is accounted as an increase in the investment. An annual impairment trigger assessment is performed and if positive a comparison of the investment cost is made with the recoverable value.

1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Content licenses 20 years

Amortisation is included in 'administrative expenses' in the profit and loss account. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are

Notes to the Financial Statements *(continued)*

Accounting policies *(continued)*

amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

The Company's intangible assets include television shows licenses and has an estimated useful life of 20 years.

1.8 Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including amounts owed by group undertakings and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Profit and loss account.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial Liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii) Forward currency trades

The Company does not apply hedge accounting. The Company's forward currency trades are carried at fair value. Changes in carrying value are recognised through profit and loss as currency exchange gains or losses.

iv) Offsetting

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Accrued Expense

Goods received or services rendered shall be accrued for when an invoice is not recorded in trade creditors or payment has not been made. Generally, an accrual must be recorded if a liability is known and can be reasonably estimated with supporting documentation.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Profit and loss account.

1.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Dividends

Equity dividends are recognised when approved by the directors and become legally binding.

Notes to the Financial Statements (continued)

Accounting policies (continued)

1.12 Turnover

The Company (the licensor) is party to various sublicense agreements with the following Dutch registered (licensees') companies: CBS International Television, a division of CBS International (Netherlands) B.V., Showtime Distribution BV, WVI Films BV, CBS-CSI International BV and CBS Broadcast International BV. The licensees recognize revenues from television licensing agreements at the point in time in which the individual TV products are made available for broadcasting, with the exception of contract extensions ("renewals") for which the revenue is recognized at the commencement date of extension. Other revenues consist of levies and are recognized on a cash basis.

Furthermore, cost of sales recognized by the licensees represents the direct and indirect expenses attributable to revenue, including the royalty share.

Pursuant to the sublicense agreement, the Company recognizes 100% of the licensee royalty share as revenue at the point in time that its licensees recognise their respective revenues, and it is probable that the royalty will be received.

1.13 Cost of Sales

Pursuant to the distribution agreement with US registered (licensor) companies (CBS Studios Inc., Showtime Network Inc., CBS Broadcasting Inc., CBS Broadcast International and Worldvision Enterprises Inc.), the cost of sales recognized by the Company (licensee) is calculated at 65% of revenue recognized by the Dutch registered BV's as per above.

1.14 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Foreign exchange

Foreign currency gains and losses are reported on a net basis.

1.15 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements *(continued)*

2 Turnover

| | 2022 \$ | 2021 \$ |
|-------------------------|------------|-------------|
| Licensees distribution | - | 591,013,137 |
| | <hr/> | <hr/> |
| | 2022 \$ | 2021 \$ |
| By geographical market: | | |
| Netherlands | - | 591,013,137 |
| | <hr/> | <hr/> |
| As at 31 December | - | 591,013,137 |
| | <hr/> | <hr/> |

Turnover relates to the company's principal activity.

3 Administrative expenses

| | 2022 \$ | 2021 \$ |
|---|------------|-------------|
| Intangible assets amortization | - | 151,914,474 |
| Intangible assets impairment | - | - |
| Audit fees payable to the company's auditor | - | 118,756 |

There were no non-audit fees during the period.

The Intangible asset amortization is related to the net asset contribution of \$5,575,687,519 received from the parent entity on 29th March 2019 which included an Intangible asset of \$4,500,000,000, being the fair value of the licenses contributed by the parent entity. Management has determined that the useful life of the Intangible asset is of 20 years commencing from 1st April 2019. Following the 2020 impairment of the intangible asset of \$426,500,000, the yearly depreciation has decreased from an annual amount of USD 225,000,000 to the current annualised amount of USD 202,552,632.

4 Staff numbers and costs

The Company did not employ any personnel (including directors) during the year ended 31 December 2022.

Notes to the Financial Statements *(continued)*

5 Directors' remuneration

The directors' emoluments are paid by another entity within the Group, which makes no recharge to the company. The director holds a directorship in a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries.

6 Net foreign exchange gains

| | 2022 | 2021 |
|-------------------------------------|-------|-----------------|
| | \$ | \$ |
| <u>FX Forward trades</u> | | |
| AUD Forward trades | - | - |
| EURO Forward trades | - | - |
| GBP Forward trades | - | - |
| | <hr/> | <hr/> |
| Sub-total | - | - |
| <u>FX Spot trades</u> | | |
| AUD Spot trades | - | 1,062 |
| EURO Spot trades | - | 15,303 |
| GBP Spot trades | - | (98,777) |
| | <hr/> | <hr/> |
| Sub-total | - | <u>(82,412)</u> |
| <u>FX Cash pool revaluation</u> | | |
| AUD Cash pool revaluation | - | (327,860) |
| EURO Cash pool revaluation | - | (42,448) |
| GBP Cash pool revaluation | - | 450,054 |
| | <hr/> | <hr/> |
| Sub-total | - | <u>79,746</u> |
| As at 31 December | <hr/> | <hr/> |
| | - | <u>(2,666)</u> |

The Company enters in FX forward contracts in order to mitigate the exposure of the division's CBS Television Distribution ("CTD") receivables denominated in EUR, GBP and AUD. The mark-to-market of the unexpired forward contracts is booked by CBS Operations Inc. being the only entity authorized to execute external trades. When the contract is settled the gain / loss is then reversed from CBS Corporate and allocated to the Company, being the latter the forward contracts settling entity. As of 31 December 2021 the Company realized FX forward contracts net gain of \$nil (2021: \$nil).

The FX spots are internal (intercompany) trades originated by the Company when trading currencies in order to provide the division's entities with the amounts they need in non-functional currencies. As of 31 December 2021 the Company realized FX spots net loss of \$nil (2021: \$82,412).

Notes to the Financial Statements *(continued)*

7 Net interest income

| | 2022 | 2021 |
|---|-------|-----------|
| | \$ | \$ |
| <u>Interest receivable and similar income</u> | | |
| Bank interest received | - | 14,639 |
| Bank interest on short term deposits | - | 3,460,057 |
| Interest on loan to ultimate parent company | - | 4,196,366 |
| Sub-Total | - | 7,671,062 |
| <u>Interest payable and similar expenses</u> | | |
| Interest on short term bank borrowings | - | (74,379) |
| Sub-total | - | (74,379) |
| As at 31 December | Total | 7,596,683 |

Up to March 2021, the Company acted as head of the ViacomCBS European Cash Pool ("notional pool") and invested the excess cash flow generated in the money market funds, by investing cash from the USD account to its account c/o Bank of America ("BOA"). As of 31st December 2021 the Company has realized an interest income of \$14,639 (2020: \$904,165).

On 2 of March 2021 the Company (lender) has signed a revolving promissory note with ViacomCBS Inc. (borrower) for a total commitment amount of \$1.0bn plus interest (12 month US LIBOR plus 62.5 basis points), for the duration of 5 years. On 3rd March 2021 ViacomCBS Inc. has drawn down \$0.74bn. It received in 2021 an interest income of \$4,196,366. There has been no activity in 2022.

8 Tax on profit

| | 2022 | 2021 |
|--|------|-------------|
| | \$ | \$ |
| Current Tax: | | |
| Prior year reassessments | - | - |
| Corporation tax on (loss)/ profit of the year | - | - |
| Total current tax (credit) / charge | - | - |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | (5,493,750) |
| Changes on tax rates | - | - |
| Transfer of intangibles to PPIL | - | - |
| Reversal of timing differences | - | 106,448,428 |
| Total deferred tax charge / (credit) | - | 100,954,678 |
| Total tax charge / (credit) | - | 100,954,678 |

The tax assessed for the year varied from the amount computed by applying the standard rate of corporation tax in the UK 19.00% (2021: 19.00%) to the (loss)/ profit on ordinary activities before tax. The differences were attributed to the following factors:

Notes to the Financial Statements (*continued*)

8 Tax on profit (*continued*)

Reconciliation of effective tax rate

| | 2022 \$ | 2021 \$ |
|--|------------|--------------|
| Tax: | | |
| Profit / (loss) on ordinary activities before tax | - | 35,408,051 |
| Profit / (loss) multiplied by standard rate in the UK – 19.00% (2020: 19.00%) | - | 6,727,530 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 5,493,750 |
| Amortisation smaller than/(in excess of) capital allowances | - | - |
| Group relief (from) / to same sub-group companies | - | (12,221,280) |
| Current tax charge for the year | - | - |
| Deferred tax expense / (credit) | - | 100,954,678 |
| Total tax charge/(credit) included in profit or loss | - | 100,954,678 |

Deferred tax is measured on a non-discounted basis at the tax rate which is expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. Finance Bill 2021 announced in March 2021 set the main rate of corporation tax to be 25% from the current 19% effective 1 April 2023. This new law was substantively enacted on 10 June 2021 and has been reflected accordingly.

9 Intangible assets

| | 2022 \$ | 2021 \$ |
|---------------------------|------------|----------------------|
| Balance as at 01 January | - | <u>3,679,750,000</u> |
| Amortization | - | (151,914,474) |
| Impairments | - | - |
| Net assets distribution | - | (3,527,835,526) |
| Balance as at 31 December | - | - |

As of 30 September 2021, being the intangible assets transfer date, the Company has checked for the existence of impairment triggering events like: market values declines, negative changes in technology, general economy or laws and any specific deterioration in the economic performance of the assets. As a result, no triggering event was identified, and no further analysis was deemed necessary.

Notes to the Financial Statements (*continued*)

10 Investments

| | 2022 \$ | 2021 \$ |
|---------------------------|------------|--------------|
| Balance as at 01 January | - | 17,000,000 |
| Net assets distribution | - | (17,000,000) |
| | <hr/> | <hr/> |
| Balance as at 31 December | - | - |
| | <hr/> | <hr/> |

The USD 17,000,000 represents the investment value in the Dutch subsidiary CBS International (Netherlands) B.V.. The full investment has been distributed to the parent company "PPIL" on 30th September 2021.

At 31 December 2021 the company held nil direct investments in associated companies and nil indirect investments in associated companies.

| Name of Subsidiary | Place of incorporation | Effective Equity held by the Company | |
|--------------------------------------|-----------------------------|--------------------------------------|------------------|
| | | 31 December 2022 | 31 December 2021 |
| CBS International (Netherlands) B.V. | Amsterdam (The Netherlands) | 0% | 0% |

Impairments

The Company recognises impairment losses at a level considered adequate to provide for the potential non-recoverability of investments in subsidiary. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investment. These factors include, but are not limited to, the activities and financial position of the entities and market factors. The Company reviews and identifies balances that are to be impaired on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilised different estimates and increase in impairment losses would decrease the carrying value of investments in subsidiaries.

When there are indicators of impairment, management will carry out an impairment assessment on the recoverable amounts of the cost of investments. There were no indicators of impairment both during the year and as at year end (31 December 2021).

11 Debtors

| | 2022 \$ | 2021 \$ |
|------------------------------------|------------|------------|
| Amounts owed by group undertakings | - | - |
| Corporate tax refundable | - | - |
| VAT recoverable | - | - |
| Deferred tax asset (see note 13) | - | - |
| | <hr/> | <hr/> |
| Balance as at 31 December | - | - |
| | <hr/> | <hr/> |

Notes to the Financial Statements *(continued)*

12 Creditors: amounts falling due within one year

| | 2022 \$ | 2021 \$ |
|------------------------------------|------------|------------|
| Trade creditors | - | - |
| Amounts owed to group undertakings | - | - |
| Bank loans and overdraft | - | - |
| VAT Payable | - | - |
| | <hr/> | <hr/> |
| | - | - |

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Deferred tax asset

| | 2022 \$ | 2021 \$ |
|--|------------|---------------|
| Balance as at 01 January | - | 100,954,678 |
| Origination and reversal of timing differences | - | (100,954,678) |
| | <hr/> | <hr/> |
| Balance as at 31 December 2022 | - | - |
| The elements of deferred taxation provided for in the financial statements are as follows: | | |
| Difference between book amortisation and tax write down allowance | - | (106,448,428) |
| Prior period adjustments | - | - |
| Rate change of prior year adjustments | - | - |
| Transfer of the intangible to PPIL as at 1 Oct. 2021 | - | 106,448,428 |
| | <hr/> | <hr/> |
| Total deferred tax debit | - | - |
| Other short term timing differences | - | - |
| | <hr/> | <hr/> |
| Total deferred tax debit | - | - |

Notes to the Financial Statements (*continued*)

14 Called up Share Capital

Share capital

| | 2022 | 2021 |
|---|-------------|-------------|
| | \$ | \$ |
| <i>Allotted, called up and fully paid</i> | | |
| 1 class A ordinary shares of \$1 each | 1 | 1 |
| 0.01 class B ordinary shares of \$0.01 each | <u>0.01</u> | <u>0.01</u> |
| | <u>1.01</u> | <u>1.01</u> |

The holders of class A ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. On 29 September 2021 by way of a solvency statement, the Company reduced its issued share capital from USD 1,000,000,101.02 to USD 1.01 by the cancellation and extinguishment of: 100 A ordinary shares of USD 1.00 each and 100,000,000,001 B ordinary shares of USD 0.01.

On the same date the Company has also cancelled its share premium account of USD 592,687,518.87.

15 Ultimate parent company and parent company of larger group

From 1 October 2021 the Company immediate parent is Paramount Pictures International Limited ("PPIL"), following the transfer of the entire issued share capital of the Company, from the former immediate parent Viacom Camden Lock Limited ("VCL").

VCL is a private limited company governed by the laws of England and Wales, with registered office address at Building 5, Chiswick High Road, London, W4 5YF, United Kingdom, and with company number 03458440. The Company's ultimate parent is ViacomCBS Inc. which is incorporated in the USA.

Effective 16 February 2022, ViacomCBS Corporation, the ultimate parent of the Company changed its name to Paramount Global.

The ultimate controlling party of Paramount Global is the Sumner M. Redstone National Amusements Part B General Trust through its control of National Amusements Inc., the beneficial owner of the majority of Paramount Global voting shares. Paramount Global's voting and non-voting shares are quoted.

The only group in which the results of CBS Studios Distribution UK Limited are consolidated is ViacomCBS Inc. The consolidated financial statements for this group are available to the public and can be obtained from 1515 Broadway, New York, New York 10036, USA.

16 Subsequent events

On February 2023 the Company changed its registered address to Fieldfisher LLP, Riverbank House, 2 Swan Lane, London, EC4R 3TT, United Kingdom.

No significant matters or circumstances have arisen since balance date and the date of this report that, in the opinion of the Directors of the Company, have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in financial years subsequent to 31 December 2022.

Notes to the Financial Statements (*continued*)

17 Accounting estimates and judgments

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and key assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying key assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Key assumptions, concerning the future and other key sources of estimation at the balance sheet date, that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year, such as the recoverability of certain assets, are constantly assessed.

Critical accounting judgements in applying the Company's accounting policies

Intangible assets

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of the television show licenses included in the Company's intangible assets. The nature, facts and circumstance of the television show licenses are taken into account on assessing whether there are any indications of a further impairment or a reversal of previous impairment.

As of the intangible asset transfer date, the Company has checked for the existence of impairment triggering events like: market values declines, negative changes in technology, general economy or laws and any specific deterioration in the economic performance of the assets. As a result no triggering event was identified and no further analysis was deemed necessary.