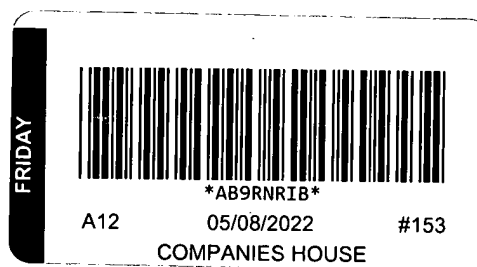


Discovery International UK Holdings Limited

Annual Report and Financial Statements

for the period ended 31 December 2021



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Company Information

Officers and professional advisors

<i>Directors</i>	Roanne Lea Weekes Hester Jane Wheelley
<i>Registered office</i>	Discovery House Chiswick Park Building 2 566 Chiswick High Road London W4 5YB United Kingdom
<i>Independent Auditors</i>	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH United Kingdom
<i>Bankers</i>	Bank Mendes Gans N.V. Herengracht 619 1000 AD Amsterdam The Netherlands

Strategic Report ***for the financial period ended 31 December 2021***

The directors present their strategic report for the financial period ended 31 December 2021.

The directors in preparing this strategic report have complied with s414C of the Companies Act.

Fair review of the business

Discovery International UK Holdings Limited ("The Company") presents its results in the following statements for the period ended 31 December 2021.

The Company's audited results for the period are shown on page 12. The results for the Company show a profit before taxation of \$8,383,646 due to dividend income amounting to \$8,429,593. The Company has net assets of \$ 513,835,147.

No dividends were declared and paid during the period.

The key performance indicators for the Company have not been disclosed as the Company did not trade during the financial period and is an investment company.

Covid-19

The Company is closely monitoring the impact of Covid-19 on all aspects of its business and geographies. The Company assessed its investments for recoverability based upon latest estimates and judgements with respect to expected future operating results, ultimate usage of content and latest expectations with respect to collectability using the most recently available management forecasts and estimates. Based on the internal analysis the management does not see any risk caused by Covid-19 in the current investment value.

Principal risks and uncertainties

Risks are formally reviewed by management and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company.

The key business risks affecting the Company are set out below:

Economic conditions

In 2021, the Company derived revenues from its investments in DLG Acquisition Limited joint venture (dividend income). The Company's performance could be affected by market conditions outside of its control as the value of those shares may increase or decrease at any time.

Strategy and future developments

The Company intends to continue to hold its investments and there is no expected change in the main activity of the Company for the foreseeable future.

Financial risk management, objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, credit risks and liquidity risks.

The central treasury team of Discovery Communications, LLC, an intermediate parent company, has the responsibility of setting risk management policies applied across the global Discovery Group. The Company implements these policies to enable prompt identification of financial risks so that appropriate actions may be taken. The Company has a set of guidelines to manage exchange risk, credit risk and the use of financial instruments to manage these risks.

Strategic Report
for the financial period ended 31 December 2021

Liquidity risk

The Company actively maintains short-term committed facilities with Bank Mendes Gans N.V. to ensure that the Company has sufficient available funds for operations and planned expansions. For more details refer to note 13.

Credit risk

The Company has no significant concentration of credit risk and follows the Discovery group policy with respect to credit risk associated with trade debtors. The Company has no exposure to credit risk in respect of intra group loans as all intra group balances are guaranteed at a group level.

3 August 2022

Approved by the Board on and signed on its behalf by:

DocuSigned by:



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Roanne Lea Weekes
Director

Directors' Report
for the financial period ended 31 December 2021

The directors present their report together with the audited financial statements for the Company for the reporting period beginning on the date of the Company's incorporation, 23 December 2020, and ending on 31 December 2021. This is the Company's first reporting period, hence, no comparative information is disclosed.

Directors of the Company

The directors of the Company who held office during the period, up to the date of signing these financial statements, except as otherwise noted were:

Roanne Lea Weekes (appointed 23 December 2020)

Hester Jane Wheeley (appointed 23 December 2020)

Directors' indemnities

The directors have the benefit of the indemnity provisions pursuant to the Company's articles of association. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of section 234 of Companies Act 2006 and which were in force throughout the period ended 31 December 2021 and remain in force.

Principal activity

The principal activity of the Company is that of an investment company.

Results and dividends

The results for the financial period are shown on page 12. Covid-19 impact assessment is included in the strategic report on page 2.

No dividends were declared and paid during the period.

Going concern

Warner Bros. Discovery, Inc. ("WBD") the ultimate parent undertaking, has indicated its current commitment to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due for at least 12 months from the date of the approval of these financial statements. On that basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

Future developments and financial risk management, objectives and policies

Details of future developments and the financial risk management of the Company are included in the strategic report on page 2- 3.

Directors' Report
for the financial period ended 31 December 2021

Business review

A review of the business of the Company is included in the strategic report on page 2.

Events since the balance sheet date

On April 8, 2022, Discovery, Inc., a global media company that provides content across multiple distribution platforms including linear, free-to-air and broadcast television, authenticated GO applications, digital distribution arrangements, content licensing arrangements and direct-to-consumer subscription products, completed its merger with the WarnerMedia business of AT&T, Inc. and changed its name from "Discovery, Inc." to "Warner Bros. Discovery, Inc.". On April 11, 2022, the Company's shares started trading on the Nasdaq Global Select Market under the trading symbol WBD.

The Merger was executed through a Reverse Morris Trust type transaction, under which the WarnerMedia Business was distributed to AT&T's shareholders via a pro rata distribution, and immediately thereafter, combined with Discovery. In connection with the Merger, AT&T received \$40.5 billion (subject to working capital and other adjustments) in a combination of cash, debt securities, and WarnerMedia's retention of certain debt, and Discovery transferred purchase consideration of \$42.4 billion in equity to AT&T shareholders. AT&T shareholders received WBD stock in the distribution representing 71% of the combined company and the Company's previous shareholders will continue to own 29% of the combined company, in each case on a fully diluted basis.

Directors' Report *for the financial period ended 31 December 2021*

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 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 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 also 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.

Statement of disclosure of information to the auditors

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.

The confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

Directors' Report
for the financial period ended 31 December 2021

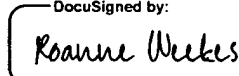
Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of the Annual General Meeting.

3 August 2022

Approved by the Board on and signed on its behalf by:

DocuSigned by:


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Roanne Lea Weekes
Director

Independent auditor's report

to the members of Discovery International UK Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Discovery International UK Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period from 23 December 2020 to 31 December 2021;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2021; the Profit and Loss Account and the Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

to the members of Discovery International UK Holdings Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

to the members of Discovery International UK Holdings Limited

Responsibilities for the financial statements and the audit (continued)

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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK Bribery Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussing with management including consideration of known or suspected instances of non-compliance with laws and regulations;
- Evaluating and testing management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Confirming the financial statement disclosures to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditor's report
to the members of Discovery International UK Holdings Limited

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 3 August 2022
.....

Profit and Loss Account
for the financial period ended 31 December 2021

		23 December 2020 to 31 December 2021
	Note	\$
Administrative expenses		<u>(45,947)</u>
Operating loss		(45,947)
Dividend income	4	<u>8,429,593</u>
Profit before tax		8,383,646
Tax on profit on ordinary activities	7	<u>-</u>
Profit for the period		<u><u>8,383,646</u></u>

All amounts are derived from continuing operations.

There is no material difference between the profit before taxation and the profit for the financial period stated above and their historical cost equivalents.

No separate statement of comprehensive income has been presented because the Company has no items of other comprehensive income for the financial period.


The notes on pages 15 to 38 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2021

	Note	2021 \$
Fixed assets		
Investments	8	514,307,184
Creditors: amounts falling due within one year	9	<u>(472,037)</u>
Net current liabilities		<u>(472,037)</u>
Net assets		<u>513,835,147</u>
Capital and reserves		
Called up share capital	10	505,451,501
Profit and loss account		<u>8,383,646</u>
Total shareholders' funds		<u>513,835,147</u>

The financial statements on pages 12 to 38 were approved by the board of directors and authorised for issue on
3.....August...2022

They were signed on its behalf by:

DocuSigned by:

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 Roanne Lea Weekes
 Director

The notes on pages 15 to 38 form an integral part of these financial statements.

Statement of Changes in Equity
for the financial period ended 31 December 2021

	Called up share capital \$	Profit and loss account \$	Total \$
Profit for the period	-	8,383,646	8,383,646
Total comprehensive income	-	8,383,646	8,383,646
New share capital subscribed	505,451,501	-	505,451,501
At 31 December 2021	505,451,501	8,383,646	513,835,147

The notes on pages 15 to 38 form an integral part of these financial statements.

Notes to the Financial Statements ***for the financial period ended 31 December 2021***

1 General information

Discovery International UK Holdings Limited is a private company limited by shares which is incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England. The address of its registered office is as given on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 4.

The immediate parent undertaking is Discovery Luxembourg Holdings 1 S.A R.L., a company incorporated in Luxembourg. The registered address of the parent is 2 Rue Hildegard Von, Bingen, Luxembourg.

The ultimate parent undertaking and controlling party is Warner Bros. Discovery, Inc., a company incorporated in USA, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Discovery, Inc. was deemed to be the accounting acquirer of the WarnerMedia Business for accounting purposes under U.S. generally accepted accounting principles ("U.S. GAAP"); therefore, Discovery is considered Warner Bros. Discovery, Inc. predecessor. Discovery, Inc. and Warner Bros. Discovery, Inc. consolidated financial statements can be obtained from the corporate website: <https://ir.wbd.com/investor-relations/>

The financial statements are presented in USD because this is the currency of the primary economic environment in which the Company operates.

The level of rounding is to the nearest Dollar (\$), unless otherwise stated.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Financial Statements
for the financial period ended 31 December 2021

2 Accounting policies (continued)

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS I Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- standards not yet effective.

Exemption from preparing group financial statements

The financial statements contain information about Discovery International UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Warner Bros.Discovery, Inc. a company registered in the USA. Warner Bros.Discovery, Inc. is the Company's ultimate parent company and controlling party, heading up the smallest and largest group to consolidate these financial statements. The financial statements of Warner Bros.Discovery, Inc. are publicly available and can be obtained from the Company website <http://ir.wbd.com/investor-relations/>.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the "Directors' Report."

WBD, the ultimate parent undertaking, has indicated its current commitment to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due for at least 12 months from the date of the approval of these financial statements. On that basis the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

Notes to the Financial Statements
for the financial period ended 31 December 2021

2 Accounting policies (continued)

Foreign currency transactions and balances

The Company's financial statements are presented in USD, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities carried at fair value are translated using the exchange rates that existed when the fair values were determined.

Taxation

The tax currently payable is based on taxable profit for the financial period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, except:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements ***for the financial period ended 31 December 2021***

2 Accounting policies (continued)

Taxation (continued)

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Investments - recognition, measurement and impairment

Investments in subsidiaries and associates are accounted for at cost less, where appropriate, any provisions for impairment.

The value of investments is reviewed annually by the directors at each financial year end or more frequently if there is a triggering event. If such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of any impairment. The recoverable amount is the higher of its net selling price (fair value less selling costs) and its value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects the time value of money and the risks specific to the asset. Under IAS 36, the impairment test is performed at a cash-generating unit level, being the "smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets". An impairment loss is recognised immediately as part of operating income.

An impairment loss recognised in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. However, the increased amount will not exceed the value that would have been determined had no impairment been recognised in prior year. A reversal of impairment loss is recognised immediately as part of operating income.

Dividends paid and received

Dividend income is recognised when the shareholders' right to receive payment is established, that is on declaration of the dividend by the joint venture. Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial asset or a financial liability is recognized when the entity becomes party to the contractual provisions of the instrument.

Notes to the Financial Statements ***for the financial period ended 31 December 2021***

2 Accounting policies (continued)

Financial instruments (continued)

Financial liabilities - recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives as appropriate.

All financial liabilities are initially measured at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprises of borrowings from bank.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key accounting judgements and key sources of estimation uncertainty relate to the valuation of investments.

Notes to the Financial Statements
for the financial period ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of investments

Determining whether Discovery International UK Holdings Limited's investments have been impaired requires estimations of the investments' values in use. The value in use calculations requires the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments at the balance sheet date was \$514,307,184 with impairment of \$ nil recognised during the period.

Significant judgements underpinning management's determination of the values in use include the period of cash flows in management's forecasts used, the discount rate and the long-term growth rate.

For investment in DLG Acquisitions Limited:

		Impact on Recoverable Amount of DLG Acquisitions	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount Rate	100 bps	decreased by 22%	increased by 30%
Long-term Growth Rate	50 bps	increased by 12%	decreased by 10%

4 Dividend income

	23 December 2020 to 31 December 2021 \$
Dividend received	<u>8,429,593</u>

During the current period the Company received dividend income from a joint venture of \$8,429,593.

5 Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the Company's financial statements were \$13,909. Audit fees are borne by Discovery Corporate Services Limited, a fellow group undertaking and not recharged to the Company.

There are no non-audit services fees payable to the auditor.

6 Employees and directors' remuneration

The directors were not remunerated in respect of their services to this Company in the current period.

The Company had no other employees in the current period.

Notes to the Financial Statements
for the financial period ended 31 December 2021

7 Taxation

(a) Tax charged in the profit and loss account

23 December
2020 to 31
December 2021
\$

Current taxation

Total tax expense in the profit and loss account

-

(b) Reconciliation of the total tax charge

The tax expense in the profit and loss account for the financial period is lower than the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

23 December
2020 to 31
December 2021
\$

Profit before tax

8,383,646

Tax on profit at standard corporation tax rate of 19%

1,592,893

Expenses not deductible

8,436

Income not taxable

(1,601,623)

Effects of group relief/ other reliefs

294

Total tax charge

-

(c) Factors affecting tax charge for the financial period

The standard rate of corporation tax in the UK at the balance sheet date is 19%. This gives a corporation tax rate for the Company for the full period of 19%.

Legislation has been introduced to increase the main rate of corporation tax from 19% to 25% (effective from 1 April 2023), which was substantively enacted on 24 May 2021 (enacted on 10 June 2021).

Notes to the Financial Statements
for the financial period ended 31 December 2021

8 Investments

2021
\$

Joint ventures

Cost

Additions	<u>514,307,184</u>
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At 31 December	<u>514,307,184</u>
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Carrying amount

At 31 December	<u><u>514,307,184</u></u>
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The directors believe that the book value of the investments is less than the value of the underlying net assets.
Details of the Company's investments are listed in note 12.

9 Creditors: amounts falling due within one year

2021
\$

Current loans and borrowings

Bank borrowings	<u><u>472,037</u></u>
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The Company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

10 Called up share capital

2021
\$

Allotted, called up and fully paid

505,451,501 Authorised Ordinary shares of \$1 each - issued	<u>505,451,501</u>
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505,451,501 Authorised Ordinary shares of \$1 each at 31 December	<u><u>505,451,501</u></u>
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Notes to the Financial Statements
for the financial period ended 31 December 2021

11 Profit and Loss account

The profit and loss account represents current period profits or losses, net of dividends paid and other adjustments.

12 Subsidiary undertakings, associates and joint ventures

Company's directly owned joint ventures

Details of the investment in which the Company holds nominal value of any class of share capital is as follows:

Name of the Company	Country of registration	Nature of business	Class and proportion of nominal value of issued shares held	
DLG Acquisition Limited	United Kingdom	Activities of head offices	Ordinary	50%

Company's indirect ownership interests

Details of the investment in which the Company holds nominal value of any class of share capital is as follows:

Name of the Company	Country of registration	Nature of business	Class and proportion of nominal value of issued shares held	
Bon Voyage Films GmbH	Germany	Television production	Ordinary	25%
Company Stormdog Productions Limited	England & Wales	Television production	Ordinary	25%
FLCP (Agatha Raisin 3) Limited	England & Wales	Television production	Ordinary	25%
FLCP (Agatha Raisin 4) Limited	England & Wales	Television production	Ordinary	25%
TFS - The Fiction Syndicate GmbH	Germany	Television production	Ordinary	25%
A Seat At The Table Limited	England & Wales	Television production	Ordinary	25%
Adamaarku Productions Limited	England & Wales	Television production	Ordinary	25.5%
Agatha Raisin Finance Limited	England & Wales	Financing vehicle	Ordinary	50%
Alexander Tailfeather Limited	England & Wales	Television production	Ordinary	50%
AI3Media Director 2 Limited	England & Wales	Sub-holding company	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

AII3Media Director Limited	England & Wales	Sub-holding company	Ordinary	50%
AII3Media Finance Limited	England & Wales	Sub-holding company	Ordinary	50%
AII3Media Holdings Limited	England & Wales	Sub-holding company	Ordinary	50%
AII3Media International Limited	England & Wales	Television distribution	Ordinary	50%
AII3Media Limited	England & Wales	Sub-holding company	Ordinary	50%
AII3Media USA Limited	England & Wales	Sub-holding company	Ordinary	50%
American Animal Pictures Limited	England & Wales	Television production	Ordinary	50%
Angela Black Productions Limited	England & Wales	Television production	Ordinary	25.50%
Angelica Films Limited	England & Wales	Television production and distribution	Ordinary	50%
Annika Stranded Finance Limited	England & Wales	Financing vehicle	Ordinary	50%
Apprentice Witch Productions Limited	England & Wales	Television production	Ordinary	50%
Assembly Film & Television Limited	England & Wales	Television production	Ordinary	50%
Aurora Media Worldwide UK Limited	England & Wales	Television production and distribution	Ordinary	45%
Awakening Production Limited (formerly Wighty Productions Limited)	England & Wales	Television production	Ordinary	25.05%
Back to Life 2 Productions Limited	England & Wales	Television production	Ordinary	25.50%
Bentley Productions Limited	England & Wales	Television production	Ordinary	50%
Betty TV Limited	England & Wales	Television production and distribution	Ordinary	50%
Born Free Productions Limited	England & Wales	Television production	Ordinary	50%
Serengeti Productions Limited (formerly Boundaries Productions Limited)	England & Wales	Television production	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Brookside Productions Limited	England & Wales	Television production	Ordinary	50%
Bunch Productions Limited	England & Wales	Television production	Ordinary	50%
CA Productions Limited	England & Wales	Television production	Ordinary	50%
CA2 Productions Limited	England & Wales	Television production	Ordinary	50%
Champion TV Finance Limited	England & Wales	Television production	Ordinary	50%
CHA Productions Limited	England & Wales	Television production	Ordinary	50%
Cheat Productions Limited	England & Wales	Television production	Ordinary	25.50%
Company Films Limited	England & Wales	Television production	Ordinary	50%
Company Pictures Limited (formerly Company Television Productions Limited)	England & Wales	Television production	Ordinary	50%
Company Productions (Douglas) Limited	England & Wales	Television production	Ordinary	50%
Company Productions (North) Limited	England & Wales	Television production	Ordinary	50%
Company Productions Limited	England & Wales	Television production	Ordinary	50%
BLU Production Limited	England & Wales	Television production	Ordinary	50%
Company Television (Northern Ireland) Limited	England & Wales	Television production	Ordinary	50%
Company Television Limited	England & Wales	Television production	Ordinary	50%
Crongton Knights Limited	England & Wales	Television production	Ordinary	50%
CTG Productions Limited	England & Wales	Television production	Ordinary	25%
CTM 3 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 4 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 5 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 6 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 7 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

CTM 8 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 9 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 10 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM 11 Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
CTM Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
Digital Rights Group Limited	England & Wales	Television production and distribution	Ordinary	50%
Zeal Entertainment Limited	England & Wales	Television production and distribution	Ordinary	50%
IR2 Limited	England & Wales	Television production and distribution	Ordinary	50%
I D Distribution Limited	England & Wales	Television production and distribution	Ordinary	50%
C4I Distribution Limited	England & Wales	Television production and distribution	Ordinary	50%
Alchemy TV Distribution Limited	England & Wales	Television production and distribution	Ordinary	50%
This is Your Life Experience Limited	England & Wales	Television production and distribution	Ordinary	50%
3DRG Limited	England & Wales	Television production and distribution	Ordinary	50%
Double Yellow Television Limited	England & Wales	Television production and distribution	Ordinary	50%
The Holiday Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
Atrium TV Limited	England & Wales	Television production	Ordinary	50%
Portman Film and Television Limited	England & Wales	Television production and distribution	Ordinary	50%
DRG America Limited	England & Wales	Television production and distribution	Ordinary	50%
Portman Acquisitions Limited	England & Wales	Television production and distribution	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Saigon Productions Limited	England & Wales	Motion picture production	Ordinary	50%
Portman Entertainment Limited	England & Wales	Television production and distribution	Ordinary	50%
Portman Media Assets (No.2) Ltd	England & Wales	Television production and distribution	Ordinary	50%
Portman Media Assets Limited	England & Wales	Television production and distribution	Ordinary	50%
Portman Productions Limited	England & Wales	Television production	Ordinary	50%
An Awfully Big Production Company Limited	England & Wales	Television production	Ordinary	50%
DALG Productions Ltd	England & Wales	Television production	Ordinary	50%
DEC Productions Limited	England & Wales	Television production	Ordinary	50%
Delta Productions Limited	England & Wales	Television production	Ordinary	50%
Dirtquake Limited (formerly North One Newco Limited)	England & Wales	Television production	Ordinary	50%
DLG Financing 1 Limited	England & Wales	Sub-holding company	Ordinary	50%
DLG Financing 2 Limited	England & Wales	Sub-holding company	Ordinary	50%
Dolphin World Productions Limited	England & Wales	Television production	Ordinary	50%
Dream Horse Films Limited	England & Wales	Television production	Ordinary	30%
Drive Through Productions Limited	England & Wales	Television production	Ordinary	50%
Earthshot Studios Limited	England & Wales	Television production	Ordinary	25%
Eight Bridges Productions Limited	England & Wales	Television production	Ordinary	25.50%
Electric Talent Limited	England & Wales	Television production	Ordinary	50%
Elevated Vision Productions Limited	England & Wales	Television production	Ordinary	50%
Fear Falls Productions Limited	England & Wales	Television production	Ordinary	50%
First Loop Productions Limited	England & Wales	Television production	Ordinary	50%
Fleabag Productions Limited	England & Wales	Television production	Ordinary	25.50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Gallus Finance Limited	England & Wales	Television production	Ordinary	50%
Gently Productions Limited	England & Wales	Television production	Ordinary	50%
Grange Hill Productions Limited	England & Wales	Television production	Ordinary	25%
Hit Networks Limited	England & Wales	SVOD and podcast distribution	Ordinary	36.50%
Imposter Pictures Limited	England & Wales	Television production	Ordinary	50%
Informer Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
Invasion Pictures Limited	England & Wales	Television production	Ordinary	30%
Mears Studios (Holdings) Limited (formerly Island TV (Holdings) Limited)	England & Wales	Television production and distribution	Ordinary	50%
La Plante Productions Limited	England & Wales	Television production	Ordinary	50%
Liar Two Productions Limited	England & Wales	Television production	Ordinary	25.50%
Lime Entertainment Limited	England & Wales	Television production	Ordinary	50%
Lime Pictures (HH) Limited	England & Wales	Television production	Ordinary	50%
Lime Pictures (Nursery) Limited	England & Wales	Television production	Ordinary	50%
Lime Pictures Group Limited	England & Wales	Television production	Ordinary	50%
Lime Pictures Limited	England & Wales	Television production	Ordinary	50%
Lion Cubs Limited	England & Wales	Television production	Ordinary	50%
Lime Pictures (Drama ASC) Limited (formerly Lime Pictures (Scales) Limited)	England & Wales	Television production	Ordinary	50%
Lion Drama Limited	England & Wales	Television production	Ordinary	50%
Lion Films Limited	England & Wales	Television production	Ordinary	50%
Lion Media Limited	England & Wales	Television production	Ordinary	50%
Lion Television Limited	England & Wales	Television production	Ordinary	50%
Lion Television North Limited	England & Wales	Television production	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Little Dot Studios Limited	England & Wales	Multi-platform content provider	Ordinary	50%
Living Planet Productions Limited	England & Wales	Television production	Ordinary	50%
Manor Production Services Limited	England & Wales	Television production	Ordinary	50%
Marlais Productions Limited	England & Wales	Television production	Ordinary	25.50%
Maverick Operation Ouch Limited	England & Wales	Television production	Ordinary	50%
Maverick Television Limited	England & Wales	Television production	Ordinary	50%
Mersey Acquisitions Limited	England & Wales	Television production	Ordinary	50%
Mersey PL Limited	England & Wales	Television production	Ordinary	50%
Midsomer Murders S21 Limited	England & Wales	Television production	Ordinary	50%
Midsomer Murders S22 Limited	England & Wales	Television production	Ordinary	50%
Moneda Productions Limited	England & Wales	Television production	Ordinary	50%
Moon Stories Limited	England & Wales	Television production	Ordinary	25%
Midsomer Murders S23 Limited	England & Wales	Television production	Ordinary	50%
MUD Productions Limited	England & Wales	Television production	Ordinary	50%
Neal Street Media Limited	England & Wales	Television production and distribution	Ordinary	25%
Neal Street Productions (Broadway) Limited	England & Wales	Television production and distribution	Ordinary	50%
Neal Street Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
New Pictures Limited	England & Wales	Television production and distribution	Ordinary	50%
ALL3Media Rights Limited (formerly Newco Productions Limited)	England & Wales	Television production and distribution	Ordinary	50%
Nine Streets Productions Limited	England & Wales	Television production	Ordinary	25.50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

North One Television Limited	England & Wales	Television production	Ordinary	50%
NPX Productions Limited	England & Wales	Television production	Ordinary	50%
NSM Empire Limited	England & Wales	Motion picture production	Ordinary	25%
NSM The Red Zone Limited	England & Wales	Television production and distribution	Ordinary	25%
Objective Media Group Limited	England & Wales	Television production	Ordinary	50%
OF Productions (Buds) Limited	England & Wales	Television production	Ordinary	50%
OF Productions (Rabbit) Limited (formerly OF Productions Limited)	England & Wales	Television production	Ordinary	50%
OF Productions (Toast) Limited	England & Wales	Television production	Ordinary	50%
OF Productions (Us) Limited	England & Wales	Television production	Ordinary	50%
One Potato Two Potato Limited	England & Wales	Television production and distribution	Ordinary	50%
Optomen Television Limited	England & Wales	Television production	Ordinary	50%
Penguin Films Limited	England & Wales	Television production	Ordinary	50%
Penny Dreadful Television Limited	England & Wales	Television production and distribution	Ordinary	50%
Perfect Planet Productions Limited	England & Wales	Television production	Ordinary	50%
Pet Moon Productions Limited (formerly Strikeback 1 Limited, Company Pictures Limited)	England & Wales	Television production	Ordinary	50%
Pet Moon Television Limited (formerly MCB Productions Limited)	England & Wales	Television production	Ordinary	50%
Polar Bear Films Limited	England & Wales	Television production	Ordinary	50%
Rainforest Finance Limited	England & Wales	Financing vehicle	Ordinary	50%
Raptor Pictures Limited	England & Wales	Television production	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Rock Ridge Productions limited	England & Wales	Television production	Ordinary	50%
Ravenscourt Services Limited	England & Wales	Television production	Ordinary	50%
Raw Factual Limited	England & Wales	Television production	Ordinary	27.66%
Raw Scripted Limited	England & Wales	Television production	Ordinary	30%
Raw TV Limited	England & Wales	Television production and distribution	Ordinary	50%
Red Rooster Television Limited	England & Wales	Television production	Ordinary	50%
Requiem Productions Limited	England & Wales	Television production	Ordinary	50%
Residual3 Limited	England & Wales	Administrative vehicle	Ordinary	50%
Shakespeare Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
Ridley Productions Limited	England & Wales	Television production	Ordinary	50%
Silverback Films Limited	England & Wales	Television production and distribution	Ordinary	45%
Stateside Productions Limited	England & Wales	Television production and distribution	Ordinary	50%
Studio Lambert Associates Limited	England & Wales	Television production and distribution	Ordinary	25.05%
Studio Lambert Finance Limited	England & Wales	Television production	Ordinary	25.05%
Studio Lambert Limited	England & Wales	Television production	Ordinary	50%
Studio Silverback Limited	England & Wales	Television production and distribution	Ordinary	25%
The Feed Production Limited	England & Wales	Television production	Ordinary	25.05%
The Lime Pictures Holding Company Limited	England & Wales	Television production	Ordinary	50%
The Mersey Music Company Limited	England & Wales	Television production	Ordinary	50%
The Mersey Television Company Limited	England & Wales	Television production	Ordinary	25%
The Mersey Television Group Limited	England & Wales	Television production	Ordinary	25%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

The Mersey Television Training Company Limited	England & Wales	Television production	Ordinary	25%
The Nest Productions Limited	England & Wales	Television production	Ordinary	25.05%
The Tourist Productions Limited (formerly All Creatures Finance Ltd)	England & Wales	Television production	Ordinary	25.50%
TSP Productions Limited	England & Wales	Television production	Ordinary	50%
TSP2 Productions Limited (formerly TI2 Productions Ltd)	England & Wales	Television production	Ordinary	50%
Two Brothers Pictures Limited	England & Wales	Television production and distribution	Ordinary	25.50%
Two Halves Pictures Limited	England & Wales	Television production and distribution	Ordinary	50%
Unstoppable Film and Television Limited	England & Wales	Television production	Ordinary	45.50%
Van der Valk SI Limited	England & Wales	Television production	Ordinary	50%
Van der Valk S2 Limited	England & Wales	Television production	Ordinary	50%
Van der Valk S3 Limited	England & Wales	Television production	Ordinary	50%
Wereworld Productions Limited	England & Wales	Television production	Ordinary	50%
West Road Pictures Limited	England & Wales	Television production and distribution	Ordinary	50%
Westbridge Productions Limited	England & Wales	Television production	Ordinary	25.05%
White Dragon Productions Limited	England & Wales	Television production	Ordinary	25.50%
Wild Britain Productions Limited	England & Wales	Television production	Ordinary	50%
Wild Chase Productions Limited	England & Wales	Television production	Ordinary	50%
Wild West Finance Limited	England & Wales	Television production	Ordinary	50%
Wing Limited	England & Wales	Digital production services	Ordinary	25.05%
Wings Acquisition Company Limited	England & Wales	Sub-holding company	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Witchery Pictures Limited (formerly Witchery Pictures (J & S) Limited)	England & Wales	Television production and distribution	Ordinary	50%
Zero Chill Productions Limited	England & Wales	Television production	Ordinary	50%
AI3Media Deutschland GmbH	Germany	Television production	Ordinary	50%
Filmpool entertainment GmbH	Germany	Television production	Ordinary	46.75%
Filmpool fiction GmbH	Germany	Television production	Ordinary	46.75%
Filmpool media entertainment GmbH	Austria	Television production	Ordinary	46.75%
1 Care Producties BV	Netherlands	Television production	Ordinary	26%
AllsMedia Belgium BV (formerly IDTV Belgium BV)	Belgium	Television production	Ordinary	50%
IDTV Cumulus BV	Netherlands	Television production	Ordinary	50%
IDTV Film and Video Productions BV	Netherlands	Television production	Ordinary	50%
IDTV Fusion BV	Netherlands	Television production	Ordinary	50%
IDTV Live 360 BV	Netherlands	Television production	Ordinary	50%
IDTV Media Group B.V.	Netherlands	Television production	Ordinary	50%
MME Me, Myself & Eye Entertainment GmbH	Germany	Television production	Ordinary	46.75%
MME Moviemment AG	Germany	Television production	Ordinary	46.79%
Red Forest TV BV	Netherlands	Television production	Ordinary	50%
south&browse GmbH	Germany	Television production and distribution	Ordinary	50%
Tower Productions GmbH	Germany	Television production	Ordinary	50%
Tulip Holdings B.V.	Netherlands	Sub-holding company	Ordinary	50%
AI3Media America, LLC	USA	Television production and distribution	Ordinary	50%
AI3Media International America, LLC	USA	Television production and distribution	Ordinary	50%
AI3Media USA, Inc.	USA	Sub-holding company	Ordinary	50%
America's Finest Television Corp.	USA	Television production and distribution	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Authentic Pictures Group, Inc.	USA	Television production and distribution	Ordinary	50%
Avaline Music Emporium, Inc.	USA	Television production and distribution	Ordinary	50%
Beach Life Studios, LLC	USA	Television production and distribution	Ordinary	50%
Beak Street Studio Rentals Inc.	USA	Television production and distribution	Ordinary	50%
Best Production Company, LLC	USA	Television production and distribution	Ordinary	25.50%
Bright Road Productions, Inc.	USA	Television production and distribution	Ordinary	50%
Bright Spot Content, LLC	USA	Television production and distribution	Ordinary	50%
Carnaby Services, Inc.	USA	Television production and distribution	Ordinary	50%
Clock Productions, LLC (formerly Hole in the Fence Productions, LLC)	USA	Television production and distribution	Ordinary	50%
DLG USA Financing, LLC	USA	Sub-holding company	Ordinary	50%
DRG America LLC	USA		Ordinary	50%
Dusty Rose Pictures, LLC	USA	Television production and distribution	Ordinary	50%
Elastic Studios LLC	USA	Multi-platform content provider	Ordinary	50%
Famous Kitchen Productions, LLC (formerly MSQ Productions, LLC)	USA	Television production and distribution	Ordinary	50%
Fugitive and Recovery Team Services	USA	Television production and distribution	Ordinary	50%
Island TV LLC (formerly Terrier Pictures LLC and Mom Pictures, LLC)	USA	Television production and distribution	Ordinary	50%
Lion Television, LLC	USA	Television production and distribution	Ordinary	50%
Little Dot Studios LLC	USA	Multi-platform content provider	Ordinary	50%
Maverick Television Inc.	USA	Television production and distribution	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Music to Air, Inc.	USA	Television production and distribution	Ordinary	50%
Optomen Productions, LLC	USA	Television production and distribution	Ordinary	50%
Neal Street Productions USA Inc	USA	Television production	Ordinary	50%
Neon Productions LLC	USA	Film production and distribution	Ordinary	50%
North One Television USA, Inc	USA	Television production	Ordinary	50%
One Potato Two Potato LLC	USA	Television production	Ordinary	50%
Noah Holdings, LLC	USA	Sub-holding company	Ordinary	50%
Noah Acquisition Inc.	USA	Sub-holding company	Ordinary	50%
Objective Productions US, Inc	USA	Television production	Ordinary	50%
Palm Tree Pictures, LLC	USA	Television production and distribution	Ordinary	50%
Past or Present, LLC (formerly Jefferson Pictures, LLC)	USA	Television production and distribution	Ordinary	50%
Raw, Inc.	USA	Television production and distribution	Ordinary	50%
Rumpole, Inc.	USA	Television production and distribution	Ordinary	50%
Striped Zebra Productions, Inc.	USA	Television production and distribution	Ordinary	50%
Studio Lambert Associates USA inc	USA	Television production and distribution	Ordinary	25.05%
Studio Lambert Media Inc	USA	Television production	Ordinary	12.40%
The Heist, LLC	USA	Television production	Ordinary	50%
The Write Types, Inc.	USA	Television production and distribution	Ordinary	50%
Vector Productions LLC	USA	Multi-platform content provider	Ordinary	50%
Waltz International Pictures, Inc.	USA	Television production and distribution	Ordinary	50%

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Woodman Park Productions, LLC	USA	Television production and distribution	Ordinary	50%
Zoo Productions	USA	Sub-holding company	Ordinary	50%
AI3Media International Asia Pacific Pte. Ltd	Singapore	Television distribution	Ordinary	50%
AI3Media International Asia Pacific Pte. Ltd	Australia	Film production and distribution	Ordinary	50%
Burberry Entertainment Pty Limited	Australia	Television distribution	Ordinary	50%
Moon Stories (Australia) Pty Ltd	Australia	Television production	Ordinary	50%
The Tourist Australia Productions Pty Limited	Australia	Television production	Ordinary	25.50%
Little Dot Studios (Asia) Pte. Ltd	Singapore	Digital content agency	Ordinary	50%
OF Productions (Gold) Limited	Singapore	Television production	Ordinary	50%
Brokenwood Productions Ltd.	New Zealand	Television production	Ordinary	50%
Maggie Ltd	New Zealand	Television distribution	Ordinary	50%
Pam's Petting Zoo Limited	New Zealand	Television distribution	Ordinary	50%
Satellite Media Limited	New Zealand	Television distribution	Ordinary	25%
South Pacific Pictures Investments Limited	New Zealand	Sub-holding company	Ordinary	50%
South Pacific Pictures Limited	New Zealand	Television distribution	Ordinary	50%
South Pacific Pictures Productions Limited	New Zealand	Television distribution	Ordinary	50%
South Pacific Pictures Serials Limited	New Zealand	Television distribution	Ordinary	50%
Tatau Productions Limited	New Zealand	Television distribution	Ordinary	50%
Weld Productions Limited	New Zealand	Television production	Ordinary	50%

Company's indirectly owned Associates

Details of the investment in which the Company holds nominal value of any class of share capital is as follows:

Notes to the Financial Statements
for the financial period ended 31 December 2021

12 Subsidiary undertakings, associates and joint ventures (continued)

Name of the company	Country of registration	Nature of business	Class and proportion of nominal value of issued shares held	
Bullion Productions Limited	England & Wales	Television production	Ordinary	12.50%
Caravan Media Limited	England & Wales	Television production	Ordinary	10%
Great Scott Media Limited	England & Wales	Television production	Ordinary	10%
Kura Productions Limited	New Zealand	Television production	Ordinary	25.50%
S7ories2 Limited	England & Wales	Television production	Ordinary	13.51%
Seven Selections Limited	England & Wales	Television production	Ordinary	13.51%
Seven Stories Limited	England & Wales	Television production	Ordinary	13.51%
Seven Stories USA Inc.	USA	Television production	Ordinary	13.51%
Silvervan Productions Limited	England & Wales	Television production	Ordinary	5%
Something In The Water Limited	England & Wales	Television production	Ordinary	10.50%
Story Films (Lizzie) Limited	England & Wales	Television production	Ordinary	16.22%
Story Films Limited	England & Wales	Television production	Ordinary	16.22%
Story Films (Canoe Man) Limited	England & Wales	Television production	Ordinary	16.22%
Studio Lambert Media Limited	England & Wales	Television production	Ordinary	12.40%

13 Contingent liabilities

The Company entered into an arrangement with Bank Mendes Gans N.V. (the “Bank”) whereby the cash position of Discovery, Inc. subsidiaries (the “Subsidiaries”) were combined, with cleared debit and credit balances being offset for interest calculation purposes.

Each of the Subsidiaries, which at any time have a negative balance, may set-off any amounts due to the Bank with any amounts due by the Bank to each of the Subsidiaries with a positive balance. When it wished to seek repayment of any negative balances, the Bank shall first seek recourse against positive balances.

The Company has a negative balance of \$472,037 with the Bank at 31 December 2021. The net balance for the Subsidiaries at 31 December 2021 under this arrangement was a positive balance of \$341,735,815. The combined bank balances of all Subsidiaries are not permitted to be less than nil.

Notes to the Financial Statements
for the financial period ended 31 December 2021

14 Dividends

No dividends were declared and paid during the period and upto the date of approval of financial statements.

15 Events after the reporting period

On April 8, 2022, Discovery, Inc., a global media company that provides content across multiple distribution platforms including linear, free-to-air and broadcast television, authenticated GO applications, digital distribution arrangements, content licensing arrangements and direct-to-consumer subscription products, completed its merger with the WarnerMedia business of AT&T, Inc. and changed its name from "Discovery, Inc." to "Warner Bros. Discovery, Inc.". On April 11, 2022, the Company's shares started trading on the Nasdaq Global Select Market under the trading symbol WBD.

The Merger was executed through a Reverse Morris Trust type transaction, under which the WarnerMedia Business was distributed to AT&T's shareholders via a pro rata distribution, and immediately thereafter, combined with Discovery. In connection with the Merger, AT&T received \$40.5 billion (subject to working capital and other adjustments) in a combination of cash, debt securities, and WarnerMedia's retention of certain debt, and Discovery transferred purchase consideration of \$42.4 billion in equity to AT&T shareholders. AT&T shareholders received WBD stock in the distribution representing 71% of the combined company and the Company's previous shareholders will continue to own 29% of the combined company, in each case on a fully diluted basis.

16 Related party transactions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to related party transactions.

17 Parent and ultimate parent undertaking

The Company's immediate parent is Discovery Luxembourg Holdings 1 S.A R.L., a company incorporated in Luxembourg.

The ultimate parent undertaking and controlling party is Warner Bros. Discovery, Inc. ("WBD"), a company incorporated in the USA, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Discovery, Inc. was deemed to be the accounting acquirer of the WarnerMedia Business for accounting purposes under U.S. generally accepted accounting principles; therefore, Discovery, Inc. is considered WBD predecessor. Discovery, Inc. and WBD consolidated financial statements can be obtained from the corporate website: <https://ir.wbd.com/investor-relations/>.