

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2022

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-35707

LIBERTY MEDIA CORPORATION

(Exact name of Registrant as specified in its charter)

State of Delaware
(State or other jurisdiction of
incorporation or organization)

37-1699499
(I.R.S. Employer
Identification No.)

12300 Liberty Boulevard
Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

Registrant's telephone number, including area code: **(720) 875-5400**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Series A Liberty SiriusXM Common Stock	LSXMA	The Nasdaq Stock Market LLC
Series B Liberty SiriusXM Common Stock	LSXMB	The Nasdaq Stock Market LLC
Series C Liberty SiriusXM Common Stock	LSXMK	The Nasdaq Stock Market LLC
Series A Liberty Braves Common Stock	BATRA	The Nasdaq Stock Market LLC
Series C Liberty Braves Common Stock	BATRK	The Nasdaq Stock Market LLC
Series A Liberty Formula One Common Stock	FWONA	The Nasdaq Stock Market LLC
Series C Liberty Formula One Common Stock	FWONK	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes No

The number of outstanding shares of Liberty Media Corporation's common stock as of April 30, 2022 was:

	Series A	Series B	Series C
Liberty SiriusXM common stock	98,886,612	9,802,232	220,407,124
Liberty Braves common stock	10,313,703	981,494	41,562,516
Liberty Formula One common stock	23,973,053	2,445,666	205,807,819

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(unaudited)

	March 31, 2022	December 31, 2021
	amounts in millions	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 3,286	2,814
Trade and other receivables, net	841	828
Other current assets	1,043	1,170
Total current assets	5,170	4,812
Investments in affiliates, accounted for using the equity method (note 6)	947	945
Property and equipment, at cost	4,055	4,027
Accumulated depreciation	(2,054)	(2,017)
	2,001	2,010
Intangible assets not subject to amortization (note 7):		
Goodwill	19,272	19,248
FCC licenses	8,600	8,600
Other	1,366	1,385
	29,238	29,233
Intangible assets subject to amortization, net (note 7)	4,680	4,797
Other assets	2,483	2,554
Total assets	\$ 44,519	44,351
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,512	1,832
Current portion of debt, including \$2,149 million and \$2,850 million measured at fair value, respectively (note 8)	2,584	2,891
Deferred revenue	2,143	1,790
Other current liabilities	123	97
Total current liabilities	6,362	6,610
Long-term debt, including \$2,306 million and \$2,372 million measured at fair value, respectively (note 8)	16,467	15,699
Deferred income tax liabilities	2,230	2,218
Other liabilities	932	987
Total liabilities	\$ 25,991	25,514

(Continued)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets (Continued)

(unaudited)

	March 31, 2022	December 31, 2021
	amounts in millions, except share amounts	
Redeemable noncontrolling interests in equity of subsidiary (note 9)	\$ 575	575
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 99,281,712 shares at March 31, 2022 and 101,623,360 shares at December 31, 2021 (note 2)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 10,313,703 shares at March 31, 2022 and 10,313,703 shares at December 31, 2021 (note 2)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 23,973,053 shares at March 31, 2022 and 24,638,242 shares at December 31, 2021 (note 2)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares; issued and outstanding 9,802,232 shares at March 31, 2022 and 9,802,232 at December 31, 2021 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares; issued and outstanding 981,494 shares at March 31, 2022 and 981,494 at December 31, 2021 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,445,666 shares at March 31, 2022 and 2,445,895 shares at December 31, 2021 (note 2)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 221,169,270 shares at March 31, 2022 and 222,874,721 shares at December 31, 2021 (note 2)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares; issued and outstanding 41,562,406 shares at March 31, 2022 and 41,494,524 shares at December 31, 2021 (note 2)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares; issued and outstanding 205,651,678 shares at March 31, 2022 and 205,107,088 shares at December 31, 2021 (note 2)	2	2
Additional paid-in capital	1,654	1,954
Accumulated other comprehensive earnings (loss), net of taxes	13	(5)
Retained earnings	12,991	12,718
Total stockholders' equity	14,663	14,672
Noncontrolling interests in equity of subsidiaries	3,290	3,590
Total equity	17,953	18,262
Commitments and contingencies (note 10)		
Total liabilities and equity	\$ 44,519	44,351

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(unaudited)

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions, except per share amounts	
Revenue:		
Sirius XM Holdings revenue	\$ 2,186	2,058
Formula 1 revenue	360	180
Other revenue	23	16
Total revenue	<u>2,569</u>	<u>2,254</u>
Operating costs and expenses, including stock-based compensation (note 3):		
Cost of Sirius XM Holdings services (exclusive of depreciation shown separately below):		
Revenue share and royalties	670	640
Programming and content	140	130
Customer service and billing	125	117
Other	54	52
Cost of Formula 1 revenue	195	84
Subscriber acquisition costs	90	86
Other operating expense	90	84
Selling, general and administrative	482	410
Impairment, restructuring and acquisition costs, net of recoveries (note 10)	—	245
Depreciation and amortization	260	264
	<u>2,106</u>	<u>2,112</u>
Operating income (loss)	463	142
Other income (expense):		
Interest expense	(157)	(158)
Share of earnings (losses) of affiliates, net (note 6)	(14)	(95)
Realized and unrealized gains (losses) on financial instruments, net (note 5)	59	(49)
Other, net	45	15
	<u>(67)</u>	<u>(287)</u>
Earnings (loss) before income taxes	396	(145)
Income tax (expense) benefit	(100)	131
Net earnings (loss)	296	(14)
Less net earnings (loss) attributable to the noncontrolling interests	65	49
Less net earnings (loss) attributable to redeemable noncontrolling interest (note 9)	(9)	53
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 240</u>	<u>(116)</u>
Net earnings (loss) attributable to Liberty stockholders:		
Liberty SiriusXM common stock	\$ 288	(11)
Liberty Braves common stock	(13)	(59)
Liberty Formula One common stock	(35)	(46)
	<u>\$ 240</u>	<u>(116)</u>

(Continued)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Continued)
(unaudited)

	Three months ended	
	March 31,	
	2022	2021
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 4):		
Series A, B and C Liberty SiriusXM common stock	0.87	(0.03)
Series A, B and C Liberty Braves common stock	(0.25)	(1.13)
Series A, B and C Liberty Formula One common stock	(0.15)	(0.20)
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 4):		
Series A, B and C Liberty SiriusXM common stock	0.82	(0.03)
Series A, B and C Liberty Braves common stock	(0.25)	(1.13)
Series A, B and C Liberty Formula One common stock	(0.15)	(0.20)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Earnings (Loss)
(unaudited)

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Net earnings (loss)	\$ 296	(14)
Other comprehensive earnings (loss), net of taxes:		
Foreign currency translation adjustments	9	4
Credit risk on fair value debt instruments gains (losses)	5	(48)
Unrealized holding gains (losses) arising during the period	4	(1)
Share of other comprehensive earnings (loss) of equity affiliates	13	1
Recognition of previously unrealized (gains) losses on debt	(11)	—
Comprehensive earnings (loss)	316	(58)
Less comprehensive earnings (loss) attributable to the noncontrolling interests	67	50
Less comprehensive earnings (loss) attributable to redeemable noncontrolling interest (note 9)	(9)	53
Comprehensive earnings (loss) attributable to Liberty stockholders	\$ 258	(161)
Comprehensive earnings (loss) attributable to Liberty stockholders:		
Liberty SiriusXM common stock	\$ 304	(48)
Liberty Braves common stock	(9)	(60)
Liberty Formula One common stock	(37)	(53)
	\$ 258	(161)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Cash flows from operating activities:		
Net earnings (loss)	\$ 296	(14)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	260	264
Stock-based compensation	55	63
Non-cash impairment and restructuring costs	—	245
Share of (earnings) loss of affiliates, net	14	95
Realized and unrealized (gains) losses on financial instruments, net	(59)	49
Deferred income tax expense (benefit)	55	(143)
Other, net	(33)	(1)
Changes in operating assets and liabilities		
Current and other assets	(114)	(8)
Payables and other liabilities	77	(53)
Net cash provided (used) by operating activities	<u>551</u>	<u>497</u>
Cash flows from investing activities:		
Investments in equity method affiliates and debt and equity securities	(9)	(58)
Investment of subsidiary initial public offering proceeds into trust account	—	(575)
Cash proceeds from dispositions	97	—
Capital expended for property and equipment, including internal-use software and website development	(111)	(91)
Other investing activities, net	34	8
Net cash provided (used) by investing activities	<u>11</u>	<u>(716)</u>
Cash flows from financing activities:		
Borrowings of debt	1,755	1,090
Repayments of debt	(1,242)	(593)
Liberty stock repurchases	(239)	(107)
Subsidiary shares repurchased by subsidiary	(206)	(522)
Cash dividends paid by subsidiary	(201)	(14)
Taxes paid in lieu of shares issued for stock-based compensation	(35)	(22)
Proceeds from initial public offering of subsidiary	—	575
Other financing activities, net	4	(24)
Net cash provided (used) by financing activities	<u>(164)</u>	<u>383</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(2)	(2)
Net increase (decrease) in cash, cash equivalents and restricted cash	396	162
Cash, cash equivalents and restricted cash at beginning of period	2,924	2,877
Cash, cash equivalents and restricted cash at end of period	<u>\$ 3,320</u>	<u>3,039</u>

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The following table reconciles cash and cash equivalents and restricted cash reported in our condensed consolidated balance sheets to the total amount presented in our condensed consolidated statements of cash flows:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
	amounts in millions	
Cash and cash equivalents	\$ 3,286	2,814
Restricted cash included in other current assets	12	88
Restricted cash included in other assets	22	22
Total cash and cash equivalents and restricted cash at end of period	<u>\$ 3,320</u>	<u>2,924</u>

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statement of Equity

(unaudited)

Three Months ended March 31, 2022

	Stockholders' equity									Additional Paid-in Capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity	
	Preferred Stock	Liberty Sirius XM			Liberty Braves			Liberty Formula One							
		Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B						Series C
Balance at January 1, 2022	\$ —	1	—	2	—	—	—	—	—	2	1,954	(5)	12,718	3,590	18,262
Net earnings (loss) (excludes net earnings (loss) attributable to redeemable noncontrolling interest) (note 9)	—	—	—	—	—	—	—	—	—	—	—	—	240	56	296
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	—	—	—	—	18	—	2	20
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	50	—	—	10	60
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	(35)	—	—	—	(35)
Liberty stock repurchases	—	—	—	—	—	—	—	—	—	—	(239)	—	—	—	(239)
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	(50)	—	—	(150)	(200)
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	(15)	—	—	15	—
Dividends paid by subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	(201)	(201)
Other, net	—	—	—	—	—	—	—	—	—	—	(11)	—	33	(32)	(10)
Balance at March 31, 2022	\$ —	1	—	2	—	—	—	—	—	2	1,654	13	12,991	3,290	17,953

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Basis of Presentation

The accompanying condensed consolidated financial statements include all the accounts of Liberty Media Corporation and its controlled subsidiaries ("Liberty," the "Company," "we," "us," or "our" unless the context otherwise requires). All significant intercompany accounts and transactions have been eliminated.

Liberty, through its ownership of interests in subsidiaries and other companies, is primarily engaged in the media and entertainment industries primarily in North America and the United Kingdom. Liberty's significant subsidiaries include Sirius XM Holdings Inc. ("Sirius XM Holdings"), Delta Topco Limited (the parent company of Formula 1) and Braves Holdings, LLC ("Braves Holdings"). Our most significant investment accounted for under the equity method is Live Nation Entertainment, Inc. ("Live Nation").

The accompanying (a) condensed consolidated balance sheet as of December 31, 2021, which has been derived from audited financial statements, and (b) the interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty's Annual Report on Form 10-K for the year ended December 31, 2021.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) fair value measurement of non-financial instruments, (ii) accounting for income taxes and (iii) the determination of the useful life of Sirius XM Holdings' broadcast/transmission system to be its most significant estimates.

Liberty holds investments that are accounted for using the equity method. Liberty does not control the decision making process or business management practices of these affiliates. Accordingly, Liberty relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, Liberty relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliates that would have a material effect on Liberty's condensed consolidated financial statements.

Liberty has entered into certain agreements with Qurate Retail, Inc. ("Qurate Retail"), Liberty TripAdvisor Holdings, Inc. ("TripCo"), Liberty Broadband Corporation ("Liberty Broadband") and Liberty Media Acquisition Corporation ("LMAC"), all of which are separate publicly traded companies, in order to govern relationships between the companies. None of these entities has any stock ownership, beneficial or otherwise, in any of the others. These agreements include Reorganization Agreements (in the case of Qurate Retail and Liberty Broadband only), Services Agreements, Facilities Sharing Agreements and Tax Sharing Agreements (in the case of Liberty Broadband only). In addition, as a result of certain corporate transactions, Liberty and Qurate Retail may have obligations to each other for certain tax related matters.

The Reorganization Agreements provide for, among other things, provisions governing the relationships between Liberty and each of Qurate Retail and Liberty Broadband, including certain cross-indemnities. Pursuant to the Services Agreements, Liberty provides Qurate Retail, TripCo, Liberty Broadband and LMAC with general and administrative services including legal, tax, accounting, treasury and investor relations support. Qurate Retail, TripCo and Liberty

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

Broadband reimburse Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services and, in the case of Qurate Retail, Qurate Retail's allocable portion of costs associated with any shared services or personnel based on an estimated percentage of time spent providing services to Qurate Retail. TripCo, Liberty Broadband and LMAC reimburse Liberty for shared services and personnel based on a flat fee. Under the Facilities Sharing Agreements, Liberty shares office space and related amenities at its corporate headquarters with Qurate Retail, TripCo, Liberty Broadband and LMAC at Liberty's corporate headquarters. Under these various agreements, approximately \$6 million and \$5 million of these allocated expenses were reimbursed to Liberty during the three months ended March 31, 2022 and 2021, respectively.

In December 2019, each of TripCo, Liberty Broadband and Qurate Retail (collectively, the "Service Companies") entered into an amendment to its respective services agreement with Liberty in connection with Liberty's entry into a new employment arrangement with Gregory B. Maffei, Liberty's President and Chief Executive Officer. Under the amended services agreements, components of Mr. Maffei's compensation is either paid directly to him by each Service Company or reimbursed to Liberty, in each case, based on allocations among Liberty and the Service Companies set forth in the amended services agreement.

Seasonality

Formula 1 recognizes the majority of its revenue and expenses in connection with World Championship race events ("Events") that take place in different countries around the world throughout the year. The Events in the past have generally taken place between March and December each year. As a result, the revenue and expenses recognized by Formula 1 are generally lower during the first quarter as compared to the rest of the quarters throughout the year.

Braves Holdings revenue is seasonal, with the majority of revenue recognized during the second and third quarters which aligns with the baseball season.

(2) Tracking Stocks

A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Liberty SiriusXM Group, Liberty Braves Group (the "Braves Group") and the Liberty Formula One Group (the "Formula One Group") have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group's stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a public company, such as Sirius XM Holdings or Live Nation, in which Liberty holds an interest that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group. Holders of tracking stock are also not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The Liberty SiriusXM common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Liberty SiriusXM Group. As of March 31, 2022, the Liberty SiriusXM Group is comprised of Liberty's interests in Sirius XM Holdings and Live Nation, corporate cash, Liberty's 1.375% Cash Convertible Senior Notes due 2023 (the "Convertible Notes") and related financial instruments, Liberty's 2.125% Exchangeable Senior Debentures due 2048, Liberty's 2.75% Exchangeable Senior Debentures due 2049, Liberty's 0.5% Exchangeable Senior Debentures due 2050 and margin loan obligations incurred by wholly-owned special purpose subsidiaries of Liberty. The Liberty SiriusXM Group retains intergroup interests in the Formula One Group and the Braves Group as of March 31, 2022. As of March 31, 2022, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$710 million, which includes \$76 million of subsidiary cash. During the three months ended March 31,

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

2022, Sirius XM Holdings declared a quarterly dividend and a special dividend and paid in cash an aggregate amount of \$1,073 million, of which Liberty received \$872 million. On April 19, 2022, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.0219615 per share of common stock payable on May 25, 2022 to stockholders of record as of the close of business on May 6, 2022.

The Liberty Braves common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Braves Group. As of March 31, 2022, the Braves Group is comprised primarily of Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC" or the "Atlanta Braves") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project and corporate cash. The Formula One Group and the Liberty SiriusXM Group retain intergroup interests in the Braves Group as of March 31, 2022. As of March 31, 2022, the Braves Group has cash and cash equivalents of approximately \$311 million, which includes \$229 million of subsidiary cash.

The Liberty Formula One common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Formula One Group. As of March 31, 2022, the Formula One Group is comprised of all of the businesses, assets and liabilities of Liberty, other than those specifically attributed to the Braves Group or the Liberty SiriusXM Group, including Liberty's interests in Formula 1 and LMAC, cash, an intergroup interest in the Braves Group and Liberty's 1% Cash Convertible Notes due 2023. The Liberty SiriusXM Group retains an intergroup interest in the Formula One Group. As of March 31, 2022, the Formula One Group has cash and cash equivalents of approximately \$2,265 million, which includes \$835 million of subsidiary cash.

The number of notional shares representing the intergroup interest in the Braves Group held by the Formula One Group is 6,792,903, representing an 11.0% intergroup interest at March 31, 2022. The number of notional shares representing the intergroup interest in the Braves Group held by the Liberty SiriusXM Group is 2,292,037, representing a 3.7% intergroup interest at March 31, 2022. The number of notional shares representing the intergroup interest in the Formula One Group held by the Liberty SiriusXM Group is 5,271,475, representing a 2.2% intergroup interest at March 31, 2022. The intergroup interests represent quasi-equity interests which are not represented by outstanding shares of common stock; rather, the Formula One Group and Liberty SiriusXM Group have attributed interests in the Braves Group, which are generally stated in terms of a number of shares of Liberty Braves common stock, and the Liberty SiriusXM Group also has an attributed interest in the Formula One Group, which is generally stated in terms of a number of shares of Liberty Formula One common stock. The intergroup interests may be settled, at the discretion of the board of directors of the Company (the "Board of Directors"), through the transfer of newly issued shares of Liberty Braves common stock and Liberty Formula One common stock, respectively, cash and/or other assets to the respective tracking stock group. Accordingly, the Braves Group intergroup interests attributable to the Formula One Group and the Liberty SiriusXM Group are presented as assets of the Formula One Group and Liberty SiriusXM Group, respectively, and are presented as liabilities of the Braves Group. Similarly, the Formula One Group intergroup interest attributable to the Liberty SiriusXM Group is presented as an asset of the Liberty SiriusXM Group and is presented as a liability of the Formula One Group. The offsetting amounts between tracking stock groups are eliminated in consolidation. The intergroup interests will remain outstanding until the redemption of the outstanding interests, at the discretion of the Board of Directors, through a transfer of securities, cash and/or other assets from the Braves Group or Formula One Group to the respective tracking stock group.

See Exhibit 99.1 to this Quarterly Report on Form 10-Q for unaudited attributed financial information for Liberty's tracking stock groups.

(3) Stock-Based Compensation

Liberty grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock, restricted stock units ("RSUs") and stock options to purchase shares of its common stock (collectively, "Awards"). The Company measures

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Continued)****(unaudited)**

the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value (“GDFV”) of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

Included in the accompanying condensed consolidated statements of operations are the following amounts of stock-based compensation, as discussed below:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Cost of Sirius XM Holdings services:		
Programming and content	\$ 8	8
Customer service and billing	1	1
Other	1	1
Other operating expense	8	10
Selling, general and administrative	37	43
	<u>\$ 55</u>	<u>63</u>

Liberty—Grants of Awards

Options granted during the three months ended March 31, 2022 are summarized as follows:

	Three Months Ended	
	March 31, 2022	
	Options granted (000's)	Weighted average GDFV
Series C Liberty SiriusXM common stock, Liberty CEO (1)	212	\$ 14.45
Series C Liberty Formula One common stock, Liberty CEO (1)	181	\$ 21.31
Series C Liberty Formula One common stock, Formula 1 employees (2)	86	\$ 21.31
Series C Liberty Braves common stock, Liberty CEO (1)	95	\$ 9.16

(1) Grants cliff vest on December 30, 2022. Grants were made in connection with the CEO’s employment agreement.

(2) Grants vest in equal quarterly installments over 2022.

The Company did not grant any options to purchase Series A or Series B Liberty SiriusXM, Liberty Braves or Liberty Formula One common stock during the three months ended March 31, 2022.

Liberty calculates the GDFV for all of its equity classified Awards and the subsequent remeasurement of its liability classified Awards using the Black-Scholes Model. Liberty estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty common stock and the implied volatility of publicly traded Liberty options. Liberty uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject Awards.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

Liberty—Outstanding Awards

The following tables present the number and weighted average exercise price ("WAEP") of Awards to purchase Liberty common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

Liberty SiriusXM

	Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2022	7,369	\$ 38.79		
Granted	212	\$ 44.80		
Exercised	(423)	\$ 31.27		
Forfeited/Cancelled	—	\$ —		
Outstanding at March 31, 2022	<u>7,158</u>	\$ 39.41	3.5 years	\$ 47
Exercisable at March 31, 2022	<u>4,789</u>	\$ 36.84	2.5 years	\$ 43

Liberty Braves

	Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2022	3,125	\$ 25.86		
Granted	95	\$ 25.49		
Exercised	(54)	\$ 18.22		
Forfeited/Cancelled	—	\$ —		
Outstanding at March 31, 2022	<u>3,166</u>	\$ 25.98	5.0 years	\$ 7
Exercisable at March 31, 2022	<u>595</u>	\$ 20.80	2.5 years	\$ 4

Liberty Formula One

	Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2022	9,114	\$ 34.38		
Granted	267	\$ 57.67		
Exercised	(531)	\$ 30.81		
Forfeited/Cancelled	—	\$ —		
Outstanding at March 31, 2022	<u>8,850</u>	\$ 35.30	4.2 years	\$ 306
Exercisable at March 31, 2022	<u>6,997</u>	\$ 32.62	3.9 years	\$ 260

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

As of March 31, 2022, there were no outstanding options to purchase shares of Series A Liberty SiriusXM common stock, and there were no outstanding options to purchase shares of Series B Liberty SiriusXM, Liberty Braves or Liberty Formula One common stock.

As of March 31, 2022, Liberty Braves and Liberty Formula One each had 1 thousand Series A options outstanding and exercisable at a WAEP of \$12.35 and \$12.63, respectively, and each had a weighted average remaining contractual life of 0.7 years.

As of March 31, 2022, the total unrecognized compensation cost related to unvested Awards was approximately \$54 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 1.5 years.

As of March 31, 2022, Liberty reserved 7.2 million, 3.2 million and 8.9 million shares of Series A and Series C common stock, as applicable, of Liberty SiriusXM, Liberty Braves and Liberty Formula One, respectively, for issuance under exercise privileges of outstanding stock Awards.

Sirius XM Holdings — Stock-based Compensation

Sirius XM Holdings granted various types of stock awards to its employees during the three months ended March 31, 2022. As of March 31, 2022, Sirius XM Holdings has approximately 161 million options outstanding of which approximately 100 million are exercisable, each with a WAEP per share of \$5.33 and \$4.88, respectively. The aggregate intrinsic value of Sirius XM Holdings options outstanding and exercisable as of March 31, 2022 is \$210 million and \$176 million, respectively. During the three months ended March 31, 2022, Sirius XM Holdings granted approximately 12 million nonvested RSUs with a GDFV per share of \$6.93. Stock-based compensation expense related to Sirius XM Holdings was \$45 million and \$51 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options and RSUs was \$463 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.4 years.

(4) Earnings Attributable to Liberty Media Corporation Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented, including any necessary adjustments to earnings (loss) attributable to shareholders.

In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging— Contracts in Entity's Own Equity (Subtopic 815-40)* ("ASU 2020-06") which removes the separation models for convertible debt with cash conversion or beneficial conversion features and also requires the application of the if-converted method for calculating diluted earnings per share as the treasury stock method is no longer permitted for convertible instruments. The Company adopted ASU 2020-06 as of January 1, 2022 using the modified retrospective approach, which does not require retrospective adjustment of prior period EPS, and recorded an immaterial cumulative effect adjustment to retained earnings upon adoption. The adoption of ASU 2020-06 decreased current period diluted earnings attributable to Liberty SiriusXM stockholders per common share by \$0.04 per share.

Excluded from diluted EPS for the three months ended March 31, 2022 and 2021 are approximately 20 million and 22 million potentially dilutive shares of Series A and Series C Liberty SiriusXM common stock, respectively, 14 million and 3 million potentially dilutive shares of Series A and Series C Liberty Braves common stock, respectively, and 10

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Notes to Condensed Consolidated Financial Statements (Continued)
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million and 7 million potentially dilutive shares of Series A and Series C Liberty Formula One common stock, respectively, primarily due to warrants issued in connection with the Bond Hedge Transaction (as defined in note 8) and shares of Series A Liberty Braves common stock and Series A Liberty Formula One common stock underlying the intergroup interests, because their inclusion would be antidilutive. The warrant transactions (as described in note 8) may have a dilutive effect with respect to the shares comprising the basket of Liberty's tracking stocks as specified in the indenture, as amended, related to the Convertible Notes (the "Securities Basket") underlying the warrants to the extent that the settlement price exceeds the strike price of the warrants, and the warrants are settled in shares comprising such Securities Basket. The warrants and any potential future settlement are attributed to the Liberty SiriusXM Group.

Series A, Series B and Series C Liberty SiriusXM Common Stock

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock.

	Three months ended March 31,	
	2022	2021
	numbers of shares in millions	
Basic WASO	332	338
Potentially dilutive shares (a)	20	1
Diluted WASO (b)	352	339

- (a) Potentially dilutive shares are excluded from the computation of EPS during period in which net losses are reported since the result would be antidilutive.
- (b) For periods in which share settlement of the 2.125% Exchangeable Senior Debentures and 2.75% Exchangeable Senior Debentures, which may be settled in shares of Series C Liberty SiriusXM common stock, is dilutive, the numerator adjustment includes a reversal of the interest expense and the unrealized gain or loss recorded on the instruments during the period, net of tax where appropriate. Additionally, a hypothetical mark to market adjustment on the shares of Series A Liberty Sirius XM common stock included in the Securities Basket underlying the warrants is included in the numerator adjustment in periods in which cash settlement of the warrants would be more dilutive than share settlement.

	Three months ended March 31,	
	2022	2021
	amounts in millions	
Basic earnings (loss) attributable to Liberty SiriusXM stockholders	\$ 288	(11)
Adjustments	1	—
Diluted earnings (loss) attributable to Liberty SiriusXM stockholders	\$ 289	(11)

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Notes to Condensed Consolidated Financial Statements (Continued)
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Series A, Series B and Series C Liberty Braves Common Stock

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock.

	Three months ended March 31,	
	2022	2021
	numbers of shares in millions	
Basic WASO	53	52
Potentially dilutive shares (a)(b)	—	9
Diluted WASO (b)	53	61

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.
- (b) The number of notional shares representing the intergroup interest in the Braves Group held by the Formula One Group is 6,792,903 and the number of notional shares representing the intergroup interest in the Braves Group held by the Liberty SiriusXM Group is 2,292,037 as of March 31, 2022.

The intergroup interests are quasi-equity interests which are not represented by outstanding shares of common stock; rather, the Formula One Group and the Liberty SiriusXM Group have attributed values in the Braves Group which are generally stated in terms of a number of shares of stock issuable to the Formula One Group and the Liberty SiriusXM Group with respect to their interests in the Braves Group. Each reporting period, the notional shares representing the intergroup interests are marked to fair value. As the notional shares underlying the intergroup interests are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Braves common stock. However, Liberty has assumed that the notional shares (if and when issued) related to the Formula One Group interest in the Braves Group would be comprised of Series C Liberty Braves common stock in order to not dilute voting percentages and the notional shares (if and when issued) related to the Liberty SiriusXM Group interest in the Braves Group would be comprised of Series A Liberty Braves common stock since Series A Liberty Braves common stock underlie the Convertible Notes. Therefore, the market prices of Series C Liberty Braves and Series A Liberty Braves common stock are used for the quarterly mark-to-market adjustment for the intergroup interests held by Formula One Group and Liberty SiriusXM Group, respectively, through the unaudited attributed condensed consolidated statements of operations. The notional shares representing the intergroup interests have no impact on the basic WASO. However, if dilutive, the notional shares representing the intergroup interests are included in the diluted WASO as if the shares had been issued and outstanding during the period. For periods in which share settlement of the intergroup interests are dilutive, an adjustment is also made to the numerator in the diluted earnings per share calculation for the unrealized gain or loss incurred from marking the intergroup interests to fair value during the period. Additionally, a hypothetical mark to market adjustment on the shares of Series A Liberty Braves common stock included in the Securities Basket underlying the warrants is included in the numerator adjustment in periods in which cash settlement of the warrants would be more dilutive than share settlement.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
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	Three months ended March 31,	
	2022	2021
	amounts in millions	
Basic earnings (loss) attributable to Liberty Braves stockholders	\$ (13)	(59)
Adjustments	—	28
Diluted earnings (loss) attributable to Liberty Braves stockholders	\$ (13)	(31)

Series A, Series B and Series C Liberty Formula One Common Stock

The basic and diluted EPS calculations are based on the following weighted average outstanding shares of common stock.

	Three months ended March 31,	
	2022	2021
	numbers of shares in millions	
Basic WASO	232	232
Potentially dilutive shares (a)(b)	4	7
Diluted WASO (b)	236	239

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.
- (b) As discussed in note 2, the number of notional Formula One shares representing the Liberty SiriusXM Group's intergroup interest in the Formula One Group is 5,271,475 shares as of March 31, 2022. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Liberty SiriusXM Group has an attributed value in the Formula One Group which is generally stated in terms of a number of shares of stock issuable to the Liberty SiriusXM Group with respect to its interest in the Formula One Group. Each reporting period, the notional shares representing the intergroup interest are marked to fair value. As the notional shares underlying the intergroup interest are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Formula One common stock. However, Liberty has assumed that the notional shares (if and when issued) would be comprised of Series A Liberty Formula One common stock since Series A Liberty Formula One common stock underlie the Convertible Notes. Therefore, the market price of Series A Liberty Formula One common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed condensed consolidated statements of operations. The notional shares representing the intergroup interest have no impact on the basic WASO. However, if dilutive, the notional shares representing the intergroup interest are included in the diluted WASO as if the shares had been issued and outstanding during the period. For periods in which share settlement of the intergroup interest is dilutive, an adjustment is also made to the numerator in the diluted earnings per share calculation for the unrealized gain or loss incurred from marking the intergroup interest to fair value during the period. Additionally, an adjustment is also made to the numerator for a hypothetical mark to market adjustment on the shares of Series A Liberty Formula One common stock included in the Securities Basket underlying the warrants in periods in which cash settlement would be more dilutive than share settlement.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
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	Three months ended March 31,	
	2022	2021
	amounts in millions	
Basic earnings (loss) attributable to Formula One stockholders	\$ (35)	(46)
Adjustments	—	1
Diluted earnings (loss) attributable to Formula One stockholders	\$ (35)	(45)

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Liberty does not have any assets or liabilities required to be measured at fair value considered to be Level 3.

Liberty's assets and liabilities measured at fair value are as follows:

Description	Fair Value Measurements at March 31, 2022			Fair Value Measurements at December 31, 2021		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
	amounts in millions					
Cash equivalents	\$ 2,788	2,788	—	2,436	2,436	—
Investment in trust account	\$ 575	575	—	575	575	—
Debt and equity securities	\$ 162	162	—	217	217	—
Financial instrument assets	\$ 596	94	502	640	99	541
Debt	\$ 4,455	—	4,455	5,222	—	5,222
Financial instrument liabilities	\$ 10	8	2	59	20	39

The majority of Liberty's Level 2 financial instruments are debt related instruments and derivative instruments. These assets and liabilities are not always traded publicly or not considered to be traded on "active markets," as defined in GAAP. The fair values for such instruments are derived from a typical model using observable market data as the significant inputs or a trading price of a similar asset or liability is utilized. Accordingly, those debt securities, financial instruments and debt or debt related instruments are reported in the foregoing table as Level 2 fair value. Investments in the trust account and debt and equity securities included in the table above are included in the Other assets line item in the condensed consolidated balance sheets. As of March 31, 2022, \$460 million and \$136 million of financial instrument assets included in the table above are included in the Other current assets and Other assets line items, respectively, in the condensed consolidated balance sheet. As of December 31, 2021, \$527 million and \$113 million of financial instrument assets included in the table above are included in the Other current assets and Other assets line items, respectively, in the condensed consolidated balance sheet.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Realized and Unrealized Gains (Losses) on Financial Instruments, net

Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Debt and equity securities	\$ (5)	49
Debt measured at fair value (a)	69	(113)
Change in fair value of bond hedges (b)	(68)	13
Other	63	2
	<u>\$ 59</u>	<u>(49)</u>

- (a) The Company elected to account for its exchangeable senior debentures and cash convertible notes (as described in note 8) using the fair value option. Changes in the fair value of the exchangeable senior debentures and cash convertible notes recognized in the condensed consolidated statements of operations are primarily due to market factors primarily driven by changes in the fair value of the underlying shares into which the debt is exchangeable. The Company isolates the portion of the unrealized gain (loss) attributable to changes in the instrument specific credit risk and recognizes such amount in other comprehensive earnings (loss). The change in the fair value of the exchangeable senior debentures and cash convertible notes attributable to changes in the instrument specific credit risk was a loss of \$11 million and a loss of \$60 million for the three months ended March 31, 2022 and 2021, respectively, and the cumulative change since issuance was a gain of \$57 million as of March 31, 2022, net of the recognition of previously unrecognized gains and losses.
- (b) Contemporaneously with the issuance of the Convertible Notes, Liberty entered into privately negotiated cash convertible note hedges, which are expected to offset potential cash payments Liberty would be required to make in excess of the principal amount of the Convertible Notes, upon conversion of the notes. The bond hedges are marked to market based on the trading price of underlying Series A Liberty SiriusXM, Liberty Braves and Liberty Formula One securities and other observable market data as the significant inputs (Level 2). See note 8 for additional discussion of the bond hedges.

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(6) Investments in Affiliates Accounted for Using the Equity Method

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at March 31, 2022 and the carrying amount at December 31, 2021:

	Percentage ownership	March 31, 2022		December 31, 2021
		Fair Value (Level 1)	Carrying amount	Carrying amount
dollar amounts in millions				
Liberty SiriusXM Group				
Live Nation (a)	31 %	\$ 8,193	\$ 72	89
Sirius XM Canada	70 %	\$ NA	660	642
Other		NA	74	74
Total Liberty SiriusXM Group			806	805
Braves Group				
Other	various	NA	114	110
Total Braves Group			114	110
Formula One Group				
Other	various	NA	27	30
Total Formula One Group			27	30
Consolidated Liberty			\$ 947	945

(a) See note 8 for details regarding the number and fair value of shares pledged as collateral as of March 31, 2022 pursuant to Liberty's margin loan secured by shares of Live Nation (the "Live Nation Margin Loan").

The following table presents the Company's share of earnings (losses) of affiliates:

	Three months ended	
	March 31, 2022	March 31, 2021
amounts in millions		
Liberty SiriusXM Group		
Live Nation	\$ (21)	(111)
Sirius XM Canada	3	4
Other	—	(6)
Total Liberty SiriusXM Group	(18)	(113)
Braves Group		
Other	4	3
Total Braves Group	4	3
Formula One Group		
Other	—	15
Total Formula One Group	—	15
Consolidated Liberty	\$ (14)	(95)

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Sirius XM Canada

As of March 31, 2022, Sirius XM Holdings holds a 70% equity interest and 33% voting interest in Sirius XM Canada Holdings Inc. (“Sirius XM Canada”). Sirius XM Canada is accounted for as an equity method investment as Sirius XM Holdings does not have the ability to direct the most significant activities that impact Sirius XM Canada’s economic performance.

On March 15, 2022, Sirius XM Holdings and Sirius XM Canada entered into an amended and restated services and distribution agreement which modified the existing Services Agreement and terminated the existing Advisory Agreement, each dated as of May 25, 2017. Sirius XM Canada will continue to be engaged by Sirius XM Holdings as a distributor of the satellite digital audio radio service in Canada. Pursuant to the amended and restated services and distribution agreement, the fee payable by Sirius XM Canada to Sirius XM Holdings was modified from a fixed percentage of revenue to a variable fee, based on a target operating profit for Sirius XM Canada. Such variable fee is expected to be evaluated annually based on comparable companies. In accordance with the amended and restated services and distribution agreement, the fee is payable on a monthly basis, in arrears, beginning January 1, 2022.

In May 2017, Sirius XM Holdings extended a loan to Sirius XM Canada in the principal amount of \$131 million. In connection with the execution of the amended and restated services and distribution agreement, Sirius XM Holdings forgave \$113 million in principal amount of such loan to Sirius XM Canada, leaving an outstanding principal amount of \$8 million on such loan as of March 31, 2022. The principal amount that was forgiven by Sirius XM Holdings was considered satisfied as contributed capital to Sirius XM Canada.

Sirius XM Holdings has approximately \$13 million in related party current assets as of March 31, 2022. Sirius XM Holdings recorded approximately \$27 million and \$25 million in revenue for the three months ended March 31, 2022 and 2021, respectively, associated with these various agreements. Sirius XM Canada paid gross dividends to Sirius XM Holdings of less than \$1 million during both of the three months ended March 31, 2022 and 2021.

SoundCloud

In February 2020, Sirius XM Holdings completed a \$75 million investment in Series G Membership Units of SoundCloud Holdings, LLC (“SoundCloud”). The investment in SoundCloud is accounted for as an equity method investment as Sirius XM Holdings does not have the ability to direct the most significant activities that impact SoundCloud’s economic performance.

In addition to Sirius XM Holdings’ investment in SoundCloud, Pandora has an agreement with SoundCloud to be its exclusive ad sales representative in the U.S. and certain European countries. Through this arrangement, Pandora offers advertisers the ability to execute campaigns across the Pandora and SoundCloud listening platforms. Sirius XM Holdings recorded revenue share expense related to this agreement of \$13 million during both of the three months ended March 31, 2022 and 2021. Sirius XM Holdings also had related party liabilities of \$20 million as of March 31, 2022 related to this agreement.

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(7) Intangible Assets

Goodwill

Changes in the carrying amount of goodwill are as follows:

	Sirius XM Holdings	Formula 1	Other	Total
	amounts in millions			
Balance at January 1, 2022	\$ 15,112	3,956	180	19,248
Acquisitions (a)	28	—	—	28
Other	—	—	(4)	(4)
Balance at March 31, 2022	<u>\$ 15,140</u>	<u>3,956</u>	<u>176</u>	<u>19,272</u>

(a) Sirius XM Holdings recorded goodwill related to an acquisition in January 2022.

Intangible Assets Subject to Amortization

	March 31, 2022			December 31, 2021		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in millions					
FIA Agreement	\$ 3,630	(984)	2,646	3,630	(936)	2,694
Customer relationships	3,054	(1,744)	1,310	3,053	(1,679)	1,374
Licensing agreements	355	(248)	107	355	(243)	112
Other	2,006	(1,389)	617	1,933	(1,316)	617
Total	<u>\$ 9,045</u>	<u>(4,365)</u>	<u>4,680</u>	<u>8,971</u>	<u>(4,174)</u>	<u>4,797</u>

Amortization expense for intangible assets with finite useful lives was \$195 million and \$199 million for the three months ended March 31, 2022 and 2021, respectively. Based on its amortizable intangible assets as of March 31, 2022, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

Remainder of 2022	\$ 587
2023	\$ 726
2024	\$ 411
2025	\$ 358
2026	\$ 342

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(8) Long-Term Debt

Debt is summarized as follows:

	Outstanding Principal March 31, 2022	Carrying value	
		March 31, 2022	December 31, 2021
amounts in millions			
Liberty SiriusXM Group			
Corporate level notes and loans:			
1.375% Cash Convertible Senior Notes due 2023 (1)	\$ 1,000	1,419	1,540
2.125% Exchangeable Senior Debentures due 2048 (1)	388	403	416
2.25% Exchangeable Senior Debentures due 2048 (1)	—	—	644
2.75% Exchangeable Senior Debentures due 2049 (1)	586	598	624
0.5% Exchangeable Senior Debentures due 2050 (1)	920	1,305	1,332
Sirius XM Holdings Margin Loan	875	875	875
Live Nation Margin Loan	250	250	—
Subsidiary notes and loans:			
Sirius XM 3.125% Senior Notes due 2026	1,000	990	990
Sirius XM 5.0% Senior Notes due 2027	1,500	1,491	1,491
Sirius XM 4.0% Senior Notes due 2028	2,000	1,980	1,979
Sirius XM 5.50% Senior Notes due 2029	1,250	1,239	1,239
Sirius XM 4.125% Senior Notes due 2030	1,500	1,486	1,485
Sirius XM 3.875% Senior Notes due 2031	1,500	1,484	1,484
Pandora 1.75% Convertible Senior Notes due 2023	193	193	177
Sirius XM Senior Secured Revolving Credit Facility	981	981	—
Deferred financing costs		(13)	(14)
Total Liberty SiriusXM Group	<u>13,943</u>	<u>14,681</u>	<u>14,262</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	678	678	700
Deferred financing costs		(3)	(3)
Total Braves Group	<u>678</u>	<u>675</u>	<u>697</u>
Formula One Group			
Corporate level notes and loans:			
1% Cash Convertible Notes due 2023 (1)	386	730	666
Other	68	68	69
Subsidiary notes and loans:			
Senior Loan Facility	2,902	2,902	2,902
Deferred financing costs		(5)	(6)
Total Formula One Group	<u>3,356</u>	<u>3,695</u>	<u>3,631</u>
Total debt	<u>\$ 17,977</u>	<u>19,051</u>	<u>18,590</u>
Debt classified as current		<u>(2,584)</u>	<u>(2,891)</u>
Total long-term debt		<u>\$ 16,467</u>	<u>15,699</u>

(1) Measured at fair value

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(unaudited)

1.375% Cash Convertible Senior Notes due 2023

On October 17, 2013, Liberty issued \$1 billion aggregate principal amount of the Convertible Notes. The Convertible Notes will mature on October 15, 2023 unless earlier repurchased by us or converted. Interest on the Convertible Notes is payable semi-annually in arrears on April 15 and October 15 of each year at a rate of 1.375% per annum. All conversions of the Convertible Notes will be settled solely in cash, and not through the delivery of any securities.

Since the date of issuance, the conversion, adjustment and other provisions of the indenture have been amended to give effect to certain transactions. The consideration due upon conversion of any Convertible Note shall be determined based on the Securities Basket, consisting of 0.1087 of a share of Series A Liberty Braves common stock, 1.0163 shares of Series A Liberty SiriusXM common stock and 0.25 of a share of Series A Liberty Formula One common stock as of March 31, 2022.

Holders of the Convertible Notes may convert their notes at their option at any time prior to the close of business on the second business day immediately preceding the maturity date of the notes under certain circumstances. Liberty has elected to account for this instrument using the fair value option. See note 5 for information related to unrealized gains (losses) on debt measured at fair value. As of March 31, 2022, the Convertible Notes are classified as a current liability in the condensed consolidated balance sheet, as the conversion conditions have been met as of such date.

Additionally, contemporaneously with the issuance of the Convertible Notes, Liberty entered into a bond hedge transaction (the “Bond Hedge Transaction”). The Bond Hedge Transaction is expected to offset potential cash payments Liberty would be required to make in excess of the principal amount of the Convertible Notes, upon conversion of the notes in the event that the volume-weighted average price per share of the components of the Securities Basket, as measured under the cash convertible note hedge transactions on each trading day of the relevant cash settlement averaging period or other relevant valuation period, was greater than the strike price of the components of the Securities Basket. As of March 31, 2022, the Bond Hedge Transaction covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,429,600 shares of Series A Liberty SiriusXM common stock and 2,292,037 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments pertaining to the Convertible Notes, which is equal to the aggregate number of shares comprising the Securities Basket underlying the Convertible Notes. The bond hedge expires on October 15, 2023 and is included in Other current assets in the accompanying condensed consolidated balance sheets, with changes in the fair value recorded as unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations.

Concurrently with the Convertible Notes and Bond Hedge Transaction, Liberty also entered into separate privately negotiated warrant transactions under which Liberty sold warrants relating to the same underlying shares of Convertible Notes and Bond Hedge Transaction, subject to anti-dilution adjustments. The first expiration date of the warrants is January 16, 2024 and the remainder expire over a period covering 81 days thereafter. Liberty may elect to settle its delivery obligation under the warrant transactions with cash. As of March 31, 2022, the warrants covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,429,600 shares of Series A Liberty SiriusXM common stock and 2,292,037 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments. The strike price of the warrants, based on the basket of shares, was \$61.16 per share as of March 31, 2022. As of March 31, 2022, the basket price of the securities underlying the warrants was \$65.37 per share, which is the same as the basket price of the securities underlying the Bond Hedge Transaction. The warrants may have a dilutive effect with respect to the shares comprising the Securities Basket underlying the warrants to the extent that the settlement price exceeds the strike price of the warrants, and the warrants are settled in shares comprising such Securities Basket.

The Convertible Notes, Bond Hedge Transaction and warrants are attributed to the Liberty SiriusXM Group.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
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1% Cash Convertible Notes due 2023

On January 23, 2017, Liberty issued \$450 million cash convertible notes at an interest rate of 1% per annum, which are convertible, under certain circumstances, into cash based on the trading prices of the underlying shares of Series C Liberty Formula One common stock and mature on January 30, 2023 (the “1% Convertible Notes”). The initial conversion rate for the notes will be approximately 27.11 shares of Series C Liberty Formula One common stock per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$36.89 per share of Series C Liberty Formula One common stock. The conversion of the 1% Convertible Notes will be settled solely in cash, and not through the delivery of any securities. As of March 31, 2022, the 1% Convertible Notes are classified as a current liability in the condensed consolidated balance sheet, as the conversion conditions have been met as of such date.

2.125% Exchangeable Senior Debentures due 2048

On March 6, 2018, Liberty closed a private offering of approximately \$400 million aggregate principal amount of its 2.125% exchangeable senior debentures due 2048 (the “2.125% Exchangeable Senior Debentures due 2048”). Upon an exchange of debentures, Liberty, at its option, may deliver Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock, cash or a combination of Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock and/or cash. The number of shares of Sirius XM Holdings common stock attributable to a debenture represents an initial exchange price of approximately \$8.02 per share. A total of approximately 49.9 million shares of Sirius XM Holdings common stock are attributable to the debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing June 30, 2018. The debentures may be redeemed by Liberty, in whole or in part, on or after April 7, 2023. Holders of the debentures also have the right to require Liberty to purchase their debentures on April 7, 2023. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest. The debentures are attributed to the Liberty SiriusXM Group. Liberty has elected to account for the debentures using the fair value option. See note 5 for information related to unrealized gains (losses) on debt measured at fair value.

In accordance with the terms of the indenture governing the 2.125% Exchangeable Senior Debentures due 2048, following Liberty’s receipt of Sirius XM Holdings’ special cash dividend, as described in note 2, Liberty made an extraordinary cash distribution of \$31.1731 per debenture to holders of the 2.125% Exchangeable Senior Debentures due 2048. Also pursuant to the indenture, the original principal amount of the 2.125% Exchangeable Senior Debentures due 2048 was reduced by an amount equal to the extraordinary distribution of approximately \$12 million.

2.25% Exchangeable Senior Debentures due 2048

In December 2018, Liberty closed a private offering of approximately \$385 million aggregate principal amount of its 2.25% exchangeable senior debentures due 2048 (the “2.25% Exchangeable Senior Debentures due 2048”). The number of shares of Live Nation common stock attributable to a debenture represented an initial exchange price of approximately \$66.28 per share and a total of approximately 5.8 million shares of Live Nation common stock were attributable to the debentures. Interest was payable quarterly on March 1, June 1, September 1 and December 1 of each year. Holders of the debentures had the right to require Liberty to purchase their debentures on December 1, 2021. In October 2021, Liberty issued a notice of redemption in full on December 1, 2021 of the 2.25% Exchangeable Debentures due 2048. All Holders exercised their right to exchange the debentures in the fourth quarter and, pursuant to a supplemental indenture entered into in September 2021, Liberty delivered cash upon settlement of the exchange of debentures. In January 2022, the exchanges of debentures were settled for \$664 million. The debentures were attributed to the Liberty SiriusXM Group.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

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2.75% Exchangeable Senior Debentures due 2049

On November 26, 2019, Liberty closed a private offering of approximately \$604 million aggregate principal amount of its 2.75% exchangeable senior debentures due 2049 (the “2.75% Exchangeable Senior Debentures due 2049”). Upon an exchange of debentures, Liberty, at its option, may deliver Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock, cash or a combination of Sirius XM Holdings common stock, Series C Liberty SiriusXM common stock and/or cash. The number of shares of Sirius XM Holdings common stock attributable to a debenture represents an initial exchange price of approximately \$8.62 per share. A total of approximately 70 million shares of Sirius XM Holdings common stock are attributable to the debentures. Interest is payable quarterly in arrears on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2020. The debentures may be redeemed by Liberty, in whole or in part, on or after December 1, 2024. Holders of the debentures also have the right to require Liberty to purchase their debentures on December 1, 2024. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest to the redemption date, plus any final period distribution. The debentures are attributed to the Liberty SiriusXM Group. Liberty has elected to account for the debentures using the fair value option. See note 5 for information related to unrealized gains (losses) on debt measured at fair value.

In accordance with the terms of the indenture governing the 2.75% Exchangeable Senior Debentures due 2049, following Liberty’s receipt of Sirius XM Holdings’ special cash dividend, as described in note 2, Liberty made an extraordinary cash distribution of \$29.0057 per debenture to holders of the 2.75% Exchangeable Senior Debentures due 2049. Also pursuant to the indenture, the original principal amount of the 2.75% Exchangeable Senior Debentures due 2049 was reduced by an amount equal to the extraordinary distribution of approximately \$18 million.

0.5% Exchangeable Senior Debentures due 2050

In November 2020, Liberty closed a private offering of approximately \$920 million aggregate principal amount of its 0.5% exchangeable senior debentures due 2050 (the “0.5% Exchangeable Senior Debentures due 2050”). Upon an exchange of debentures, Liberty, at its option, may deliver Live Nation common stock, cash or a combination of Live Nation common stock and/or cash. The number of shares of Live Nation common stock attributable to a debenture represents an initial exchange price of approximately \$90.10 per share. A total of approximately 10 million shares of Live Nation common stock are attributable to the debentures. Interest is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2021. The debentures may be redeemed by Liberty, in whole or in part, on or after September 1, 2024. Holders of the debentures also have the right to require Liberty to purchase their debentures on September 1, 2024. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest to the redemption date, plus any final period distribution. The debentures are attributed to the Liberty SiriusXM Group. Liberty has elected to account for the debentures using the fair value option. See note 5 for information related to unrealized gains (losses) on debt measured at fair value.

Margin Loans

Sirius XM Holdings Margin Loan

In March 2020, Liberty Siri MarginCo, LLC (“Siri MarginCo”), a wholly-owned subsidiary of Liberty, amended its margin loan agreement secured by shares of Sirius XM Holdings common stock (the “Sirius XM Holdings Margin Loan”) that was comprised of a \$250 million term loan, a \$500 million revolving line of credit and a \$600 million delayed draw term loan. The term loan, delayed draw term loan and any drawn portion of the revolver carried an interest rate of LIBOR plus 2.05% with the undrawn portion carrying a fee of 0.75%. On February 24, 2021, Siri MarginCo borrowed \$125 million pursuant to an amendment to this margin loan agreement which includes an \$875 million term loan and an \$875 million revolving line of credit. Also pursuant to the amendment, the maturity was extended to March 2024. The term loan

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

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and any drawn portion of the revolver carry an interest rate of LIBOR plus 2.00% with the undrawn portion carrying a fee of 0.50%. Borrowings outstanding under the Sirius XM Holdings Margin Loan bore interest at a rate of 3.01% per annum at March 31, 2022. As of March 31, 2022, availability under the Sirius XM Holdings Margin Loan was \$875 million. As of March 31, 2022, 1.0 billion shares of the Company's Sirius XM Holdings common stock with a value of \$6,620 million were held as collateral to the Sirius XM Holdings Margin Loan. The margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The margin loan does not include any financial covenants.

Live Nation Margin Loan

On December 10, 2018, the Live Nation Margin Loan agreement was amended, increasing the borrowing capacity to \$600 million, decreasing the interest rate to LIBOR plus 1.80% and increasing the undrawn commitment fee to either 0.75% or 0.85% per annum (based on the undrawn amount). On March 19, 2020, the Company repaid all amounts outstanding on the margin loan. On March 27, 2020, the margin loan agreement was amended, reducing the borrowing capacity to \$270 million. On November 9, 2020, the margin loan was amended, reducing the borrowing capacity to \$200 million, increasing the interest rate to LIBOR plus 2.0%, decreasing the undrawn commitment fee to 0.5% per annum and extending the maturity date to December 9, 2022. On December 3, 2021, the margin loan was amended, increasing the borrowing capacity to \$400 million. Interest on the margin loan is payable on the last business day of each calendar quarter. Borrowings outstanding under the Live Nation Margin Loan bore interest at a rate of 3.01% per annum at March 31, 2022. As of March 31, 2022, availability under the Live Nation Margin Loan was \$150 million. As of March 31, 2022, 9.0 million shares of the Company's Live Nation common stock with a value of \$1,055 million were pledged as collateral to the loan. The Live Nation Margin Loan contains various affirmative and negative covenants that restrict the activities of the borrower. The loan agreement does not include any financial covenants. The Live Nation Margin Loan is attributed to the Liberty SiriusXM Group.

Sirius XM Holdings Senior Secured Revolving Credit Facility

Sirius XM Holdings entered into a Senior Secured Revolving Credit Facility (the "Credit Facility") with a syndicate of financial institutions with a total borrowing capacity of \$1,750 million which matures in August 2026. The Credit Facility is guaranteed by certain of Sirius XM Holdings' material domestic subsidiaries and is secured by a lien on substantially all of Sirius XM Holdings' assets and the assets of its material domestic subsidiaries. Interest on borrowings is payable on a monthly basis and accrues at a rate based on LIBOR plus an applicable rate. Borrowings outstanding under the Credit Facility bore interest at a rate of 2.16% per annum as of March 31, 2022. Sirius XM Holdings is required to pay a variable fee on the average daily unused portion of the Credit Facility which was 0.25% per annum as of March 31, 2022 and is payable on a quarterly basis. The Credit Facility contains customary covenants, including a maintenance covenant. Availability under the Credit Facility was \$769 million as of March 31, 2022.

On April 11, 2022, Sirius XM Holdings entered into an amendment to the Credit Facility to add a \$500 million incremental term loan which will mature on April 11, 2024. Interest on the incremental term loan borrowing is based on the Adjusted Term Secured Overnight Financing Rate plus an applicable rate.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
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Braves Holdings Notes and Loans

Braves Holdings' debt, primarily related to the stadium and mixed-use complex, is summarized as follows:

	Carrying value		As of March 31, 2022		Maturity Date
	March 31, 2022	December 31, 2021	Borrowing Capacity	Weighted avg interest rate	
	amounts in millions				
Operating credit facilities	\$ 100	120	185	1.65%	various
Ballpark funding					
Senior secured note	175	178	NA	3.77%	September 2041
Floating rate notes	53	55	NA	1.83%	September 2029
Stadium credit facility	44	46	46	1.73%	July 2026
Mixed-use credit facilities and loans	276	271	307	3.67%	various
Spring training credit facility	30	30	NA	3.65%	December 2030
Total Braves Holdings	<u>\$ 678</u>	<u>700</u>			

Formula 1 Loans

Formula 1 has a first lien term loan denominated in U.S. Dollars (the "Senior Loan Facility"), which includes a \$500 million revolving credit facility. The revolving credit facility matures on May 31, 2024, unless the Senior Loan Facility is outstanding, in which case the revolving credit facility matures on November 3, 2023. As of March 31, 2022, there were no outstanding borrowings under the \$500 million revolving credit facility. The interest rate on the Senior Loan Facility was approximately 3.50% as of March 31, 2022. The Senior Loan Facility is secured by share pledges, bank accounts and floating charges over Formula 1's primary operating companies with certain cross guarantees. Additionally, as of March 31, 2022, Formula 1 has interest rate swaps on \$2.1 billion of the \$2.9 billion Senior Loan Facility in order to manage its interest rate risk.

Debt Covenants

The Sirius XM Holdings Credit Facility contains certain financial covenants related to Sirius XM Holdings' leverage ratio. Braves Holdings' debt contains certain financial covenants related to Braves Holdings' debt service coverage ratio, fixed charge coverage ratio and debt yield ratio. The Formula 1 Senior Loan Facility contains certain financial covenants, including a leverage ratio. Additionally, Sirius XM Holdings' Credit Facility, Braves Holdings' debt, Formula 1 debt and other borrowings contain certain non-financial covenants. The Company, Sirius XM Holdings, Formula 1 and Braves Holdings are in compliance with their debt covenants as of March 31, 2022.

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Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Fair Value of Debt

The fair value, based on quoted market prices of the same instruments but not considered to be active markets (Level 2), of Sirius XM Holdings' publicly traded debt securities, not reported at fair value, are as follows (amounts in millions):

	March 31, 2022
Sirius XM 3.125% Senior Notes due 2026	\$ 945
Sirius XM 5.0% Senior Notes due 2027	\$ 1,500
Sirius XM 4.0% Senior Notes due 2028	\$ 1,895
Sirius XM 5.50% Senior Notes due 2029	\$ 1,270
Sirius XM 4.125% Senior Notes due 2030	\$ 1,403
Sirius XM 3.875% Senior Notes due 2031	\$ 1,365
Pandora 1.75% Convertible Senior Notes due 2023	\$ 222

Due to the variable rate nature of the Credit Facility, margin loans and other debt, the Company believes that the carrying amount approximates fair value at March 31, 2022.

(9) Liberty Media Acquisition Corporation

In November 2020, the Company, through its wholly owned subsidiary, Liberty Media Acquisition Sponsor, LLC (the "Sponsor"), formed LMAC and ultimately purchased approximately 14.4 million shares of LMAC Series F common stock ("Founder Shares") for \$25,000.

On January 26, 2021, LMAC consummated its initial public offering ("IPO") of 57.5 million units (the "Units"), including 7.5 million Units sold pursuant to the full exercise of the underwriters' overallotment option. Each Unit consists of one share of Series A common stock of LMAC and one-fifth of one redeemable warrant of LMAC. Each whole warrant entitles the holder thereof to purchase one share of Series A common stock for \$11.50 per share, subject to adjustment, following the later of 30 days after the completion of LMAC's initial business combination and 12 months from the closing of the IPO ("Public Warrants"). The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to LMAC of \$575 million, which were placed in a U.S.-based trust account (Level 1) which is included in other assets in the condensed consolidated balance sheet. Substantially concurrent with the IPO, LMAC completed the private placement of 10 million warrants to the Sponsor, generating gross proceeds of \$15 million ("Private Placement Warrants"). Each Private Placement Warrant entitles the holder thereof to purchase one share of LMAC's Series A common stock for \$11.50 per share, subject to adjustment, following the later of 30 days after the completion of LMAC's initial business combination and 12 months from the closing of the IPO and the Sponsor has committed to acquire \$250 million of forward purchase units (each consisting of one share of LMAC's Series B common stock and one-fifth of one redeemable warrant to purchase one share of LMAC's Series A common stock), at a price of \$10.00 per unit, pursuant to a forward purchase agreement that will close substantially concurrently with the consummation of LMAC's initial business combination.

LMAC intends to search for a target in the media, digital media, music, entertainment, communications, telecommunications and technology industries, but may seek to complete a business combination with an operating company in any industry, sector or geographic region.

The Company, through the Sponsor's ownership of the Founder Shares, owns 20% of LMAC's issued and outstanding common stock. The Founder Shares have certain governance rights which allow the Company to control LMAC's affairs, policies and operations through the initial business combination and therefore the Company continues to consolidate LMAC post IPO. LMAC also entered into services and facilities sharing agreements with the Company for shared office

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Continued)****(unaudited)**

space, services and personnel based on a flat fee. The Company's interest in LMAC is attributed to the Formula One Group. Transactions and ownership interests with the Sponsor eliminate upon consolidation.

LMAC's Series A common stock, issued as part of the Units in the IPO, has certain provisions which allow the holder to put back the stock to LMAC upon an initial business combination at their election. This conditional redemption feature requires the Company to account for those shares that are subject to potential redemption as redeemable noncontrolling interests which requires temporary equity classification (outside of permanent equity).

The changes in the components of redeemable noncontrolling interests were as follows (in millions):

Balance at January 1, 2022	\$	575
Net earnings (loss) attributable to the noncontrolling interests		9
Change in redemption value of redeemable noncontrolling interests		(9)
Balance at March 31, 2022	\$	<u>575</u>

The Public Warrants, issued as part of the Units in the IPO, have certain provisions which require LMAC to account for these instruments at fair value as a liability. Therefore, the proceeds from the IPO were bifurcated between the warrants and the Series A common stock. At the IPO date, approximately \$20 million was recorded as a warrant liability within Other Liabilities, net of IPO costs. At March 31, 2022, the value of the liability was \$8 million based on the fair market value of the Public Warrants.

On April 15, 2021, the Sponsor entered into an agreement to provide up to \$2.5 million to LMAC for working capital purposes. During the three months ended March 31, 2022, the agreement was amended to increase the aggregate principal available for borrowing to \$4 million. As of March 31, 2022, LMAC had borrowed \$2 million under the loan. The working capital loan will either be repaid upon consummation of the initial business combination or the deadline for LMAC to complete an initial business combination, without interest, or, at the Sponsor's discretion, up to \$2.5 million of such loan may be convertible into warrants of the post-business combination entity at a price of \$1.50 per warrant. The warrants would be identical to the Private Placement Warrants. In the event that a business combination does not close, LMAC may use funds outside of the trust account to repay the working capital loan, but funds in the trust account would not be used to repay the working capital loan.

(10) Commitments and Contingencies***Guarantees***

In connection with agreements for the sale of assets by the Company or its subsidiaries, the Company may retain liabilities that relate to events occurring prior to its sale, such as tax, environmental, litigation and employment matters. The Company generally indemnifies the purchaser in the event that a third party asserts a claim against the purchaser that relates to a liability retained by the Company. These types of indemnification obligations may extend for a number of years. The Company is unable to estimate the maximum potential liability for these types of indemnification obligations as the sale agreements may not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying condensed consolidated financial statements with respect to these indemnification guarantees.

Employment Contracts

The Atlanta Braves and certain of their players (current and former), coaches and executives have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

contracts as of March 31, 2022 aggregated \$549 million, which is payable as follows: \$196 million in 2022, \$115 million in 2023, \$73 million in 2024, \$50 million in 2025 and \$115 million thereafter. In addition to the foregoing amounts, certain players, coaches and executives may earn incentive compensation under the terms of their employment contracts.

SXM-7 Satellite

On December 13, 2020, Sirius XM Holdings launched its SXM-7 satellite and in-orbit testing of SXM-7 began on January 4, 2021. During in-orbit testing of SXM-7, events occurred which caused failures of certain SXM-7 payload units. The evaluation of SXM-7 concluded that the satellite would not function as intended, which Sirius XM Holdings considered to be a triggering event prompting the assessment as to whether the asset's carrying value of \$220 million was recoverable. In determining recoverability of SXM-7, Sirius XM Holdings compared the asset's carrying value to the undiscounted cash flows derived from the satellite. SXM-7 was determined to be a total loss and therefore, the carrying value of the satellite was not recoverable and an impairment charge of \$220 million was recorded to impairment, restructuring and acquisition costs, net of recoveries in the condensed consolidated statement of operations during the three months ended March 31, 2021. SXM-7 remains in-orbit at its assigned orbital location, but is not being used to provide satellite radio service.

Sirius XM Holdings procured insurance for SXM-7 to cover the risks associated with the satellite's launch and first year of in-orbit operation. The aggregate coverage under the insurance policies with respect to SXM-7 is \$225 million. Sirius XM Holdings collected \$140 million and \$85 million of insurance recoveries during the three months ended June 30, 2021 and September 30, 2021, respectively.

The SXM-8 satellite was successfully launched into a geostationary orbit on June 6, 2021 and was placed into service on September 8, 2021 following the completion of in-orbit testing. The SXM-8 satellite replaced the XM-3 satellite. During the three months ended March 31, 2022, the XM-5 satellite replaced the XM-4 satellite. The XM-3 and XM-4 satellites remain available as in-orbit spares.

Impact of COVID-19

In December 2019, Chinese officials reported a novel coronavirus outbreak ("COVID-19"). COVID-19 has since spread internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices. The business operations of Formula 1, the Atlanta Braves and Live Nation initially were largely, if not completely, suspended at the outset of COVID-19. In 2020, the regular baseball season was comprised of 60 games and Formula 1 had 17 Events. The 2021 regular baseball season was comprised of 160 games. Formula 1 originally scheduled 23 Events in 2021, and after a number of Events were cancelled and/or replaced, a record 22 Events took place. Braves Holdings and Formula 1 had limitations on the number of fans in attendance at certain games and Events in 2021, thereby reducing revenue associated with fan attendance. Starting in the third quarter of 2021, Live Nation saw a meaningful restart of its operations, with growth in ticket sales, new sponsor partners and the resumption of shows, primarily in the United States and United Kingdom. It is unclear, as restrictions are lifted in many jurisdictions, whether and to what extent COVID-19 concerns will continue to impact the use of and/or demand for the entertainment, events and services provided by these businesses and demand for sponsorship and advertising assets. If these businesses continue to face cancelled events, closed venues and reduced attendance, the impact may substantially decrease our revenue. Due to the revenue reductions caused by COVID-19 to date, these businesses have looked to reduce expenses, but should such impacts continue, the businesses may not be able to reduce expenses to the same degree as any decline in revenue, which may adversely affect our results of operations and cash flow.

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Notes to Condensed Consolidated Financial Statements (Continued)

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Restructuring of Sirius XM Holdings' leases

During the three months ended March 31, 2021, Sirius XM Holdings evaluated its office space needs and, as a result of such analysis, surrendered certain office leases, primarily in New York, New York and Oakland, California. Sirius XM Holdings assessed the recoverability of the carrying value of the operating lease right of use assets related to these locations. Based on that assessment, Sirius XM Holdings recorded impairments aggregating \$18 million to reduce the carrying value of the assets to their fair values. Additionally, Sirius XM Holdings accrued expenses of \$6 million for which it will not recognize any future economic benefits and wrote off leasehold improvements of \$1 million. The fair values of the assets were determined using a discounted cash flow model based on Sirius XM Holdings management's assumptions regarding the ability to sublease the locations and the remaining term of the leases. The total charge of \$25 million was recorded to impairment, restructuring and acquisition costs, net of recoveries in the condensed consolidated statement of operations for the three months ended March 31, 2021.

Litigation

The Company has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

Pre-1972 Sound Recording Litigation. On October 2, 2014, Flo & Eddie Inc. filed a class action suit against Pandora in the federal district court for the Central District of California. The complaint alleges a violation of California Civil Code Section 980, unfair competition, misappropriation and conversion in connection with the public performance of sound recordings recorded prior to February 15, 1972 ("pre-1972 recordings"). On December 19, 2014, Pandora filed a motion to strike the complaint pursuant to California's Anti-Strategic Lawsuit Against Public Participation ("anti-SLAPP") statute, which following denial of Pandora's motion was appealed to the Ninth Circuit Court of Appeals. In March 2017, the Ninth Circuit requested certification to the California Supreme Court on the substantive legal questions. The California Supreme Court accepted certification. In May 2019, the California Supreme Court issued an order dismissing consideration of the certified questions on the basis that, following the enactment of the Orrin G. Hatch-Bob Goodlatte Music Modernization Act, Pub. L. No. 115-264, 132 Stat. 3676 (2018) (the "MMA"), resolution of the questions posed by the Ninth Circuit Court of Appeals was no longer "necessary to . . . settle an important question of law."

The MMA grants a potential federal preemption defense to the claims asserted in the aforementioned lawsuits. In July 2019, Pandora took steps to avail itself of this preemption defense, including making the required payments under the MMA for certain of its uses of pre-1972 recordings. Based on the federal preemption contained in the MMA (along with other considerations), Pandora asked the Ninth Circuit to order the dismissal of the *Flo & Eddie, Inc. v. Pandora Media, Inc.* case. On October 17, 2019, the Ninth Circuit Court of Appeals issued a memorandum disposition concluding that the question of whether the MMA preempts Flo and Eddie's claims challenging Pandora's performance of pre-1972 recordings "depends on various unanswered factual questions" and remanded the case to the District Court for further proceedings.

In October 2020, the District Court denied Pandora's renewed motion to dismiss the case under California's anti-SLAPP statute, finding the case no longer qualified for anti-SLAPP due to intervening changes in the law, and denied Pandora's renewed attempt to end the case. Alternatively, the District Court ruled that the preemption defense likely did not apply to Flo & Eddie's claims, in part because the District Court believed that the MMA did not apply retroactively. Pandora promptly appealed the District Court's decision to the Ninth Circuit, and moved to stay appellate briefing pending the appeal of a related case against Sirius XM. On January 13, 2021, the Ninth Circuit issued an order granting the stay of appellate proceedings pending the resolution of a related case against Sirius XM.

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Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

On August 23, 2021, the United States Court of Appeals for the Ninth Circuit issued an Opinion in a related case, Flo & Eddie Inc. v. Sirius XM Radio Inc. The related case also concerned a class action suit brought by Flo & Eddie Inc. regarding the public performance of pre-1972 recordings under California law. Relying on California's copyright statute, Flo & Eddie argued that California law gave it the "exclusive ownership" of its pre-1972 songs, including the right of public performance. The Ninth Circuit reversed the District Court's grant of partial summary judgment to Flo & Eddie Inc. The Ninth Circuit held that the District Court in this related case erred in concluding that "exclusive ownership" under California's copyright statute included the right of public performance. The Ninth Circuit remanded the case for entry of judgment consistent with the terms of the parties' contingent settlement agreement, and on October 6, 2021, the parties to the related case stipulated to its dismissal with prejudice.

Following issuance of the Flo & Eddie Inc. v. Sirius XM Radio Inc. opinion, on September 3, 2021, the Ninth Circuit lifted the stay of appellate proceedings in Flo & Eddie, Inc. v. Pandora Media, LLC. The Flo & Eddie Inc. v. Sirius XM Radio Inc. decision is precedential in the Ninth Circuit, and therefore Sirius XM Holdings believes substantially narrows the claims that Flo & Eddie may continue to assert against Pandora.

Sirius XM Holdings believes it has substantial defenses to the claims asserted in this action, and intends to defend this action vigorously.

(11) Information About Liberty's Operating Segments

The Company, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media, communications and entertainment industries. The Company identifies its reportable segments as (A) those consolidated subsidiaries that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA (as defined below) or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of the Company's annual pre-tax earnings.

Liberty's chief operating decision maker evaluates performance and makes decisions about allocating resources to the Company's operating segments based on financial measures such as revenue and Adjusted OIBDA (as defined below). In addition, the Company reviews nonfinancial measures such as subscriber growth, churn and penetration.

For the three months ended March 31, 2022, the Company has identified the following subsidiaries as its reportable segments:

- Sirius XM Holdings is a consolidated subsidiary that operates two complementary audio entertainment businesses, Sirius XM and Pandora and Off-platform. Sirius XM features music, sports, entertainment, comedy, talk, news, traffic and weather channels and other content, as well as podcasts and infotainment services, in the United States on a subscription fee basis. Sirius XM's packages include live, curated and certain exclusive and on demand programming. The Sirius XM service is distributed through its two proprietary satellite radio systems and streamed via applications for mobile devices, home devices and other consumer electronic equipment. Sirius XM also provides connected vehicle services and a suite of in-vehicle data services. Pandora operates a music and podcast streaming discovery platform. Pandora is available as an ad-supported radio service, a radio subscription service, called Pandora Plus, and an on-demand subscription service, called Pandora Premium. Pandora also sells advertising on other audio platforms in widely distributed podcasts, which are considered to be off-platform services.
- Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Championship takes place on various circuits with a varying number of events taking place in different countries around the world each season. Formula 1 is responsible for the commercial exploitation and development of the World Championship as well as various aspects of its management and administration.

The Company's segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, differing revenue sources and marketing strategies. The significant accounting policies of the segments are the same as those described in the Company's summary of significant policies in the Company's annual financial statements filed on Form 10-K.

As of December 31, 2021, Live Nation met the Company's reportable segment threshold for equity method affiliates due to significant losses driven by COVID-19. Although the Company owns less than 100% of the outstanding shares of Live Nation, 100% of the Live Nation amounts are included in the tables below and are subsequently eliminated in order to reconcile the account totals to the Company's consolidated financial statements. The Company's investment in Live Nation is attributed to the Liberty SiriusXM Group.

Performance Measures

The following table disaggregates revenue by segment and by source:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Liberty SiriusXM Group		
Sirius XM Holdings:		
Subscriber	\$ 1,713	1,611
Advertising	383	354
Equipment	53	57
Other	37	36
Total Liberty SiriusXM Group	<u>2,186</u>	<u>2,058</u>
Braves Group		
Corporate and other:		
Baseball	11	7
Development	12	9
Total Braves Group	<u>23</u>	<u>16</u>
Formula One Group		
Formula 1:		
Primary	287	159
Other	73	21
Total Formula One Group	<u>360</u>	<u>180</u>
Consolidated Liberty	<u>\$ 2,569</u>	<u>2,254</u>

Live Nation's revenue was \$1,803 million and \$291 million during the three months ended March 31, 2022 and 2021, respectively.

Our subsidiaries' customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in our unaudited condensed

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

consolidated statement of operations as the services are provided. Changes in the contract liability balance for Sirius XM Holdings during the three months ended March 31, 2022 were not materially impacted by other factors. The opening and closing balances for our deferred revenue related to Formula 1 and Braves Holdings for the three months ended March 31, 2022 were approximately \$347 million and \$705 million, respectively. The primary cause for the increase related to the receipt of cash from our customers in advance of satisfying our performance obligations.

Significant portions of the transaction prices for Formula 1 and Braves Holdings are related to undelivered performance obligations that are under contractual arrangements that extend beyond one year. The Company anticipates recognizing revenue from the delivery of such performance obligations of approximately \$2,011 million for the remainder of 2022, \$1,986 million in 2023, \$1,683 million in 2024, \$3,888 million in 2025 through 2030, and \$768 million thereafter, primarily recognized through 2035. We have not included any amounts in the undelivered performance obligations amounts for Formula 1 and Braves Holdings for those performance obligations that relate to a contract with an original expected duration of one year or less.

For segment reporting purposes, the Company defines Adjusted OIBDA as revenue less operating expenses, and selling, general and administrative expenses excluding all stock-based compensation, separately reported litigation settlements and restructuring and impairment charges. The Company believes this measure is an important indicator of the operational strength and performance of its businesses, by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

Adjusted OIBDA is summarized as follows:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Liberty SiriusXM Group		
Sirius XM Holdings	\$ 690	682
Live Nation	209	(152)
Corporate and other	(5)	(5)
	894	525
Eliminate equity method affiliate	(209)	152
Total Liberty SiriusXM Group	685	677
Braves Group		
Corporate and other	(19)	(22)
Total Braves Group	(19)	(22)
Formula One Group		
Formula 1	122	66
Corporate and other	(10)	(7)
Total Formula One Group	112	59
Consolidated Liberty	\$ 778	714

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Other Information

	March 31, 2022		
	Total assets	Investments in affiliates amounts in millions	Capital expenditures
Liberty SiriusXM Group			
Sirius XM Holdings	\$ 29,690	734	97
Live Nation	16,007	318	46
Corporate and other	1,946	72	—
	47,643	1,124	143
Eliminate equity method affiliate	(16,007)	(318)	(46)
Total Liberty SiriusXM Group	31,636	806	97
Braves Group			
Corporate and other	1,663	114	4
Total Braves Group	1,663	114	4
Formula One Group			
Formula 1	9,056	—	5
Corporate and other	2,797	27	5
Total Formula One Group	11,853	27	10
Elimination (1)	(633)	—	—
Consolidated Liberty	\$ 44,519	947	111

- (1) This amount is primarily comprised of the intergroup interests in the Braves Group held by the Formula One Group and the Liberty SiriusXM Group and the intergroup interest in the Formula One Group held by the Liberty SiriusXM Group. See note 2 for information regarding the intergroup interests. The Braves Group intergroup interests attributable to the Formula One Group and the Liberty SiriusXM Group are presented as assets of the Formula One Group and Liberty SiriusXM Group, respectively, and are presented as liabilities of the Braves Group in the attributed financial statements. The Formula One Group intergroup interest attributable to the Liberty SiriusXM Group is presented as an asset of the Liberty SiriusXM Group and is presented as a liability of the Formula One Group in the attributed financial statements. The offsetting amounts between tracking stock groups are eliminated in consolidation.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

The following table provides a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Adjusted OIBDA	\$ 778	714
Impairment, restructuring and acquisition costs, net of recoveries (note 10)	—	(245)
Stock-based compensation	(55)	(63)
Depreciation and amortization	(260)	(264)
Operating income (loss)	463	142
Interest expense	(157)	(158)
Share of earnings (losses) of affiliates, net	(14)	(95)
Realized and unrealized gains (losses) on financial instruments, net	59	(49)
Other, net	45	15
Earnings (loss) before income taxes	\$ 396	(145)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our projected sources and uses of cash; the payment of dividends by Sirius XM Holdings Inc. ("Sirius XM Holdings"); fluctuations in interest rates and stock prices; the impacts of COVID-19 (as defined below); the impact of accounting policies and pronouncements; and the anticipated non-material impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors (as they relate to our consolidated subsidiaries and equity affiliates) that could cause actual results or events to differ materially from those anticipated:

- the impact of the COVID-19 (as defined below) pandemic and local, state and federal governmental responses to the pandemic on the economy, our customers, our vendors and our businesses generally;
- our ability to obtain additional financing on acceptable terms and cash in amounts sufficient to service debt and other financial obligations;
- our and our subsidiaries' indebtedness could adversely affect operations and could limit the ability of our subsidiaries to react to changes in the economy or our industry;
- the success of businesses attributed to each of our tracking stock groups;
- our and Sirius XM Holdings' ability to realize the benefits of acquisitions or other strategic investments;
- the impact of weak economic conditions on consumer demand for products, services and events offered by our businesses attributed to each of our tracking stock groups;
- the outcome of pending or future litigation;
- the operational risks of our subsidiaries and business affiliates with operations outside of the United States;
- our ability to use net operating loss, disallowed business interest and tax credit carryforwards to reduce future tax payments;
- the ability of our subsidiaries and business affiliates to comply with government regulations, including, without limitation, Federal Communications Commission requirements, consumer protection laws and competition laws, and adverse outcomes from regulatory proceedings;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- competition faced by Sirius XM Holdings;
- the ability of Sirius XM Holdings to attract and retain subscribers and listeners;
- the ability of Sirius XM Holdings to market its services and sell advertising;
- the ability of Sirius XM Holdings to maintain revenue growth from its advertising products;
- the ability of Sirius XM Holdings to protect the security of personal information about its customers;
- the interruption or failure of Sirius XM Holdings' information technology and communication systems;
- the impact of the market for music rights on Sirius XM Holdings and the rates Sirius XM Holdings must pay for rights to use musical works;
- the impact of certain supply chain issues on Sirius XM Holdings;
- the impact of our equity method investment in Live Nation Entertainment, Inc. ("Live Nation") on our net earnings and the net earnings of the Liberty SiriusXM Group;
- challenges by tax authorities in the jurisdictions where Formula 1 operates;
- changes in tax laws that affect Formula 1 and the Formula One Group (as defined below);
- the ability of Formula 1 to expand into new markets;

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- the relationship between the U.K. and the E.U. following Brexit;
- the establishment of rival motorsports events or other circumstances that impact the competitive position of Formula 1;
- changes in consumer viewing habits and the emergence of new content distribution platforms;
- the impact of organized labor on the Braves Group;
- the impact of an expansion of Major League Baseball (“MLB”);
- the level of broadcasting revenue that Braves Holdings (as defined below) receives;
- the impact of the Development Project (as defined below) on the Braves Group (as defined below) and its ability to manage the project;
- the risks associated with the Company as a whole, even if a holder does not own shares of common stock of all of our groups;
- market confusion that results from misunderstandings about our capital structure;
- geopolitical incidents, accidents, terrorist acts, armed conflicts or other events that cause one or more events to be cancelled or postponed, are not covered by insurance, or cause reputational damage to our subsidiaries and business affiliates; and
- challenges related to assessing the future prospects of tracking stock groups based on past performance.

For additional risk factors, please see Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2021, as well as Part II, Item 1A. Risk Factors in this Quarterly Report on Form 10-Q. Any forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2021.

The information contained herein relates to Liberty Media Corporation and its controlled subsidiaries (“Liberty,” the “Company,” “we,” “us,” or “our” unless the context otherwise requires).

Overview

We own controlling and non-controlling interests in a broad range of media and entertainment companies. Our largest operating subsidiary, which is also a reportable segment, is Sirius XM Holdings. Sirius XM Holdings operates two complementary audio entertainment businesses, Sirius XM and Pandora and Off-platform. Sirius XM features music, sports, entertainment, comedy, talk, news, traffic and weather channels and other content, as well as podcasts and infotainment services, in the United States on a subscription fee basis. Sirius XM packages include live, curated and certain exclusive and on demand programming. Sirius XM is distributed through its two proprietary satellite radio systems and streamed via applications for mobile devices, home devices and other consumer electronic equipment. Sirius XM also provides connected vehicle services and a suite of in-vehicle data services. Pandora operates a music and podcast streaming discovery platform. Pandora is available as an ad-supported radio service, a radio subscription service (Pandora Plus), and an on-demand subscription service (Pandora Premium). Through Sirius XM Holdings, we have investments in Sirius XM Canada Holdings, Inc. (“Sirius XM Canada”) and SoundCloud Holdings, LLC (“SoundCloud”), which we account for as equity method investments.

Formula 1 is a wholly-owned consolidated subsidiary and is also a reportable segment. Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World Championship takes place on various circuits with a varying number of events (“Events”) taking place in different countries around the world each

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season. Formula 1 is responsible for the commercial exploitation and development of the World Championship as well as various aspects of its management and administration.

We hold an ownership interest in Live Nation, which is accounted for as an equity method investment at March 31, 2022. Live Nation is considered the world's leading live entertainment company. As of December 31, 2021, Live Nation met the Company's reportable segment threshold for equity method affiliates due to significant losses driven by COVID-19.

Our "Corporate and Other" category includes our consolidated subsidiary, Braves Holdings, LLC ("Braves Holdings") and corporate expenses. Braves Holdings owns the Atlanta Braves Major League Baseball Club ("ANLBC") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project (the "Development Project"). "Corporate and Other" also includes investments and related financial instruments in public companies, which are accounted for at their respective fair market values.

A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Liberty SiriusXM Group, the Liberty Braves Group (the "Braves Group") and the Liberty Formula One Group (the "Formula One Group") have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group's stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a public company, such as Sirius XM Holdings or Live Nation, in which Liberty holds an interest that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group. Holders of tracking stock are also not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

The term "Liberty SiriusXM Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. As of March 31, 2022, the Liberty SiriusXM Group is primarily comprised of Liberty's interests in Sirius XM Holdings and Live Nation, corporate cash, Liberty's 1.375% Cash Convertible Senior Notes due 2023 and related financial instruments, Liberty's 2.125% Exchangeable Senior Debentures due 2048, Liberty's 2.75% Exchangeable Senior Debentures due 2049, Liberty's 0.5% Exchangeable Senior Debentures due 2050 and margin loan obligations incurred by wholly-owned special purpose subsidiaries of Liberty. The Liberty SiriusXM Group retains an approximate 3.7% intergroup interest in the Braves Group and an approximate 2.2% intergroup interest in the Formula One Group as of March 31, 2022. As of March 31, 2022, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$710 million, which includes approximately \$76 million of subsidiary cash.

Sirius XM Holdings is the only operating subsidiary attributed to the Liberty SiriusXM Group. In the event Sirius XM Holdings were to become insolvent or file for bankruptcy, Liberty's management would evaluate the circumstances at such time and take appropriate steps in the best interest of all of its stockholders, which may not be in the best interest of a particular group or groups when considered independently. In such a situation, Liberty's management and its board of directors would have several approaches at their disposal, including, but not limited to, the conversion of the Liberty SiriusXM common stock into another tracking stock of Liberty, the reattribution of assets and liabilities among Liberty's tracking stock groups or the restructuring of Liberty's tracking stocks to either create a new tracking stock structure or eliminate it altogether.

The term "Braves Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. As of March 31, 2022, the Braves Group is primarily comprised of Braves Holdings, which indirectly owns ANLBC and certain assets and liabilities associated with ANLBC's stadium and the Development Project, and corporate cash. Additionally, the Liberty SiriusXM Group and the Formula One Group retain approximate 3.7% and 11.0% intergroup interests, respectively, in the Braves Group as of March 31, 2022. As of March 31, 2022, the Braves Group has cash and cash equivalents of approximately \$311 million.

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The term "Formula One Group" does not represent a separate legal entity, rather it represents those businesses, assets and liabilities that have been attributed to that group. As of March 31, 2022, the Formula One Group is primarily comprised of all of the businesses, assets and liabilities of Liberty, other than those specifically attributed to the Liberty SiriusXM Group or the Braves Group, including Liberty's interests in Formula 1 and Liberty Media Acquisition Corporation, an approximate 11.0% intergroup interest in the Braves Group and Liberty's 1% Cash Convertible Notes due 2023. The Liberty SiriusXM Group retains an approximate 2.2% intergroup interest in the Formula One Group as of March 31, 2022. The Formula One Group has cash and cash equivalents of approximately \$2,265 million as of March 31, 2022, which includes \$835 million of subsidiary cash.

In December 2019, Chinese officials reported a novel coronavirus outbreak ("COVID-19"). COVID-19 has since spread internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices. As a result, the start of the 2020 Formula 1 race calendar, comprised of 17 Events, and the Major League Baseball season, comprised of 60 regular season games, were delayed until the beginning of July 2020 and end of July 2020, respectively. In addition, in mid-March 2020, Live Nation suspended all large-scale live entertainment events due to COVID-19. The 2021 regular baseball season was comprised of 160 games, which is the same number of regular season games held in years prior to the COVID-19 pandemic. Formula 1 originally scheduled 23 Events in 2021, and after a number of Events were cancelled and/or replaced, a record 22 Events took place. Braves Holdings and Formula 1 had limitations on the number of fans in attendance at certain games and Events in 2021, thereby reducing revenue associated with fan attendance. Starting in the third quarter of 2021, Live Nation saw a meaningful restart of its operations, with growth in ticket sales, new sponsor partners and the resumption of shows, primarily in the United States and United Kingdom. It is unclear, as restrictions are lifted in many jurisdictions, whether and to what extent COVID-19 concerns will continue to impact the use of and/or demand for the entertainment, events and services provided by these businesses and demand for sponsorship and advertising assets. If these businesses continue to face cancelled events, closed venues and reduced attendance, the impact may substantially decrease our revenue. Due to the revenue reductions caused by COVID-19 to date, these businesses have looked to reduce expenses, but should such impacts continue, the businesses may not be able to reduce expenses to the same degree as any decline in revenue, which may adversely affect our results of operations and cash flow.

Results of Operations—Consolidated

General. We provide in the tables below information regarding our consolidated operating results and other income and expense, as well as information regarding the contribution to those items from our reportable segments. The "Corporate and other" category consists of those assets or businesses which do not qualify as a separate reportable segment. For a more detailed discussion and analysis of the financial results of our principal reportable segment see "Results of Operations—Businesses" below.

Consolidated Operating Results

	Three months ended March 31,	
	2022	2021
amounts in millions		
Revenue		
Liberty SiriusXM Group		
Sirius XM Holdings	\$ 2,186	2,058
Total Liberty SiriusXM Group	2,186	2,058
Braves Group		
Corporate and other	23	16
Total Braves Group	23	16
Formula One Group		
Formula 1	360	180
Total Formula One Group	360	180
Consolidated Liberty	\$ 2,569	2,254
Operating Income (Loss)		
Liberty SiriusXM Group		
Sirius XM Holdings	\$ 493	237
Corporate and other	(9)	(8)
Total Liberty SiriusXM Group	484	229
Braves Group		
Corporate and other	(40)	(40)
Total Braves Group	(40)	(40)
Formula One Group		
Formula 1	34	(33)
Corporate and other	(15)	(14)
Total Formula One Group	19	(47)
Consolidated Liberty	\$ 463	142
Adjusted OIBDA		
Liberty SiriusXM Group		
Sirius XM Holdings	\$ 690	682
Corporate and other	(5)	(5)
Total Liberty SiriusXM Group	685	677
Braves Group		
Corporate and other	(19)	(22)
Total Braves Group	(19)	(22)
Formula One Group		
Formula 1	122	66
Corporate and other	(10)	(7)
Total Formula One Group	112	59
Consolidated Liberty	\$ 778	714

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Revenue. Our consolidated revenue increased \$315 million for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase was driven by increases in revenue for Formula 1, Sirius XM Holdings and Braves Holdings. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of Sirius XM Holdings, Formula 1 and Braves Holdings.

Operating income (loss). Our consolidated operating income increased \$321 million for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase for the three months ended March 31, 2022 was primarily driven by improvements of \$256 million and \$67 million in Sirius XM Holdings and Formula 1 operating results, respectively. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of Sirius XM Holdings and Formula 1.

Stock-based compensation. Stock-based compensation includes compensation related to (1) options and stock appreciation rights for shares of our common stock that are granted to certain of our officers and employees, (2) options, restricted stock awards, restricted stock units and other stock-based awards granted to officers, employees and certain third parties of our subsidiaries, Sirius XM Holdings, Formula 1 and Braves Holdings, (3) phantom stock appreciation rights granted to officers and employees of our subsidiary, Braves Holdings, pursuant to private equity plans and (4) amortization of restricted stock and performance-based restricted stock unit grants.

We recorded \$55 million and \$63 million of stock-based compensation expense for the three months ended March 31, 2022 and 2021, respectively. The decrease in stock compensation expense is primarily due to decreases at Sirius XM Holdings and Formula 1. As of March 31, 2022, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$54 million. Such amount will be recognized in our condensed consolidated statements of operations over a weighted average period of approximately 1.5 years. Additionally, as of March 31, 2022, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options and restricted stock units was \$463 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in our condensed consolidated statements of operations over a weighted average period of approximately 2.4 years.

Adjusted OIBDA. To provide investors with additional information regarding our financial results, we also disclose Adjusted OIBDA, which is a non-GAAP financial measure. We define Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, restructuring, acquisition and other related costs and impairment charges. Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles. The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Operating income (loss)	\$ 463	142
Depreciation and amortization	260	264
Stock-based compensation	55	63
Impairment, restructuring and acquisition costs, net of recoveries	—	245
Adjusted OIBDA	\$ 778	714

Consolidated Adjusted OIBDA increased \$64 million for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase in Adjusted OIBDA for the three months ended March 31, 2022 was primarily due to increases of \$56 million, \$8 million and \$3 million in Formula 1, Sirius XM Holdings and Braves Holdings Adjusted OIBDA, respectively. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of Sirius XM Holdings, Formula 1 and Braves Holdings.

Other Income and Expense

Components of Other Income (Expense) are presented in the table below.

	Three months ended March 31,	
	2022	2021
amounts in millions		
<i>Interest expense</i>		
Liberty SiriusXM Group	\$ (122)	(120)
Braves Group	(6)	(6)
Formula One Group	(29)	(32)
Consolidated Liberty	<u>\$ (157)</u>	<u>(158)</u>
<i>Share of earnings (losses) of affiliates, net</i>		
Liberty SiriusXM Group	\$ (18)	(113)
Braves Group	4	3
Formula One Group	—	15
Consolidated Liberty	<u>\$ (14)</u>	<u>(95)</u>
<i>Realized and unrealized gains (losses) on financial instruments, net</i>		
Liberty SiriusXM Group	\$ 61	(86)
Braves Group	5	2
Formula One Group	(7)	35
Consolidated Liberty	<u>\$ 59</u>	<u>(49)</u>
<i>Other, net</i>		
Liberty SiriusXM Group	\$ 20	11
Braves Group	20	(1)
Formula One Group	5	5
Consolidated Liberty	<u>\$ 45</u>	<u>15</u>
	<u>\$ (67)</u>	<u>(287)</u>

Interest expense. Consolidated interest expense was relatively flat for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. Interest expense for the Formula One Group decreased during the three months ended March 31, 2022 due to a decrease in the average amount of corporate debt outstanding and interest expense for the Liberty SiriusXM Group increased during the three months ended March 31, 2022 due to an increase in the average amount of corporate and subsidiary debt outstanding.

Share of earnings (losses) of affiliates. The following table presents our share of earnings (losses) of affiliates:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Liberty SiriusXM Group		
Live Nation	\$ (21)	(111)
Sirius XM Canada	3	4
Other	—	(6)
Total Liberty SiriusXM Group	<u>(18)</u>	<u>(113)</u>
Braves Group		
Other	4	3
Total Braves Group	<u>4</u>	<u>3</u>
Formula One Group		
Other	—	15
Total Formula One Group	<u>—</u>	<u>15</u>
Consolidated Liberty	<u>\$ (14)</u>	<u>(95)</u>

Due to the impact of COVID-19, Live Nation recorded significant losses during the three months ended March 31, 2021.

Realized and unrealized gains (losses) on financial instruments, net. Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Debt and equity securities	\$ (5)	49
Debt measured at fair value	69	(113)
Change in fair value of bond hedges	(68)	13
Other	63	2
	<u>\$ 59</u>	<u>(49)</u>

The changes in unrealized gains (losses) on debt and equity securities are due to market factors primarily driven by changes in the fair value of the stock underlying these financial instruments.

Changes in unrealized gains (losses) on debt measured at fair value are due to market factors primarily driven by changes in the fair value of the underlying shares into which the debt is exchangeable.

Liberty issued \$1 billion of cash convertible notes and entered into a bond hedge transaction on the same amount of underlying shares in October 2013. These derivatives are marked to fair value on a recurring basis. The primary driver of the change in the fair value of bond hedges is the change in the fair value of the underlying stock.

Other unrealized gains (losses) are primarily driven by changes in the fair value of Formula 1's interest rate swaps.

Other, net. Other, net income increased \$30 million for the three months ended March 31, 2022, as compared to the corresponding period in the prior year, driven by gains on the sale of three minor league teams at Braves Holdings and gains on extinguishment of debt related to Liberty SiriusXM Group corporate debt.

Income taxes. During the three months ended March 31, 2022, we had earnings before income taxes of \$396 million and income tax expense of \$100 million. During the three months ended March 31, 2021, we had losses before income

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taxes of \$145 million and income tax benefits of \$131 million. For the three months ended March 31, 2022, the Company recognized additional tax expense primarily due to the effect of state income taxes. For the three months ended March 31, 2021, the Company recognized additional tax benefits from the settlement of a state income tax audit at Sirius XM Holdings, partially offset by tax expense related to an increase in our valuation allowance.

Net earnings. We had net earnings of \$296 million and net losses of \$14 million for the three months ended March 31, 2022 and 2021, respectively. The changes in net earnings and losses were the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Material Changes in Financial Condition

As of March 31, 2022, substantially all of our cash and cash equivalents were invested in U.S. Treasury securities, other government securities or government guaranteed funds, AAA rated money market funds and other highly rated financial and corporate debt instruments.

The following are potential sources of liquidity: available cash balances, cash generated by the operating activities of our subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our public investment portfolio (including derivatives), debt borrowings and equity issuances, and dividend and interest receipts. As of March 31, 2022, Liberty had \$162 million of unencumbered marketable equity securities.

Liberty does not have a debt rating.

As of March 31, 2022 Liberty's cash and cash equivalents were as follows:

	<u>Cash and Cash Equivalents</u> amounts in millions
Liberty SiriusXM Group	
Sirius XM Holdings	\$ 76
Corporate and other	634
Total Liberty SiriusXM Group	<u>\$ 710</u>
Braves Group	
Corporate and other	\$ 311
Total Braves Group	<u>\$ 311</u>
Formula One Group	
Formula 1	\$ 835
Corporate and other	1,430
Total Formula One Group	<u>\$ 2,265</u>

Liberty has a controlling interest in Sirius XM Holdings, which has significant cash and cash provided by operating activities, although due to Sirius XM Holdings being a separate public company and the noncontrolling interest, we do not have ready access to its cash, except through dividends. Cash held by Formula 1 is accessible by Liberty, except when a restricted payment ("RP") test imposed by the first lien term loan and the revolving credit facility at Formula 1 is not met. Pursuant to the RP test, Liberty does not have access to Formula 1's cash when the leverage ratio (defined as net debt divided by covenant earnings before interest, tax, depreciation and amortization for the trailing twelve months) exceeds a certain threshold. As of March 31, 2022, Formula 1 has not made any distributions to Liberty. If distributions are made in the future, the RP test, pro forma for such distributions, would have to be met. As of March 31, 2022, Liberty had \$875 million available under Liberty's margin loan secured by shares of Sirius XM Holdings and \$150 million available under Liberty's margin loan secured by shares of Live Nation. Liberty believes that it currently has appropriate legal structures in place to repatriate foreign cash as tax efficiently as possible and meet the business needs of the Company.

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As stated in note 8 to the accompanying condensed consolidated financial statements, the Company, Sirius XM Holdings, Formula 1 and Braves Holdings are in compliance with their debt covenants as of March 31, 2022.

See “Item 3. Quantitative and Qualitative Disclosures about Market Risk” for disclosures related to the anticipated effects of the transition away from London Inter-bank Offered Rate (“LIBOR”) as a benchmark for establishing the rate of interest on Liberty’s margin loans, Sirius XM Holdings’ borrowings under its credit facility, Formula 1’s borrowings under its loan facility and Braves Holdings’ borrowings under its operating credit facilities.

Cash Flow Information	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Liberty SiriusXM Group cash provided (used) by operating activities	\$ 335	271
Braves Group cash provided (used) by operating activities	81	42
Formula One Group cash provided (used) by operating activities	135	184
Net cash provided (used) by operating activities	\$ 551	497
Liberty SiriusXM Group cash provided (used) by investing activities	\$ (90)	(75)
Braves Group cash provided (used) by investing activities	38	(10)
Formula One Group cash provided (used) by investing activities	63	(631)
Net cash provided (used) by investing activities	\$ 11	(716)
Liberty SiriusXM Group cash provided (used) by financing activities	\$ (133)	(166)
Braves Group cash provided (used) by financing activities	(26)	1
Formula One Group cash provided (used) by financing activities	(5)	548
Net cash provided (used) by financing activities	\$ (164)	383

Liberty’s primary uses of cash during the three months ended March 31, 2022 (excluding cash used by Sirius XM Holdings, Formula 1 and Braves Holdings) were \$795 million of debt repayments, \$202 million of Series A and Series C Liberty SiriusXM common stock repurchases and \$37 million of Series A Liberty Formula One common stock repurchases. These uses were primarily funded by \$350 million of borrowings under the margin loans secured by shares of Live Nation and Sirius XM Holdings, dividends from Sirius XM Holdings and cash on hand.

Sirius XM Holdings’ primary uses of cash were dividends paid to stockholders, repurchase and retirement of outstanding Sirius XM Holdings common stock and additions to property and equipment. The Sirius XM Holdings uses of cash were funded by borrowings of debt and cash provided by operating activities. During the three months ended March 31, 2022, Sirius XM Holdings declared a quarterly dividend and a special dividend and paid in cash an aggregate amount of \$1,073 million, of which Liberty received \$872 million. On April 19, 2022, Sirius XM Holdings’ board of directors declared a quarterly dividend on its common stock in the amount of \$0.0219615 per share of common stock payable on May 25, 2022 to stockholders of record as of the close of business on May 6, 2022.

During the three months ended March 31, 2022, Formula 1 generated cash from operations and did not have any material uses of cash.

Braves Holdings’ primary use of cash was debt service and capital expenditures for continued expansion of the mixed-use development, funded primarily by cash on hand and cash from operations.

The projected uses of Liberty’s cash (excluding Sirius XM Holdings’, Formula 1’s and Braves Holdings’ uses of cash) are primarily the investment in existing or new businesses, debt service, including further repayment of the margin loans secured by shares of Live Nation and Sirius XM Holdings and the potential buyback of common stock under the approved share buyback program. Subsequent to March 31, 2022, a subsidiary of Liberty committed to purchase land adjacent to the Las Vegas Strip in support of the 2023 Las Vegas Grand Prix for approximately \$240 million. Liberty expects to fund its projected uses of cash with cash on hand, borrowing capacity under margin loans and outstanding or new debt instruments, or dividends or distributions from operating subsidiaries. Liberty expects to receive quarterly cash dividends from Sirius XM Holdings, which are non-taxable because Liberty and Sirius XM Holdings are members of the same consolidated

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federal income tax group. Liberty may be required to make net payments of income tax liabilities to settle items under discussion with tax authorities.

Sirius XM Holdings' uses of cash are expected to be capital expenditures, including the construction of replacement satellites, working capital requirements, interest payments, taxes and scheduled maturities of outstanding debt. In addition, Sirius XM Holdings' board of directors expects to declare regular quarterly dividends. Liberty expects Sirius XM Holdings to fund its projected uses of cash with cash provided by operations, cash on hand and borrowings under its existing credit facility.

Formula 1's uses of cash are expected to be debt service payments and operating expenses. Liberty expects Formula 1 to fund its projected uses of cash with cash on hand and cash provided by operations.

Braves Holdings' uses of cash are expected to be expenditures related to the mixed-use development, debt service payments and operating expenses. Liberty expects Braves Holdings to fund its projected uses of cash with cash on hand, cash provided by operations and through the borrowings under construction loans.

We believe that the available sources of liquidity are sufficient to cover our projected future uses of cash.

Results of Operations—Businesses

Sirius XM Holdings. Sirius XM Holdings operates two complementary audio entertainment businesses, Sirius XM and Pandora and Off-platform.

Sirius XM features music, sports, entertainment, comedy, talk, news, traffic and weather channels and other content, as well as podcasts and infotainment services, in the United States on a subscription fee basis. Sirius XM's packages include live, curated and certain exclusive and on demand programming. The Sirius XM service is distributed through its two proprietary satellite radio systems and streamed via applications for mobile devices, home devices and other consumer electronic equipment. Satellite radios are primarily distributed through automakers, retailers and Sirius XM's website. The Sirius XM service is also available through its in-car user interface, called "360L," which combines Sirius XM's satellite and streaming services into a single, cohesive in-vehicle entertainment experience.

The primary source of revenue for the Sirius XM business is subscription fees, with most of its customers subscribing to monthly, quarterly, semi-annual or annual plans. Sirius XM also derives revenue from advertising on select non-music channels, which is sold under the SXM Media brand, direct sales of its satellite radios and accessories, and other ancillary services. As of March 31, 2022, the Sirius XM business had approximately 34.0 million subscribers.

In addition to its audio entertainment businesses, Sirius XM provides connected vehicle services to several automakers. These services are designed to enhance the safety, security and driving experience of consumers. Sirius XM also offers a suite of data services that includes graphical weather, fuel prices, sports schedules and scores and movie listings, a traffic information service that includes information as to road closings, traffic flow and incident data to consumers with compatible in-vehicle navigation systems, and real-time weather services in vehicles, boats and planes. The Sirius XM business also holds a 70% equity interest and 33% voting interest in Sirius XM Canada.

Pandora operates a music and podcast streaming discovery platform, offering a personalized experience for each listener wherever and whenever they want to listen, whether through computers, tablets, mobile devices, vehicle speakers or connected devices. Pandora enables listeners to create personalized stations and playlists, discover new content, hear artist- and expert-curated playlists, podcasts and select Sirius XM content, as well as search and play songs and albums on-demand. Pandora is available as an ad-supported radio service, a radio subscription service (Pandora Plus), and an on-demand subscription service (Pandora Premium). As of March 31, 2022, Pandora had approximately 6.3 million subscribers.

The majority of revenue from Pandora is generated from advertising on its ad-supported radio service which is sold under the SXM Media brand. Pandora also derives subscription revenue from its Pandora Plus and Pandora Premium subscribers. Pandora also sells advertising on other audio platforms and in widely distributed podcasts, which are

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considered to be off-platform services. Pandora has an arrangement with SoundCloud to be its exclusive ad sales representative in the U.S. and certain European countries and is able to offer advertisers the ability to execute campaigns across the Pandora and SoundCloud listening platforms. Pandora also has arrangements to serve as the ad sales representative for certain podcasts. In addition, through AdsWizz Inc. (“AdsWizz”), Pandora provides a comprehensive digital audio and programmatic advertising technology platform, which connects audio publishers and advertisers with a variety of ad insertion, campaign trafficking, yield optimization, programmatic buying, marketplace and podcast monetization solutions.

Sirius XM Holdings is a separate publicly traded company and additional information about Sirius XM Holdings can be obtained through its website and public filings, which are not incorporated by reference herein.

Results of Operations

Liberty acquired a controlling interest in Sirius XM Holdings on January 18, 2013 and applied acquisition accounting and consolidated the results of Sirius XM Holdings from that date. The results presented below include the impacts of accounting adjustments for Liberty’s acquisition of Sirius XM Holdings in the current and prior period.

On November 1, 2021, Liberty entered into an exchange agreement with certain counterparties to acquire an aggregate of 43,658,800 shares of Sirius XM Holdings common stock in exchange for the issuance by Liberty to the counterparties of an aggregate of 5,347,320 shares of Series A Liberty SiriusXM common stock. Following the closing of the exchange on November 3, 2021, Liberty and Sirius XM Holdings became members of the same consolidated tax group. The tax sharing agreement with Sirius XM Holdings, dated February 1, 2021, governs the allocation of consolidated and combined tax liabilities and sets forth agreements with respect to other tax matters.

Also on November 1, 2021, Sirius XM Holdings entered into (i) an agreement with Liberty whereby Liberty agreed not to effect any merger with Sirius XM Holdings pursuant to Section 253 of the General Corporation Law of the State of Delaware (or any successor to such statute) without obtaining the prior approval of a special committee of the Sirius XM Holdings board of directors, all of whom are independent of Liberty (the “Special Committee”) (or any successor special committee of Sirius XM Holdings’ independent and disinterested directors) and (ii) an agreement regarding certain tax matters relating to the exchange. Each of these agreements was negotiated by the Special Committee with Liberty.

As of March 31, 2022, there is an approximate 19% noncontrolling interest in Sirius XM Holdings, and the net earnings (loss) of Sirius XM Holdings attributable to such noncontrolling interest is eliminated through the noncontrolling interest line item in the accompanying condensed consolidated statement of operations.

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Sirius XM Holdings' operating results were as follows:

	Three months ended March 31,	
	2022	2021
amounts in millions		
Sirius XM:		
Subscriber revenue	\$ 1,582	1,481
Advertising revenue	47	42
Equipment revenue	53	57
Other revenue	37	36
Total Sirius XM revenue	1,719	1,616
Pandora and Off-platform:		
Subscriber revenue	131	130
Advertising revenue	336	312
Total Pandora and Off-platform revenue	467	442
Total revenue	2,186	2,058
Operating expenses (excluding stock-based compensation included below):		
Sirius XM cost of services	(649)	(623)
Pandora and Off-platform cost of services	(330)	(305)
Subscriber acquisition costs	(90)	(86)
Selling, general and administrative expenses	(368)	(308)
Other operating expenses	(59)	(54)
Adjusted OIBDA	690	682
Impairment, restructuring and acquisition costs, net of recoveries	—	(245)
Stock-based compensation	(45)	(51)
Depreciation and amortization	(152)	(149)
Operating income	\$ 493	237

Sirius XM Subscriber revenue includes self-pay and paid promotional subscriptions, U.S. Music Royalty Fees and other ancillary fees. Subscriber revenue increased approximately 7% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase was primarily driven by a 9% increase in Sirius XM's average monthly revenue per subscriber as a result of higher self-pay revenue and U.S. Music Royalty Fees, partially offset by lower revenue generated from automakers offering paid promotional subscriptions.

Sirius XM Advertising revenue includes the sale of advertising on Sirius XM's non-music channels. Advertising revenue increased approximately 12% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year primarily due to a greater number of spots sold and aired, primarily on news and sports channels.

Sirius XM Equipment revenue includes revenue and royalties from the sale of satellite radios, components and accessories. Equipment revenue decreased approximately 7% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The decrease was primarily driven by lower original equipment manufacturer ("OEM") royalties due to supplier cost increases related to semiconductor supply shortages and lower sales of components and accessories, partially offset by higher chipset volume.

Sirius XM Other revenue includes service and advisory revenue from Sirius XM Canada, connected vehicle services, and ancillary revenue. Other revenue increased approximately 3% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year primarily driven by higher revenue generated by Sirius XM Canada.

Pandora and Off-platform subscriber revenue includes fees charged for Pandora Plus, Pandora Premium and Stitcher subscriptions. Pandora and off-platform subscriber revenue increased 1% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year primarily driven by an increase in the mix of Premium plans compared to Plus plans.

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Pandora and Off-platform advertising revenue is generated primarily from audio, display and video advertising from on-platform and off-platform advertising. Pandora and Off-platform advertising revenue increased 8% during the three months ended March 31, 2022, respectively, as compared to the corresponding period in the prior year. The increase was primarily due to growth in the AdsWizz platform as well as higher podcast revenue from increased downloads.

Sirius XM Cost of services includes revenue share and royalties, programming and content costs, customer service and billing expenses and other ancillary costs associated with providing the satellite radio service.

- *Revenue Share and Royalties* include royalties for transmitting content, including streaming royalties, as well as automaker, content provider and advertising revenue share. Revenue share and royalties increased 1% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase was due to overall greater revenue subject revenue share.
- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs increased 8% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year driven by higher content licensing costs.
- *Customer Service and Billing* includes costs associated with the operation and management of Sirius XM's internal and third party customer service centers and Sirius XM's subscriber management systems as well as billing and collection costs, bad debt expense and transaction fees. Customer service and billing costs increased 6% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year driven by higher transaction costs and bad debt expense resulting from a higher average self-pay subscriber base.
- *Other* includes costs associated with the operation and maintenance of Sirius XM's terrestrial repeater networks; satellites; satellite telemetry, tracking and control systems; satellite uplink facilities; studios; and delivery of Sirius XM's Internet and 360L streaming and connected vehicle services as well as costs from the sale of satellite radios, components and accessories and provisions for inventory allowance attributable to products purchased for resale in Sirius XM's direct to consumer distribution channels. Other costs of services increased 19% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase was primarily driven by higher wireless costs associated with consumers using Sirius XM's 360L platform and its connected vehicle services as well as higher data center costs, partially offset by lower component and accessories sales.

Pandora and Off-platform Cost of services includes revenue share and royalties, programming and content costs, customer service and billing expenses and other ancillary costs. Pandora and Off-platform costs of services increased 8% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year.

- *Revenue share and royalties* include licensing fees paid for streaming music or other content costs related to podcasts as well as revenue share paid to third party ad servers. Pandora makes payments to third party ad servers for the period the advertising impressions are delivered or click-through actions occur, and accordingly, Pandora records this as a cost of service in the related period. Revenue share and royalties increased 10% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase was primarily due to higher costs related to the acquisition of rights to certain podcasts.
- *Programming and content* includes costs to produce live listener events and promote content. Programming and content increased 11% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year primarily due to higher personnel-related costs.
- *Customer service and billing* includes transaction fees on subscription purchases through mobile app stores and bad debt expense. Customer service and billing costs increased 16% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The increase for the three month period was primarily driven by higher bad debt expense.
- *Other* includes costs associated with content streaming, maintaining Pandora's streaming radio and on-demand subscription services and creating and serving advertisements through third party ad servers. Other

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costs decreased 33% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year due to lower data center costs due to the consolidation of facilities and lower streaming costs resulting from a decline in listener hours.

Subscriber acquisition costs are costs only associated with Sirius XM's satellite radio and include hardware subsidies paid to radio manufacturers, distributors and automakers; subsidies paid for chipsets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; product warranty obligations; and freight. The majority of subscriber acquisition costs are incurred and expensed in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising costs, marketing, loyalty payments to distributors and dealers of satellite radios or revenue share payments to automakers and retailers of satellite radios. For the three months ended March 31, 2022, subscriber acquisition costs increased approximately 5%, as compared to the corresponding period in the prior year driven by higher OEM installations.

Selling, general and administrative expenses includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative and artist marketing; personnel costs; facilities costs, finance, legal, human resources and information technology costs. For the three months ended March 31, 2022, selling, general and administrative expense increased 19%, as compared to the corresponding period in the prior year. The increase was primarily due to additional investments in advertising and marketing to support Sirius XM Holdings' brands, digital marketing expenditures as well as higher personnel, legal and consulting costs.

Other operating expenses include engineering, design and development costs consisting primarily of compensation and related costs to develop chipsets and new products and services, including streaming and connected vehicle services, research and development for broadcast information systems and costs associated with the incorporation of Sirius XM's radios into new vehicles manufactured by automakers. For the three months ended March 31, 2022 other operating expenses increased approximately 9%, as compared to the corresponding period in the prior year, driven by higher cloud hosting costs.

Impairment, restructuring and acquisition, net of recoveries include a \$220 million impairment to the carrying value of the SXM-7 satellite after it experienced failures of certain payload units during in-orbit testing and restructuring costs of \$25 million resulting from the termination of leased office space during the three months ended March 31, 2021. Impairment, restructuring and acquisition costs, net of recoveries have been excluded from Adjusted OIBDA.

Stock-based compensation decreased 12% during the three months ended March 31, 2022, as compared to the corresponding period in the prior year. The decrease is primarily due to decreases in Pandora's stock-based compensation.

Depreciation and amortization expense increased 2% for the three months ended March 31, 2022, as compared to the corresponding period in the prior year, primarily driven by developed software being placed into service.

Formula 1. Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World Championship takes place on various circuits throughout the world. Formula 1 is responsible for the commercial exploitation and development of the World Championship as well as various aspects of its management and administration. Formula 1 derives its primary revenue from the commercial exploitation and development of the World Championship through a combination of entering into race promotion, broadcasting and advertising and sponsorship arrangements. A significant majority of the race promotion, media rights and sponsorship contracts specify payments in advance and annual increases in the fees payable over the course of the contracts. The 2021 World Championship calendar was originally scheduled to have 23 Events. However, due to the COVID-19 pandemic, during the third quarter of 2021, the 2021 World Championship was revised to 22 Events. Restrictions on fan attendance reduced as 2021 progressed, with all Events in the second half of the year operating at either full capacity or with fewer restrictions than had been applied at Events in the first half of the year. There are currently 22 Events scheduled in 2022 following the cancellation of the Russian Grand Prix and Formula 1 is actively evaluating alternatives.

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Formula 1's operating results were as follows:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Primary Formula 1 revenue	\$ 287	159
Other Formula 1 revenue	73	21
Total Formula 1 revenue	360	180
Operating expenses (excluding stock-based compensation included below):		
Cost of Formula 1 revenue	(195)	(84)
Selling, general and administrative expenses	(43)	(30)
Adjusted OIBDA	122	66
Stock-based compensation	—	(3)
Depreciation and amortization	(88)	(96)
Operating income (loss)	\$ 34	(33)
Number of Events	2	1

Primary Formula 1 revenue is derived from the commercial exploitation and development of the World Championship through a combination of race promotion fees (earned from granting the rights to host, stage and promote each Event on the World Championship calendar, fees from certain race promoters to license additional commercial rights from Formula 1 to secure Formula 2 and Formula 3 races at their Events and from technical service fees from promoters to support the origination of program footage), media rights fees (earned from licensing the right to broadcast Events and Formula 2 and Formula 3 races on television and other platforms, F1 TV subscriptions and other related services, the origination of program footage, footage from Formula 1's archives and the licensing of radio broadcast and other ancillary media rights) and sponsorship fees (earned from the sale of World Championship and Event-related advertising and sponsorship rights and the servicing of such rights, rights to advertise on Formula 1's digital platforms and at non-Championship related events).

Primary Formula 1 revenue increased \$128 million during the three months ended March 31, 2022, as compared to the corresponding period in the prior year. Race promotion revenue, media rights revenue and sponsorship revenue were all higher during the three months ended March 31, 2022 as compared to the corresponding prior year period due to the impact of recognizing race-specific and season-based income from two Events during the three months ended March 31, 2022 compared to one Event during the three months ended March 31, 2021. Media rights revenue also increased during the three months ended March 31, 2022 due to growth in F1 TV subscription revenue as well as increased revenue pursuant to certain new and renewed broadcasting agreements. Sponsorship revenue also increased during the three months ended March 31, 2022 as compared to the corresponding prior year period due to new sponsors. During the three months ended March 31, 2021, race promotion revenue included a one-time settlement which relieved a race promoter from its obligation to stage a race that was originally scheduled to be held in 2020.

Other Formula 1 revenue is generated from miscellaneous and ancillary sources primarily related to facilitating the shipment of cars and equipment to and from events outside of Europe, revenue from the sale of tickets to the Formula One Paddock Club at most Events, support races at Events, various television production activities and other ancillary operations. Other Formula 1 revenue increased \$52 million during the three months ended March 31, 2022, as compared to the corresponding period in the prior year primarily due to the impact of two Events taking place during the three months ended March 31, 2022 compared to one Event during the three months ended March 31, 2021, with a greater scope of activities able to be undertaken during the three months ended March 31, 2022 due to the reduced impact of COVID-19 when compared to the three months ended March 31, 2021. The Formula One Paddock Club operated at both Events during the three months ended March 31, 2022 and did not operate during the three months ended March 31, 2021.

Cost of Formula 1 revenue

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Team payments	\$ (100)	(44)
Other costs of Formula 1 revenue	(95)	(40)
Cost of Formula 1 revenue	\$ (195)	(84)

Cost of Formula 1 revenue increased \$111 million during the three months ended March 31, 2022, as compared to the corresponding period in the prior year.

Team payments are recognized on a pro-rata basis across the Events of the World Championship calendar. The increase in team payments during the three months ended March 31, 2021, as compared to the corresponding period in the prior year, was attributable to the pro rata recognition of team payments, driven by one additional Event during the current period.

Other costs of Formula 1 revenue include hospitality costs, which are principally related to catering and other aspects of the production and delivery of the Paddock Club, and circuit rights' fees payable under various agreements with race promoters to acquire certain commercial rights at Events, including the right to sell advertising, hospitality and support race opportunities. Other costs include annual Federation Internationale de l'Automobile ("FIA") regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, Formula 2 and Formula 3 cars, parts and maintenance services, television production and post-production services, advertising production services and digital and social media activities. These costs are largely variable in nature and relate directly to revenue opportunities. Other costs increased \$55 million during the three months ended March 31, 2022, as compared to the corresponding period in the prior year, driven by the impact of the costs associated with two Events having taken place during the three months ended March 31, 2022 compared to one Event during the three months ended March 31, 2021.

Selling, general and administrative expenses include personnel costs, legal, professional and other advisory fees, bad debt expense, rental expense, information technology costs, insurance premiums, maintenance and utility costs and other general office administration costs. Selling, general and administrative expenses increased \$13 million during the three months ended March 31, 2022, as compared to the prior year period primarily due to higher personnel and information technology costs as well as higher legal and other advisory fees.

Stock-based compensation expense relates to costs arising from grants of Series C Liberty Formula One common stock options and restricted stock units to members of Formula 1 management. Stock-based compensation expense decreased \$3 million during the three months ended March 31, 2022, as compared to the corresponding period in the prior year primarily due to a decrease in the number of awards granted.

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. Depreciation and amortization decreased \$8 million during the three months ended March 31, 2021, as compared to the corresponding period in the prior year primarily due to a decrease in amortization expense related to certain intangible assets acquired in the acquisition of Formula 1 by Liberty.

Braves Holdings. Braves Holdings is our wholly-owned subsidiary that indirectly owns and operates ANLBC, FCL Braves and DSL Braves. In addition, Braves Holdings indirectly owned and operated three Professional Development League clubs (the Gwinnett Stripers, Mississippi Braves and Rome Braves) until they were sold in January 2022. ANLBC's ballpark is located in Cobb County, a suburb of Atlanta. The facility is leased from Cobb County, Cobb-Marietta Coliseum and Exhibit Hall Authority and the area surrounding the stadium offers a range of activities and eateries for fans. Braves Holdings and its affiliates participated in the construction of the new stadium and the construction of the Development Project.

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Limitations on fan attendance at Major League Baseball (“MLB”) games as a result of the COVID-19 pandemic were lifted in May 2021.

In December 2021, the Collective Bargaining Agreement, which requires MLB clubs to sign players using a uniform contract, expired and MLB commenced a lockout of the Major League players. As a result of the lockout, the start of the 2022 regular season was delayed. A new five-year Collective Bargaining Agreement was signed in March 2022 and the regular season began in April. Despite the delayed start of the 2022 season, a full 162 game schedule is expected to be played.

Operating results attributable to Braves Holdings were as follows:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Baseball revenue	\$ 11	7
Development revenue	12	9
Total Braves Holdings revenue	23	16
Operating expenses (excluding stock-based compensation included below):		
Other operating expenses	(23)	(20)
Selling, general and administrative expenses	(17)	(16)
Adjusted OIBDA	(17)	(20)
Stock-based compensation	(2)	(2)
Depreciation and amortization	(18)	(15)
Operating income (loss)	\$ (37)	(37)
Home Games	—	—

Revenue includes amounts generated from Braves Holdings’ baseball and development operations. Baseball revenue is derived from three primary sources: ballpark operations (ticket sales, concessions, corporate sales, suites and premium seat fees), local broadcast rights and shared Major League Baseball revenue streams, including national broadcast rights and licensing. Development revenue is derived from the mixed-use facilities and primarily includes rental income. The increase in baseball revenue during the three months ended March 31, 2022 as compared to the corresponding period in the prior year was driven by increased capacity at spring training games, additional special events at the ballpark and an increase in licensing revenue. Development revenue increased during the three months ended March 31, 2022 as compared to the corresponding period in the prior year due to a reduction in deferred payment arrangements as well as increases in rental income from various new lease commencements.

Other operating expenses primarily include costs associated with baseball and stadium operations. For the three months ended March 31, 2022, other operating expenses increased \$3 million, as compared to the corresponding period in the prior year primarily due to more normalized levels of facility and game day expenses for spring training games and overall increases in personnel costs.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. Selling, general and administrative expense increased \$1 million for the three months ended March 31, 2022, as compared to the corresponding period in the prior year due to increased personnel costs.

Stock-based compensation increased was flat during the three months ended March 31, 2022, as compared to the corresponding period in the prior year.

Depreciation and amortization increased \$3 million during the three months ended March 31, 2022, as compared to the corresponding period in the prior year due to an increase in amortization expense related to player signing bonuses and an increase in depreciation expense related to the Development Project, which had various assets placed into service.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We have achieved this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of March 31, 2022, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
	dollar amounts in millions			
Liberty SiriusXM Group	\$ 2,106	2.6 %	\$ 11,837	3.6 %
Braves Group	\$ 243	1.9 %	\$ 435	3.8 %
Formula One Group	\$ 832	3.5 %	\$ 2,524	3.7 %

Liberty's borrowings under margin loans, Sirius XM Holdings' borrowings under its credit facility (except for the incremental term loan, as described in note 8 to the accompanying condensed consolidated financial statements, which carries a variable interest rate based on the Secured Overnight Financing Rate ("SOFR")), Formula 1's borrowings under its loan facility and Braves Holdings' borrowings under its operating credit facilities carry a variable interest rate based on LIBOR as a benchmark for establishing the rate of interest. LIBOR is the subject of national, international and other regulatory guidance and proposals for reform. In 2017, the United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that it intends to phase out LIBOR. On March 5, 2021, the FCA announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of the one week and two month U.S. dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. The United States Federal Reserve has also advised banks to cease entering into new contracts that use USD LIBOR as a reference rate. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has identified the SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from the LIBOR benchmarks is anticipated in coming years. Accordingly, the outcome of these reforms is uncertain and any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR's phaseout could cause LIBOR to perform differently than in the past or cease to exist. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of borrowings under the aforementioned debt instruments. In preparation for the expected phase out of LIBOR, and to the extent alternate reference rates were not included in existing debt agreements, Liberty, Sirius XM Holdings and Formula 1 expect to incorporate alternative reference rates when amending these facilities, as applicable.

The Company is exposed to changes in stock prices primarily as a result of our significant holdings in publicly traded securities. We continually monitor changes in stock markets, in general, and changes in the stock prices of our holdings, specifically. We believe that changes in stock prices can be expected to vary as a result of general market conditions, technological changes, specific industry changes and other factors. We periodically use equity collars and other financial instruments to manage market risk associated with certain investment positions. These instruments are recorded at fair value based on option pricing models and other appropriate methods.

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At March 31, 2022, the fair value of our marketable equity securities was \$162 million. Had the market price of such securities been 10% lower at March 31, 2022, the aggregate value of such securities would have been approximately \$16 million lower. Additionally, our stock in Live Nation (one of our equity method affiliates), a publicly traded security, is not reflected at fair value in our balance sheet. This security is also subject to market risk that is not directly reflected in our statement of operations, and had the market price of such security been 10% lower at March 31, 2022 the aggregate value of such security would have been \$819 million lower.

Item 4. Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of March 31, 2022 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Our Annual Report on Form 10-K for the year ended December 31, 2021 includes "Legal Proceedings" under Item 3 of Part I. Refer to note 10 in the accompanying notes to the condensed consolidated financial statements for changes in the legal proceedings described in the Form 10-K.

Item 1A. Risk Factors

Except as discussed below, there have been no material changes in the Company's risk factors from those disclosed in Part I, Item 1A. Risk Factors of its Annual Report on Form 10-K for the year ended December 31, 2021.

Risks relating to the Liberty SiriusXM Group

Sirius XM Holdings has been, and may continue to be, adversely affected by certain supply chain issues.

The issues associated with the global supply chain for parts and components is having wide-ranging effects across multiple industries, including direct and indirect effects on Sirius XM Holdings' business.

Automakers are experiencing, and may continue to experience, delays in securing certain components that are essential to the production of new vehicles for a variety of reasons, including due to the global semiconductor supply shortage and the war in Ukraine. All of these affected automakers manufacture and sell vehicles that include Sirius XM Holdings' satellite radios. For example, some automobile plants in North America and elsewhere have at times halted or reduced vehicle production due to the shortage of certain components used in the production of their vehicles. As a result, these supply chain shortages have had, and may continue to have, an impact on new vehicle production and deliveries, which in turn may affect Sirius XM Holdings' subscriber acquisition efforts.

Sirius XM Holdings also has experienced, and may continue to experience, delays in securing certain application specific integrated circuits (which are commonly referred to as "chipsets") that are essential components of Sirius XM Holdings' satellite radios. In addition, the war in Ukraine could affect the supply of certain components that Sirius XM Holdings relies on in connection with its business and operations, such as certain subsystems that are planned to be integrated as part of SXM-10, one of the satellites that is currently under construction for Sirius XM Holdings' system, and software.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase Programs

In November 2019, our board of directors authorized the repurchase of \$1 billion of the Company's common stock. In May 2022, our board of directors authorized the repurchase of an additional \$1 billion of the Company's common stock.

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A summary of the repurchase activity for the three months ended March 31, 2022 is as follows:

Period	Series A Liberty SiriusXM Common Stock		Series C Liberty SiriusXM Common Stock		Series A Liberty Formula One Common Stock		(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share		
January 1-31, 2022	600,923	\$ 47.93	876,462	\$ 48.81	317,372	\$ 56.01	1,794,757	\$ 406
February 1-28, 2022	928,628	\$ 49.11	376,834	\$ 50.95	348,046	\$ 56.14	1,653,508	\$ 322
March 1-31, 2022	812,097	\$ 45.93	595,958	\$ 47.14	—	—	1,408,055	\$ 257
Total	<u>2,341,648</u>		<u>1,849,254</u>		<u>665,418</u>		<u>4,856,320</u>	

There were no repurchases of Series A Liberty Braves common stock and no repurchases of Series C Liberty Braves common stock or Series C Liberty Formula One common stock during the three months ended March 31, 2022.

During the three months ended March 31, 2022, no shares of Liberty Formula One common stock, Liberty SiriusXM common stock or Liberty Braves common stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock, restricted stock units and options.

Item 6. Exhibits

(a) Exhibits

Listed below are the exhibits which are filed as a part of this Quarterly Report (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit No.	Name
31.1	Rule 13a-14(a)/15d-14(a) Certification*
31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
99.1	Unaudited Attributed Financial Information for Tracking Stock Groups*
101.INS	Inline XBRL Instance Document* - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Definition Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY MEDIA CORPORATION

Date: May 6, 2022

By: /s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

Date: May 6, 2022

By: /s/ BRIAN J. WENDLING

Brian J. Wendling
Chief Accounting Officer and Principal Financial Officer

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2022

/s/ GREGORY B. MAFFEI

Gregory B. Maffei

President and Chief Executive Officer

CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Media Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2022

/s/ BRIAN J. WENDLING

Brian J. Wendling

Chief Accounting Officer and Principal Financial Officer

Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present our assets and liabilities as of March 31, 2022 and revenue and expenses for the three months ended March 31, 2022 and 2021 and cash flows for the three months ended March 31, 2022 and 2021. The tables further present our assets, liabilities, revenue, expenses and cash flows that are intended to be attributed to the Liberty SiriusXM Group, Liberty Braves Group (“Braves Group”) and the Liberty Formula One Group (“Formula One Group”), respectively. The financial information should be read in conjunction with our condensed consolidated financial statements for the three months ended March 31, 2022 included in this Quarterly Report on Form 10-Q.

Notwithstanding the following attribution of assets, liabilities, revenue, expenses and cash flows to the Liberty SiriusXM Group, Braves Group and the Formula One Group, our tracking stock capital structure does not affect the ownership or the respective legal title to our assets or responsibility for our liabilities. We and our subsidiaries are each responsible for our respective liabilities. Holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock are holders of our common stock and are subject to risks associated with an investment in our company and all of our businesses, assets and liabilities. The issuance of Liberty SiriusXM common stock, Liberty Braves and Liberty Formula One common stock does not affect the rights of our creditors.

SUMMARY ATTRIBUTED FINANCIAL DATA

Liberty SiriusXM Group

Summary Balance Sheet Data:

	March 31, 2022	December 31, 2021
	amounts in millions	
Cash and cash equivalents	\$ 710	598
Investments in affiliates, accounted for using the equity method	\$ 806	805
Intangible assets not subject to amortization	\$ 24,982	24,953
Intangible assets subject to amortization, net	\$ 1,236	1,269
Total assets	\$ 31,636	31,674
Deferred revenue	\$ 1,451	1,454
Long-term debt, including current portion	\$ 14,681	14,262
Deferred tax liabilities	\$ 2,221	2,206
Attributed net assets	\$ 8,092	8,036
Noncontrolling interest	\$ 3,265	3,565

Summary Statement of Operations Data:

	Three months ended March 31,	
	2022	2021
	amounts in millions	
Revenue	\$ 2,186	2,058
Cost of Sirius XM Holdings services (1)	\$ (989)	(939)
Other operating expenses (1)	\$ (67)	(64)
Selling, general and administrative expense (1)	\$ (404)	(346)
Operating income (loss)	\$ 484	229
Interest expense	\$ (122)	(120)
Income tax (expense) benefit	\$ (101)	107
Net earnings (loss) attributable to noncontrolling interests	\$ 56	49
Earnings (loss) attributable to Liberty stockholders	\$ 288	(11)

(1) Includes stock-based compensation expense as follows:

	Three months ended March 31,	
	2022	2021
	amounts in millions	
Cost of services	\$ 10	10
Other operating expenses	8	10
Selling, general and administrative expense	31	34
	\$ 49	54

Braves Group

Summary Balance Sheet Data:

	March 31, 2022	December 31, 2021
	amounts in millions	
Cash and cash equivalents	\$ 311	142
Property and equipment, net	\$ 758	777
Investments in affiliates, accounted for using the equity method	\$ 114	110
Intangible assets not subject to amortization	\$ 300	323
Intangible assets subject to amortization, net	\$ 24	21
Total assets	\$ 1,663	1,636
Deferred revenue	\$ 166	83
Long-term debt, including current portion	\$ 675	697
Deferred tax liabilities	\$ 54	65
Attributed net assets	\$ 290	296

Summary Statement of Operations Data:

	Three months ended	
	March 31,	
	2022	2021
	amounts in millions	
Revenue	\$ 23	16
Selling, general and administrative expense (1)	\$ (22)	(21)
Operating income (loss)	\$ (40)	(40)
Share of earnings (losses) of affiliates, net	\$ 4	3
Unrealized gains (losses) on intergroup interest	\$ 1	(28)
Income tax (expense) benefit	\$ 3	11
Earnings (loss) attributable to Liberty stockholders	\$ (13)	(59)

(1) Includes stock-based compensation expense of \$3 million and \$3 million for the three months ended March 31, 2022 and 2021, respectively.

Formula One Group

Summary Balance Sheet Data:

	March 31, 2022	December 31, 2021
	amounts in millions	
Cash and cash equivalents	\$ 2,265	2,074
Investments in affiliates, accounted for using the equity method	\$ 27	30
Intangible assets not subject to amortization	\$ 3,956	3,957
Intangible assets subject to amortization, net	\$ 3,420	3,507
Total assets	\$ 11,853	11,664
Long-term debt, including current portion	\$ 3,695	3,631
Redeemable noncontrolling interests in equity of subsidiary	\$ 575	575
Attributed net assets	\$ 6,281	6,340

Summary Statement of Operations Data:

	Three months ended March 31,	
	2022	2021
	amounts in millions	
Revenue	\$ 360	180
Cost of Formula 1 revenue	\$ (195)	(84)
Selling, general and administrative expense (1)	\$ (56)	(43)
Operating income (loss)	\$ 19	(47)
Interest expense	\$ (29)	(32)
Share of earnings (losses) of affiliates, net	\$ —	15
Realized and unrealized gains (losses) on financial instruments, net	\$ (7)	35
Unrealized gains (losses) on intergroup interest	\$ (21)	18
Income tax (expense) benefit	\$ (2)	13
Earnings (loss) attributable to Liberty stockholders	\$ (35)	(46)

(1) Includes stock-based compensation of \$3 million and \$6 million for the three months ended March 31, 2022 and 2021, respectively.

BALANCE SHEET INFORMATION

March 31, 2022

(unaudited)

	Attributed (note 1)				Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	Inter-Group Eliminations	
	amounts in millions				
<i>Assets</i>					
Current assets:					
Cash and cash equivalents	\$ 710	311	2,265	—	3,286
Trade and other receivables, net	650	43	148	—	841
Other current assets	789	45	209	—	1,043
Total current assets	2,149	399	2,622	—	5,170
Intergroup interests (note 1)	399	—	189	(588)	—
Investments in affiliates, accounted for using the equity method (note 1)	806	114	27	—	947
Property and equipment, at cost	2,840	998	217	—	4,055
Accumulated depreciation	(1,722)	(240)	(92)	—	(2,054)
	1,118	758	125	—	2,001
Intangible assets not subject to amortization					
Goodwill	15,140	176	3,956	—	19,272
FCC licenses	8,600	—	—	—	8,600
Other	1,242	124	—	—	1,366
	24,982	300	3,956	—	29,238
Intangible assets subject to amortization, net	1,236	24	3,420	—	4,680
Other assets	946	68	1,514	(45)	2,483
Total assets	\$ 31,636	1,663	11,853	(633)	44,519
<i>Liabilities and Equity</i>					
Current liabilities:					
Intergroup payable (receivable) (note 3)	\$ 28	(23)	(5)	—	—
Accounts payable and accrued liabilities	1,229	58	225	—	1,512
Current portion of debt	1,669	156	759	—	2,584
Deferred revenue	1,451	166	526	—	2,143
Other current liabilities	82	4	37	—	123
Total current liabilities	4,459	361	1,542	—	6,362
Long-term debt (note 1)	13,012	519	2,936	—	16,467
Deferred income tax liabilities	2,221	54	—	(45)	2,230
Redeemable intergroup interests (note 1)	—	256	332	(588)	—
Other liabilities	587	183	162	—	932
Total liabilities	20,279	1,373	4,972	(633)	25,991
Redeemable noncontrolling interests in equity of subsidiary	—	—	575	—	575
Equity / Attributed net assets	8,092	290	6,281	—	14,663
Noncontrolling interests in equity of subsidiaries	3,265	—	25	—	3,290
Total liabilities and equity	\$ 31,636	1,663	11,853	(633)	44,519

STATEMENT OF OPERATIONS INFORMATION
Three months ended March 31, 2022
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 2,186	—	—	2,186
Formula 1 revenue	—	—	360	360
Other revenue	—	23	—	23
Total revenue	2,186	23	360	2,569
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of Sirius XM Holdings services (exclusive of depreciation shown separately below):				
Revenue share and royalties	670	—	—	670
Programming and content	140	—	—	140
Customer service and billing	125	—	—	125
Other	54	—	—	54
Cost of Formula 1 revenue	—	—	195	195
Subscriber acquisition costs	90	—	—	90
Other operating expenses	67	23	—	90
Selling, general and administrative	404	22	56	482
Depreciation and amortization	152	18	90	260
	<u>1,702</u>	<u>63</u>	<u>341</u>	<u>2,106</u>
Operating income (loss)	484	(40)	19	463
Other income (expense):				
Interest expense	(122)	(6)	(29)	(157)
Share of earnings (losses) of affiliates, net	(18)	4	—	(14)
Realized and unrealized gains (losses) on financial instruments, net	61	5	(7)	59
Unrealized gains (losses) on intergroup interests (note 1)	20	1	(21)	—
Other, net	20	20	5	45
	<u>(39)</u>	<u>24</u>	<u>(52)</u>	<u>(67)</u>
Earnings (loss) before income taxes	445	(16)	(33)	396
Income tax (expense) benefit	(101)	3	(2)	(100)
Net earnings (loss)	344	(13)	(35)	296
Less net earnings (loss) attributable to the noncontrolling interests	56	—	9	65
Less net earnings (loss) attributable to redeemable noncontrolling interest	—	—	(9)	(9)
Net earnings (loss) attributable to Liberty stockholders	\$ 288	(13)	(35)	240

STATEMENT OF OPERATIONS INFORMATION
Three months ended March 31, 2021
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 2,058	—	—	2,058
Formula 1 revenue	—	—	180	180
Other revenue	—	16	—	16
Total revenue	2,058	16	180	2,254
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of Sirius XM Holdings services (exclusive of depreciation shown separately below):				
Revenue share and royalties	640	—	—	640
Programming and content	130	—	—	130
Customer service and billing	117	—	—	117
Other	52	—	—	52
Cost of Formula 1 revenue	—	—	84	84
Subscriber acquisition costs	86	—	—	86
Other operating expenses	64	20	—	84
Selling, general and administrative	346	21	43	410
Impairment, restructuring and acquisition costs, net of recoveries	245	—	—	245
Depreciation and amortization	149	15	100	264
	<u>1,829</u>	<u>56</u>	<u>227</u>	<u>2,112</u>
Operating income (loss)	229	(40)	(47)	142
Other income (expense):				
Interest expense	(120)	(6)	(32)	(158)
Share of earnings (losses) of affiliates, net	(113)	3	15	(95)
Realized and unrealized gains (losses) on financial instruments, net	(86)	2	35	(49)
Unrealized gains (losses) on intergroup interests (note 1)	10	(28)	18	—
Other, net	11	(1)	5	15
	<u>(298)</u>	<u>(30)</u>	<u>41</u>	<u>(287)</u>
Earnings (loss) before income taxes	(69)	(70)	(6)	(145)
Income tax (expense) benefit	107	11	13	131
Net earnings (loss)	38	(59)	7	(14)
Less net earnings (loss) attributable to the noncontrolling interests	49	—	—	49
Less net earnings (loss) attributable to redeemable noncontrolling interest	—	—	53	53
Net earnings (loss) attributable to Liberty stockholders	\$ (11)	(59)	(46)	(116)

STATEMENT OF CASH FLOWS INFORMATION
Three months ended March 31, 2022
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty	Braves	Formula One	
	SiriusXM Group			
	Group			
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 344	(13)	(35)	296
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:				
Depreciation and amortization	152	18	90	260
Stock-based compensation	49	3	3	55
Share of (earnings) loss of affiliates, net	18	(4)	—	14
Unrealized (gains) losses on intergroup interests, net	(20)	(1)	21	—
Realized and unrealized (gains) losses on financial instruments, net	(61)	(5)	7	(59)
Deferred income tax expense (benefit)	39	(10)	26	55
Intergroup tax allocation	42	7	(49)	—
Other charges (credits), net	(11)	(20)	(2)	(33)
Changes in operating assets and liabilities				
Current and other assets	21	23	(158)	(114)
Payables and other liabilities	(238)	83	232	77
Net cash provided (used) by operating activities	335	81	135	551
Cash flows from investing activities:				
Investments in equity method affiliates and debt and equity securities	(1)	(5)	(3)	(9)
Cash proceeds from dispositions	50	47	—	97
Capital expended for property and equipment, including internal-use software and website development	(97)	(4)	(10)	(111)
Other investing activities, net	(42)	—	76	34
Net cash provided (used) by investing activities	(90)	38	63	11
Cash flows from financing activities:				
Borrowings of debt	1,740	15	—	1,755
Repayments of debt	(1,204)	(37)	(1)	(1,242)
Liberty stock repurchases	(202)	—	(37)	(239)
Subsidiary shares repurchased by subsidiary	(206)	—	—	(206)
Cash dividends paid by subsidiary	(201)	—	—	(201)
Taxes paid in lieu of shares issued for stock-based compensation	(61)	—	26	(35)
Other financing activities, net	1	(4)	7	4
Net cash provided (used) by financing activities	(133)	(26)	(5)	(164)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash				
	—	—	(2)	(2)
Net increase (decrease) in cash, cash equivalents and restricted cash	112	93	191	396
Cash, cash equivalents and restricted cash at beginning of period	606	244	2,074	2,924
Cash, cash equivalents and restricted cash at end of period	\$ 718	337	2,265	3,320

STATEMENT OF CASH FLOWS INFORMATION
Three months ended March 31, 2021
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty	Braves	Formula One	
	SiriusXM Group	Group	Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 38	(59)	7	(14)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:				
Depreciation and amortization	149	15	100	264
Stock-based compensation	54	3	6	63
Non-cash impairment and restructuring costs	245	—	—	245
Share of (earnings) loss of affiliates, net	113	(3)	(15)	95
Unrealized (gains) losses on intergroup interests, net	(10)	28	(18)	—
Realized and unrealized (gains) losses on financial instruments, net	86	(2)	(35)	49
Deferred income tax expense (benefit)	(121)	(7)	(15)	(143)
Intergroup tax allocation	1	(3)	2	—
Other charges (credits), net	(3)	—	2	(1)
Changes in operating assets and liabilities				
Current and other assets	58	36	(102)	(8)
Payables and other liabilities	(339)	34	252	(53)
Net cash provided (used) by operating activities	271	42	184	497
Cash flows from investing activities:				
Investments in equity method affiliates and debt and equity securities	(5)	—	(53)	(58)
Investment of subsidiary initial public offering proceeds into trust account	—	—	(575)	(575)
Capital expended for property and equipment, including internal-use software and website development	(78)	(10)	(3)	(91)
Other investing activities, net	8	—	—	8
Net cash provided (used) by investing activities	(75)	(10)	(631)	(716)
Cash flows from financing activities:				
Borrowings of debt	1,083	8	(1)	1,090
Repayments of debt	(585)	(6)	(2)	(593)
Liberty stock repurchases	(107)	—	—	(107)
Subsidiary shares repurchased by subsidiary	(522)	—	—	(522)
Cash dividends paid by subsidiary	(14)	—	—	(14)
Taxes paid in lieu of shares issued for stock-based compensation	(21)	—	(1)	(22)
Proceeds from initial public offering of subsidiary	—	—	575	575
Other financing activities, net	—	(1)	(23)	(24)
Net cash provided (used) by financing activities	(166)	1	548	383
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash				
	—	—	(2)	(2)
Net increase (decrease) in cash, cash equivalents and restricted cash	30	33	99	162
Cash, cash equivalents and restricted cash at beginning of period	1,008	185	1,684	2,877
Cash, cash equivalents and restricted cash at end of period	\$ 1,038	218	1,783	3,039

Notes to Attributed Financial Information (Continued)
(unaudited)

- (1) A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Liberty SiriusXM Group, Liberty Braves Group (the "Braves Group") and Formula One Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group's stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a company, such as Sirius XM Holdings Inc. ("Sirius XM Holdings"), Live Nation Entertainment, Inc. ("Live Nation"), Formula 1 or Braves Holdings, LLC ("Braves Holdings"), in which Liberty holds an interest and that is attributed to a Liberty tracking stock group. Holders of tracking stock are also not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

As of March 31, 2022, the Liberty SiriusXM Group is primarily comprised of Liberty's interests in Sirius XM Holdings and Live Nation, corporate cash, Liberty's 1.375% Cash Convertible Notes due 2023 and related financial instruments, Liberty's 2.125% Exchangeable Senior Debentures due 2048, Liberty's 2.75% Exchangeable Senior Debentures due 2049, Liberty's 0.5% Exchangeable Senior Debentures due 2050 and margin loan obligations incurred by wholly-owned special purpose subsidiaries of Liberty. The Liberty SiriusXM Group holds intergroup interests in the Formula One Group and the Braves Group as of March 31, 2022. As of March 31, 2022, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$710 million, which includes \$76 million of subsidiary cash.

As of March 31, 2022, the Braves Group is primarily comprised of our consolidated subsidiary, Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project and cash. As of March 31, 2022, the Braves Group has cash and cash equivalents of approximately \$311 million, which includes \$229 million of subsidiary cash.

As of March 31, 2022, the Formula One Group is primarily comprised of all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Liberty SiriusXM Group or the Braves Group, including Liberty's interests in Formula 1 and Liberty Media Acquisition Corporation, a minority equity investment in AT&T Inc., cash, an intergroup interest in the Braves Group and Liberty's 1% Cash Convertible Notes due 2023. As of March 31, 2022, the Formula One Group has cash and cash equivalents of approximately \$2,265 million, which includes \$835 million of cash held by Formula 1.

The number of notional shares representing the intergroup interest in the Braves Group held by the Formula One Group is 6,792,903, representing an 11.0% intergroup interest at March 31, 2022. The number of notional shares representing the intergroup interest in the Braves Group held by the Liberty SiriusXM Group is 2,292,037, representing a 3.7% intergroup interest at March 31, 2022. The number of notional shares representing the intergroup interest in the Formula One Group held by the Liberty SiriusXM Group is 5,271,475, representing a 2.2% intergroup interest at March 31, 2022. The intergroup interests represent quasi-equity interests which are not represented by outstanding shares of common stock; rather, the Formula One Group and Liberty SiriusXM Group have attributed interests in the Braves Group, which are generally stated in terms of a number of shares of Liberty Braves common stock, and the Liberty SiriusXM Group also has an attributed interest in the Formula One Group, which is generally stated in terms of a number of shares of Liberty Formula One common stock. Each reporting period, the notional shares representing the intergroup interests are marked to fair value. The changes in fair value are recorded in the Unrealized gain (loss) on intergroup interests line item in the unaudited attributed condensed consolidated statements of operations.

The Braves Group intergroup interests attributable to the Formula One Group and the Liberty SiriusXM Group are reflected in the Investment in intergroup interests line item, and the Braves Group liabilities for the intergroup interests are reflected in the Redeemable intergroup interests line item in the unaudited attributed condensed consolidated balance sheets. Similarly, the Formula One Group intergroup interest attributable to

Notes to Attributed Financial Information (Continued)
(unaudited)

the Liberty SiriusXM Group is reflected in the Investment in intergroup interests line item, and the Formula One Group liability for the intergroup interest is reflected in the Redeemable intergroup interests line item in the unaudited attributed condensed consolidated balance sheets. Both accounts are presented as noncurrent, as there are currently no plans for the settlement of the intergroup interests. Appropriate eliminating entries are recorded in the Company's condensed consolidated financial statements.

As the notional shares underlying the intergroup interests are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Braves common stock and Series A, B or C Liberty Formula One common stock, respectively. However, Liberty has assumed that the notional shares (if and when issued) related to the Formula One Group interest in the Braves Group would be comprised of Series C Liberty Braves common stock in order to not dilute voting percentages and the notional shares (if and when issued) related to the Liberty SiriusXM Group interest in the Braves Group would be comprised of Series A Liberty Braves common stock since Series A Liberty Braves common stock underlie the 1.375% convertible bonds. Therefore, the market prices of Series C Liberty Braves and Series A Liberty Braves common stock are used for the quarterly mark-to-market adjustment for the intergroup interests held by Formula One Group and Liberty SiriusXM Group, respectively, through the unaudited attributed condensed consolidated statements of operations. Liberty has assumed that the notional shares (if and when issued) related to the Liberty SiriusXM Group interest in the Formula One Group would be comprised of Series A Liberty Formula One common stock since Series A Formula One common stock underlie the 1.375% convertible bonds. Therefore, the market price of Series A Liberty Formula One common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed condensed consolidated statements of operations.

The intergroup interests will remain outstanding until the redemption of the outstanding interests, at the discretion of the Company's Board of Directors, through transfer of securities, cash and/or other assets from the Braves Group or Formula One Group, respectively, to the respective tracking stock group.

For information relating to investments in affiliates accounted for using the equity method and debt, see notes 6 and 8, respectively, of the accompanying condensed consolidated financial statements.

- (2) Cash compensation expense for our corporate employees is allocated among the Liberty SiriusXM Group, Braves Group and the Formula One Group based on the estimated percentage of time spent providing services for each group. On an annual basis estimated time spent is determined through an interview process and a review of personnel duties unless transactions significantly change the composition of companies and investments in either respective group which would require a timelier reevaluation of estimated time spent. Other general and administrative expenses are charged directly to the groups whenever possible and are otherwise allocated based on estimated usage or some other reasonably determined methodology. Stock compensation related to each tracking stock is calculated based on actual awards outstanding.

While we believe that this allocation method is reasonable and fair to each group, we may elect to change the allocation methodology or percentages used to allocate general and administrative expenses in the future.

- (3) The intergroup balance at March 31, 2022 and December 31, 2021 is primarily a result of timing of tax benefits.
- (4) The Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have voting and conversion rights under our restated charter. Following is a summary of those rights. Holders of Series A common stock of each group are entitled to one vote per share, and holders of Series B common stock of each group are entitled to ten votes per share. Holders of Series C common stock of each group are entitled to 1/100th of a vote per share in certain limited cases and will otherwise not be entitled to vote. In general, holders of Series A and Series B common stock vote as a single class. In certain limited circumstances, the board may elect to seek the approval of the holders of only Series A and Series B Liberty SiriusXM common stock, only Series A and Series B Liberty Braves common stock, or only Series A and Series B Liberty Formula One common stock.

At the option of the holder, each share of Series B common stock of each group will be convertible into one share of Series A common stock of the same group. At the discretion of our board, the common stock related to one group may be converted into common stock of the same series that is related to another other group.