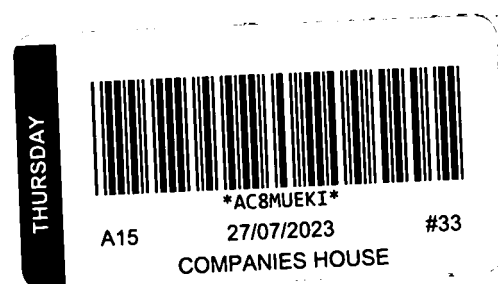


Company registration number: 05589167
Private Company

Time Warner International Finance Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



Time Warner International Finance Limited

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Time Warner International Finance Limited

Company Information

Directors	J Wilkins J Cheema H J Woolf
Registered office	160 Old Street London EC1V 9BW
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH London United Kingdom WC2N 6RH
Banker	Barclays Bank PLC 8/9 Hanover Square London W1A 4ZW

Time Warner International Finance Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their Strategic Report for Time Warner International Finance Limited ("the company") for the year ended 31 December 2022. In preparing this Strategic Report, the directors have complied with section 414c of the Companies Act 2006.

Principal activity

The company continues to act as a global group financier to undertakings within the Warner Bros. Discovery Group, excluding group companies operating in the United States.

Results

The profit for the year after taxation amounted to US\$2,153,000 (2021 - US\$6,512,000).

Review of the business and KPIs

Administrative expenditure has decreased year on year as a result of the reversal of some previously accrued costs.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Administrative gains/expenses	\$'000	363	(102)
Profit before tax	\$'000	3,444	7,210

Principal risks and uncertainties

An analysis of the risks and uncertainties of the Warner Bros. Discovery, Inc. group are discussed in Item 1A in the group's Annual Report which is publicly available.

The principal risks and uncertainties facing the company are detailed below.

The company makes loans to and from group companies in a variety of different currencies. The company is exposed to fluctuations in exchange rates and interest rates.

The company seeks to minimise foreign currency risks by hedging all loans denominated in foreign currencies against the US dollar. It uses foreign exchange contracts that have a maturity period not exceeding 3 months.

Credit and liquidity risks associated with the loans made to related group undertakings are mitigated by loan guarantees, which are provided by a group parent undertaking.

The company's loans to and from group companies are set at variable interest rates but the company has the option to reset the rates when rates in that country change. The company has no external borrowings.

Time Warner International Finance Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) Statement

Introduction

Each of the directors of Time Warner International Finance Limited ("the Company") are aware of their obligation to act in the way they consider, in good faith, 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 to the matters set out in paragraphs (a) to (f) of Section 172(1) of the Companies Act 2006 ("Section 172(1)").

The immediate parent company of the Company is Warner Media, LLC, which holds all the shares in the Company. The Company and Warner Media, LLC are each a wholly-owned indirect subsidiary of Warner Bros. Discovery, Inc. ("WBD Inc."), a United States company listed on the Nasdaq Global Select Market and governed by the listing rules of the United States Securities and Exchange Commission. The Board of the Company accepts WBD Inc.'s group policy that all of WBD Inc.'s directly and indirectly wholly-owned subsidiaries must have regard to the interests of all identifiable stakeholders when making board decisions.

The directors consider it essential to maintain the Company's and WBD Inc.'s reputation for high standards of business conduct. The directors are responsible for setting, monitoring, and upholding the culture, values, standards, ethics, and brand of WBD Inc. in all markets the Company operates in, to ensure that the Company's obligations to its shareholders, employees, customers and third parties are met. The directors are also focused on the wider social context in which the Company operates and looks to build relationships with all stakeholders based on continuing dialogue and openness.

The directors continue to have regard to the interests of the Company's employees and other stakeholders, including the Company's activities in the community and the Company's reputation when making decisions. Whilst acting in good faith and fairly towards its sole member, the directors consider what is most likely to promote the success of the Company for its sole member in the long term.

Standards of Business Conduct

A copy of the detailed Code of Ethics approved by the directors is set out at: <https://wbd.com/code-of-ethics/>. The Code of Ethics includes details of the WBD Inc group mission, Guiding Principles, and Purpose and Overview. The Code covers a broad range of topics upon which all employees must agree to observe at all times. Regular training is offered to all employees. The Code includes key topics such as complying with laws and regulations, making the right ethical decisions, accounting practices, conflicts of interest, anti-corruption, cross border business, fair competition, insider trading, misuse of funds and fraud, respecting human rights, confidential information and intellectual property, data privacy, communicating with the public, using social media, political activity, company resources, diversity, equal opportunity and non- discrimination, harassment free workplace, safe and healthy work environment and whistleblowing.

Key Strategic Decisions

For each matter which comes before the directors, they consider the likely consequences of any decision in the long-term and identify stakeholders who may be affected and carefully consider their interests and any potential impact as part of the decision-making process. The board is aware of the importance of the likely consequences of any decisions made, in the long term, which are also considered in the interests of our colleagues, the need to foster the Company's business relationships with suppliers, customers and other key stakeholders and the impact of the Company's operations on communities and the environment.

Time Warner International Finance Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) Statement (continued)

Relations with Employees

The Company actively seeks regular engagement with all employees. The Company deeply values its employees and works hard to provide a strong support system and inclusive environment to help them succeed at work and home. In 2022, the Company continued to ensure regular townhall meetings and messages to support all employees. The Company used WorkPlace, town hall meetings, employee forums, global internal communications, and informal meetings to facilitate engagement with employees on a wide range of matters.

Employee engagement surveys are launched on a yearly basis to provide ongoing feedback to directors. In 2022, the directors considered the results of the Employee Survey for the WBD Inc. international business on a regional basis and approved the required corporate actions arising from it. The Company carefully considered the results of the employee survey and employees views were directly taken into account when forming decisions regarding corporate actions, in relation to incentives, benefits, pay, performance and development.

The Company provides employees with access to an Employee Assistance Programme, which provides a confidential support line and a range of support such as counselling and information on issues such as family care, education and finance and debt.

The Company also strives to ensure that employees feel included and empowered by supporting a wide range of employee resource groups and the directors ensure that employee interests are met by a variety of People & Culture initiatives relating to: Talent Recruitment and Retention; Diversity, Equity, and Inclusion; and Leadership Diversity & Inclusion.

Relations with Stakeholders

The directors engage directly with stakeholders on certain issues but due to the size and distribution of stakeholders, this engagement often takes place at operational level. The directors consider reporting and information from across the organisation to help them understand the impact of the Company's operations and the interests and views of the key stakeholders. The directors also review strategy, financial and operational performance, as well as information covering areas such as key risks, legal and regulatory compliance. As a result of these activities, the directors have an overview of engagement with stakeholders and other relevant factors.

(1) Consumers

The Company receives regular reporting on customer outcomes and customer-related strategic initiatives throughout the year. The Company closely monitors customer metrics and addresses any issues and concerns if performance does not meet expectations.

(2) Suppliers

The Company maintains oversight of the management of its most important suppliers via reporting from the procurement organization. All supplier related activity is managed in line with the Group Procurement Policy.

Time Warner International Finance Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) Statement (continued)

Impact of operations on the community and the environment

Community

As a purpose-driven company, the Company is committed to making the world a better place by leveraging the Company's market-leading global platform, and by extending the reach and influence of like-minded organisations and causes. The Company is also dedicated to employee volunteer programmes as part of a strategy of corporate social responsibility to improve the lives of the wider community in which the Company operates. A copy of the Community Policy for the Company appears at: <https://wbd.com/esg/our-community/>

Environment

A copy of the Environment Policy for the Company appears at: <https://wbd.com/esg/our-planet/> which sets out WBD Inc. group's commitment to curbing its own impact on the environment.

Relations with Shareholders

The directors note that the need to act fairly as between members (i.e., shareholders) of the Company (as set out in paragraph (f) of Section 172(1)) requires less consideration in standard decision-making processes, given that the Company has only a single member, but note that they welcome opportunities to engage with the sole shareholder.

On behalf of the Board

Joe Wilkins

Joe Wilkins (Jul 13, 2023 13:03 GMT+1)

.....
J Wilkins
Director

Date: 13-Jul-2023

Time Warner International Finance Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their annual report on the affairs of the company together with the financial statements for the year ended 31 December 2022.

Dividends

No dividends were paid during the year (2021 - US\$nil). The directors do not propose a declaration of a final dividend.

Change of ownership

On 8 April 2022, the then ultimate parent company, AT&T Inc. combined the Warner Media content unit with Discovery Inc. Under the agreement, this formed a new media company called Warner Bros. Discovery, Inc. which is separate from AT&T Inc.

Future developments

The directors will continue to exploit the activities from continuing operations having regards to the principal risks and uncertainties described in the Strategic Report.

Going concern

The directors have reviewed the current financial performance and position of the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due and also due to the centralised cash pooling arrangements, the ultimate parent company Warner Bros. Discovery, Inc. has agreed to provide continued financial support to the company for the foreseeable future, for 12 months from the date of approval of the financial statements, to meet its obligations as and when they fall due.

Taking into account the position of the ultimate parent company, the directors are of the view that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern, for a period of 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Directors of the company

Except as noted below, the following were directors of the company who served throughout the year and were still directors at the date of this report:

J Wilkins
J Cheema
E Browne (resigned 28 February 2023)

The following director was appointed after the year end:

H J Woolf (appointed 20 February 2023)

The Articles of Association do not require directors to retire either by rotation or in the year of appointment.

Directors qualifying third party indemnity provisions

The company may indemnify one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 and the company may purchase insurance for this purpose. Warner Bros. Discovery, Inc., has purchased a directors and officers liability insurance policy for the benefit of the company and its directors and such policy was in force during the year and is in force as at the date of approving the Directors' Report.

Time Warner International Finance Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Independent auditors

Ernst & Young resigned as auditor effective from 19 July 2022 and PricewaterhouseCoopers LLP were appointed as the Company's auditor pursuant to a resolution of the sole shareholder on 6 October 2022. PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/ she ought to have taken as a director in order to make himself/ herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the Board

Joe Wilkins

Joe Wilkins (Jul 13, 2023 13:03 GMT+1)

.....
J Wilkins
Director

13-Jul-2023

Time Warner International Finance Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They 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.

Time Warner International Finance Limited

Independent Auditor's Report to the Members of Time Warner International Finance Limited

Report on the audit of the financial statements

Opinion

In our opinion, Time Warner International Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Income Statement and the Statement of Changes in Equity for the year 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.

Time Warner International Finance Limited

Independent Auditor's Report to the Members of Time Warner International Finance Limited (continued)

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 year ended 31 December 2022 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.

Time Warner International Finance Limited

Independent Auditor's Report to the Members of Time Warner International Finance Limited (continued)

Auditors' 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 UK tax legislation and employment law, 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 UK 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. Audit procedures performed by the engagement team included:

- Inquiries with management of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Inquiries with management and internal counsel to identify any pending litigation;
- Identifying and testing validity of journal entries, in particular any journal entries posted with unusual account combinations, unusual words and unexpected users; and
- Reviewing board meeting minutes up to the date of the audit report.

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 directors 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.

Time Warner International Finance Limited

Independent Auditor's Report to the Members of Time Warner International Finance Limited (continued)

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.

Prashant Bagree

.....
Prashant Bagree (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom

Date: 13 July 2023

Time Warner International Finance Limited

**Income Statement
for the Year Ended 31 December 2022**

	Note	Year ended 31 December 2022 US\$ 000	Year ended 31 December 2021 US\$ 000
Administrative gains/(expenses)		<u>363</u>	<u>(102)</u>
Operating profit/(loss)	2	363	(102)
Interest receivable and similar income	4	73,128	21,212
Interest payable and similar expenses	5	(33,876)	(32)
Other finance charges	6	<u>(36,171)</u>	<u>(13,868)</u>
Profit before tax		3,444	7,210
Tax on profit	7	<u>(1,291)</u>	<u>(698)</u>
Profit for the financial year		<u><u>2,153</u></u>	<u><u>6,512</u></u>

All amounts relate to continuing operations.

There is no difference between profit for the financial year and total comprehensive income for the year, and accordingly no separate statement of comprehensive income has been presented.

The notes on pages 16 to 22 form an integral part of these financial statements.

Time Warner International Finance Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital US\$ 000	Profit and loss account US\$ 000	Total shareholder's funds US\$ 000
At 1 January 2021	25,000	25,514	50,514
Profit for the year	-	6,512	6,512
At 31 December 2021	<u>25,000</u>	<u>32,026</u>	<u>57,026</u>

	Share capital US\$ 000	Profit and loss account US\$ 000	Total shareholder's funds US\$ 000
At 1 January 2022	25,000	32,026	57,026
Profit for the year	-	2,153	2,153
At 31 December 2022	<u>25,000</u>	<u>34,179</u>	<u>59,179</u>

The notes on pages 16 to 22 form an integral part of these financial statements.

Time Warner International Finance Limited

Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 US\$ 000	31 December 2021 US\$ 000
Current assets			
Debtors	8	2,742,169	2,469,349
Cash at bank and in hand		<u>244,646</u>	<u>254,496</u>
		2,986,815	2,723,845
Creditors: Amounts falling due within one year	9	<u>(2,927,636)</u>	<u>(2,666,819)</u>
Net assets		<u>59,179</u>	<u>57,026</u>
Capital and reserves			
Called up share capital	10	25,000	25,000
Profit and loss account		<u>34,179</u>	<u>32,026</u>
Total shareholder's funds		<u>59,179</u>	<u>57,026</u>

Company registration number: 05589167

The financial statements on pages 13 to 22 were approved by the Board of Directors on the date noted below and signed on its behalf by:

Joe Wilkins

Joe Wilkins (Jul 13, 2023 13:03 GMT+1)

J Wilkins
Director

Date: 13-Jul-2023

The notes on pages 16 to 22 form an integral part of these financial statements.

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

a) Statement of compliance

Time Warner International Finance Limited is a private limited company incorporated in England & Wales. The Registered Office is 160 Old Street, London, EC1V 9BW.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2022.

b) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and with applicable United Kingdom accounting standards.

Suitable accounting policies have been selected and applied consistently.

The financial statements are prepared in United States dollars which is the functional currency of the company and rounded to the nearest \$'000.

Going Concern

The directors have reviewed the current financial performance and position of the company and are confident that it will not lead to the company no longer being a going concern. In the unlikely event that it is not possible for the company to meet its liabilities as they fall due and also due to the centralised cash pooling arrangements, the ultimate parent company Warner Bros. Discovery, Inc. has agreed to provide continued financial support to the company for the foreseeable future, for 12 months from the date of approval of the financial statements, to meet its obligations as and when they fall due.

Taking into account the position of the ultimate parent company, the directors are of the view that there are no events expected to have a material adverse impact on the company's ability to continue as a going concern, for a period of 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Statement of cash flows

The company has taken advantage of the exemption in FRS 102.1.12(b) Reduced disclosures for subsidiaries. A statement of cashflows has not been prepared as the company is a member of a group where the parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 11).

Related parties

The company has taken advantage of the exemption in FRS 102.1.12(e) Reduced disclosures for subsidiaries. Key management remuneration has not been disclosed as the company is a member of a group where the parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 11).

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of Warner Bros. Discovery, Inc., which prepares publicly available consolidated financial statements (see note 11).

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

b) Basis of preparation (continued)

Share based payments

The company has taken advantage of the exemption in FRS 102.1.12(d) Reduced disclosures for subsidiaries. Certain share based payment transaction disclosures have not been presented as the company is a member of a group where the parent, Warner Bros. Discovery, Inc., prepares publicly available consolidated financial statements and the company is included in the consolidation (see note 11).

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less.

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

The company recognises liabilities for anticipated uncertain corporation tax positions based on reasonable estimates of whether additional taxes will be due and the timing of those additional taxes. Further details are contained in note 7.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

d) Significant accounting policies

Dividend income

Dividend income is recognised when the right to receive payment is established.

Deferred taxation

Deferred tax is recognised without discounting in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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 assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments. The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Basic financial liabilities including trade and other payables and interest bearing loans and borrowing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at present value of the future payments discounted at a market rate of interest. Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement. Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Basic financial assets including trade and other receivables and investments in loan notes 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. These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method. Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entities functional currency by applying the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Operational restructuring costs

Operational restructuring costs are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Forward contracts

Forward contracts are valued at market value. All realised and unrealised gains and losses are taken to the income statement. Forward contracts are used to hedge the forecast currency exposure and minimise any related foreign exchange risks. The company has not applied hedge accounting in these financial statements.

The company shows, on a contract by contract basis, any rights to receive an unrealised asset from one group undertaking as a debtor, and any obligation to settle an unrealised obligation, on a contract by contract basis, to another group undertaking as a creditor.

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

Interest income and expense

Interest income and expense are recognised on an accruals basis. Interest income is recognised on a gross basis, including withholding tax.

Interest receivable is derived internally from loans provided to the companies within the group, which exist outside the United States. Interest is receivable on a quarterly or annual basis.

Interest receivable is derived externally from principal sums placed on deposit with external banks, normally receivable the night after, or within a month of, the investment reaching maturity.

Interest expenditure is incurred on loans provided by companies within the group, which exist outside the United States. Interest is payable on a quarterly basis.

2 Operating profit/(loss)

There were no employees during the year.

Audit fees of \$15,000 (2021 - \$19,000) were borne by a fellow group undertaking.

3 Directors' remuneration

Each director of the company is also a director of, and paid by, other group related undertakings in the current period who made no recharges to the company. They have provided minimal qualifying services to the company and receive no remuneration in respect of the company and it is not possible to make an accurate apportionment of their remuneration in respect of each of the group undertakings. Accordingly, there was no remuneration in respect of the directors for 2022 (2021 - £nil).

4 Interest receivable and similar income

	Year ended 31 December 2022 US\$ 000	Year ended 31 December 2021 US\$ 000
Bank and other interest	3,509	249
Receivable from group undertakings	69,619	20,963
	<u>73,128</u>	<u>21,212</u>

5 Interest payable and similar expenses

	Year ended 31 December 2022 US\$ 000	Year ended 31 December 2021 US\$ 000
Payable to group undertakings	33,876	32
	<u>33,876</u>	<u>32</u>

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Other finance charges

	Year ended 31 December 2022 US\$ 000	Year ended 31 December 2021 US\$ 000
Other finance charges	(9,423)	(9,440)
(Loss)/gain on unrealised foreign exchange hedged contracts	(13,478)	7,188
(Loss)/gain on realised foreign exchange hedged contracts	(22,007)	44,635
Gain/(loss) on foreign exchange differences	<u>8,737</u>	<u>(56,251)</u>
	<u>(36,171)</u>	<u>(13,868)</u>

7 Tax on profit

a) The charge based on the profit for the year is made up as follows:

	Year ended 31 December 2022 US\$ 000	Year ended 31 December 2021 US\$ 000
Current tax		
Current tax at 19% (2021 - 19%)	636	1,370
Tax (over) / under provided in previous years	20	(672)
Double tax relief	<u>(636)</u>	<u>(532)</u>
	<u>20</u>	<u>166</u>
Foreign tax		
Overseas tax suffered	<u>1,271</u>	<u>532</u>
Total current tax charge	<u>1,291</u>	<u>698</u>
Total tax on profit on ordinary activities (note 7(b) below)	<u>1,291</u>	<u>698</u>

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Tax on profit (continued)

b) Circumstances affecting the total tax charge:

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2021 - 19%).

The tax charge for the year differs from the standard rate for the reasons in the reconciliation below:

	Year ended 31 December 2022 US\$ 000	Year ended 31 December 2021 US\$ 000
Profit before tax	<u>3,444</u>	<u>7,210</u>
Tax on profit on ordinary activities at standard rate	654	1,370
Income not taxable	(18)	-
Overseas tax suffered in excess of double taxation relief	635	-
Tax (over) / under provided in previous years	<u>20</u>	<u>(672)</u>
Total tax charge (see note 7(a) above)	<u>1,291</u>	<u>698</u>

c) Factors affecting future tax charges

The Finance Act 2021, enacted on 10 June 2021, included legislation to increase the rate of Corporation tax to 25% as of 1 April 2023. The proposed rate has no material impact on these or future accounts.

It is not yet possible to quantify the impact of this rate change upon current tax.

8 Debtors

	31 December 2022 US\$ 000	31 December 2021 US\$ 000
Loans receivable from group undertakings	2,730,962	867,830
Other debtors	1,645	-
Gains on fair value of currency forwards	9,562	1,505
Loans receivable from ultimate parent company	<u>-</u>	<u>1,600,014</u>
	<u>2,742,169</u>	<u>2,469,349</u>

Whilst facility dates last up to five years, loan commitments are repayable on demand, on their annual repayment dates.

Interest rates on loans receivable from group companies are determined separately for each loan by reference to a base rate, plus or minus a margin contractually agreed between the company and the counterparty.

Time Warner International Finance Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Creditors: Amounts falling due within one year

	31 December 2022 US\$ 000	31 December 2021 US\$ 000
Losses on fair value of currency forwards	23,039	2,186
Corporation tax payable	1,014	1,118
Loans payable to group undertakings	2,903,439	2,663,490
Accruals	<u>144</u>	<u>25</u>
	<u>2,927,636</u>	<u>2,666,819</u>

All amounts owed to fellow group undertakings are unsecured, interest free and repayable on demand.

Loan commitments are repayable on demand on their annual repayment dates.

Interest rates on loans payable to group companies are determined separately for each loan by reference to a base rate, plus or minus a margin contractually agreed between the company and the counterparty.

10 Called up share capital

Issued, allotted, called up and fully paid

	Authorised 2022	2021	Allotted, called up and fully paid 2022	2021
Ordinary shares of \$1 each	<u>100,000</u>	<u>100,000</u>	<u>25,000</u>	<u>25,000</u>

11 Ultimate parent undertaking

The company's immediate parent undertaking is Warner Media LLC.

Up until 8 April 2022, the smallest and largest group the company was part of was the AT&T group. The ultimate parent company of this group is AT&T Inc., a company incorporated in the United States of America. Copies of AT&T Inc.'s financial statements can be obtained from 208 S. Akard St, Dallas, TX 75202, USA.

From 8 April 2022, the smallest and largest group the company was part of was the Warner Bros. Discovery group. The ultimate parent company of this group is Warner Bros. Discovery, Inc.. Copies of Warner Bros. Discovery, Inc.'s financial statements can be obtained from 230 Park Avenue South, New York City, New York, USA.