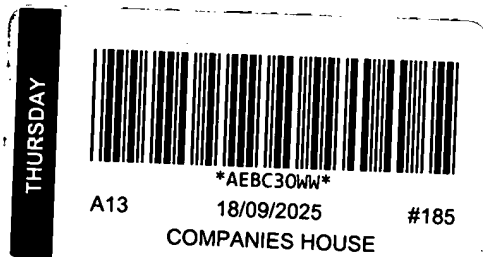


Company registration number: 05280625

Rocksteady Studios Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2024



Rocksteady Studios Limited

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Rocksteady Studios Limited

Company Information

Directors	H K Woodliffe M G Marshall
Registered office	Chiswick Park Building 2 566 Chiswick High Road London W4 5YB
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP

Rocksteady Studios Limited

Strategic Report for the Year Ended 31 December 2024

The directors present their Strategic Report for the year ended 31 December 2024. In preparing this Strategic Report, the directors have complied with section 414c of the Companies Act 2006.

Principal activity

The principal activity of the company is the development of interactive entertainment. It charges the group commissioning publisher company for the development activities undertaken, based upon costs incurred.

Results

Profit for the year after taxation amounted to £1,648,000 (2023 - £3,856,000).

Net assets for the year totalled to £32,525,000 (2023 - £30,290,000)

Review of the business and KPIs

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

	Unit	2024	2023
Cost of sales	£'000	33,817	40,670
Number of employees		214	258

The company's cost of sales and number of employees decreased year on year by 17%, reflecting the level of ongoing game development activity.

Principal risks and uncertainties

An analysis of the risks and uncertainties of the Warner Bros. Discovery, Inc. group of which the company is a member 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 popularity of content is difficult to predict and can change rapidly, and low public acceptance of the company's content will adversely affect its results. The revenues derived from the sale, distribution and licensing of videogames and other content depend primarily on widespread public acceptance of that content, which is difficult to predict and can change rapidly. The company must invest substantial amounts in the research and development of its content before it learns whether such content will reach anticipated levels of popularity with consumers. The popularity of the company's content depends on many factors, only some of which are within the company's control.

The company is mitigating the risk of product reliance by investing in the development of new content and enhancing existing titles, to maintain market share and revenues.

The company's results could be adversely affected if the company's efforts to increase sales of its videogame content are not successful. Several factors have contributed to a change in the videogame marketplace in recent years, including shifts in consumer behaviour, new business models, competition from large developers, changing retailer strategies, mobile games and free to play models. Distribution models have shifted towards digital and streaming content. The company's results could be adversely affected if it cannot adapt to its changing marketplace.

Rocksteady Studios Limited

Strategic Report for the Year Ended 31 December 2024 (continued)

Principal risks and uncertainties (continued)

If the company fails to compete successfully against alternative sources of entertainment, there may be an adverse effect on the company's results. 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. The company competes with other sources of entertainment, including television, premium pay television services, SVOD, and other OTT services, feature films, the Internet, home entertainment products, social networking and pirated content, for consumers' leisure and entertainment time and discretionary spending. Video games are traditionally more expensive than substitutes such as film and television. The increased number of media and entertainment choices available to consumers has made it much more difficult to attract and obtain their attention and time, this is compounded by the current UK Cost of Living Crisis impacting customers disposable incomes.

Service disruptions or failures in information systems and networks as a result of computer viruses or misappropriation of data may disrupt the company's business, damage its reputation or have a negative impact on its results or operations. Although the company develops and maintains information security practices and systems designed to prevent these events occurring, development and maintenance of these systems is costly and is likely to increase as the threats become more sophisticated.

The company is subject to a variety of laws and regulations. The company could incur significant costs to comply with new laws or regulations or substantial penalties or other liabilities if it fails to comply with them. Compliance with new laws or regulations could also cause the company to change or limit its business practices in a manner that is adverse to its business.

The company mitigates the risks associated with the complexity of the legal environment by ensuring that key personnel are kept up to date on changing regulations and by utilizing the assistance of external experts.

Management has reviewed significant supply chains, likely staffing impacts, software requirements and tax reporting requirements used in the company's operations and, where possible and where relevant, similar operations of its key business partners.

Management has also considered currency risks and opportunities due to ultimate parent company reporting in USD. Whilst revenue and profit reporting in USD would be harmed by a weaker GBP, this would be partially offset by GBP investment in infrastructure and UK film and television productions elsewhere in the Group.

Rocksteady Studios Limited

Strategic Report for the Year Ended 31 December 2024 (continued)

Statement of Compliance with Section 172 Companies Act 2006

Introduction

Each of the directors of Rocksteady Studios Limited (the "Company") is 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 Time Warner Entertainment Limited, which holds all the shares in the Company. The Company and Time Warner Entertainment Limited are wholly-owned indirect subsidiaries 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 the policy of the WBD, Inc. group ("WBD Group") 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 the WBD Group'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 the WBD Group 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 (the "Code") approved by the directors is set out at: <https://ir.wbd.com/governance/ethics/default.aspx>. The Code includes details of the WBD Group's Mission, Guiding Principles, and Purpose and Overview. The Code covers a broad range of topics 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 their 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.

Rocksteady Studios Limited

Strategic Report for the Year Ended 31 December 2024 (continued)

Statement of Compliance with Section 172 Companies Act 2006 (continued)

Employee Relations

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 2024, the Company continued to hold regular townhall meetings and communicate 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 Statement

The WBD Group undertakes employee engagement surveys to provide ongoing feedback to directors. Directors review survey results on a regional basis and approve the required corporate actions arising from them, for example in relation to incentives, benefits, pay, performance and development initiatives.

Our People and Culture programs are designed to offer competitive, locally relevant benefits, performance-based pay, and non-financial support and incentives.

The Company provides employees a comprehensive benefits package including industry-leading core insurance benefits, wellness initiatives and family support programs. For example, its Employee Assistance Programme provides a confidential support line, offering counselling and guidance on various topics such as family care, education and financial wellbeing.

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. Further information on Diversity, Equity and Inclusion appears at: <https://www.wbd.com/dei/>.

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.

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.

Rocksteady Studios Limited

Strategic Report for the Year Ended 31 December 2024 (continued)

Statement of Compliance with Section 172 Companies Act 2006 (continued)

(2) Suppliers

The Company maintains oversight of the management of its most important suppliers via reporting from the procurement organisation. All supplier-related activity is managed in line with the WBD Group's Procurement Policy. The WBD Group strongly encourages Supplier Diversity which the Company endorses. Further information on Supplier Diversity appears at: <https://wbd.com/supplier-diversity/>.

(3) Creditors

The directors are committed to ensuring that the Company maintains and organises its business to ensure that it is always in a position to meet its liabilities and commitments to creditors including banks as they fall due.

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. In 2024, more than 7,500 of the WBD Group's employees spent over 20,000 hours volunteering as part of its annual "Impact Day", a group-wide day of service taking place across 35 countries in support of 100+ charities. A copy of the Community Policy for the WBD Group appears at: <https://wbd.com/esg/our-community/>.

Environment

The WBD Group's Environmental Strategy appears at: <https://wbd.com/esg/our-planet/> which sets out the WBD Group's commitment to curbing its impact on the environment. The WBD Group has a dedicated team which is directly accountable for its environmental strategy. Furthermore, the Company is proud to endorse the WBD Group's Sustainability Report in 2024 which appears at: <https://www.wbd.com/esg/resources/>.

On behalf of the Board

Matthew Marshall

M G Marshall
Director

Date: 11/09/2025

Rocksteady Studios Limited

Directors' Report for the Year Ended 31 December 2024

The directors present their annual report on the affairs of Rocksteady Studios Limited ("the company") together with the audited financial statements for the year ended 31 December 2024.

Dividends

No dividends were paid during the year (2023 - £nil). The directors do not propose a declaration of a final dividend.

Research and development

Research and development is concentrated on the development of interactive entertainment.

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 Company's business activities, along with the factors likely to influence its future development and position, are outlined in the Strategic Report.

At the time of approving the financial statements, taking into consideration the financial position of the Company and a letter of support obtained from Warner Bros. Discovery, Inc. indicating its intention to support the Company's operations, including providing the means to meet its liabilities as they fall due, for at least 12 months from the date of approval of these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the approval of the financial statements. The Company is in a net current asset position, material liabilities are primarily related to intercompany arrangements. On this basis, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

As detailed in the section titled "Events after the reporting period," Warner Bros. Discovery, Inc., the ultimate parent undertaking, has announced its intention to separate into two publicly traded companies - Warner Bros. and Discovery Global in a tax-free transaction expected to be completed by mid-2026. The transaction is expected to enhance strategic flexibility and shareholder value for each company, and both resulting companies are anticipated to be well-capitalised to support their businesses. The completion of separation is subject to closing and other conditions, including final approval by the Warner Bros. Discovery, Inc. Board, receipt of tax opinions and/or a private letter ruling from the US Internal Revenue Service with respect to the tax-free nature of the transaction for US federal income tax purposes regulatory approvals, and market conditions.

Although the directors currently have no reason to believe that the Company will be unable to continue as a going concern post-separation, the inability to fully assess the future financial and operational framework of the Company following the transaction indicates a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding this, the directors are satisfied that the going concern basis remains appropriate in the preparation of the Company's financial statements. These financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

Rocksteady Studios Limited

Directors' Report for the Year Ended 31 December 2024 (continued)

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 signing the financial statements:

J S Gilbert-Rolfe (resigned 15 April 2024)

H K Woodliffe

M G Marshall (appointed 17 April 2024)

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.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the company has been continued through direct 'Employee Communications' emails, emails from local management and through the intranet site 'Behind the Shield'. Regular meetings are held between local management and employees to allow a free flow of information and ideas, such as the Employee Liaison Group meetings, and employees are encouraged to present their suggestions and views on issues pertaining to them within the company. Regular questionnaires are also distributed to all employees and the results and action points are communicated back on a timely basis. Employees are encouraged to get involved with various Corporate Social Responsibility initiatives such as recycling and volunteering. Certain employees may share in the financial success of the group by being granted Warner Bros. Discovery, Inc. stock options or restricted stock units.

Employee and business engagement

The directors have chosen, in accordance with section 414C(11) of the Companies Act 2006 (the "Act"), to include in the Strategic Report matters relating to the company's engagement with employees, and the company's engagement with suppliers, customers and others in a business relationship with the company (as would otherwise be required by regulations made under section 416(4) of the Act to be disclosed in the Directors' Report) on the basis that the directors consider such matters to be of strategic importance to the company.

Events after the reporting period

On June 9, 2025, the ultimate parent company, Warner Bros. Discovery, Inc. (WBD), announced that the Board has decided to separate Warner Bros. Discovery into two independent companies - each with its own leadership, strategy, and operational direction as well as distinct publicly traded entities: Warner Bros. and Discovery Global. This announcement represents a forward-looking statement. The Group is currently assessing the potential impact of this organizational change on Warner Bros. Studios Leavesden Limited. More details are available in the Investor Presentation posted on June 9, 2025 to WBD's Investor Relations site (ir.wbd.com) and the Current Report on Form 8-K filed with the United States Securities and Exchange Commission on June 9, 2025.

Rocksteady Studios Limited

Directors' Report for the Year Ended 31 December 2024 (continued)

In the 2024 accounting period and prior years, the Company received tax losses for nil consideration of £2,338,112 being the estimated value of the gross losses received. The Group is reassessing its surrender of losses for group relief arising in these years in light of becoming aware of circumstances where a distribution may have taken place otherwise than in accordance with UK company law. As of the date of these financial statements, the Company is in the process of determining whether any remedial action needs to be taken. The remedial action might include payment for the losses although this has yet to be determined.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are 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.

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.

Rocksteady Studios Limited

Directors' Report for the Year Ended 31 December 2024 (continued)

Streamlined Energy and Carbon Reporting (SECR)

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and to some extent, Scope 3 emissions. It contains appropriate intensity metrics, the total energy use of electricity, gas and transport fuel, and a summary of energy efficiency actions taken during the financial year.

	31 December 2024	31 December 2023
Energy consumption used to calculate emissions (kWh)	1,104,962	1,019,894
Emissions from combustion of gas (Scope 1) tCO ₂ e	-	-
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) tCO ₂ e	-	-
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	229	211
Total gross tCO ₂ e based on above	229	211
Intensity ratio (tCO ₂ e/ employees)	1.06908	0.81850

Energy efficiency action summary

Rocksteady Studios Limited continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including:

- Double Glazing: Installed throughout the building to improve insulation and reduce energy loss
- Unit 800 Roof Replacement: Upgraded skylights with more efficient materials and better insulation to enhance thermal efficiency.

Approved by the Board of Directors on 11/09/2025 and signed on its behalf by:

Matthew Marshall

M G Marshall
Director

Independent auditors' report to the members of Rocksteady Studios Limited

Report on the audit of the financial statements

Opinion

In our opinion, Rocksteady Studios Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 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 2024; the Income Statement and 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. In June 2025, Warner Bros. Discovery, Inc., the Company's ultimate parent, announced its intention to separate into two publicly traded companies. The completion of the separation is subject to shareholder and regulatory approvals. Because the transaction has not yet completed, the Company's directors are not able fully to assess the transaction's effect on the future financial and operational framework of the Company. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial

statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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.

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

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 2024 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 in respect of the financial statements, 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.

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 law and the Companies Act 2006, and we ~~considered the extent to which non-compliance might have a material effect on the financial statements.~~ 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. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Performing procedures over higher risk journal entries;
- Enquiries with management and internal counsel of any pending litigation;
- Reviewing board meeting minutes up to the date of the audit report;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging assumptions made by management in determining their judgements and accounting estimates.

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.

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.



Edward Gregory (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 September 2025

Rocksteady Studios Limited

Income Statement for the Year Ended 31 December 2024

	Note	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Turnover	2	32,618	37,999
Cost of sales		<u>(33,817)</u>	<u>(40,670)</u>
Gross loss		(1,199)	(2,671)
Administrative expenses		(581)	(143)
Other operating income	3	<u>3,213</u>	-
Operating profit/(loss)	3	1,433	(2,814)
Interest receivable and similar income	6	1,264	709
Interest payable and similar expenses	7	<u>(4)</u>	-
Profit/(loss) before tax		2,693	(2,105)
Tax on profit/(loss)	8	<u>(1,045)</u>	<u>5,961</u>
Profit for the financial year		<u><u>1,648</u></u>	<u><u>3,856</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 18 to 29 form an integral part of these financial statements.

Rocksteady Studios Limited

Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Profit and loss account £ 000	Total shareholders' funds £ 000
At 1 January 2023	1	26,355	26,356
Profit for the year	-	3,856	3,856
Increase in equity related to equity settled share based payment transaction	-	78	78
	1	30,289	30,290
At 31 December 2023	1	30,289	30,290

	Share capital £ 000	Profit and loss account £ 000	Total shareholder's funds £ 000
At 1 January 2024	1	30,289	30,290
Profit for the year	-	1,648	1,648
Increase in equity related to equity settled share based payment transaction	-	587	587
	1	32,524	32,525
At 31 December 2024	1	32,524	32,525

The notes on pages 18 to 29 form an integral part of these financial statements.

Rocksteady Studios Limited

**Statement of Financial Position
as at 31 December 2024**

	Note	31 December 2024 £ 000	31 December 2023 £ 000
Fixed assets			
Tangible assets	9	860	1,198
Current assets			
Debtors	10	23,863	16,868
Cash at bank and in hand		12,169	18,811
		<u>36,032</u>	<u>35,679</u>
Creditors: amounts falling due within one year	11	<u>(4,367)</u>	<u>(6,587)</u>
Net current assets		<u>31,665</u>	<u>29,092</u>
Total assets less current liabilities		<u>32,525</u>	<u>30,290</u>
Net assets		<u>32,525</u>	<u>30,290</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		<u>32,524</u>	<u>30,289</u>
Total shareholder's funds		<u>32,525</u>	<u>30,290</u>

The financial statements on pages 15 to 29 were approved by the Board of Directors on the date noted below and signed on its behalf by:

Matthew Marshall

M G Marshall
Director

Date: 11/09/2025

Company registration number: 05280625

The notes on pages 18 to 29 form an integral part of these financial statements.

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

1 Accounting policies

Rocksteady Studios Limited is a private company limited by shares and is incorporated in England & Wales. The Registered Office is Chiswick Park, Building 2, 566 Chiswick High Road, London, W4 5YB.

a) Statement of compliance

The company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006, as it applies to the financial statements of the company for the year ended 31 December 2024.

b) Basis of preparation

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 years presented, unless otherwise stated.

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.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

Going concern

The Company's business activities, along with the factors likely to influence its future development and position, are outlined in the Strategic Report.

At the time of approving the financial statements, taking into consideration the financial position of the Company and a letter of support obtained from Warner Bros. Discovery, Inc. indicating its intention to support the Company's operations, including providing the means to meet its liabilities as they fall due, for at least 12 months from the date of approval of these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the approval of the financial statements. The Company is in a net current asset position, material liabilities are primarily related to intercompany arrangements. On this basis, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

As detailed in the section titled "Events after the reporting period," Warner Bros. Discovery, Inc., the ultimate parent undertaking, has announced its intention to separate into two publicly traded companies - Warner Bros. and Discovery Global in a tax-free transaction expected to be completed by mid-2026. The transaction is expected to enhance strategic flexibility and shareholder value for each company, and both resulting companies are anticipated to be well-capitalised to support their businesses. The completion of separation is subject to closing and other conditions, including final approval by the Warner Bros. Discovery, Inc. Board, receipt of tax opinions and/or a private letter ruling from the US Internal Revenue Service with respect to the tax-free nature of the transaction for US federal income tax purposes, regulatory approvals, and market conditions.

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

b) Basis of preparation (continued)

Although the directors currently have no reason to believe that the Company will be unable to continue as a going concern post-separation, the inability to fully assess the future financial and operational framework of the Company following the transaction indicates a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding this, the directors are satisfied that the going concern basis remains appropriate in the preparation of the Company's financial statements. These financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

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 15).

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 15).

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 and the company is included in the consolidation (see note 15).

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 15).

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 estimates have had the most significant effect on amounts recognised in the financial statements.

Taxation

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.

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

d) Significant accounting policies

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Royalty income is recognised based on the level of actual sales in the period on an accruals basis. Games development revenue is recognised on a monthly basis and represents direct recharges of development costs.

Cost of sales

Cost of sales comprises the external 3rd party and internal costs that are directly associated with the company's principal activity of development of interactive entertainment.

Operational restructuring costs

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

Administrative expenses

Expenses which are recharged are recognised as costs of sales and items which are not recharged are recognised as administrative expenses.

Share based payments

Certain employees of the company received nonvested stock and stock units under historic AT&T Inc. plans. Following the combination of the Warner Media content unit with Discovery, Inc. restricted stock units issued under AT&T Inc. plans were converted to Warner Bros. Discovery, Inc. share units that will be distributed in the form of Warner Bros. Discovery, Inc. common stock. The shares will vest over a period of one to four years in accordance with the terms of those plans. Outstanding AT&T Inc. stock options were unchanged, with holders retaining AT&T Inc. stock and receiving additional Warner Bros. Discovery, Inc. shares. Future grants to eligible employees will be issued under Warner Bros. Discovery, Inc. plans.

Tangible fixed assets

Tangible fixed assets are recorded at cost, less accumulated depreciation and provision for impairment.

The company provides depreciation in equal annual instalments over the estimated lives of the assets down to their estimated residual value, at the following rates:

Leasehold improvements	- over the shorter of the lease term and 15 years
Furniture, fittings and equipment	- between 3 and 5 years

The carrying value of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment, and below for the useful economic lives for each class of assets.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material the provisions are discounted to their present value at the statement of financial position date.

Leasing commitments

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

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.

Pension

The company participates in the WarnerMedia Pension Plan ("WMPP"), a defined contribution scheme. Contributions payable to the WMPP are charged to the income statement in the period in which they become payable. With effect from 8 August 2023, the name of the WMPP was changed to the Warner Bros. Discovery Pension Plan ("WBDPP").

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

1 Accounting policies (continued)

d) Significant accounting policies (continued)

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.

Interest receivable and payable

Interest income and expense are recognised on an accruals basis.

2 Turnover

An analysis of turnover by geographical market is given below:

	Year ended 31 December 2024 £'000	Year ended 31 December 2024 %	Year ended 31 December 2023 £'000	Year ended 31 December 2023 %
United States of America and Canada	32,618	100	37,999	100

3 Operating profit/(loss)

This is stated after charging/(crediting):

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Fees payable to the company's auditors for the audit of the financial statements	38	37
Loss on disposal of tangible fixed assets	18	-
Audio Visual Expenditure Credit	(3,213)	-
Depreciation of tangible fixed assets	648	1,126
Operating lease rentals - land and buildings	1,144	928
Operational restructuring costs	883	65
Foreign exchange (gain)/loss	(55)	11

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

4 Directors' remuneration

Two directors of the Company were remunerated by Warner Bros. Entertainment UK Limited (WBEUK), a fellow subsidiary within the WBD Inc. Group, amounting to £494,000 (2023: £287,000). The directors provide services to various companies within the group and it is not practicable to make an accurate apportionment of the directors' time and remuneration in respect of each of the group undertakings. There were no recharges to the Company from WBEUK in respect of the directors' remuneration.

Another director of the Company was remunerated by TT Games Limited (TTG), a fellow subsidiary within the Warner Bros Discovery Group, whose remuneration is disclosed in that Company's financial statements. The director is also a director across various companies within the group and it is not practicable to allocate the director's time and remuneration across these companies. There are no recharges to the Company from TTG in respect of this directors' remuneration.

5 Staff costs

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Wages and salaries	19,737	20,320
Equity-settled share based payments	587	78
Social security costs	2,738	2,171
Other pension costs	1,130	1,186
Operational restructuring costs	883	65
	25,075	23,820

The average monthly number of employees during the year was 214 (2023 - 258), all of whom were engaged in game development, administration and support, sales, marketing and distribution:

	2024 No.	2023 No.
Administration and support	18	21
Game development	192	232
Sales, marketing and distribution	4	5
	214	258

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

6 Interest receivable and similar income

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Interest receivable from group undertakings	1,264	709
	1,264	709

7 Interest payable and similar expenses

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Interest on bank overdrafts and borrowings	4	-
	4	-

8 Tax

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

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Current tax		
UK corporation tax at 25% (2023 - 23.52%)	1,051	(5,961)
Adjustment in respect of previous periods	(6)	-
Total current tax	1,045	(5,961)

b) Circumstances affecting the total tax charge:

The standard rate of corporation tax applied for the period ended 31 December 2024 is 25% (2023: 23.52%).

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

8 Tax (continued)

	Year ended 31 December 2024 £ 000	Year ended 31 December 2023 £ 000
Profit/(loss) before tax	<u>2,693</u>	<u>(2,105)</u>
Corporation tax at standard rate	673	(495)
Factors affecting the tax charge:		
Expenses not deductible	62	84
Creative tax credits	-	(5,961)
Current year movement in unrecognised deferred tax*	(1,217)	652
Effects of group relief	1,434	(254)
Share options	99	13
Adjustment in respect of prior periods	<u>(6)</u>	<u>-</u>
Total tax charge/(credit) (see note 8(a) above)	<u>1,045</u>	<u>(5,961)</u>

* The gross amount of unrecognised deferred tax assets as at 31 December 2024 is £8,949,000 (31 December 2023 £13,744,000). Deferred Tax assets are not recognised due to the uncertainty of future utilisation.

c) Factors affecting future tax charges:

The entity is within the scope of the Organization for Economic Co-operation and Development (OECD) Pillar Two Global Anti-Base Erosion (GloBE) model rules. Pillar Two legislation was enacted in the United Kingdom, the jurisdiction in which the entity is incorporated and tax resident. The legislation is effective for the financial year beginning 1 January 2024. The Warner Bros. Discovery, Inc. Group (the Group) has performed an assessment of its potential exposure to Pillar Two taxes (based on the 2023 country-by-country reporting and 2024 financial information) for the constituent entities in the Group. The Pillar Two effective tax rate in most of the jurisdictions in which the Group operates is above 15%.

The entity applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to FRS 102 Section 29 Income Taxes issued in July 2023.

Management has performed an assessment of the Company's potential exposure to Pillar Two taxes (based on the 2023 country-by-country reporting and 2024 financial information of the Group) in the jurisdictions where the Company operates [the Company and any subsidiaries operate] where Pillar Two legislation has been enacted or substantively enacted as of the reporting date. The legislation mandates a top-up tax liability for any difference between the Pillar Two effective tax rate in any relevant jurisdiction and the 15% minimum rate.

The entity has no Pillar Two tax assessed for reporting year 2024.

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

9 Tangible assets

	Leasehold Improvements £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost			
At 1 January 2024	3,590	3,905	7,495
Additions	-	328	328
Write-down of assets no longer in use	-	(18)	(18)
At 31 December 2024	<u>3,590</u>	<u>4,215</u>	<u>7,805</u>
Accumulated depreciation			
At 1 January 2024	3,291	3,006	6,297
Charged during the year	212	436	648
At 31 December 2024	<u>3,503</u>	<u>3,442</u>	<u>6,945</u>
Net book value			
At 31 December 2024	<u>87</u>	<u>773</u>	<u>860</u>
At 31 December 2023	<u>299</u>	<u>899</u>	<u>1,198</u>

Fully depreciated assets that are still in use £5,560,000.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2024 £ 000	2023 £ 000
Furniture, fittings and equipment	<u>263</u>	<u>-</u>

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

10 Debtors

	31 December 2024 £ 000	31 December 2023 £ 000
Amounts owed by group undertakings	21,052	9,950
Other debtors	356	195
VAT receivable	242	764
Corporation tax receivable	2,162	5,959
Prepayments and accrued income	51	-
	<u>23,863</u>	<u>16,868</u>

Included within amounts owed by group undertakings is an amount of £16,000,000 (2023 - £5,000,000) in respect of an intercompany deposit with Time Warner London Limited. The deposit was interest bearing at market rate, being Barclays Bank PLC base rate minus 0.1%. The deposit was unsecured and repayable on demand.

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

11 Creditors: amounts falling due within one year

	31 December 2024 £ 000	31 December 2023 £ 000
Due within one year		
Trade creditors	376	896
Amounts owed to group undertakings	43	1,908
Other creditors	463	119
Taxation and social security	965	659
Accruals	2,520	3,005
	<u>4,367</u>	<u>6,587</u>

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

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

12 Called up share capital

	Issued, allotted, called up and fully paid			
	31 December 2024		31 December 2023	
	Number	£	Number	£
Ordinary shares of £0.01 each	100,000	1,000	100,000	1,000

There are no restrictions on the distribution of dividends and the repayment of capital on the ordinary shares.

13 Obligations under leases and hire purchase contracts

Operating leases

The company had the following future minimum lease payments under non - cancellable operating leases for each of the following periods:

	31 December 2024 £ 000	31 December 2023 £ 000
Not later than one year	1,032	394
Later than one year and not later than five years	4,127	-
Later than five years	4,729	-
	9,888	394

14 Contingent liabilities

The company has entered into a group composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, and to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the statement of financial position date, funds deposited by the company into the system, and potentially at risk to cover liabilities elsewhere in the group, amounted to £12,169,000 (2023 - £18,811,000)

15 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Time Warner Entertainment Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Warner Bros. Discovery, Inc., a company incorporated in the United States of America. Copies of Warner Bros. Discovery, Inc.'s financial statements can be obtained from 230 Park Avenue South, New York City, New York, USA.

Rocksteady Studios Limited

Notes to the Financial Statements for the Year Ended 31 December 2024 (continued)

16 Events after the reporting period

On June 9, 2025, the ultimate parent company, Warner Bros. Discovery, Inc. (WBD), announced that the Board has decided to separate Warner Bros. Discovery into two independent companies - each with its own leadership, strategy, and operational direction as well as distinct publicly traded entities: Warner Bros. and Discovery Global. This announcement represents a forward-looking statement. The Group is currently assessing the potential impact of this organisational change on the Company. More details are available in the Investor Presentation posted on June 9, 2025 to WBD's Investor Relations site (ir.wbd.com) and the Current Report on Form 8-K filed with the United States Securities and Exchange Commission on June 9, 2025.

In the 2024 accounting period and prior years, the Company received tax losses for nil consideration of £2,338,112 being the estimated value of the gross losses received. The Group is reassessing its surrender of losses for group relief arising in these years in light of becoming aware of circumstances where a distribution may have taken place otherwise than in accordance with UK company law. As of the date of these financial statements, the Company is in the process of determining whether any remedial action needs to be taken. The remedial action might include payment for the losses although this has yet to be determined.