

Acquisition of  **WARNER BROS.
DISCOVERY**

By **NETFLIX**

May 2026

Presented By: Oriental Investment Banking Club
Hong Kong Group 4

Presented to:

**FINANCE
BRO**



Netflix is Accelerating Global Streaming Leadership in the Acquisition of Warner Bros. Discovery

Transaction Background

- ◆ Oriental Investment Banking Club is pleased to present our preliminary views in relation to the announced potential acquisition of WBD by Netflix
- ◆ On 5 December 2025, Netflix, Inc. (“**Netflix**”, or the “**Acquirer**”) announced its 100% acquisition to Warner Bros. Discovery, Inc. (“**WBD**”, or the “**TargetCo**”) following the separation of WBD’s Global Networks division (“**Discovery Global**”, or the “**SpinCo**”), with closing targeted for Q3 2026 (the “**Transaction**”)
- ◆ The Transaction is a cash-and-stock offer of USD23.25 in cash and USD4.50² in Netflix shares per WBD share, valuing the TargetCo (excluding SpinCo) at USD 27.75 per share and implying an EV of USD[82.7]bn, an Equity Value of USD[72.0]bn, and an EV/Adj.EBITDA¹ of [27.4]x
- ◆ On 8 December 2025, Paramount Global (“**Paramount**”) launched a hostile all-cash tender offer for WBD (including both TargetCo and SpinCo) at USD 30.00 per share, implying an EV of USD[108.4]bn and an Equity Value of USD[77.8]bn, with equity backstops from the Ellison family and RedBird Capital and fully committed debt financing from Bank of America, Citi, and Apollo. This development introduces competitive tension to the Transaction process
- ◆ On 20 January 2026, Netflix reached an amended, all-cash agreement offer to WBD as it battles Paramount Global. The Acquirer will now pay USD27.75 in cash per WBD share, without exchanging the Acquirer shares
- ◆ On 24 February 2026, Paramount announced a revised, all-cash proposal to acquire WBD at USD31.00 per share, representing an increase from its prior USD30.00 per share offer and implying an EV of c.USD[111.0]bn, and Equity Value of USD[80.4]bn
 - ◆ In addition to the higher headline price, Paramount’s updated proposal introduced enhanced contractual protections for WBD shareholders, including (i) a regulatory reverse termination fee of approximately USD7.0bn payable by Paramount in the event the transaction is blocked on antitrust or other regulatory grounds and (ii) coverage of the USD2.8bn termination fee that WBD would be required to pay to Netflix upon the termination of the existing merger agreement
- ◆ On 26 February 2026, Netflix issued a public statement confirming that it would not increase its all-cash offer to match Paramount’s revised terms and would instead allow the existing merger agreement to be terminated, following WBD’s announcement that Paramount’s proposal could be expected to result in a “Superior Proposal”

Transaction Overview

- ◆ The proposed Transaction scope will follow the TargetCo’s separation, and comprises:
 - ✓ In-scope businesses: Warner Bros. film and TV studios; HBO and HBO Max
 - ✗ Out-of-scope businesses (to SpinCo): CNN, TNT Sports U.S., Discovery networks, European FTA channels, Discovery+, Bleacher Report
- ◆ Expected timetable is 12–18 months with closing targeted for Q3 2026, subject to completion of the separation, regulatory approvals in key jurisdictions, WBD shareholder approval, and other customary conditions; both boards approved the transaction unanimously
- ◆ Moelis and Wells Fargo are acting as Netflix’s Buy-side financial advisors. Wells Fargo, BNP and HSBC are expected to commit the debt financing package to the proposed Transaction
- ◆ Allen & Company, J.P. Morgan, and Evercore are acting as WBD’s Sell-side financial advisors
- ◆ Strategic highlights cite combining the WBD’s franchise IP and libraries with Netflix’s global platform, maintaining the Target operations including theatrical releases, targeting USD2–3bn annual cost savings by year three [FY29], and GAAP EPS accretion by year two [FY28]

Acquirer Overview

- ◆ Netflix operates a global streaming platform with subscription and ad-supported offerings, providing a mix of original and licensed content across multiple genres and languages

Target Overview

- ◆ WBD is a global media and entertainment company spanning filmed entertainment, premium scripted and unscripted television, streaming brands, and sports, supported by leading intellectual property and studio production assets

Sources: Company filings, company information.

Notes: Information reflects public disclosures as of 26 February 2026 and remains subject to change

1. Target LTM Adj.EBITDA estimated at USD3,016m as of 30 Sep. 2025, derived from pre-separation LTM Adj.EBITDA of USD9,250m less estimated SpinCo LTM Adj. EBITDA of USD6,234m (USD9,250m – USD6,234m = USD 3,016m)

2. Reflects a 10% symmetrical collar
3. Latest market data as of 26 February 2026

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O. Why OIC – the Leading Investment Banking Society in APAC

OIC is Building a Thriving Primary-Market Ecosystem—First in Taiwan, Now Worldwide

Our Story

- ◆ Oriental Investment Banking Club (“OIC”) emerged as the first student-led investment banking society in Taiwan. Our society uniquely concentrates on the primary markets of the APAC regions, offering a distinct perspective compared to other groups focused on secondary market research. OIC is actively looking for opportunities to build strong overseas partnerships. With the expansion to Hong Kong, our society champions the core values of equity, diversity, collaboration, and excellence.
- ◆ Since Sept. 2024, OIC have grown stronger in Hong Kong with 216 members. Up to date, we have gained more than 500 members worldwide with the sole motto of nurturing future global finance leaders. OIC is steadfast in its mission to bridge the gap between students and corporations. We envision to nurture the next generation of ethical, innovative finance leaders who are prepared to navigate and shape the global primary market landscape.

Our Mission



Investment in Our People



*Bridge Gap Between
Students and Corporations*



Collaboration and Excellence

Selected Alumni Destinations

J.P.Morgan

citi

HSBC

Goldman
Sachs

Morgan Stanley

Fidelity
INTERNATIONAL

NOMURA

UBS

Deutsche Bank

BANK OF AMERICA

FRANKLIN
TEMPLETON

UOBKayHian

CICC
中金公司

Schroders

Allianz
Global Investors

#1

First Investment Banking
society in Taiwan

#1

First Inter-university IB
society in HK

500+

Members

15+

Lectures & Workshops

OIC Hong Kong – M&A Team (Group 4) Profile

OIC.HK Unites Investment Banking Driven, Multicultural Talent Committed to the Highest Bar

Director



Scott Tang, Director^{*†}



- ◆ B.B.A. (IBBA) from the Chinese University of Hong Kong
- ◆ Incoming HSBC Capital Market & Advisory, Leveraged and Acquisition Finance Analyst
- ◆ Diversified industrial exposure including internships at a private aviation firm, EY, Boutique Investment Banking team (formerly Blackstone Advisory Asia), and HSBC Commercial Banking / Investment Banking teams
- ◆ Jumped into investment banking recruiting late junior year, drawn to its unparalleled elite training, UT Austin mentors' legacy and set to build a top-tier career following their path

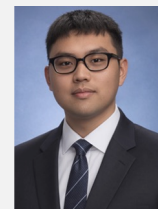
Analysts



Billy Lam, Analyst^{*†}



- ◆ B.B.A. (World Business) from the University of Southern California, Hong Kong University of Science and Technology, & Bocconi University
- ◆ Surrounded by peers recruiting in the IBD space, drawn to the steep learning curve early on



Joey Shi, Analyst^{*}



- ◆ B.Sc. (Global Economics and Finance) from the Chinese University of Hong Kong
- ◆ Driven to improve technical and interpersonal skills, leveraging these insights to explore diverse opportunities



Max Qin, Analyst^{*}



- ◆ B.B.A. (IBBA) from the Chinese University of Hong Kong
- ◆ Various experience in Huatai Investment Banking and CICC Capital, with an aspiration on Healthcare, TMT and Consumer sectors



Matthew Poedjianto, Analyst[‡]



- ◆ M.Sc. Finance from CUHK Business School; B.Eng. from the City University of Hong Kong
- ◆ Bringing a quantitative mindset and engineering-driven rigor to finance, with a strong interest in valuation and analytical modeling



Ryan Lee, Analyst^{*†}



- ◆ B.B.A. (Global Business) from the Hong Kong University of Science and Technology
- ◆ Passionate about IBD with experience in financial modelling and deal analysis. Looking to explore opportunities and learn from industry professionals

* Denotes Mandarin speakers
† Denotes Cantonese speakers
‡ Denotes Indonesian speaker
Note: Analysts are listed in alphabetical order.

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TRANSACTION OVERVIEW

2

MARKET CONTEXT & OPPORTUNITY

3

STRATEGIC RATIONALE

4

VALUATION & TRANSACTION CONSIDERATIONS

A Transformative Acquisition: Netflix Bids for WBD's Streaming & Studio Assets Post-Split





Acquirer Overview – Netflix, Inc.

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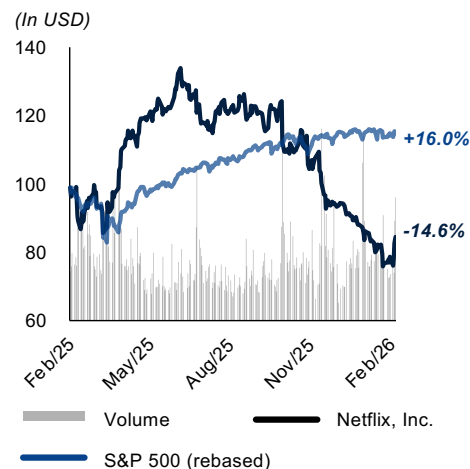
The Leading Global Streaming Platform Listed on Nasdaq (Nasdaq: NFLX)

Company Overview

- ◆ Netflix, Inc. is an U.S. listed multinational streaming entertainment platform that provides subscription-based services to its global users

Stock Performance

- ◆ Latest price: USD84.6
- ◆ Market cap: USD357.0bn
- ◆ EV/EBITDA: 11.83x¹



Sources: Company information, company filings, FactSet.

Notes:

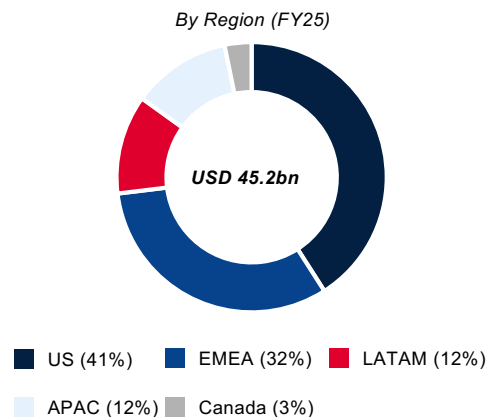
1. EBITDA of USD30,175m as of 31 Dec. 2025

2. Subscriber count of 325m+ reflects global paid memberships as reported by Management in the Q4 2025 earnings release; Netflix discontinued regular quarterly subscriber disclosures beginning Q1 2025

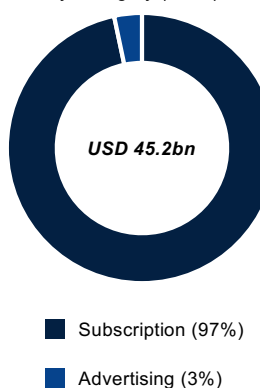
Business Overview

- ◆ Netflix, Inc. ("Netflix", the "Acquirer", or the "Company") is the world's largest multinational streaming entertainment service that delivers premium original and licensed content directly to subscribers via over-the-top platforms
- ◆ Founded in 1997 in California, the Company began as a DVD sales and rental service
 - ◆ In 2007, the Company launched its streaming platform, positioning itself as a pioneer in digital video distribution
 - ◆ By 2013, the Company had fully entered film and television production, debuting its first and most important original series "House of Cards", which achieved both critical and commercial success
 - ◆ By 2019, the Company had expanded its presence to over 190 countries and regions, releasing nearly 130 original series and films annually
- ◆ As of Jan. 2026, the Company has more than 325 million² paid subscribers globally and has the largest market share in subscription streaming industry
- ◆ The Company operates as one operating segment. Revenues are primarily derived from monthly membership fees for services related to streaming content
- ◆ On 5 December 2025, the Company announced its acquisition plan to Warner Bros. Discovery, Inc., with intend to increase its leading position in the global streaming industry

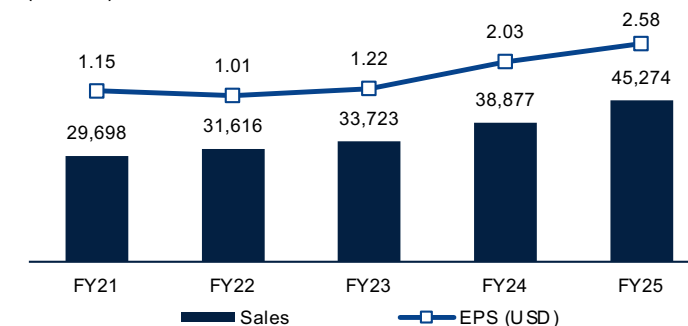
Revenue Breakdown (USDbn)



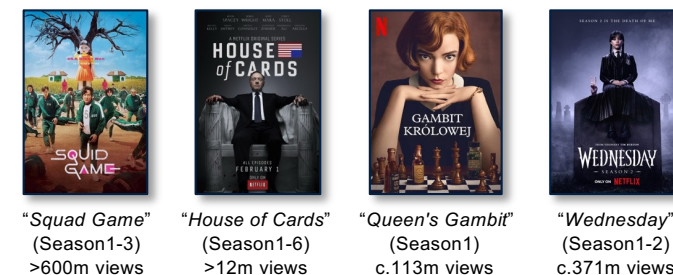
By Category (FY25)



Financial Highlights (USDm)



Selected Iconic Original IP Series³



Company Major Events

- ◆ 1997, Founded in California, U.S., as a DVD sales and rental store
- ◆ 2013, Introducing its first original series "House of Cards". The series was a phenomenal success with stock price rose 24% shortly after the show debuted
- ◆ 2017, Netflix won its first Academy Award for Best Documentary Short Subject at the 89th Oscars
- ◆ 2023, Netflix won an unprecedented six Academy Award at the 95th Oscars, showcasing its growing potential in the world of movie

3.

Viewership figures for selected original IP series sourced from Netflix public engagement reports and press releases; viewership metrics reflect hours viewed in the first 91 days post-release unless otherwise stated

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Historical Financials – Acquirer



Netflix is Stepping Up on its Revenue, the Latest FY25 Data Showed High-Growing Potential

USDm; FYE 31 December	FY21	FY22	FY23	FY24	FY25
Summary P&L					
1 Revenue	29,698	31,616	33,723	38,877	45,274
% Growth	18.8%	6.5%	6.7%	15.3%	16.5%
Gross Profit	12,365	12,447	14,008	17,837	22,000
% Margin	41.6%	39.4%	41.5%	45.9%	48.6%
EBIT	6,195	5,633	6,954	10,292	13,419
% Margin	20.9%	17.8%	20.6%	26.5%	29.6%
D&A	12,439	14,363	14,554	15,630	16,756
% Margin	41.9%	45.4%	43.2%	40.2%	37.0%
EBITDA	18,633	19,996	21,508	25,922	30,175
% Margin	62.7%	63.2%	63.8%	66.7%	66.6%
PBT	5,840	5,264	6,205	9,966	12,723
% Margin	19.7%	16.6%	18.4%	25.6%	28.1%
Income tax expenses	(724)	(772)	(797)	(1,254)	(1,741)
% effective tax rate	12.4%	14.7%	12.9%	12.6%	13.7%
2 Net Profit	5,116	4,492	5,408	8,712	10,981
% Margin	17.2%	14.2%	16.0%	22.4%	24.3%
Summary Cash Flow					
EBITDA	18,633	19,996	21,508	25,922	30,175
(Inc) / Dec in Net Working Capital	(242.0)	(758.1)	(116.1)	(33.1)	(456.2)
(Inc) in Streaming Content Asset	(17,702)	(16,839)	(12,555)	(16,224)	(17,097)
% of revenue	(59.6%)	(53.3%)	(37.2%)	(41.7%)	(37.8%)
Capex	(552)	(408)	(349)	(440)	(688)
% of revenue	(1.9%)	(1.3%)	(1.0%)	(1.1%)	(1.5%)
FCF¹	138	1,991	8,489	9,226	11,934
% conversion ¹	0.7%	10.0%	39.5%	35.6%	39.5%
Summary Balance Sheet					
Total Debt	15,393	14,353	14,543	15,583	14,463
Short-term Borrowings	700	0	400	1,784	999
Long-term Borrowings	14,693	14,353	14,143	13,798	13,464
Total Cash	6,028	5,147	7,117	7,805	9,034
Net Debt	9,365	9,206	7,426	7,778	5,429
Key Return Metrics					
3 ROE	32.28%	21.62%	26.27%	35.21%	41.26%
EPS	1.15	1.01	1.22	2.03	2.58
Key Credit Metrics					
Total Debt / EBITDA	0.83x	0.72x	0.68x	0.60x	0.48x
Net Debt / EBITDA	0.50x	0.46x	0.35x	0.30x	0.18x

Sources: Company information, company filings, FactSet.

Notes:

1. FCF defined as EBITDA less changes in net working capital, less investment in streaming content assets, less capital expenditures; FCF conversion calculated as FCF divided by EBITDA

Financial Analysis

1 Revenue

- Revenue for FY25 reached USD45.3bn, representing a 16.5% YoY increase. FY25Q4 was the key growth driver, delivering c.USD12.1bn in revenue, up 18% YoY, well above consensus estimates. Full-year revenue growth was primarily driven by the following factors:
 - Monetization of existing user base:** The Company implemented three major initiatives to enhance revenue contribution from existing users: 1) steady optimization of membership plan structures and moderate price adjustments to increase paid conversion; 2) expansion of the advertising business, with 2025 ad sales reaching USD1.5bn², becoming a new incremental revenue stream; and 3) intensified enforcement against password sharing, converting non-paying users to paid subscribers and thereby unlocking further value from the installed base
 - Premium content driving user engagement and revenue growth:** In H2FY25, total viewing hours reached 96bn, up 2% YoY. FY25Q4 saw a material uplift in engagement, supported by flagship titles such as “*Stranger Things*” finale, “*Sean Combs*” documentary series, and the new “*Frankenstein*” film. This premium content both reinforced user retention and attracted new subscribers, resulting in simultaneous growth in engagement and revenue
 - Continued momentum in global expansion:** The Company maintained active content production across 50 countries and regions, with increased investment in high-growth markets such as Korea and Mexico. Announced production budgets include USD1bn for Mexico and USD2.5bn for Korea, targeted at local content creation. These initiatives strengthened localization while supporting global content distribution and sustained revenue growth

2 Net Profit

- Net Profit margin for FY25 has reached to the highest point in 5 years to 24.3%, with performance in both FY24 and FY25 surpassing historical levels by a significant margin
 - This was driven by Netflix’s higher expense efficiency in content discipline that slowed D&A growth. The Company has shifted from heavy upfront content buildup to data-driven selection prioritized high-engagement originals/licenses, reducing low-viewing titles and cancellations, hence new capitalization grew slower

3 ROE

- Netflix’s ROE has also reached to the highest point in 5 years to 41.26%, due to continuous share buybacks as well as improved operating margins

2.

Ad sales revenue of USD1.5bn in FY25 as referenced in the financial analysis is sourced from Management commentary in the Q4 FY2025 earnings call

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Target Overview – WBD



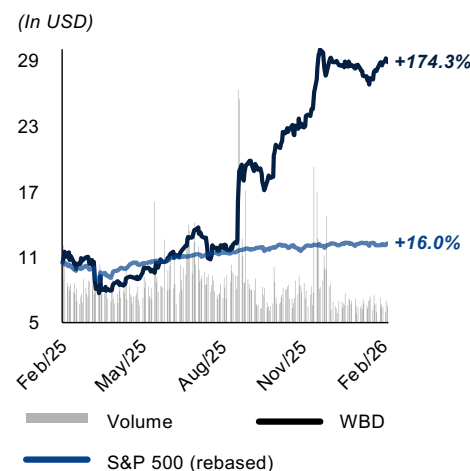
A Leading Media Platforms Combining Premium Scripted IP and Global Streaming (NASDAQ: WBD)

Company Overview

- Warner Bros. Discovery, Inc. is an American multinational mass media and entertainment conglomerate that creates and distributes content across television, film, streaming, gaming, consumer products, publishing, and themed experiences

Stock Performance

- Latest price:** USD28.8
- Market cap:** USD71.4bn
- EV/Adj. EBITDA:** 11.66x¹



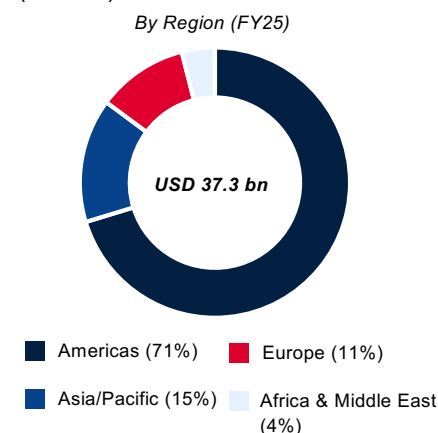
Sources: Company annual filings, Bloomberg, FactSet
Notes: Market data as of 26 February 2026

- LTM Adjusted EBITDA of USD8,744m as of 31 December 2025, EV of USD102.02bn
- Subscriber count of 131 million reflects global streaming subscribers across HBO Max and Discovery+ platforms as reported by Management

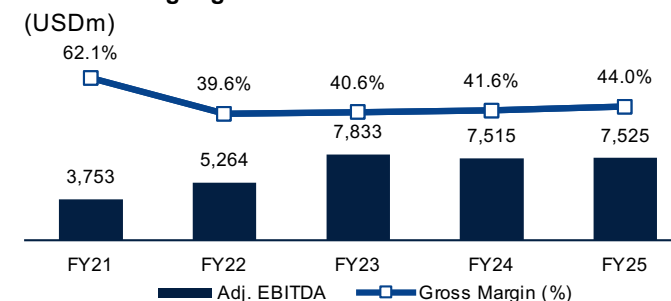
Business Overview

- Warner Bros. Discovery, Inc. ("WBD", the "Target", or the "Company") is a scaled global media and entertainment platform with leading assets across streaming, studios, sports, news, and lifestyle content
- Founded in 1923, Warner Bros. grew into one of Hollywood's major studios and later expanded into television, animation, and gaming. On the other side, Discovery built its business around factual and lifestyle programming and was strengthened by acquisitions such as Scripps Networks Interactive, while Warner's legacy also absorbed major assets including Turner Broadcasting
- In 2022, WBD was formed through the combination of Discovery and AT&T's WarnerMedia business has focused on integration, cost rationalization, and restructuring, targeting synergies while repositioning its portfolio around streaming profitability and core content franchises.
- In 2023, WBD combined HBO Max and Discovery+, streamlining underperforming assets, and reshaping leadership across studios, networks, and streaming.
- Between 2024 and 2026, WBD announced plans to split its operations into Streaming & Studios and Global Networks, while also receiving acquisition interest from multiple parties including Netflix, Comcast, and Paramount Global (Skydance).
- As of 2026, WBD officially launched HBO Max in Germany and Italy. With over 131 million² global streaming subscribers, WBD stands at the center of a broader media consolidation cycle, with its premium content library, global brands, and streaming assets making it one of the most strategically valuable platforms in the sector

Revenue Breakdown (USDbn)



Financial Highlights³



Selected Company Global Icons



"DC Universe"
2025 "Superman"
>250m views in first 24 hours



"Harry Potter"
>1.3bn views since tv series debut

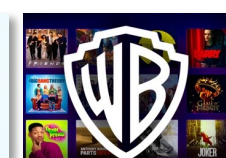


"Game of Thrones"
>46m views per episode in final season (8 seasons total)

Company Segments



- Studio**
- Warner Bros. Pictures (film production & distribution)
 - Warner Bros. Television
 - DC Studios
 - Animation & video games



- Streaming**
- Streaming
 - Max (HBO Max + Discovery+)
 - Global streaming platforms



- Global Linear Network**
- CNN
 - TNT, TBS
 - Discovery Channel
 - HGTV, Food Network, TLC

- FY21 financial data reflects Discovery, Inc. on a standalone basis prior to the completion of the WarnerMedia merger in April 2022; FY22 onwards reflects the combined WBD entity. Comparability across periods is therefore limited

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O. Historical Financials – Target

Streaming Growth Cannot Fully Offset WBD's Declining Linear Revenues and Depressed ROE

USDm; FYE 31 December	FY21	FY22	FY23	FY24	FY25
Summary P&L					
1 Revenue	12,186	33,817	41,325	39,297	37,323
% Growth	14.5%	177.5%	22.2%	-4.9%	-5.0%
Gross Profit	5,984	6,157	8,809	9,283	10,748
% Margin	49.1%	18.2%	21.3%	23.6%	28.8%
EBIT	2,063	(2,326)	(616)	279	1,546
% Margin	16.9%	-6.9%	-1.5%	0.7%	4.1%
D&A	1,582	7,193	7,985	7,037	5,684
% Margin	13.0%	21.3%	19.3%	17.9%	15.2%
EBITDA	3,645	4,867	7,369	7,316	7,230
% Margin	29.9%	14.4%	17.8%	18.6%	19.4%
PBT	1,433	(8,960)	(3,863)	(11,388)	1,639
% Margin	11.8%	-26.5%	-9.3%	-29.0%	4.4%
Income tax expenses	236	(1,663)	(784)	94	890
% effective tax rate	16.5%	18.6%	20.3%	-0.8%	54.3%
2 Net Income	1,197	(7,297)	(3,079)	(11,482)	749
% Margin	9.8%	-21.6%	-7.5%	-29.2%	2.0%
Summary Cash Flow					
EBITDA	3,645	4,867	7,369	7,316	7,230
(Inc) / Dec in Net Working Capital	(3,237)	(10,982)	(11,989)	(12,126)	(11,302)
Capex	(373)	(987)	(1,316)	(948)	(1,231)
% of revenue	-3.1%	-2.9%	-3.2%	-2.4%	-3.3%
FCF	2,425	3,317	6,161	4,427	3,088
% conversion	66.5%	68.2%	83.6%	60.5%	42.7%
Summary Balance Sheet					
Total Debt	15,643	52,602	47,285	43,006	36,761
Short-term Borrowings	459	792	2,186	3,162	573
Long-term Borrowings	15,184	51,810	45,099	39,844	36,188
Total Cash	3,958	3,955	4,379	5,450	4,603
Net Debt	11,685	48,647	42,906	37,556	32,158
Key Return Metrics					
3 ROE	9.26%	-25.12%	-6.77%	-28.54%	2.08%
EPS (Diluted)	1.80	-3.82	-1.28	-4.62	0.29
Key Credit Metrics					
Total Debt / EBITDA	4.12x	10.12x	5.96x	5.46x	4.60x
Net Debt / EBITDA	3.03x	9.31x	5.37x	4.72x	3.96x

Sources: Company information, company filings, FactSet

Notes:

1. FCF defined as EBITDA less changes in net working capital, less investment in streaming content assets, less capital expenditures; FCF conversion calculated as FCF divided by EBITDA

Financial Analysis

1 Revenue

- ◆ WBD's reported revenue rose significantly by almost 4x, from c.USD12bn in 2021 to c.USD41bn in FY23
- ◆ FY23 revenue increased c.22% to c.USD41.3bn as WBD booked a full 12 months of WarnerMedia vs only April–Dec in 2022, while studios and games (e.g. major theatrical releases and Hogwarts Legacy) and higher DTC distribution/content revenues added c.USD7.5bn of incremental sales
- ◆ Since FY24, WBD's top line has declined c.5% p.a. as accelerating cord-cutting and double-digit TV ad declines, compounded by RSN² exits and tougher studio comps, have more than offset mid-single-digit streaming revenue growth and incremental HBO Max expansion
- ◆ In FY24, revenue declined 5% to USD39.3bn, driven by a 1% drop in distribution revenues (DTC subscriber growth offset by linear pay-TV declines and RSN exit) and an 8% fall in content revenues (Hogwarts Legacy/Barbie comps), despite stable studios output
- ◆ FY25 revenues fell a further 5% to USD37.3bn, with distribution down 2% ex-FX (dynamic DTC growth offset by linear subscriber erosion and HBO Max domestic deal repricing) and advertising down 9% (no NBA offset by ad-lite gains), underscoring the ongoing structural shift away from linear networks.
- ◆ This trajectory reflects a broader industry reset, with streaming now c.29% of revenues (up from c.25% in FY23) but unable to fully compensate for ~12% declines in global linear networks amid cord-cutting and NBA rights loss

2 Net Income

- ◆ WBD reported a significant financial turnaround, achieving a net income of USD749m, this represents a massive improvement from the USD11.5bn net loss reported in FY24
- ◆ FY24 results were significantly impacted by a USD9bn non-cash goodwill impairment related to the Global Networks segment. In contrast, FY25 impairments and losses on dispositions declined materially to USD172mn, resulting in a cleaner earnings profile and improved comparability of operating performance

3 ROE

- ◆ WBD's ROE deteriorated sharply post-merger, moving from a positive c.9% in FY21 to deep negative in FY22 and FY23 as large acquisition-related amortization, restructuring charges and integration costs, while equity expanded materially with the WarnerMedia combination
- ◆ In FY24 ROE weakened further to roughly c.-29% on continued net losses driven by linear impairments and content write-downs, before recovering to a modest c.2% in FY25 as revenue declines moderated and restructuring flowed through, but profitability and capital efficiency remain well below pre-merger levels

2.

WBD shut down its Regional Sports Networks ("RSN") in 2023–24 across several U.S. markets, eliminating USD500m of annual carriage/distribution revenue

Strategic Rationale for Warner Bros. Discovery Spin-Off



WBD is Separating Linear TV to Unlock Value and De-leverage the Balance Sheet

- ◆ WBD is spinning off its Global Networks division (cable and free-to-air channels, news and sports) into a separate listed SpinCo¹, leaving Streaming & Studios division as a focused content
- ◆ The split reflects structurally different trajectories: Global Networks division is a mature, cash-generative but declining linear TV business, while Streaming & Studios division is the primary growth engine driven by subscriber and content momentum²
- ◆ On the de-leverage side, management has indicated that the majority of WBD's existing gross debt (c. mid-USD30sbn to high-USD30sbn as of 2025) will be assigned to SpinCo, targeting a post-split leverage ratio of approximately 2.5x–3.0x EBITDA at TargetCo level
- ◆ The transaction is intended to unlock equity value by giving investors two pure-play exposures, aligning SpinCo with yield/value-oriented shareholders and TargetCo with growth/streaming investors, and reducing the perceived conglomerate discount
- ◆ Post-spin, SpinCo will focus on maximizing cash generation and deleveraging in linear networks, while TargetCo will deploy a strengthened balance sheet to reinvest in content, product and international expansion under a more flexible capital-allocation framework

Spin-off Side-by-side Comparison Table

Entity	WBD Global Networks division (SpinCo/Discovery Global)	WBD Streaming & Studios division (TargetCo/Warner Bros.)
High-level Takeaway	◆ Scaled portfolio of iconic global brands and a leader in live entertainment with valuable sports IP	◆ Renowned content production capabilities and irreplaceable library with highly recognizable IP and a growing global streaming platform
Post-Spinoff Analysis	✓ Significant global scale with 1.1bn unique viewers ✓ Aligned digital-first properties in streaming, sports, and news ✓ Best-in-class Adj. EBITDA margins and robust Adj. EBITDA to free cash flow conversion	✓ Strong subscriber momentum fueled by high-quality global tentpoles along with local language content and sports ✓ Healthy financial momentum underpinned by a USD3b+ Adj. EBITDA target for Studios and continued scaled profit growth at Streaming
Included Assets		

Sources: Company filings, company information.

Notes:
1. Information reflects public disclosures as of 26 February 2026 and remains subject to change. The spin-off structure for SpinCo is expected to be created via a distribution of shares to existing WBD shareholders and listed as an independent public company, separate from Streaming & Studios division

2. The Global Networks division is experiencing mid-to-low-teens annual revenue declines, reflecting pay-TV subscriber losses and softer linear advertising, while the Streaming & Studios division is delivering high single-digit revenue growth with improving profitability driven by subscriber gains, stronger content performance and cost discipline

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Recent Broker Consensus – Target

Wall Street Analyst Targets Converge Between Competing Bids¹

Summary of Selected Broker Target Rating and Share Price Target Updates²

(In USD) Brokers	Rating Date	Recommendation	Share Price Target	Prem / (Disc) to Current
 BENCHMARK	24-Feb-26	Buy	\$32.0	11.1%
 MORNINGSTAR	23-Feb-26	Hold	\$28.0	(2.8%)
 Deutsche Bank Research	13-Feb-26	Buy	\$29.5	2.4%
 TD Cowen a division of TD Securities	29-Jan-26	Hold	\$22.0	(23.6%)
 MOFFETT NATHANSON RESEARCH	29-Jan-26	Buy	\$31.0	7.6%
 GUGGENHEIM	13-Jan-26	Hold	\$30.0	4.2%
Current			\$28.8	
High			\$32.0	11.1%
Low			\$22.0	(23.6%)
Mean			\$28.8	(0.2%)
Median			\$29.8	3.3%

Selected Analysts Comments

"We are adjusting our rating to Hold and raising our price target to USD29.5, aligning with the Netflix's proposal, which we expect to successfully close despite regulatory hurdles..."

Deutsche Bank Research

Feb 13, 2026

"While the M&A bidding war has unlocked significant equity value for WBD shareholders, we remain Equal-Weight pending further clarity on the deal's regulatory approval process..."

Morgan Stanley

Dec 18, 2025

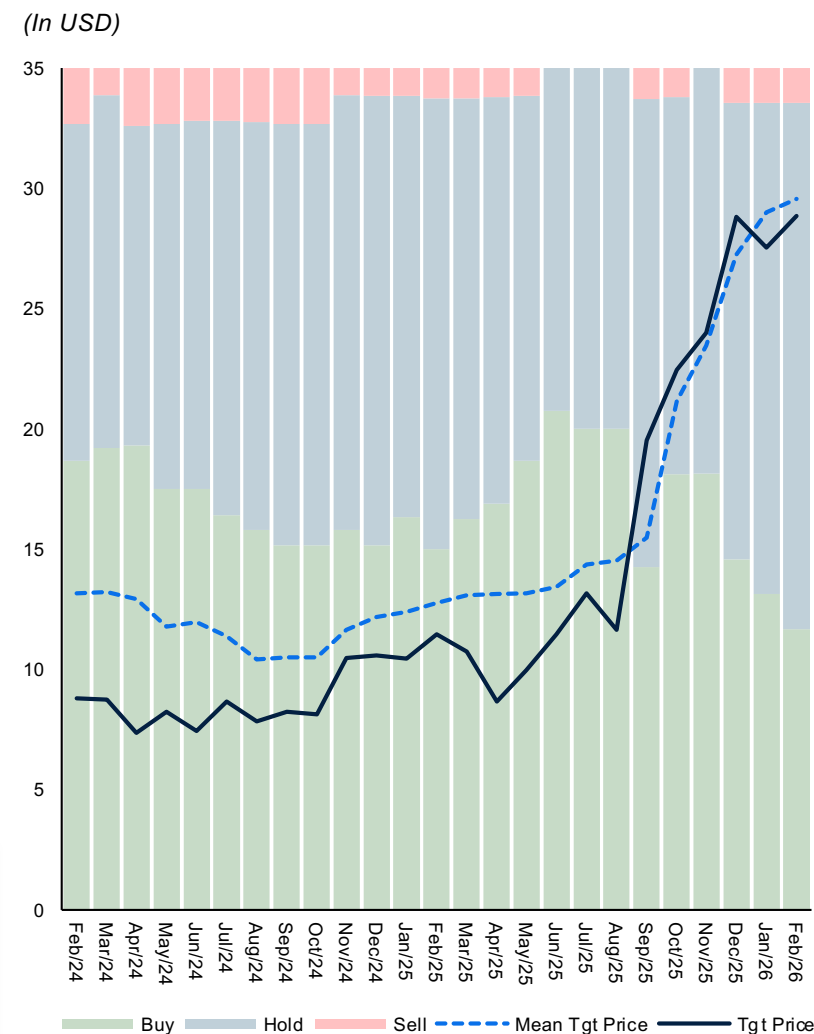
Sources: FactSet, research reports.
Notes: Market data as of 26 February 2026

1. Netflix's amended all-cash offer valued WBD at USD27.75/share (~USD28.75 implied, assuming c.USD1.00/share for the SpinCo stub equity); Paramount's revised all-cash proposal valued WBD at \$31.00/share. SpinCo stub value is an internal estimate and not a publicly disclosed figure

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2.
3.

Broker Recommendations Evolution³



Analyst price targets in an active M&A situation reflect a blend of standalone fundamental valuation and deal-implied valuations
Includes brokers besides the Summary Broker Updates

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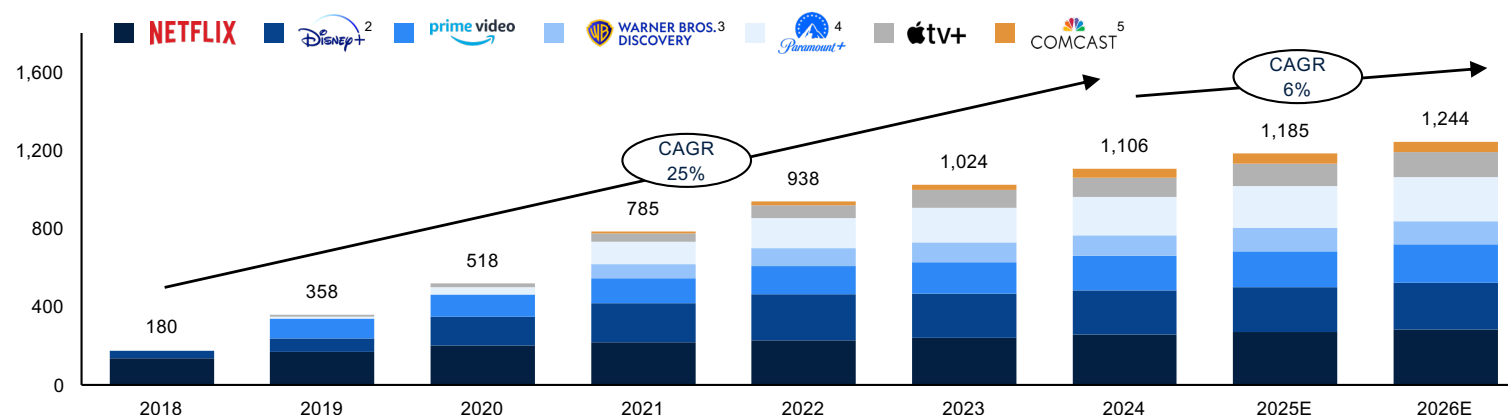
VALUATION & TRANSACTION CONSIDERATIONS

Industry Overview

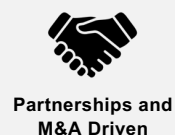
Growth in the Streaming Industry is Slowing; Corporates Now Focusing on Profitability

- ◆ Global SVOD subscriptions have expanded from c.260m in 2018 to roughly 1.0bn in 2024 (c.25% CAGR), but growth is moderating to mid-single-digit as the market matures and incremental adds become harder to achieve
- ◆ Major players' revenues have followed a similar path, increasing from c.USD18bn in 2018 to c.USD78bn in 2024 (high-20s % CAGR) with forward growth driven more by pricing, packaging and ad-supported tiers than by outsized subscriber growth.
- ◆ The competitive landscape is concentrated around a small group of global platforms owned by major tech and media groups (notably Amazon, Netflix, Disney, WBD/Max, Comcast/Peacock and Paramount), with Amazon and Netflix as largest by share, Paramount and Disney+ forming a strong second tier, and Hulu (Which is included under Disney's portfolio), Amazon, WBD/Max and others comprising a fragmented long tail.
- ◆ Within this landscape, Netflix is the leading global pure-play SVOD platform by paid subscribers and engagement among long-form services, and serves as the economic benchmark for the sector given its scale, international diversification and materially higher streaming EBITDA relative to peers.
- ◆ WBD's Max service is positioned as a top-tier but smaller-scale global player, leveraging premium scripted, library and sports content, and is transitioning from near-break-even to a meaningful EBITDA contributor through pricing actions, ad-supported tiers and more disciplined content investment rather than aggressive subscriber outperformance.

Global Subscription Video on Demand ("SVOD") Subscriber Count¹ (USDm)



Key Trends & Industry Growth Driver



- ◆ Major players pursue content sharing and strategic M&A
- ◆ Aims to combat fragmentation and enhance viewer retention



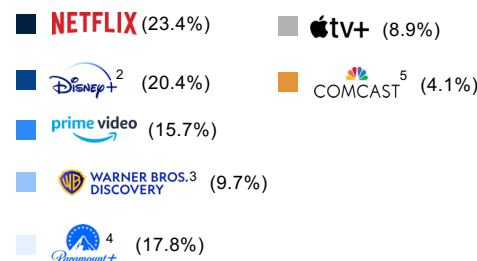
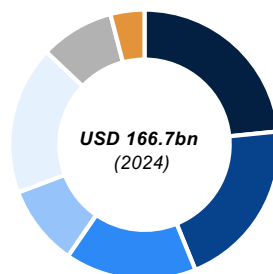
- ◆ Transitioning from chasing new subscribers to sustainable profits
- ◆ Companies looking to have cost discipline, content efficiency and high margin business like Ads



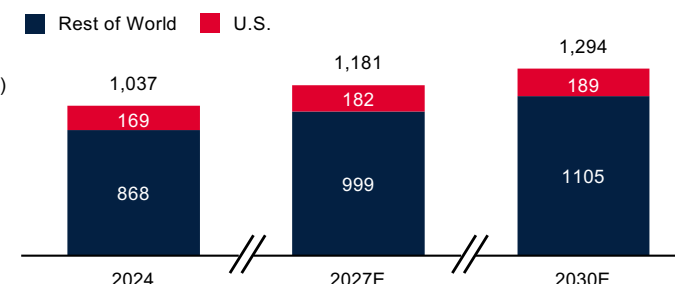
AI-Driven Personalization

- ◆ Artificial intelligence powers advanced recommendation engines & content optimization
- ◆ User engagement expects to be boosted and reducing costs across platforms

Global SVOD Market Share



Global SVOD Users by Region (In Million)



Sources: Company information, company filings, research report.

Notes:

1. MIDiA Research, data derived from Holihan Lokey "The State of the Digital Video/OTT Market - Spring 2025"
2. Includes Disney+, Disney+ Hotstar, ESPN+, and Hulu

3. Includes Max (formerly HBO Max) and Discovery Plus
4. Includes Paramount Plus, Showtime OTT, Noggin, and BET+.
5. Includes Peacock, NOW, WOW, and SkyShowtime

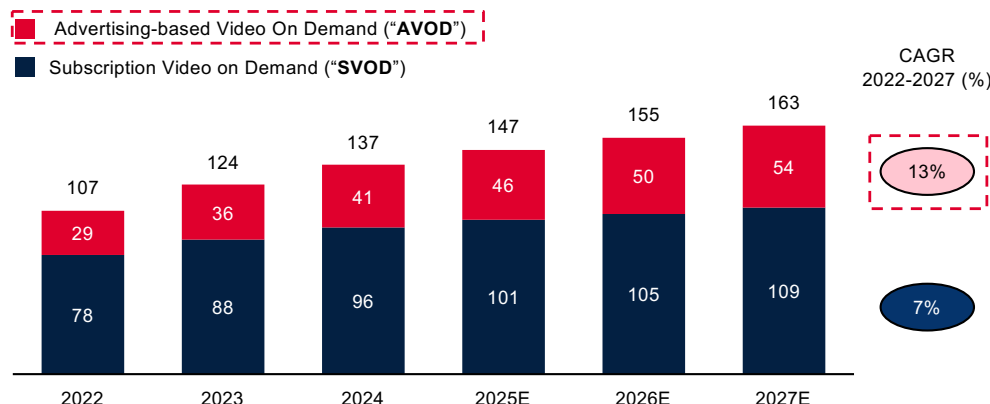
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Industry Opportunity: AVOD as Emerging Profit Pool



AVOD Poised to Outgrow SVOD, With Non-AVOD-heavy Platforms Holding Substantial Upside

Revenue Projections for the Top Streaming Platforms by AVOD and SVOD¹
(USDbn)



- ◆ AVOD is a streaming model offering content for free or at a deep discount, monetized primarily through video ads (e.g., Tubi, Pluto TV, or ad tiers on Netflix/Disney+).
- ◆ Unlike SVOD (subscription-based, ad-free), AVOD or Free Ad-supported Streaming TV ("FAST") generates revenue via Cost per Mille and ad impressions, often with 4–10 minutes of ads per hour.

Key Drivers of AVOD Model Growth



- ◆ Consumers are hitting a ceiling on how many full-price SVODs they will pay for, so cheaper ad-supported tiers and free AVOD/FAST are the easiest way to keep adding services and screen time.
- ◆ Streamers face SVOD churn and rising content costs, so they push AVOD to keep price-sensitive users in the ecosystem while still monetizing them via ads.



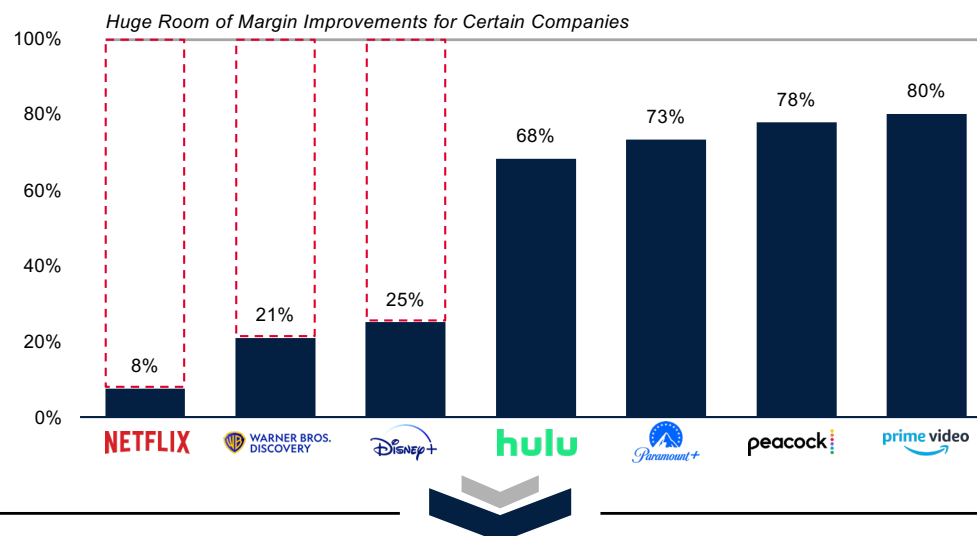
- ◆ Ad budgets are moving rapidly from linear TV into connected TV/OTT, and AVOD/FAST formats capture that flow, driving faster revenue and sub growth than mature SVOD
- ◆ Major platforms have launched ad tiers and expanded AVOD/FAST line-ups because ad-supported offerings now account for more than half of new video subscription gross additions and are expected to outpace SVOD growth

Sources: Company information, research report, company filings.

Note:

1. Includes Netflix, Max, Hulu, and Disney+
2. Ad-supported subscription shares as of Q1 2025; data derived from Houlihan Lokey's research. Metrics reflect percentage of active accounts on ad-tier plans and may vary by data provider

Ad-Supported Subscriptions as a Share of Total Subscriptions by Service²



- ◆ Streaming platforms have shifted focus from pure subscriber growth to profitable growth, and most leading players have already proven that adding AVOD and ad tiers can materially improve ARPU, margins, and DTC profitability
- ◆ As a result, the key opportunity for "non-AVOD-heavy" platforms now is to use AVOD as a new monetization and retention lever; the main drivers of this upside for late adopters are:
 - ◆ **Under-penetrated AVOD = upside optionality:** SVOD-heavy platforms can bolt on AVOD/ad tiers to access CTV ad budgets while offering at-risk users a cheaper downgrade path instead of cancelling altogether
 - ◆ **Margin / revenue headroom:** At peers like Netflix, Disney, and WBD, ad-supported plans already deliver higher blended ARPU than ad-free, so scaling AVOD/FAST is one of the cleanest levers for late adopters to expand EBITDA margins and re-accelerate top-line growth
 - ◆ **Strategic positioning and investor appeal:** A credible AVOD strategy (especially in price-sensitive or emerging markets) broadens audience reach, diversifies revenue between subs and ads, and improves how equity and credit investors view the business model versus a single-revenue-stream SVOD platform
- ◆ Taken together, the shift toward AVOD and hybrid models means that platforms which are still predominantly SVOD today are not "behind", but are effectively long optionality on a proven monetization playbook, with a clear path to higher ARPU, better margin trajectory, and a more diversified, investor-friendly revenue mix as they choose to switch that lever on over time

Q. Benchmarking WBD to its Key Competitors

Global Iconic Content IP Holders and Major Players in the Industry

(In USDm)		NETFLIX	WARNER BROS. DISCOVERY	The WALT Disney Company	COMCAST	SONY	Paramount	FOX
Headquarter		New York, USA	New York, USA	California, USA	Pennsylvania, USA	Tokyo, Japan	California, USA	New York, USA
Business	Business (By top-four segments)	 USD45,274m (FY2025)	 USD37,323m (FY2025)	 USD94,425m (FY2025)	 USD123,707m (FY2025)	 USD86,385m (Q3FY26)	 USD30,173m (Q3FY25)	 USD16,300m (FY2025)
		■ Streaming (100%)	■ Global Linear Network (39%) ■ Studio (28%) ■ Streamline (24%) ■ Intersegment (-9%)	■ Entertainment (43%) ■ Experiences (37%) ■ Sports (18%) ■ Intersegment (3%)	■ Residential Connectivity Services (50%) ■ Media (19%) ■ Studio (8%) ■ Business Services Connectivity (8%)	■ Game & Network (42%) ■ Entertainment, Technology (17%) ■ Imaging & Sensing (15%) ■ Music (14%)	■ TV Media (56%) ■ Direct-to-Consumer (30%) ■ Filmed Entertainment (11%) ■ Intersegment (3%)	■ Television (56%) ■ Cable Network Programming (42%) ■ Other Income (1%) ■ Intersegment (-1%)
Library	Iconic Franchise (Selected)							
		Iconic Franchise Revenue ¹	3,900	63,700	155,900	30,300	34,500	32,500
Market Cap.		400,641	68,997	178,729	109,986	127,613	11,051	22,448
Revenue		45,274	37,323	94,425	123,707	86,385	30,173	16,300
Net Profit		10,981	749	13,431	19,660	7,733	(608)	2,293
Debt Ratio		52.13%	62.87%	41.97%	64.28%	75.89%	70.27%	46.73%
P/E		36.48x	92.12x	13.31x	5.59x	16.50x	N.A.	9.79x

Sources: Company filings, company information, FactSet.

Notes: Data as of 11 Mar 2026

1. Lifetime revenue of the three franchises from multiple source (box office, merchandise)

2. Financial Metrics as of FY2025, except Market Cap and P/E

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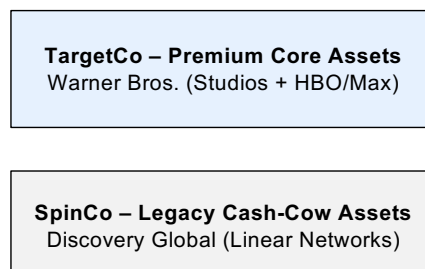
O. Strategic Rationale ① – Structural Unlock

Unlocking M&A Value by Transforming a Discounted Conglomerate Into a Clean, Targeted Acquisition

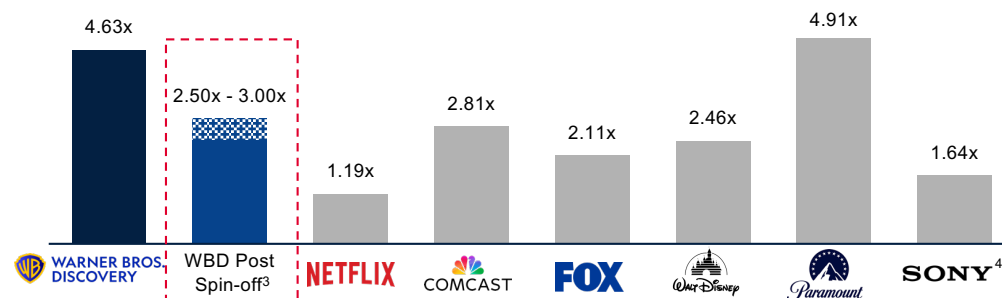
Pre-spin-off:



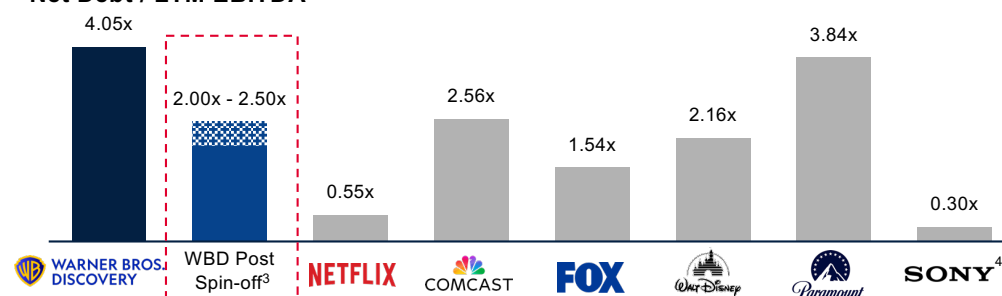
Post-spin-off:



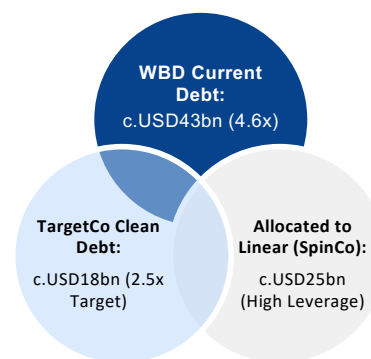
Total Debt / LTM EBITDA¹



Net Debt / LTM EBITDA²



Action	Key Thesis	Key Consideration & Highlights
 Situation	High-Leverage & Growth Bottleneck	- Severely constrained by a 4.63x Total Debt / LTM EBITDA ratio (>USD43bn total debt) - The massive burden restricts strategic flexibility and limits crucial content investment. - A full-entity buyout remains financially untenable for strategic buyers like Netflix.
 Mechanism	Strategic Spin-off & Debt Allocation	- Spin off legacy linear networks into a standalone entity - Allocate substantial existing debt to these mature, cash-generative assets. - Effectively ring-fence the "linear drag" to protect and clean the remaining core business
 Implication	Deleveraged Premium Target for M&A	- The reorganization structurally resets the company's financial profile - The premium core (Studios + HBO/Max) emerges with an attractive 2.50x - 3.00x leverage. - Transforms the entity into a financially digestible target that Netflix can confidently underwrite.
 Value Creation	Unlocking Synergies & Multiple Expansion	- The deleveraged TargetCo aligns closer to pure-play streaming peers for multiple expansion, results in re-rating - Netflix gains iconic franchises (DC, Harry Potter, GoT) and massive subscriber reach - Secures growth assets without the anchor of declining cable networks, maximizing shareholder value.



Peer Alignment:

- Post-spin TargetCo's leverage (2.5x - 3.0x) is drastically reduced from distressed levels, aligning closely with premium content and tech peers (e.g., Netflix, Disney).

M&A Feasibility:

- Shedding c.USD25bn+ of legacy debt to SpinCo removes the primary financial hurdle, making TargetCo a digestible and highly accretive acquisition for Netflix.

Sources: Company information, company filings, FactSet.

Notes:

1. LTM EBITDA sourced from FactSet as of 26 February 2026

2. TargetCo pro forma leverage represents illustrative management case assumptions based on estimated post-spin capital structure

3.

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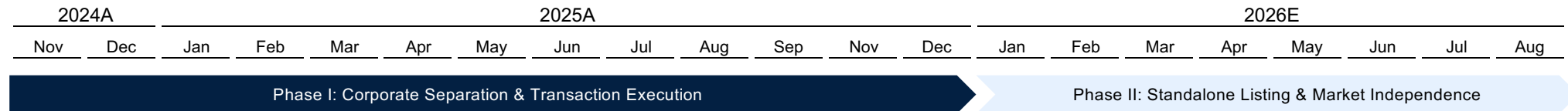
Net debt defined as total debt less cash and cash equivalents
Leverage metrics of Sony based on latest FY25 company filings as of 31 March 2025; not adjusted for pending transactions unless otherwise noted

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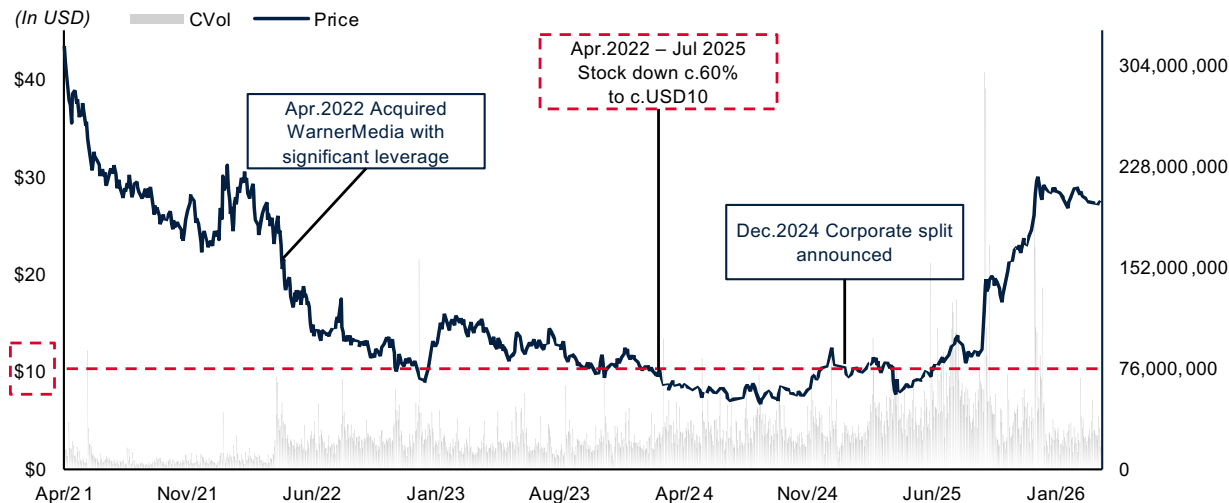
Strategic Rationale 1 – Structural Unlock

Netflix Needs to Capture Structural Value Before the Spin-Driven Re-rating Takes Hold

WBD Spin-Off Transaction Timeline



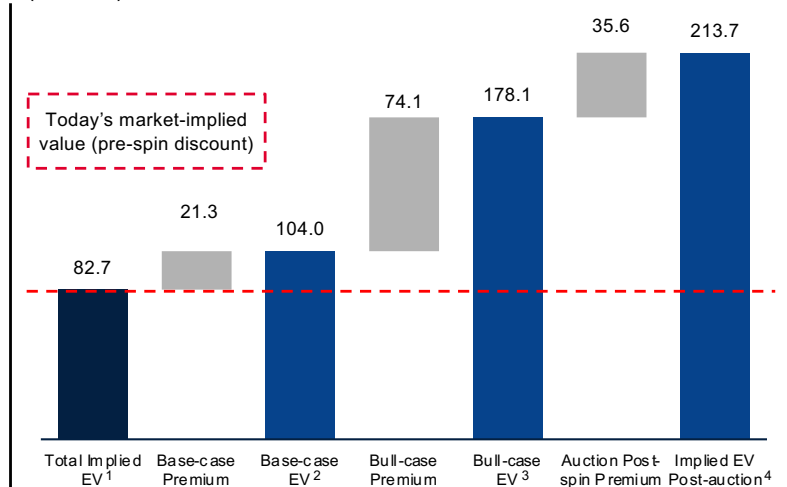
WBD Share Price History



Why Acq. NOW

- ◆ **Why must Netflix acquire WBD now? Post-merger discount persists:** WBD share price has down c.60% since April 2022 (erasing >USD35bn market cap.) due to linear TV drag + high leverage
- ✓ **Spin-off creates window:** The announced spin-off enhances strategic appeal, but market re-rating is lagging, creating **acquirer window** for a pre-valuation catch-up
- ✓ **Capture SOTP upside:** Current WBD's EV of c.USD101bn compares to TargetCo's implied USD82.7bn excluding the content synergies creates structural discount to capture pre-rerating

TargetCo Implied SOTP Valuation V.S. Future Market Pricing (USDbn)



Why NOT Later

- ◆ **Pure-play rerating risk:** Post-spin, TargetCo's "pure-play" model is likely to structurally lifting the entry multiple for any acquirer
- ◆ **Valuation step-up by 2027E:** As first post-split financial results releases in 2027E, market pricing is expected to **re-rate at a meaningful premium**, implying incremental acquisition cost in the c.25%–160% range versus today's implied level



This is the rare case where **Seller-led** restructuring creates a **Buyer-led** timing advantage

NETFLIX

Sources: Company filings, company information, FactSet.
 Notes: TargetCo LTM Adj.EBITDA estimated at USD3,016m as of 30 Sep. 2025
 1. Implied EV is calculated based on Netflix's latest USD27.75 per share offer at the TargetCo level, and does not represent an EV for WBD on a consolidated basis
 2. Derived by applying a 20x EV/2027E EBITDA multiple to 2027E EBITDA of USD6,500m

O. Strategic Rationale ② – Franchise Acquisition

One-off Acquisition of a Long-run Content Production Powerhouse

What Netflix is acquiring

- ◆ Through the acquisition of WBD, Netflix gains outright ownership of **one of the deepest IP portfolios** in global entertainment, spanning “DC Universe”, “Harry Potter”, “Game of Thrones”, “Looney Tunes”, and “CNN”, shifting from licensed aggregation to permanent franchise control
- ✓ **Immediate Access to Evergreen IP:** Acquires multi-generational franchises that drive sustained engagement and reduce reliance on costly original greenlight cycles — content Netflix cannot replicate organically at comparable speed or scale
- ✓ **Ownership Over Rental:** Transitions from expensive, time-limited third-party licensing to outright IP ownership, lowering content cost per viewing hour and eliminating re-licensing risk as rivals pull catalogues to captive platforms
- ✓ **Accelerate the “Build-to-Own” Pivot:** Deliberate shift from pure organic creation to selective franchise acquisition, positioning Netflix as the definitive scaled platform in a consolidating landscape where IP scarcity is the binding constraint
- ◆ WBD’s catalogue represents a rare, actionable opportunity to acquire — rather than build — a structurally differentiated content engine that compounds subscriber value over decades, not production cycles

Warner Bros Discovery IP Franchises

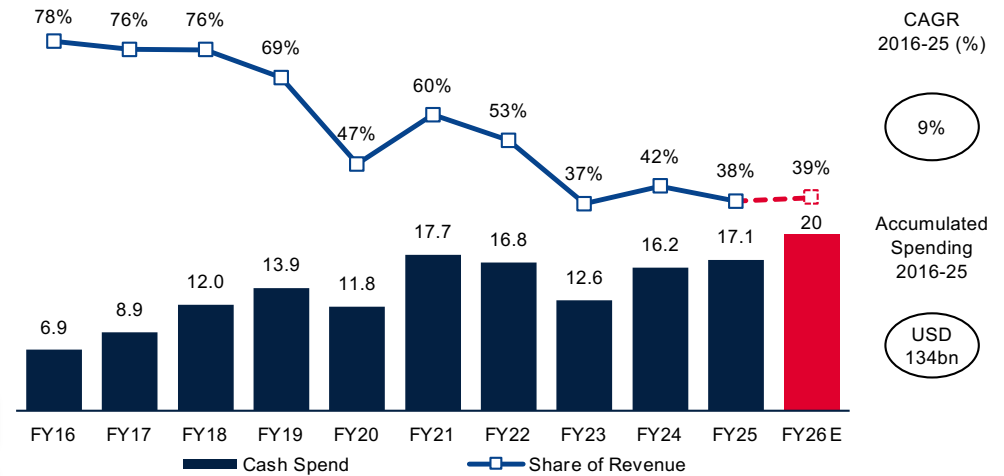
Movies ²	TV ²	Co-production ²			
 “Harry Potter” >1.3bn views	 “The Matrix” >200m views	 “Friends” >5.0bn views	 “Game of Thrones” >5.0bn views	 “Interstellar” >150m views	 “Dune” >80m views
 “Joker” >120m views	 “The Lord of the Rings: The Fellowship of the Ring” >200m views	 “Euphoria” >50m views	 “The Big Bang Theory” >50m views	 “Godzilla vs. Kong” >150m views	 “Blade Runner 2049” >80m views

Sources: Company filings, company information, industry reports

Notes:

1. Content cash spend figures include original production and licensed content, on a global basis
2. Illustrative selection of key franchises; not exhaustive

Netflix Annual Cash Spend on Contents¹ (USDbn)



- ◆ Netflix has been cutting its development cost on IP contents for the past 10 years, the transaction brings Netflix a premium assets for its streaming business, but **gives a hand to its current struggling: the balance between “Profitability” & “Content Quality”**

Why Organic Developments Fall Short

1



High Financial Risk & Upfront Costs

- ◆ Organic development requires massive upfront investment in production, marketing, and talent with no guarantee of success
- ◆ Many new originals fail to recoup their high costs, leading to inefficient capital allocation compared to proven franchises
- ◆ Without established audience demand, Netflix bears the full financial risk of greenlighting untested concepts

2



Limited Audience Loyalty & Rapid Drop-Off

- ◆ New IP lacks pre-existing fan bases, resulting in lower initial engagement and quick viewership decline after launch
- ◆ Completion rates for many originals are low, as viewers often abandon shows midway due to weaker storytelling or pacing
- ◆ Unlike evergreen licensed content or franchises, most organic titles struggle to sustain long-term viewing and retention

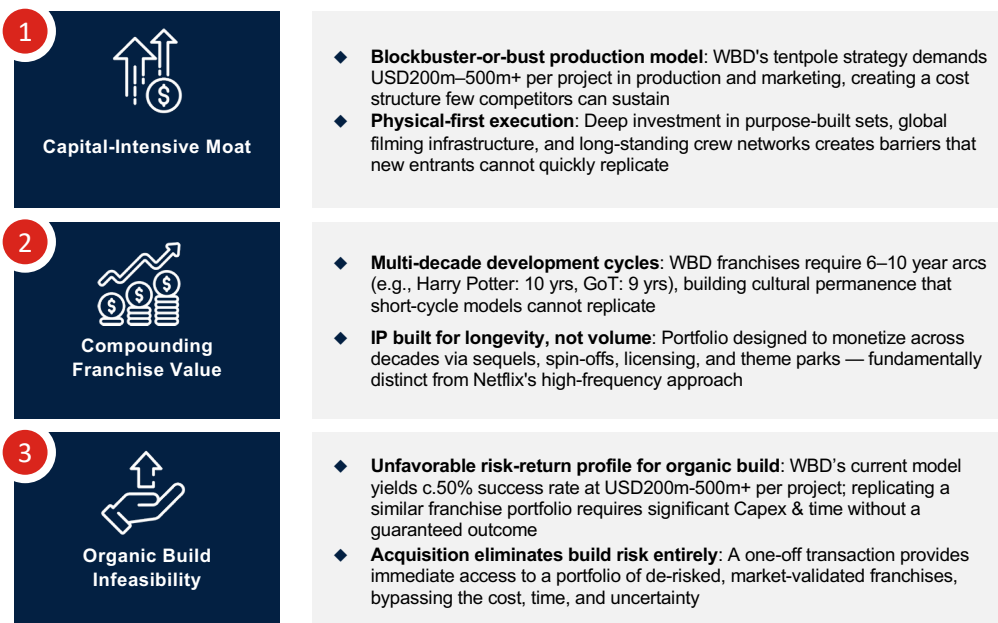
O. Strategic Rationale ② – Franchise Acquisition

Buy vs. Build: The Strategic Case for Inorganic IP Acquisition

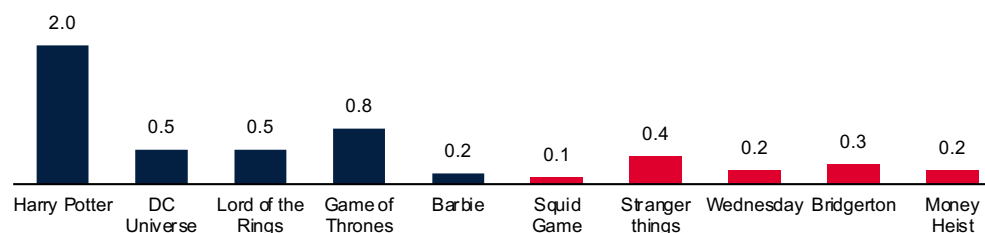
Warner Bros' Development Timeline



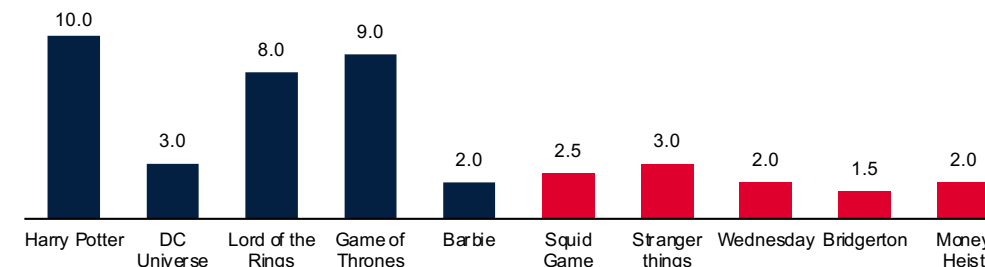
Key Drivers of WBD's Irreplicable Franchise Value



Average Content IP Cost of Production¹ (USDbn)



Average Content IP Production Timeline² (Years)



Success Rate of IP Creation³



- WBD's franchise portfolio is the product of 100+ years of capital deployment and cultural relevance, this legacy **cannot be organically replicated within any realistic timeframe or budget**
- The economics of organic build are prohibitive: From Netflix's perspective, replicating a comparable IP library would require decades of sustained investment at USD200m–500m+ per project, with only c.50% probability of success per franchise
- Acquisition represents the only viable path: A one-off transaction allows Netflix to **immediately secure a de-risked portfolio** of globally recognized, multi-decade franchises — eliminating the time, cost, and uncertainty of building from scratch

Sources: Company filings, company information.

Notes:

- Content IP Cost of Production reflects estimated aggregate spend across all installments within a franchise, not per-title cost
- Average Content IP Production Timeline measured from initial greenlight / rights acquisition to first commercial release

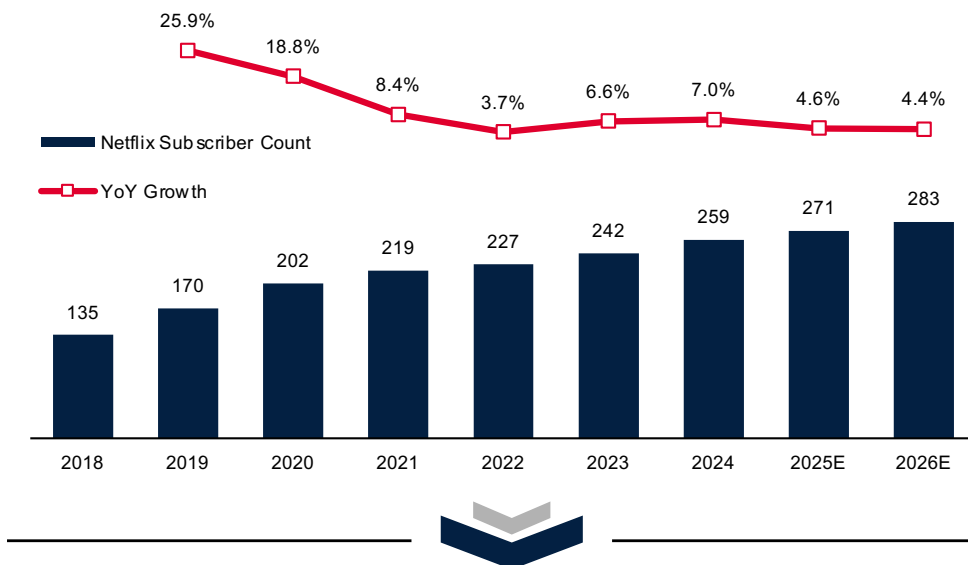
3.

Netflix success rate reflects original series/films commissioned 2016–2024 that were renewed or expanded; WBD success rate reflects theatrical franchise IP launched 2000–2024

Strategic Rationale ③ – Revenue Monetization

The Problem: Netflix Has Scale but Cannot Monetize It

Netflix Annual Subscriber Count and YoY Growth (USDm)



Netflix's historical main growth driver is slowing down

- Subscriber growth used to be the main revenue growth driver for Netflix
- This deceleration is structural because the streaming market has reached high penetration and saturation in mature, high Average Revenue Per Unit ("ARPU") regions like the US, Canada, and Western Europe, where most households already subscribe to multiple services.

Netflix is shifting to a revenue and engagement company

- Netflix announced it would stop reporting quarterly subscriber counts and Average Revenue per Membership ("ARM") starting in 2025 because it now views revenue growth, operating margin, free cash flow, and engagement (measured primarily as total viewing hours/time spent) as more meaningful metrics for a mature, highly profitable business.
- The decision to stop reporting the metric that the market had historically used to value Netflix is itself the clearest possible signal that subscriber count had become a limiting frame. Netflix was explicitly telling the market: we are no longer a subscriber-growth company, we are a revenue-and-engagement company

Sources: Company information, company filings, broker reports, EMARKETER, AdTechRadar, CNBC.

Notes:

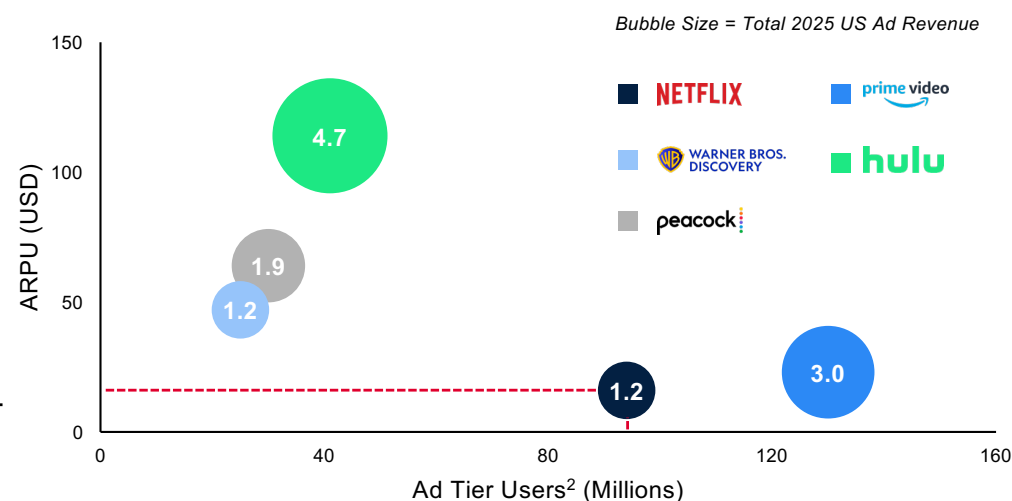
- Figures represent ad-supported video revenue only; bubble size reflects total 2025E US ad revenue
- Netflix ad-tier user count and annual revenue per ad-tier user are derived from management commentary and third-party industry data



However, Netflix suffers from a Monetization Gap

- Netflix is severely under-monetized vs peers, with only USD1.5bn in US Ad Revenue in 2025 compared to Hulu's USD4.7bn or Amazon Prime's USD3.0bn

2025 US Ad Revenue breakdown (Ad Tier Users and ARPU)¹



94M
Ad Tier Users



\$16
Annual Revenue per Ad-Tier User

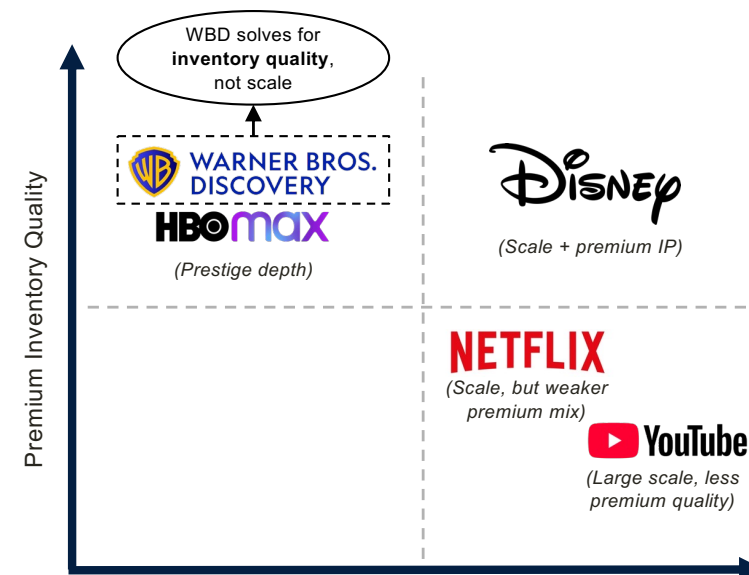
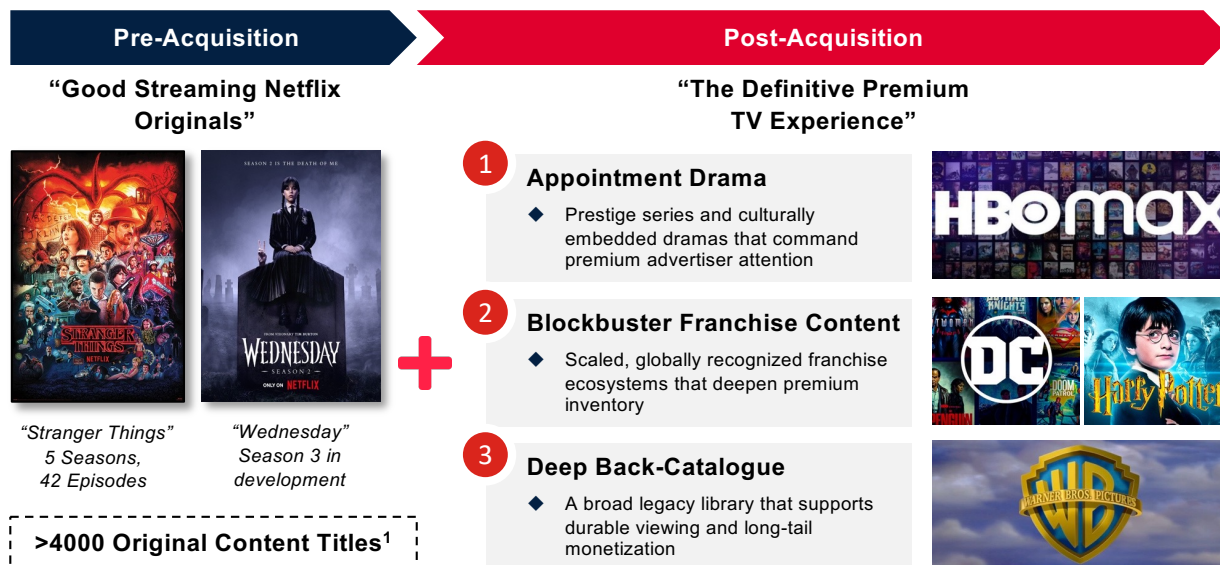
Netflix has the **user base** but has a very **low realized revenue** per ad-tier user³

- Netflix's original content library, while strong, lacked the iconic, culturally embedded "appointment TV" franchises that command premium ad pricing in the market

3. Market commentary based on analysis of industry data and public disclosures

O. Strategic Rationale ③ – Revenue Monetization

The Solution: Acquiring WBD Unlocks a Dual Average Revenue Per Unit (“ARPU”) Flywheel



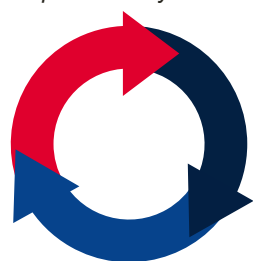
Subscription ARPU lever

Price Ladder²

- Standard with Ads: USD8.99
- Standard: USD19.99
- Premium: USD26.99

Premium content depth supports continued mix-up and price realization

*Dual ARPU
Expansion Flywheel*



Advertising ARPU lever

Key Statistics:

- 94M ad-tier Monthly Active Users (MAUs)
- USD1.5bn+ ad revenue in 2025
- 41 hours per month U.S. ad-tier engagement

WBD content breadth could improve inventory quality and expand monetizable ad demand

- Scaled with subscriber growth maturing, Netflix’s next leg of value creation is ARPU expansion
- Better content lifts both Netflix’s subscription pricing and ad monetization, which enables funding for more premium content. The cycle goes on

Sources: Company filings, Whats-on-Netflix, CNBC, Variety, TheCurrent, ADweek, Reuters.

Notes:

- Netflix original content title count based on company disclosures and third-party data as of 2025
- Standard with Ads, Standard, and Premium refer to ad-supported, ad-free subscription, and ad-free premium subscription tiers, respectively

3.

Ad-tier MAUs, ad revenue and average monthly viewing hours are based on company commentary, third-party industry reports for 2025E US ad business

Why Is The Window Closing

- Licensed Content Is Less Durable.** As rights become more valuable, studios are increasingly keeping or reclaiming key content for their own platforms rather than leaving it in third-party licensing pools
- Scarce Premium Libraries Were Actively In Play.** WBD was one of the few scaled premium content portfolios available, and the asset attracted multiple bidders during the process
- The Market Had Shifted To Monetization, Not Just Subscriber Growth.** In mature streaming markets, the advantage increasingly comes from owned premium IP that improves both pricing power and ad monetization

1

TRANSACTION OVERVIEW

2

MARKET CONTEXT & OPPORTUNITY

3

STRATEGIC RATIONALE

4

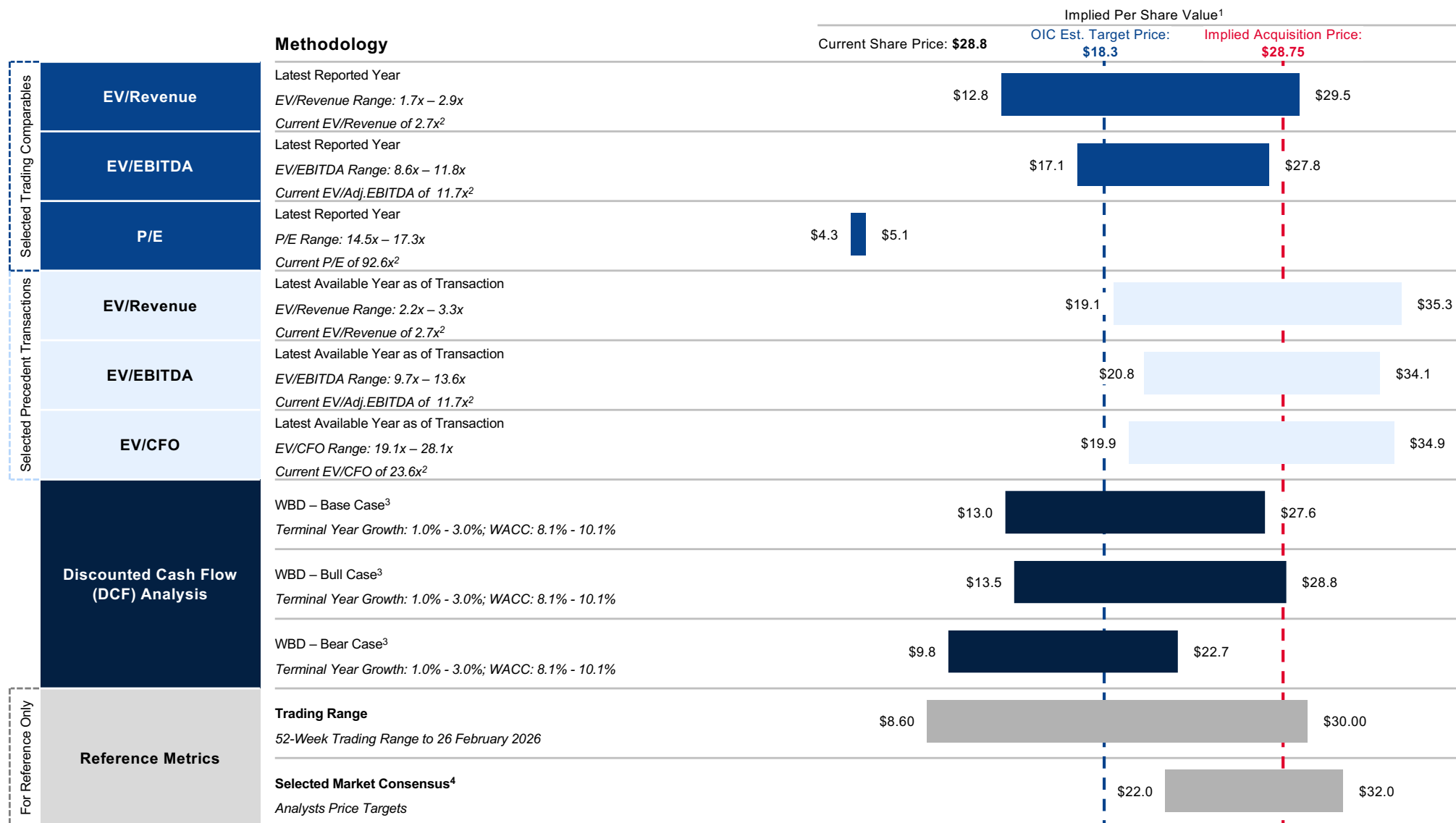
VALUATION & TRANSACTION CONSIDERATIONS



Summary Preliminary Valuation Analysis



Our Analysis Implies a Target Price of USD18.3, c.36.4% Discount to the Implied Acquisition Price



Sources: Company filings, FactSet, broker reports.

Notes:

1. Rounded to the nearest USD0.10, except for Acquisition Price and Trading Range
2. Multiples based on EV as of 26 February 2026, Adj. EBITDA as of FY25
3. Target price based on terminal growth rate of 2.0% and WACC of 9.1%

4. Includes Brokers of Benchmark, MorningStar, Deutsche Bank Research, TD Cowen Research, Moffett Nathanson Research, and Guggenheim

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O. Preliminary Valuation Analysis: DCF Methodology & Core Assumptions



Model Calibrated Around Management Guidance, and Consensus Estimates

Forecast Assumption

Valuation Assumption	◆ Relies in DCF framework meticulously calibrated to the current market condition ◆ Cross-checked through comps analysis and market consensus to ensure alignment with consensus valuation benchmarks
Revenue Stream	◆ Driven predominantly by DTC and Studio as core value drivers, while partially offset by underperformance in the Basic Network segments ◆ Assume nil strategic shift from its asset-light model, CAPEX is expected to remain stable as a percentage of turnover across all scenarios
Opex & Capex	◆ Anticipates Opex rationalization as business activity moderates, facilitating the accumulation of cash reserves for strategic investment opportunities ◆ Projects net income margin recovery and stabilization, underpinned by sustained improvements in operating leverage
Working Capital Cycle	◆ A notably aggressive assumption that current working-capital cycle efficiency will be maintained across all scenarios, despite the anticipated contraction in the company's operational footprint
Dividend policy	◆ Dividend policy maintained at zero payout throughout the forecast period, reflecting a continued focus on capital retention
Long term D/E ratio	◆ Long-term D/E ratio projected to trend lower over the forecast horizon, underpinned by zero anticipated borrowings and a strengthening equity base through retained earnings

WACC Calculation Table

Cost of Equity	Base	Source
Risk Free rate	4.3%	◆ Trading Economics: US 10 Year Note Bond Yield, updated April 16 2026
Beta	1.64	◆ Beta is derived from 5-year monthly covariance of the equity performance relative to S&P500 Index
Mature Market Equity Risk Premium	4.2%	◆ From Aswath Damodaran - Country Default Spreads and Risk Premiums ¹
Country Risk Premium	0.0%	
Equity Risk Premium	4.2%	
Cost of Equity	11.2%	
Cost of Debt		
Pre-tax Cost of Debt	5.5%	◆ Company 8-year average cost of debt
Marginal Tax rate	25.0%	◆ 8-year average effective tax rate
Cost of Debt After Tax	4.1%	
Net Debt / Net Capital	43%	
WACC	9.1%	

Sources: Company filings, FactSet, Trading Economics

Note:

1. Mature Market Premium of 4.2% is derived from the United States market

O. Preliminary Valuation Analysis: DCF Base Case Output

Target Price of USD18.3 Derived From 6-Year FCF Projection With Sensitivity Cross-Check

Model Analysis

- ◆ **Implied discount:** Our DCF-derived target price of USD18.3 implies a c.36.5% discount to the current share price of USD28.8, suggesting the market is pricing in optionality or strategic premium not captured in standalone cash flows
- ◆ **Revenue trajectory:** Revenue recovers from a trough in 2026E, reaching a 25E to 31E CAGR of 1.6%, driven by streaming subscriber growth and ad monetization ramp
- ◆ **EBITDA headwinds:** Adjusted EBITDA declines at a negative 4.1% CAGR (25E to 31E), reflecting the phase-down of higher-margin linear contribution during the transition period

Share Price Calculation Table

Enterprise value	Cal.
Terminal Growth Rate	2.00%
Implied Exit Multiple as of Terminal EBITDA	12.16x
Terminal Value as of % of TEV	62.12%
Total Enterprise Value/TEV (USDms)	75,950
(-) Net Debt ¹	(30,600)
Implied Equity Value (USDms)	45,350
Basic Shares Outstanding (Ms) ²	2,480
Implied Share Price (USD)	18.3
Current Share Price	28.8
Implied Current (Premium) / Discount	(36.5%)

Sources: Company filings, Management guidance, Broker consensus estimates, and internal analysis.
Notes: Projections from 2026E onwards are based on internal estimates informed by Management guidance and selected broker consensus as of 26 February 2026
1. Net Debt of USD30,600m as of 26 February 2026, inclusive of total debt, cash and cash equivalents, and pension obligations; excludes lease liabilities

Free Cash Flow Schedule

In USDm, unless specified otherwise	Historical		Projection						Terminal Year	CAGR 25E-31E
	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E		
Revenue	39,321	37,296	37,558	38,074	38,833	39,548	40,602	41,668	41,668	1.6%
Revenue Growth Rate	(4.8%)	(5.1%)	0.7%	1.4%	2.0%	1.8%	2.7%	2.6%	2.6%	
(-) COGS	(30,014)	(26,575)	(26,762)	(26,858)	(27,119)	(27,343)	(27,791)	(28,235)	(28,235)	
Gross Profit	9,307	10,721	10,796	11,216	11,713	12,205	12,811	13,433	13,433	
Gross Margin	23.7%	28.7%	28.7%	29.5%	30.2%	30.9%	31.6%	32.2%	32.2%	
(-) SG&A (excl. D&A)	(9,004)	(9,202)	(8,964)	(8,971)	(9,223)	(9,477)	(9,657)	(9,902)	(9,902)	
(+/-) Other Operating Income/(Expense)	1,146	790	-	-	-	-	-	-	-	
(+) Depreciation and Amortization (D&A)	7,037	5,684	4,513	4,090	3,645	3,321	3,102	3,010	3,010	
(+/-) Non-recurring Expense/(Income)	546	751	-	-	-	-	-	-	-	
Adjusted EBITDA³	9,032	8,744	6,345	6,335	6,135	6,050	6,256	6,540	6,540	(4.1%)
Adjusted EBITDA Growth Rate	(11.5%)	(3.2%)	(27.4%)	(0.2%)	(3.2%)	(1.4%)	3.4%	4.5%	4.5%	
Adjusted EBITDA Margin	23.0%	23.4%	16.9%	16.6%	15.8%	15.3%	15.4%	15.7%	15.7%	
EBITDA	8,486	7,993	6,345	6,335	6,135	6,050	6,256	6,540	6,540	
(-) D&A	(7,037)	(5,684)	(4,513)	(4,090)	(3,645)	(3,321)	(3,102)	(3,010)	(3,010)	
EBIT	1,449	2,309	1,833	2,245	2,491	2,729	3,154	3,531	3,531	
(-) Taxes on EBIT	(362)	(577)	(458)	(561)	(623)	(682)	(789)	(883)	(883)	
Net Operating Profit After Tax (NOPAT)	1,087	1,732	1,374	1,684	1,868	2,046	2,366	2,648	2,648	6.3%
(+) Depreciation	7,037	5,684	4,513	4,090	3,645	3,321	3,102	3,010	3,010	
(+) Amortization of Content Assets	13,946	11,855	12,624	12,251	11,972	11,787	11,626	11,548	11,548	
(-) Capital Expenditures (CAPEX)	(948)	(1,231)	(1,076)	(314)	(330)	(1,133)	(1,163)	(1,194)	(1,194)	
(+/-) Change in Operating NWC	(12,126)	(11,302)	(11,075)	(10,043)	(10,151)	(10,197)	(10,302)	(10,379)	(10,379)	
Free Cash Flow to the Firm (Unlevered FCF)	8,996	6,738	6,360	7,668	7,004	5,824	5,628	5,633	79,500	(2.5%)
Discount Factor	-	-	0.92	0.84	0.77	0.71	0.65	0.59	0.59	
Present Value of Unlevered FCF	-	-	5,831	6,444	5,396	4,113	3,644	3,343	47,180	

Sensitivity Analysis Table, Share Price(USD)

		Terminal Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.1%	19.7	21.2	23.0	25.1	27.6
	8.6%	17.7	19.0	20.5	22.2	24.2
	9.1%	15.9	17.0	18.3	19.7	21.4
	9.6%	14.4	15.3	16.4	17.6	19.0
	10.1%	13.0	13.8	14.7	15.8	16.9

Sensitivity Analysis Table, TEV(USDm)

		Terminal Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.1%	79,471	83,257	87,664	92,861	99,079
	8.6%	74,487	77,684	81,366	85,653	90,708
	9.1%	70,115	72,840	75,950	79,532	83,703
	9.6%	66,247	68,590	71,241	74,267	77,752
	10.1%	62,801	64,829	67,109	69,689	72,633

2. Basic shares outstanding of 2,480m as of 26 February 2026; excluding potential option exercises (i.e., non-fully diluted basis)
3. Adjusted EBITDA defined as EBITDA adjusted for non-recurring items

O. Preliminary Valuation Analysis: Precedent Transactions



Selected M&A Transactions Provide a Market-Clearing Reference for Acquisition Multiples

In USD m, unless specified otherwise

Year	Acquirer	Target	Deal Type	TEV	Revenue	EBITDA	CFO	Net Income	Valuation Multiple		
									EV/Revenue	EV/EBITDA	EV/CFO
2025	KKR Led Consortium	Paramount A Viacom Company	Buyout	23,337	28,756	1,597	366	(14)	0.81x	14.61x	63.76x
2024	LIONS GATE ENTERTAINMENT	LIONSGATE STUDIOS	Reverse Merger	-	2,986	1,469	-	(94)	-	-	-
2026	Nexstar MEDIA GROUP, INC.	TEGNA	Acquisition	5,839	2,712	519	(402)	220	2.15x	11.26x	-14.52x
2023	WME GOLDEN EAGLE	WWE	Acquisition	7,876	1,338	350	208	169	5.89x	22.52x	37.93x
2022	INTERMEDIA	HEMISPHERE MEDIA	Buyout	504	211	31	(44)	(33)	2.39x	16.37x	-11.57x
2021	sphere	MSG NETWORKS	Acquisition	3,546	634	294	186	178	5.60x	12.04x	19.09x
2021	SeaportGlobal	redbox. ENTERTAINMENT	Reverse Merger	-	289	(34)	-	(113)	-	-	-
2022	Chicken Soup in the Soul Entertainment	redbox. ENTERTAINMENT	Acquisition	890	272	(70)	3	(75)	3.28x	-	279.85x
2021	890 PARTNERS	BuzzFeed	Reverse Merger	-	375	32	-	17	-	-	-

Share Price Calculation		<u>EV/Revenue</u>	<u>EV/EBITDA</u>	<u>EV/CFO</u>		Maximum	5.89x	22.52x	279.85x
	Median	2.81x	13.33x	19.09x		75% Percentile	5.60x	17.91x	63.76x
	Total Enterprise Value	104,802	116,558	82,450		Median	2.81x	13.33x	19.09x
	(-) Net Debt ¹	(30,600)	(30,600)	(30,600)		Average	3.28x	13.63x	39.88x
	Equity Value	74,202	85,958	51,850		25% Percentile	2.15x	9.69x	-14.52x
	Implied Share Price (USD)	29.9	34.7	20.9		Minimum	0.81x	4.98x	-95.35x

Sources: Company filings, company information, Capital IQ, FactSet.

Notes: Market Data as of 26 February 2026.

1. Net Debt of USD30,600m as of 26 February 2026, inclusive of total debt, cash and cash equivalents, and pension obligations; excludes lease liabilities



Preliminary Valuation Analysis: Trading Comparables

WBD Multiples Elevated by Competing Acquisition Offers and Franchise IP Value

In US\$M, unless specified otherwise

Company Name	Ticker	Price (USD)	Sales	EBITDA	Net Income	Market Value	Enterprise Value	EV/Sales			EV/EBITDA			P/E	
								FY	FY+1	FY+2	FY	FY+1	FY+2	FY	FY+1
Warner Bros. Discovery A	WBD-US	28.8	37,296	8,744 ²	771	72,305	100,712	2.74x	2.63x	2.59x	11.67x	11.54x	11.48x	92.64x	- ¹
Direct Comps – Diversified Media & Entertainment															
Walt Disney	DIS-US	99.3	94,425	19,158	12,404	175,894	222,388	2.36x	2.24x	2.15x	11.61x	10.41x	9.51x	14.49x	15.07x
Comcast A	CMCSA-US	30.2	123,707	37,366	19,998	108,511	204,521	1.65x	1.58x	1.60x	5.47x	5.60x	5.56x	5.60x	8.19x
Paramount Skydance B	PSKY-US	9.7	28,891	3,076	(621)	10,806	23,818	0.82x	0.79x	0.78x	7.74x	6.65x	6.42x	-	13.90x
Netflix	NFLX-US	95.3	45,183	14,279	10,981	402,414	410,322	9.08x	8.12x	7.28x	28.74x	24.62x	20.64x	37.67x	30.26x
Fox A	FOXA-US	57.4	16,300	3,614	2,263	23,209	28,881	1.77x	1.77x	1.70x	7.99x	8.32x	7.82x	11.69x	12.31x
Sony Group ADR	SONY-US	21.5	86,525	14,882	7,623	133,275	136,060	1.57x	1.59x	1.52x	9.14x	8.17x	7.84x	17.19x	17.48x
Average								2.88x	2.68x	2.50x	11.78x	10.63x	9.63x	17.33x	16.20x
Median								1.71x	1.68x	1.65x	8.57x	8.24x	7.83x	14.49x	14.48x
Segment Comps – Streaming / DTC															
Netflix	NFLX-US	95.3	45,183	14,279	10,981	402,414	410,322	9.08x	8.12x	7.28x	28.74x	24.62x	20.64x	37.67x	30.26x
Walt Disney	DIS-US	99.3	94,425	19,158	12,404	175,894	222,388	2.36x	2.24x	2.15x	11.61x	10.41x	9.51x	14.49x	15.07x
Paramount Skydance B	PSKY-US	9.7	28,891	3,076	(621)	10,806	23,818	0.82x	0.79x	0.78x	7.74x	6.65x	6.42x	-	13.90x
Comcast A	CMCSA-US	30.2	123,707	37,366	19,998	108,511	204,521	1.65x	1.58x	1.60x	5.47x	5.60x	5.56x	5.60x	8.19x
Fox A	FOXA-US	57.4	16,300	3,614	2,263	23,209	28,881	1.77x	1.77x	1.70x	7.99x	8.32x	7.82x	11.69x	12.31x
Roku A	ROKU-US	91.7	4,737	86	88	13,512	11,718	2.47x	2.15x	1.92x	136.28x	18.42x	14.00x	155.34x	42.62x
IQIYI ADR	IQ-US	1.3	4,004	1,307	105	1,261	2,759	0.69x	0.69x	0.67x	2.11x	20.01x	13.30x	11.91x	17.71x
Bilibili ADR	BILI-US	25.2	3,676	135	(185)	10,474	8,528	2.32x	1.91x	1.75x	63.34x	13.62x	11.27x	-	24.26x
Average								2.65x	2.41x	2.23x	32.91x	13.46x	11.07x	39.45x	20.54x
Median								2.05x	1.84x	1.72x	9.80x	12.02x	10.39x	13.20x	16.39x
Segment Comps – Key linear and news/sports peers															
Walt Disney	DIS-US	99.3	94,425	19,158	12,404	175,894	222,388	2.36x	2.24x	2.15x	11.61x	10.41x	9.51x	14.49x	15.07x
Paramount Skydance B	PSKY-US	9.7	28,891	3,076	(621)	10,806	23,818	0.82x	0.79x	0.78x	7.74x	6.65x	6.42x	-	13.90x
Comcast A	CMCSA-US	30.2	123,707	37,366	19,998	108,511	204,521	1.65x	1.58x	1.60x	5.47x	5.60x	5.56x	5.60x	8.19x
Fox A	FOXA-US	57.4	16,300	3,614	2,263	23,209	28,881	1.77x	1.77x	1.70x	7.99x	8.32x	7.82x	11.69x	12.31x
New York Times A	NYT-US	79.3	2,586	443	294	12,788	12,270	4.74x	3.95x	3.71x	27.69x	19.47x	17.56x	44.81x	29.48x
Nexstar Media Group	NXST-US	233.6	5,407	1,774	722	7,085	13,509	2.50x	2.42x	2.59x	7.61x	6.50x	8.06x	10.91x	9.27x
Roblox A	RBLX-US	56.4	4,891	-	(1,065)	39,985	38,713	7.92x	4.75x	3.91x	-	19.26x	14.78x	-	-
Versant Media Group A	VSNT-US	37.5	7,062	2,837	1,363	5,399	5,403	0.77x	0.85x	0.88x	1.90x	2.80x	3.15x	3.98x	6.72x
Sphere Entertainment A	SPHR-US	105.7	1,220	196	33	3,753	4,193	3.44x	3.82x	3.75x	21.39x	17.49x	16.97x	142.84x	-
Average								2.89x	2.46x	2.34x	11.43x	10.72x	9.98x	33.47x	13.56x
Median								2.36x	2.24x	2.15x	7.87x	8.32x	8.06x	11.69x	12.31x

Sources: Company filings, company information, FactSet.

Notes: Market Data as of 26 February 2026.

1. WBD P/E FY+1 and FY+2 are not available due to unreliable consensus EPS estimates given pending M&A

2. WBD EBITDA of USD8,744m reflects Adjusted EBITDA (excluding restructuring, impairments, and other non-recurring items) as of FY2025

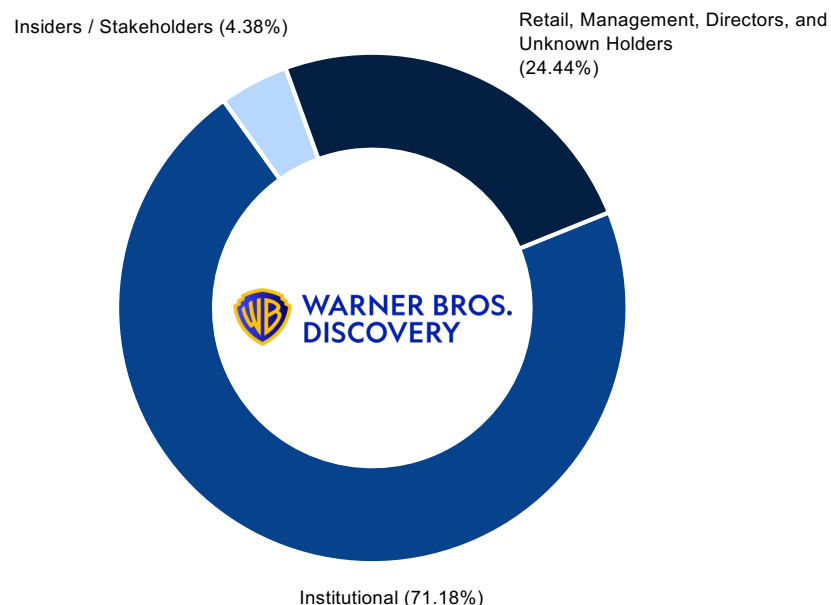
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WBD Shares Ownership Summary



WBD Ownership is Broadly Institutional, with No Single Controlling Shareholder

Summary Ownership Chart



Summary Ownership Table

Holders	Position (000's)	% of Shareholding
Institutional	1,765,197	71.18%
Insiders / Stakeholders	108,670	4.38%
Retail, Management, Directors, and Unknown Holders	606,100	24.44%
Total	2,479,967¹	100.00%

Institution	Position (000's)	Mkt Value (USDm)	% of Shareholding
The Vanguard Group, Inc.	259,173	7,464	10.45%
SSgA Funds Management, Inc.	131,067	3,775	5.29%
BlackRock Fund Advisors	123,994	3,571	5.00%
Harris Associates LP	78,855	2,271	3.18%
Geode Capital Management LLC	66,598	1,918	2.69%
Pentwater Capital Management LP	46,075	1,327	1.86%
Sessa Capital IM LP	45,566	1,312	1.84%
Norges Bank Investment Management	38,994	1,123	1.57%
Goldman Sachs & Co. LLC (Private Banking)	38,819	1,118	1.57%
UBS Securities LLC	32,454	935	1.31%
Millennium Management LLC	25,611	738	1.03%
Invesco Capital Management LLC	24,332	701	0.98%
BlackRock Advisors (UK) Ltd.	23,299	671	0.94%
Fidelity Management & Research Co. LLC	20,694	596	0.83%
Northern Trust Investments, Inc.(Investment Management)	19,558	563	0.79%
Charles Schwab Investment Management, Inc.	19,453	560	0.78%
BlackRock Investment Management (UK) Ltd.	18,866	543	0.76%
Dimensional Fund Advisors LP	15,385	443	0.62%
Vanguard Fiduciary Trust Co.	13,717	395	0.55%
Amundi Asset Management SASU (Investment Management)	13,123	378	0.53%
Top 20 Institutions	1,055,633	30,402	42.57%
Other Institutions	709,564	20,435	28.61%
Total Institutions	1,765,197	50,838	71.18%

Holders	Position (000's)	Mkt Value (USDm)	% of Shareholding
Newhouse Broadcasting Corp	98,191	2,828	3.96%
Zaslav David M	7,201	207	0.29%
Perrette Jean-Briac Julien	1,174	34	0.05%
Lowe Kenneth Wayne	1,078	31	0.04%
Girdwood Amy	1,027	30	0.04%
Total Insiders / Stakeholders	108,670	3,130	4.38%

Sources: Company filings, FactSet.
Notes: Market data updated as of 26 February 2026.
1. Total shares outstanding excluding potential option exercises (i.e., non-fully diluted basis)

WBD Competing Bids: Summary Comparison of Offer Economics



Paramount Leads at USD31.00 (12.0x) vs. Netflix at USD28.75 (11.4x); SpinCo Flat at 3.6x

Transaction Analysis

- ◆ Paramount's revised offer of USD31.00/share all-cash (Jan 24) represents a 7.8% premium over Netflix's standing USD28.75 bid, implying a USD6.4bn higher equity value for WBD shareholders
- ◆ All bids value Target Co at 27–29x EV/Adj. EBITDA, well above the streaming peer median of c. 12x, reflecting scarcity premium for HBO/Max IP and subscriber base
- ◆ SpinCo is valued at 3.6x EV/Adj. EBITDA across all scenarios — consistent with distressed linear TV multiples — and absorbs 65% of WBD's net debt (USD19.9bn of USD30.6bn), signaling limited equity upside for SpinCo holders
- ◆ Netflix's shift from Cash + Shares (Dec 5) to All Cash (Jan 20) at the same USD28.75 price removes merger integration risk for WBD shareholders but failed to match Paramount's price escalation

(In USDbn)

Bidders for WBD

Date

Deal Structure

WBD

Price Esti./Consideration (USD)

Shares o/s. (bn)

Implied Equity Value

Net Debt²

Implied EV

Adj. EBITDA (USDm)

EV/Adj. EBITDA

Target Co

Price Esti./Consideration (USD)

Shares o/s. (bn)

Implied Equity Value

Net Debt²

Implied EV

Adj. EBITDA (USDm)¹

EV/Adj. EBITDA

SpinCo

Price Esti. (USD)³

Shares o/s. (bn)

Implied Equity Value

Net Debt²

Implied EV

Adj. EBITDA (USDm)

EV/Adj. EBITDA

NETFLIX



NETFLIX



5 December 2025

8 December 2025

20 January 2026

24 January 2026

Cash + Shares

All Cash

All Cash

All Cash

\$28.75

\$30.00

\$28.75

\$31.00

2.6

2.6

2.6

2.6

74.6

77.8

74.6

80.4

30.6

30.6

30.6

30.6

105.2

108.4

105.2

111.0

9,250.0

9,250.0

9,250.0

9,250.0

11.37x

11.72x

11.37x

12.00x

\$27.75

\$29.00

\$27.75

\$30.00

2.6

2.6

2.6

2.6

72.0

75.2

72.0

77.8

10.7

10.7

10.7

10.7

82.7

85.9

82.7

88.5

3,015.8

3,015.8

3,015.8

3,015.8

27.4x

28.5x

27.4x

29.4x

\$1.00

\$1.00

\$1.00

\$1.00

2.6

2.6

2.6

2.6

2.6

2.6

2.6

2.6

19.9

19.9

19.9

19.9

22.5

22.5

22.5

22.5

6,234.2

6,234.2

6,234.2

6,234.2

3.6x

3.6x

3.6x

3.6x

Sources: Company filings, company information, FactSet.

Notes: Information reflects public disclosures as of 26 February 2026 and remains subject to change

1. Target LTM Adj. EBITDA of USD3,016m = Pre-separation LTM Adj. EBITDA (USD9,250m) less SpinCo (USD6,234m), as of 30 Sep 2025

2. Net debt of USD30.6bn as of 30 Sep 2025; allocated USD10.7bn to Target Co and USD19.9bn to SpinCo per proposed separation terms

3. SpinCo price of USD1.00/share is a nominal placeholder reflecting residual equity after debt allocation; not a market-tested valuation

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O. Transaction Risk and Potential Mitigation

Summary of Key Execution, Regulatory, Shareholder and Financing Risks With Targeted Mitigants

Transaction Risks

1 Regulatory / Antitrust Clearance Risk

- ◆ The combination of Netflix and Warner Bros. Discovery's studio and streaming assets creates a materially larger content-owning platform, which could trigger in-depth or prolonged antitrust reviews in the U.S., EU, U.K., and other key territories.
- ◆ Any requirement for structural remedies (e.g., divestitures of certain content rights or third-party licensing obligations) could delay or dilute the expected synergies from the transaction.

Potential Mitigations

1 Mitigation: Proactive Regulatory Engagement & Remedies Planning

- ◆ Front-load early engagement with key regulators (DOJ, FTC, European Commission) and prepare carve-out plans for specific content verticals or geographies that could be impacted.
- ◆ Build a robust "pro-consumer" narrative (e.g., increased content investment, broader global localization, lower marginal distribution costs) to support the case for approval.

2 Shareholder / Voting / Deal-Protection Risk

- ◆ WBD shareholders must approve the transaction, and the presence of competing bids (e.g., Paramount-Skydance) increases the risk of shareholder activism, proxy fights, or last-minute changes to deal terms.
- ◆ Even with WBD's board support, a minority of large holders could push for a higher price, potentially triggering a renegotiation or termination of the Netflix agreement.

2 Mitigation: Stakeholder Alignment

- ◆ Ensure clear, consistent messaging to major institutions and proxy advisors emphasizing the immediacy of cash value and limited upside in the current share price versus regulatory and financing risk in alternative structures.
- ◆ Leverage existing deal protections (e.g., termination fees, fiduciary-out thresholds) and, if strategically preferable, consider a modest sweetener to lock in key stakeholders' support.

3 Integration and Business-Continuity Risk

- ◆ Integrating WBD's studio operations, HBO Max, and global content pipeline into Netflix's existing platform poses execution risk, including talent retention, brand dilution, and potential under-delivery on content-release targets.
- ◆ Any disruption to WBD's near-term production schedule or subscriber-churn from rebranding could temporarily pressure revenue and impair the expected synergies.

3 Mitigation: Structured Integration & Talent Continuity

- ◆ Establish a dedicated integration management office (IMO) with clear milestones for content-scheduling alignment, branding, and distribution-platform migration, initially minimizing disruption to HBO Max's subscription base.
- ◆ Lock key talent and creative incentives (front-loaded commissions, option grants, or commitment bonuses) and retain WBD-specific teams for at least 12–18 months to preserve editorial and production momentum.

4 Financing and Leverage Risk

- ◆ The transaction is structured as an c.USD83bn all-cash deal; heavy reliance on committed debt raises the risk of financing-condition-related delays if leverage metrics or market volatility strain the debt package.
- ◆ If macro or credit-market conditions deteriorate, Netflix may be pressured to extend the process, renegotiate terms, or seek incremental equity, potentially reducing the effective price to WBD shareholders.

4 Mitigation: Financing Certainty & Capital Structure Flexibility

- ◆ Confirm that committed financing is fully underwritten with clear, achievable covenants and that downside scenarios (e.g., higher-for-longer rates, ratings-downgrade risk) are stress-tested by the banks.
- ◆ Maintain optionality on hybrid structures (e.g., modest equity-top-up or vendor-financing-like back-loaded consideration) to preserve closing certainty if leverage constraints tighten.

Sources: Company information, company filings.



Asia Roots, Global Presence

Appendix



Preliminary Valuation Analysis: DCF Upside Case Output



Target Price of USD19.0, c.33.8% Discount to the Implied Acquisition Price

Share Price Calculation Table

Enterprise value	Cal.
Terminal Growth Rate	2.00%
Implied Exit Multiple as of Terminal EBITDA	12.12x
Terminal Value as of % of TEV	63.46%
Total Enterprise Value/TEV (USDms)	77,790
(-) Net Debt ¹	(30,600)
Implied Equity Value (USDms)	47,190
Basic Shares Outstanding (Ms) ²	2,480
Implied Share Price (USD)	19.0
Current Share Price	28.8
Implied Current (Premium) / Discount	(33.9%)

Free Cash Flow Schedule

In USD m, unless specified otherwise	Historical		Projection						Terminal Year	CAGR 25E-31E
	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E		
Revenue	39,321	37,296	37,633	38,225	39,062	39,860	41,001	42,159	42,159	1.8%
Revenue Growth Rate	(4.8%)	(5.1%)	0.9%	1.6%	2.2%	2.0%	2.9%	2.8%	2.8%	
(-) COGS	(30,014)	(26,575)	(26,815)	(26,965)	(27,280)	(27,558)	(28,064)	(28,568)	(28,568)	
Gross Profit	9,307	10,721	10,818	11,260	11,783	12,301	12,937	13,591	13,591	
Gross Margin	23.7%	28.7%	28.7%	29.5%	30.2%	30.9%	31.6%	32.2%	32.2%	
(-) SG&A (excl. D&A)	(9,004)	(9,202)	(8,869)	(8,892)	(9,160)	(9,432)	(9,629)	(9,893)	(9,893)	
(+/-) Other Operating Income/(Expense)	1,146	790	-	-	-	-	-	-	-	
(+) Depreciation and Amortization (D&A)	7,037	5,684	4,513	4,159	3,838	3,549	3,290	3,165	3,165	
(+/-) Non-recurring Expense/(Income)	546	751	-	-	-	-	-	-	-	
Adjusted EBITDA³	9,032	8,744	6,462	6,527	6,461	6,419	6,598	6,863	6,863	(3.4%)
Adjusted EBITDA Growth Rate	(11.5%)	(3.2%)	(26.1%)	1.0%	(1.0%)	(0.6%)	2.8%	4.0%	4.0%	
Adjusted EBITDA Margin	23.0%	23.4%	17.2%	17.1%	16.5%	16.1%	16.1%	16.3%	16.3%	
EBITDA	8,486	7,993	6,462	6,527	6,461	6,419	6,598	6,863	6,863	
(-) D&A	(7,037)	(5,684)	(4,513)	(4,159)	(3,838)	(3,549)	(3,290)	(3,165)	(3,165)	
EBIT	1,449	2,309	1,949	2,369	2,623	2,870	3,308	3,699	3,699	
(-) Taxes on EBIT	(362)	(577)	(487)	(592)	(656)	(717)	(827)	(925)	(925)	
Net Operating Profit After Tax (NOPAT)	1,087	1,732	1,462	1,776	1,967	2,152	2,481	2,774	2,774	7.0%
(+) Depreciation	7,037	5,684	4,513	4,159	3,838	3,549	3,290	3,165	3,165	
(+) Amortization of Content Assets	13,946	11,855	12,624	12,266	12,009	11,847	11,709	11,655	11,655	
(-) Capital Expenditures (CAPEX)	(948)	(1,231)	(1,076)	(1,091)	(1,112)	(1,133)	(1,163)	(1,194)	(1,194)	
(+/-) Change in Operating NWC	(12,126)	(11,302)	(11,107)	(10,093)	(10,219)	(10,284)	(10,409)	(10,506)	(10,506)	
Free Cash Flow to the Firm (Unlevered FCF)	8,996	6,738	6,415	7,018	6,482	6,131	5,908	5,894	83,183	(1.9%)
Discount Factor	-	-	0.92	0.84	0.77	0.71	0.65	0.59	0.59	
Present Value of Unlevered FCF	-	-	5,881	5,897	4,994	4,330	3,825	3,498	49,366	

Sensitivity Analysis Table, Share Price(USD)

		Terminal Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.1%	20.5	22.1	24.0	26.1	28.8
	8.6%	18.4	19.8	21.3	23.1	25.2
	9.1%	16.6	17.7	19.0	20.5	22.3
	9.6%	14.9	15.9	17.0	18.3	19.8
	10.1%	13.5	14.4	15.3	16.4	17.6

Sensitivity Analysis Table, TEV(USDm)

		Terminal Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.1%	81,440	85,401	90,012	95,450	101,956
	8.6%	76,243	79,588	83,440	87,926	93,215
	9.1%	71,685	74,536	77,790	81,538	85,902
	9.6%	67,655	70,106	72,880	76,046	79,692
	10.1%	64,065	66,188	68,573	71,272	74,353

Sources: Company filings, Management guidance, Broker consensus estimates, and internal analysis.
Notes: Projections from 2026E onwards are based on internal estimates informed by Management guidance and selected broker consensus as of 26 February 2026 .
1. Net Debt of USD30,600m as of 26 February 2026, inclusive of total debt, cash and cash equivalents, and pension obligations; excludes lease liabilities

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2. Basic shares outstanding of 2,480m as of 26 February 2026; excluding potential option exercises (i.e., non-fully diluted basis)
3. Adjusted EBITDA defined as EBITDA adjusted for non-recurring items



Preliminary Valuation Analysis: DCF Downside Case Output



Target Price of USD14.5, c.49.6% Discount to the Implied Acquisition Price

Share Price Calculation Table

Enterprise value	Cal.
Terminal Growth Rate	2.00%
Implied Exit Multiple as of Terminal EBITDA	11.69x
Terminal Value as of % of TEV	62.49%
Total Enterprise Value/TEV (USDms)	66,567
(-) Net Debt ¹	(30,600)
Implied Equity Value (USDms)	35,967
Basic Shares Outstanding (Ms) ²	2,480
Implied Share Price (USD)	14.5
Current Share Price	28.8
Implied Current (Premium) / Discount	(49.6%)

Free Cash Flow Schedule

In USD m, unless specified otherwise	Historical		Projection						Terminal Year	CAGR 25E-31E
	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E		
Revenue	39,321	37,296	37,521	37,999	38,718	39,393	40,404	41,425	41,425	1.5%
Revenue Growth Rate	(4.8%)	(5.1%)	0.6%	1.3%	1.9%	1.7%	2.6%	2.5%	2.5%	
(-) COGS	(30,014)	(26,575)	(26,923)	(26,995)	(27,233)	(27,433)	(27,857)	(28,277)	(28,277)	
Gross Profit	9,307	10,721	10,598	11,004	11,485	11,961	12,547	13,147	13,147	
Gross Margin	23.7%	28.7%	28.2%	29.0%	29.7%	30.4%	31.1%	31.7%	31.7%	
(-) SG&A (excl. D&A)	(9,004)	(9,202)	(9,330)	(9,333)	(9,583)	(9,834)	(10,014)	(10,259)	(10,259)	
(+/-) Other Operating Income/(Expense)	1,146	790	-	-	-	-	-	-	-	
(+) Depreciation and Amortization (D&A)	7,037	5,684	4,506	4,140	3,809	3,512	3,245	3,106	3,106	
(+/-) Non-recurring Expense/(Income)	546	751	-	-	-	-	-	-	-	
Adjusted EBITDA³	9,032	8,744	5,774	5,810	5,712	5,639	5,778	5,994	5,994	(5.3%)
Adjusted EBITDA Growth Rate	(11.5%)	(3.2%)	(34.0%)	0.6%	(1.7%)	(1.3%)	2.5%	3.7%	3.7%	
Adjusted EBITDA Margin	23.0%	23.4%	15.4%	15.3%	14.8%	14.3%	14.3%	14.5%	14.5%	
EBITDA	8,486	7,993	5,774	5,810	5,712	5,639	5,778	5,994	5,994	
(-) D&A	(7,037)	(5,684)	(4,506)	(4,140)	(3,809)	(3,512)	(3,245)	(3,106)	(3,106)	
EBIT	1,449	2,309	1,268	1,671	1,902	2,127	2,533	2,889	2,889	
(-) Taxes on EBIT	(362)	(577)	(317)	(418)	(476)	(532)	(633)	(722)	(722)	
Net Operating Profit After Tax (NOPAT)	1,087	1,732	951	1,253	1,427	1,595	1,899	2,166	2,166	3.3%
(+) Depreciation	7,037	5,684	4,506	4,140	3,809	3,512	3,245	3,106	3,106	
(+) Amortization of Content Assets	13,946	11,855	12,624	11,893	11,521	11,327	11,183	11,121	11,121	
(-) Capital Expenditures (CAPEX)	(948)	(1,231)	(1,001)	(1,015)	(1,035)	(1,054)	(1,082)	(1,110)	(1,110)	
(+/-) Change in Operating NWC	(12,126)	(11,302)	(11,058)	(10,018)	(10,117)	(10,154)	(10,249)	(10,316)	(10,316)	
Free Cash Flow to the Firm (Unlevered FCF)	8,996	6,738	6,022	6,253	5,605	5,226	4,997	4,967	70,098	(4.3%)
Discount Factor	-	-	0.92	0.84	0.77	0.71	0.65	0.59	0.59	
Present Value of Unlevered FCF	-	-	5,520	5,255	4,318	3,690	3,235	2,948	41,601	

Sensitivity Analysis Table, Share Price(USD)

		Terminal Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.1%	15.7	17.1	18.7	20.5	22.7
	8.6%	14.0	15.1	16.4	18.0	19.7
	9.1%	12.4	13.4	14.5	15.8	17.3
	9.6%	11.1	11.9	12.8	13.9	15.1
	10.1%	9.8	10.6	11.4	12.3	13.3

Sensitivity Analysis Table, TEV(USDm)

		Terminal Growth Rate				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	8.1%	69,658	72,996	76,883	81,465	86,948
	8.6%	65,271	68,090	71,336	75,116	79,573
	9.1%	61,422	63,825	66,567	69,725	73,403
	9.6%	58,018	60,084	62,422	65,089	68,162
	10.1%	54,986	56,774	58,784	61,059	63,655

Sources: Company filings, Management guidance, Broker consensus estimates, and internal analysis.
Notes: Projections from 2026E onwards are based on internal estimates informed by Management guidance and selected broker consensus as of 26 February 2026 .
1. Net Debt of USD30,600m as of 26 February 2026, inclusive of total debt, cash and cash equivalents, and pension obligations; excludes lease liabilities

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2. Basic shares outstanding of 2,480m as of 26 February 2026; excluding potential option exercises (i.e., non-fully diluted basis)
3. Adjusted EBITDA defined as EBITDA adjusted for non-recurring items

Income Statement: Base Case Output



Projected Income Statement

	Historical										Projection						CAGR
In USD m, unless specified otherwise	2018A	2019A	2020A	2021A	2021A (PF)	2022A	2023A	2024A	2025A		2026E	2027E	2028E	2029E	2030E	2031E	25E-30E
Sales	10,553	11,144	10,674	12,191	45,533	33,817	41,321	39,321	37,296		37,558	38,074	38,833	39,548	40,602	41,668	1.6%
Growth Rate	53.5%	5.6%	(4.2%)	14.2%	326.6%	(25.7%)	22.2%	(4.8%)	(5.1%)		0.7%	1.4%	2.0%	1.8%	2.7%	2.6%	
Cost of Goods Sold	(5,319)	(5,168)	(5,221)	(6,202)	(37,243)	(27,660)	(32,516)	(30,014)	(26,575)		(26,762)	(26,858)	(27,119)	(27,343)	(27,791)	(28,235)	
Gross Profit	5,234	5,976	5,453	5,989	8,290	6,157	8,805	9,307	10,721		10,796	11,216	11,713	12,205	12,811	13,433	
Gross Margin	49.6%	53.6%	51.1%	49.1%	18.2%	18.2%	21.3%	23.7%	28.7%		28.7%	29.5%	30.2%	30.9%	31.6%	32.2%	
SG&A	(2,620)	(2,817)	(2,722)	(3,921)	(8,483)	(8,483)	(9,425)	(9,004)	(9,202)		(8,964)	(8,971)	(9,223)	(9,477)	(9,657)	(9,902)	
Other Operating Income / (Expense)	112	28	7	-	1,445	2,441	2,347	1,146	790		-	-	-	-	-	-	
Add: D&A	1,398	1,347	1,359	1,582	9,208	7,193	7,985	7,037	5,684		4,513	4,090	3,645	3,321	3,102	3,010	
Add: Non-recurring Expense (Income)	51	137	99	167	391	410	488	546	751		-	-	-	-	-	-	
Adjusted EBITDA	4,175	4,671	4,196	3,817	10,851	7,718	10,200	9,032	8,744		6,345	6,335	6,135	6,050	6,256	6,540	(4.1%)
Adjusted EBITDA Margin	39.6%	41.9%	39.3%	31.3%	23.8%	22.8%	24.7%	23.0%	23.4%		16.9%	16.6%	15.8%	15.3%	15.4%	15.7%	
EBITDA	4,124	4,534	4,097	3,650	10,460	7,308	9,712	8,486	7,993		6,345	6,335	6,135	6,050	6,256	6,540	
EBITDA Margin	39.1%	40.7%	38.4%	29.9%	23.0%	21.6%	23.5%	21.6%	21.4%		16.9%	16.6%	15.8%	15.3%	15.4%	15.7%	
D&A	(1,398)	(1,347)	(1,359)	(1,582)	(9,208)	(7,193)	(7,985)	(7,037)	(5,684)		(4,513)	(4,090)	(3,645)	(3,321)	(3,102)	(3,010)	
EBIT	1,950	3,009	2,515	2,012	(1,607)	(7,370)	(1,548)	(10,032)	2,309		1,833	2,245	2,491	2,729	3,154	3,531	
Interest Income	11	0	0	9	6	8	40	16	40		27	56	93	109	118	126	
Interest Expense	(477)	(677)	(654)	(641)	(2,514)	(1,793)	(2,261)	(2,032)	(2,100)		(2,025)	(2,053)	(2,094)	(2,133)	(2,190)	(2,247)	
Other Income/ (losses)	(446)	(38)	(133)	54	288	194	(94)	660	1,390		299	304	310	315	324	332	
Profit before tax (PBT)	1,038	2,294	1,728	1,433	(3,827)	(8,960)	(3,863)	(11,388)	1,639		133	551	799	1,020	1,406	1,741	
Income Tax	(341)	(81)	(373)	(236)	1,035	1,663	784	(94)	(890)		(33)	(138)	(200)	(255)	(352)	(435)	
Tax Rate	32.8%	3.5%	21.6%	16.5%	27.0%	18.6%	20.3%	(0.8%)	54.3%		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Profit after tax (PAT)	697	2,213	1,355	1,197	(2,792)	(7,297)	(3,079)	(11,482)	749		100	414	599	765	1,055	1,306	8.3%
NI Margin	6.6%	19.9%	12.7%	9.8%	(6.1%)	(21.6%)	(7.5%)	(29.2%)	2.0%		0.3%	1.1%	1.5%	1.9%	2.6%	3.1%	
Profit to non-controlling interest	(87)	(144)	(136)	(191)	(191)	(74)	(47)	171	(22)		-	-	-	-	-	-	
Profit to ordinary shareholders	784	2,357	1,491	1,388	(2,601)	(7,223)	(3,032)	(11,653)	771		100	414	599	765	1,055	1,306	7.8%
EPS	0.3	1.0	0.6	0.6	(1.0)	(2.9)	(1.2)	(4.7)	0.3		0.0	0.2	0.2	0.3	0.4	0.5	
P/E, as of today	91.0x	30.3x	47.9x	51.5x	-27.5x	-9.9x	-23.6x	-6.1x	92.6x		715.5x	172.7x	119.1x	93.3x	67.7x	54.7x	

Sources: Company filings, Management guidance, Broker consensus estimates, and internal analysis.
Note: Projections from 2026E onwards are based on internal estimates informed by Management guidance and selected broker consensus as of 26 February 2026



Cash Flow Statement: Base Case Output



Projected Cash Flow Statement

In USD m, unless specified otherwise

	<u>Historical</u>					<u>Projection</u>								
	<u>2019A</u>	<u>2020A</u>	<u>2021A</u>	<u>2021A (PF)</u>	<u>2022A</u>	<u>2023A</u>	<u>2024A</u>	<u>2025A</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>	<u>2029E</u>	<u>2030E</u>	<u>2031E</u>
PBT	2,294	1,728	1,433	(3,827)	(8,960)	(3,863)	(11,388)	1,639	133	551	799	1,020	1,406	1,741
Adjustments for:														
D&A - PPE	207	267	311	-	957	1,097	1,102	1,079	1,271	1,170	1,021	970	1,001	1,137
D&A - ROU	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D&A - Intangibles Interest Expense	1,140	1,092	1,271	9,208	6,236	6,888	5,935	4,605	3,242	2,920	2,624	2,351	2,101	1,872
Content rights amortization and impairment	-	2,956	3,501	-	14,161	16,024	13,946	11,855	12,624	12,251	11,972	11,787	11,626	11,548
Change in NWC	(2,973)	(3,099)	(3,237)	-	(10,982)	(11,989)	(12,126)	(11,302)	(11,075)	(10,043)	(10,151)	(10,197)	(10,302)	(10,379)
Tax paid	(504)	(186)	(511)	(2,842)	(2,842)	(2,344)	(1,732)	(710)	(33)	(138)	(200)	(255)	(352)	(435)
Other operating cashflows	3,235	(19)	30	3,502	5,734	1,664	9,638	(2,847)	-	-	-	-	-	-
Net cash generated from operating activities	3,399	2,739	2,798	6,041	4,304	7,477	5,375	4,319	6,162	6,711	6,065	5,676	5,480	5,485
Capital expenditure (net)	(289)	(402)	(373)	(1,142)	(987)	(1,316)	(948)	(1,231)	(1,076)	(314)	(330)	(1,133)	(1,163)	(1,194)
Purchase and Sales of Investments	-	(250)	(103)	-	-	-	432	(46)	-	-	-	-	-	-
Other investing cashflows	(149)	(51)	420	1,142	4,511	57	167	98	-	-	-	-	-	-
Net cash generated from investing activities	(438)	(703)	(56)	0	3,524	(1,259)	(349)	(1,179)	(1,076)	(314)	(330)	(1,133)	(1,163)	(1,194)
Proceeds from borrowings	1,467	1,979	0	(3,830)	2,268	5,353	1,617	18,306	18,306	18,306	18,306	18,306	18,306	18,306
Repayment of bank borrowings	(2,927)	(2,693)	(574)	0	(9,710)	(12,074)	(5,043)	(22,664)	(18,306)	(18,306)	(18,306)	(18,306)	(18,306)	(18,306)
Repayment of lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend payout	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from equity movements	(633)	(969)	-	-	-	-	-	-	-	-	(3,000)	(3,000)	(3,000)	(3,000)
Ordinary shares movements	(633)	(969)	-	-	-	-	-	-	-	-	(3,000)	(3,000)	(3,000)	(3,000)
Preference shares movements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financing cashflows	(264)	134	-	3,830	(300)	884	(323)	118	-	-	-	-	-	-
Net cash generated from financing activities	(2,990)	(2,518)	(574)	0	(7,742)	(5,837)	(3,749)	(4,240)	-	-	(3,000)	(3,000)	(3,000)	(3,000)
FX gain/(loss)	(38)	83	(106)	-	(260)	(332)	255	354	-	-	-	-	-	-
Net decrease / increase in cash and cash equivalents	566	570	1,783	0	(174)	49	1,532	(746)	5,086	6,397	2,735	1,543	1,317	1,291
Opening Cash Balance	986	1,552	2,122	0	3,905	3,731	3,780	5,312	4,566	9,652	16,049	18,785	20,328	21,645
Cash balance at year end	1,552	2,122	3,905	0	3,731	3,780	5,312	4,566	9,652	16,049	18,785	20,328	21,645	22,937

Sources: Company filings, Management guidance, Broker consensus estimates, and internal analysis.
Note: Projections from 2026E onwards are based on internal estimates informed by Management guidance and selected broker consensus as of 26 February 2026

Balance Sheet : Base Case Output



Projected Balance Sheet

In USD m, unless specified otherwise

	Historical					Projection								
	2019A	2020A	2021A	2021A (PF)	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E
Property and equipment, net	951	1,206	1,336	5,453	5,301	5,957	6,087	6,685	6,490	5,634	4,944	5,107	5,269	5,325
Intangibles (eg. patents, landuse rights)	8,667	7,640	6,317	61,836	44,982	38,285	32,299	27,764	24,522	21,602	18,978	16,626	14,525	12,653
ROU Asset (non-current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	2,721	2,602	2,766	9,183	8,629	8,099	7,327	7,383	7,383	7,383	7,383	7,383	7,383	7,383
Film and television content rights and games	3,129	3,439	3,832	28,107	26,652	21,229	19,102	19,114	17,666	16,442	15,417	14,482	13,700	12,985
Goodwill	13,050	13,070	12,912	35,987	34,438	34,969	25,667	25,933	25,933	25,933	25,933	25,933	25,933	25,933
Total non-current assets	28,518	27,957	27,163	140,566	120,002	108,539	90,482	86,879	81,994	76,994	72,654	69,531	66,810	64,278
Inventories	0	0	0	0	0	0	0	-	-	-	-	-	-	-
Trade receivables	2,633	2,537	2,446	6,719	6,380	6,047	4,947	5,294	5,157	4,182	3,412	2,780	2,283	1,875
Prepayment and other current assets	453	939	668	2,426	3,343	3,548	3,017	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Cash & Equivalents	1,552	2,122	3,905	10,011	3,731	3,780	5,312	4,566	9,652	16,049	18,785	20,328	21,645	22,937
Current content rights and prepaid license fees, net	579	532	245	246	545	843	802	761	761	761	761	761	761	761
Total current assets	5,217	6,130	7,264	19,402	13,999	14,218	14,078	13,206	18,154	23,577	25,543	26,454	27,275	28,157
TOTAL ASSETS	33,735	34,087	34,427	159,968	134,001	122,757	104,560	100,085	100,148	100,571	98,197	95,985	94,085	92,436
Long-term interest-bearing debt	14,810	15,069	14,420	56,285	48,634	41,889	36,757	32,428	32,428	32,428	32,428	32,428	32,428	32,428
Lease liabilities (non-current)	0	0	0	0	0	0	0	-	-	-	-	-	-	-
Other non-current liabilities	3,720	3,553	3,152	26,679	21,683	19,064	17,055	17,991	17,991	17,991	17,991	17,991	17,991	17,991
Total non-current liabilities	18,530	18,622	17,572	82,964	70,317	60,953	53,812	50,419	50,419	50,419	50,419	50,419	50,419	50,419
Trade payables	2,141	397	412	600	1,454	1,260	1,055	1,093	1,082	1,085	1,096	1,105	1,123	1,141
Deferred Revenues	489	557	478	1,762	1,694	1,924	1,569	1,642	1,617	1,623	1,638	1,652	1,679	1,706
Short-term interest-bearing debt	609	335	339	349	365	1,780	2,748	139	139	139	139	139	139	139
Lease liabilities (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	0	1,793	2,230	13,249	11,504	10,368	10,438	9,626	9,626	9,626	9,626	9,626	9,626	9,626
Total current liabilities	3,239	3,082	3,459	15,960	15,017	15,332	15,810	12,500	12,463	12,473	12,499	12,522	12,567	12,612
TOTAL LIABILITIES	21,769	21,704	21,031	98,924	85,334	76,285	69,622	62,919	62,882	62,892	62,918	62,941	62,986	63,031
Share capital (par value stock and APIC)	3,378	2,570	2,847	51,388	46,413	46,895	47,343	47,838	47,838	47,838	44,838	41,838	38,838	35,838
Preference shares	-	-	2	2	2	-	-	-	-	-	-	-	-	-
Retained earnings	5,254	7,333	8,543	9,580	8,689	2,205	(928)	(12,239)	(12,139)	(11,726)	(11,126)	(10,361)	(9,306)	(8,000)
Accumulated Minority Interest	(822)	(651)	(830)	(830)	(1,523)	(741)	(1,067)	(407)	(407)	(407)	(407)	(407)	(407)	(407)
Other equity & (Treasury shares)	4,156	3,131	2,834	904	(4,914)	(1,887)	(10,410)	1,974	1,974	1,974	1,974	1,974	1,974	1,974
TOTAL EQUITY	11,966	12,383	13,396	61,044	48,667	46,472	34,938	37,166	37,266	37,679	35,279	33,044	31,099	29,405
TOTAL EQUITY & LIABILITIES	33,735	34,087	34,427	159,968	134,001	122,757	104,560	100,085	100,148	100,571	98,197	95,985	94,085	92,436

Sources: Company filings, Management guidance, Broker consensus estimates, and internal analysis.
Note: Projections from 2026E onwards are based on internal estimates informed by Management guidance and selected broker consensus as of 26 February 2026

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