

2021 PROXY STATEMENT

2020 ANNUAL REPORT



YEARS OF LIBERTY



**2021 PROXY STATEMENT
2020 ANNUAL REPORT**

LETTER TO SHAREHOLDERS

STOCK PERFORMANCE

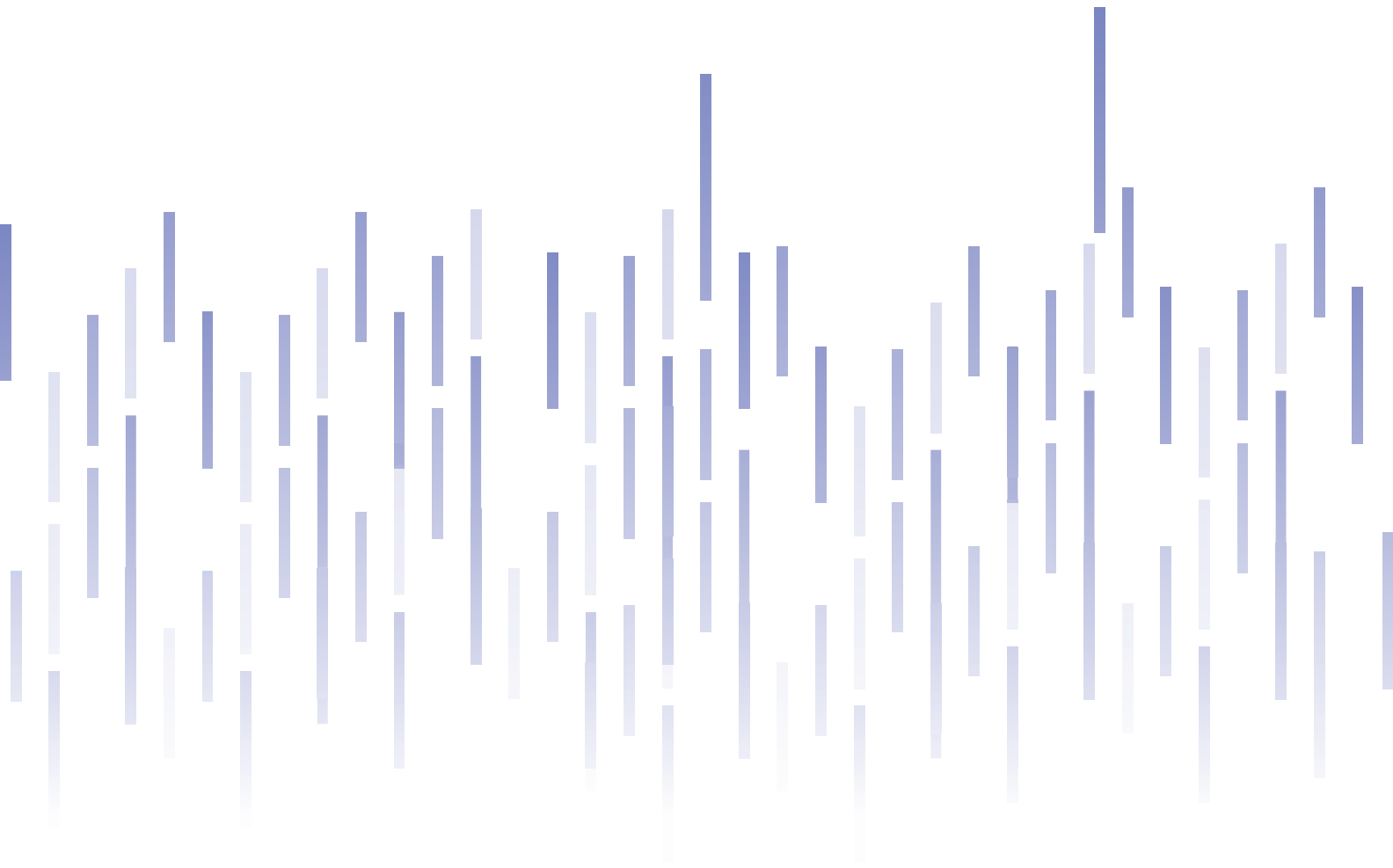
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FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding business, product and marketing plans, strategies and initiatives; future financial performance; demand for live events; new service offerings; renewal of licenses and authorizations; revenue growth and subscriber trends at Sirius XM Holdings Inc. (**Sirius XM Holdings**); our ownership interest in Sirius XM Holdings; the recoverability of goodwill and other long-lived assets; the performance of our equity affiliates; projected sources and uses of cash; the payment of dividends by Sirius XM Holdings; the impacts of the novel coronavirus (**COVID-19**); 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. In particular, statements in our “Letter to Shareholders” and under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures About Market Risk” contain forward looking statements. 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 that could cause actual results or events to differ materially from those anticipated:

- the impact of the COVID-19 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, FCC 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 our equity method investment in Live Nation Entertainment, Inc. on our net earnings and the net earnings of 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;

FORWARD-LOOKING STATEMENTS

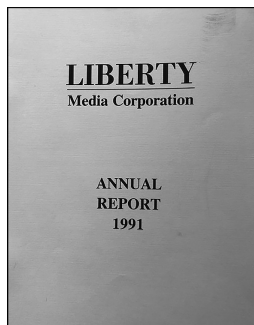
- the ability of Formula 1 to expand into new markets;
- developments stemming from Brexit;
- the establishment of rival motorsports events or other circumstances that impact the competitive position of Formula 1;
- changes in consumer viewing habits and the emergence of new content distribution platforms;
- the impact of organized labor on the Braves Group;
- the impact of an expansion of Major League Baseball;
- the level of broadcasting revenue that Braves Holdings receives;
- the impact of the Development Project on the Braves Group and its ability to manage the project;
- the risks associated with our 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;
- events, accidents or terrorist acts 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.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual 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. When considering such forward-looking statements, you should keep in mind any risk factors identified and other cautionary statements contained in this Annual Report and in our publicly filed documents, including our most recent Forms 10-K and 10-Q. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement. This Annual Report includes information concerning public companies in which we have controlling and non-controlling interests that file reports and other information with the Securities and Exchange Commission (the **SEC**) in accordance with the Securities Exchange Act of 1934, as amended. Information contained in this Annual Report concerning those companies has been derived from the reports and other information filed by them with the SEC. If you would like further information about these companies, the reports and other information they file with the SEC can be accessed on the Internet website maintained by the SEC at www.sec.gov. Those reports and other information are not incorporated by reference in this Annual Report.

LETTER TO SHAREHOLDERS

April 2021

Dear Fellow Shareholders,



This year marks Liberty Media’s 30th annual report. It goes without saying that much has evolved over three decades. At the very least, our graphic design capabilities have progressed (see image).

For many, this past year felt most extreme in its pace of change. We commend all of our management teams and employees, including Liberty’s, in their dexterity—quickly transitioning to a remote workforce, shoring up liquidity, evaluating cost structures and operating successfully under unique and challenging conditions. We are proud to collaborate with all of these accomplished people.

At Liberty, we also pivoted quickly. At our first virtual Investor Day in November, we outlined a number of “COVID accelerants” spanning multiple industries—media, education, real estate, medicine to name a few. Our view remains broadly unchanged across the themes we discussed: digital adoption continues to accelerate, nesting and home improvement are likely multi-year trends, the number of homes for sale in metro San Francisco more than doubled in 2020 while list prices tanked, and “Charles Schwab meets Candy Crush” was

perhaps too tame a moniker to describe the retail driven market volatility that continued into 2021.

2020 IN THE REAR VIEW

The companies within Liberty Media and our various spun-off entities cover the gamut of the TMT landscape. One of the many benefits of a diversified portfolio is that, at any given time, some businesses will be winning more than others. 2020 was no exception. Our businesses navigated this past year on sound foundations, built on the benefits of scale, solid management teams, access to capital and a willingness to quickly adapt—all core attributes of any Liberty portfolio asset.

Within Liberty Media, we own a high quality collection of assets that (directly or indirectly) are related to live events. In fact, we have spent years touting the “power of live” in our portfolio. We remain VERY bullish on this space. These businesses were challenged in 2020 in ways no one had foreseen, but not in ways that threatened their underlying health. If anything, management seized the opportunity to optimize business models, rationalize cost structures and make improvements that we believe will generate lasting returns.

As we said at Investor Day—it’s good to be BIG, it’s good to be DIGITAL, and it’s best to be BOTH. Formula 1 is the pinnacle of motorsport, with unmatched global reach to a cumulative audience of over 1.7 billion⁽¹⁾ and was the fastest growing major sport globally in terms of digital engagement in 2020. Live Nation is the world’s leading live entertainment company with 40,000 shows and 100+ festivals in a year. The Atlanta Braves have the third largest marketing territory in MLB, reaching over 31 million people and 14 million households. The scale of the Liberty “live” assets contributed to our operating resilience.

SiriusXM was the most operationally unscathed by COVID, but wasn’t rewarded by the stock market—a head scratcher to us. The prospects for the business are strong—powered by sustained tailwinds in the used car market, rising new car penetration, out of car connectivity initiatives, investment in our podcasting strategy and continued benefit from the platform’s ease of use. Plus, COVID reignited the Great American Road Trip—tune in to Drake’s newly launched *Sound 42* channel on your next cross-country journey.

We expect to reach 80% ownership of SiriusXM this year, at which point all dividends we receive will be tax-free. This has the potential to be a material source of cash flow in the future; the discount to NAV at Liberty SiriusXM is a logical and high yielding use of that cash. As a Liberty SiriusXM shareholder, the combined effect of SiriusXM’s repurchases in tandem with our repurchases at the Liberty level has substantially grown the indirect SIRI ownership attributable to each LSXM share over the years. The value equation here is compelling, albeit requiring a degree of patience.

At the onset of the pandemic, we completed the reattribution of certain assets and liabilities between the Formula One Group and Liberty SiriusXM Group. This included moving our Live Nation stake and associated liabilities to Liberty SiriusXM Group, and adding meaningful cash to the Formula One Group. At the time, we heard grumbings from some Liberty SiriusXM shareholders bearish on the Live Nation equity. But our long-term confidence in Live Nation never wavered. Today, it seems the market has regained its assurance—and then some—with Live Nation up over 130% since we completed the reattribution, hitting all-time highs. We fervently believe the reattribution was in the best interest of both sets of shareholders. Our ability to reattribute assets on a fair and equitable basis across trackers is a core tenet of the tracking stock structure, and one that has proven successful for our shareholders overtime.

1) Three year average of global cumulative audience.

LETTER TO SHAREHOLDERS

INVESTMENT PHILOSOPHY

While much has evolved at Liberty over these years, our DNA remains intact. We value our position as an owner with an attractive collection of assets and the benefit of patient capital. Our focus is on strategy, investment, risk mitigation, capital allocation and selecting high quality management teams to operate the businesses we believe in.

At our core, we aim to:

- Identify attractive and defensible business models
- Empower strong management teams with aligned incentives
- Play for the long game, not short-term gains
- Be forward-looking and nimble to act quickly when opportunities arise
- Return superior value to shareholders

Market opportunities typically rise out of periods of dislocation. While the quick market rebound of 2020 did not present compelling opportunities, we believe time is on our side.

Which brings us to the IPO of LMAC the SPAC. Our 2017 investment in Formula 1 was essentially a SPAC long before SPACs became the most popular kid in the lunchroom. Liberty was a pioneer in this type of deal structuring, just as we have been for many other tools of financial engineering. We intend to leverage the strength of our industry relationships in pursuit of a business target that aligns with our Liberty DNA. Our team is actively engaged in these efforts. If successful, this is a potential tool for liquidity we can replicate in the future.

LOOKING AHEAD

We entered 2021 with a fascinating consumer picture. Services historically comprise 2/3 of personal expenditures, yet spend in this sector understandably plummeted last year. Product spend, on the other hand, rose on the backs of home furnishing, cleaning supplies, groceries, outdoor equipment, used cars and more. In February 2021, the personal savings rate was north of 13%—substantially higher than the historical average of 6-8%.

Where will this money go? Travel and live events are obvious beneficiaries. We have seen early indicators of pent up demand for live events reflected across Live Nation, the Braves and Formula 1. The pipeline at Live Nation for 2022 is much stronger than usual, with ~45 artists on cycle to tour compared to 25 artists typical of prior years. The Braves' season ticket demand is the highest they have seen in several years. Formula 1 is planning a record 23-race season, and Silverstone is reporting a surge in ticket sales on the heels of confirming that they will be one of three venues to host a Sprint Qualifying race pending approval from the teams. Like many of you, I too look forward to seeing John Mayer on stage, hearing the crowd cheer when Freddie hits a walk-off homer and waiting for "it's lights out and away we go" at F1.

Two of our businesses welcomed new CEOs this year: Jennifer Witz at SiriusXM and Stefano Domenicali at Formula 1. Jennifer has been at SiriusXM for almost 20 years with stints in many areas of the organization. Stefano has a rich history in Formula 1 and returns to the sport after years with Lamborghini and Audi. We are excited for them to build on the strong foundations built by their accomplished predecessors—Jim Meyer and Chase Carey.

Before closing, we'll touch on another positive accelerant brought about in 2020. Propelled by a global pandemic and expanding consciousness about race and social justice, it is clear that environmental, social and governance (**ESG**) initiatives are cemented in the corporate lexicon, and here too at Liberty Media. This is a key focus at the corporate level and across our portfolio companies. While early in our ESG efforts, we recognize that progress on this front is not optional. Our Board, management teams and employees are committed to defining and furthering our ESG goals.

Transitioning to a virtual format for our 2020 Investor Day was itself a "COVID accelerant." While we missed the opportunity to see many of you in person, the virtual format allowed wider participation from an audience that otherwise wouldn't have experienced the full breadth of our Investor Day production. There were efficiencies to tuning in from home, especially for investors and presenting companies. For the 2021 Investor Day, we want to keep these positives from the virtual format, while hopefully returning to some element of in-person. We believe a *hybrid model* is likely the optimal format, similar to the trends we are seeing across industries as companies architect the future of their business operations. An emphasis on higher asset utilization will be a hallmark of business success going forward.

LETTER TO SHAREHOLDERS

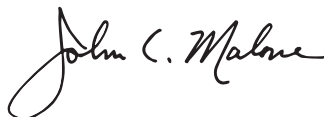
We look forward to seeing many of you at this year's Investor Day on November 18th. Whether in person or online, we hope you will join us. Until then, we hope you all stay safe and healthy.

We appreciate your ongoing support.

Very truly yours,



Gregory B. Maffei
President & Chief Executive Officer

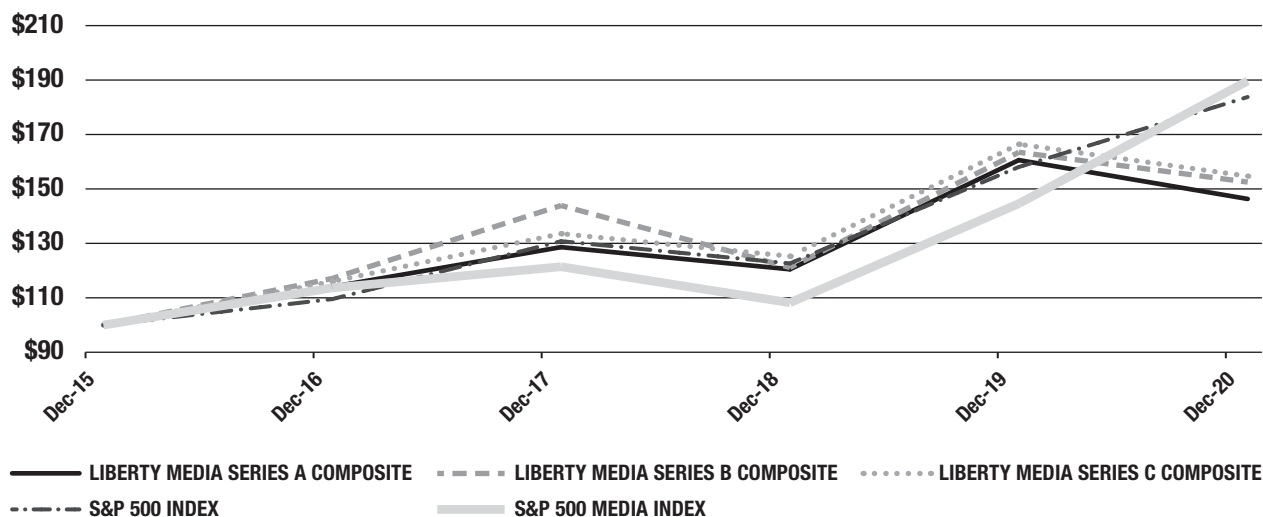


John C. Malone
Chairman of the Board

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on the composite Liberty Media Series A, Series B and Series C common stock (and its successor issuances) from December 31, 2015 through December 31, 2020 to the S&P 500 Index and the S&P 500 Media Index. On April 15, 2016 our former Series A, Series B and Series C common stock was recapitalized into common stock of three tracking stock groups: the Liberty SiriusXM Group (Nasdaq: LSXMA, LSXMB, LSXMK), the Formula One Group (Nasdaq: FWONA, FWONK) (formerly known as the Liberty Media Group (Nasdaq: LMCA, LMCK)) and the Braves Group (Nasdaq: BATRA, BATRK). This chart includes the impact of (i) the recapitalization of Liberty Media's common stock into three tracking stock groups, (ii) the 2016 Braves Group rights offering and (iii) the 2020 Liberty SiriusXM Group rights offering.

LIBERTY MEDIA COMMON STOCK COMPOSITE VS. S&P 500 AND S&P 500 MEDIA INDICES 12/31/15 TO 12/31/20

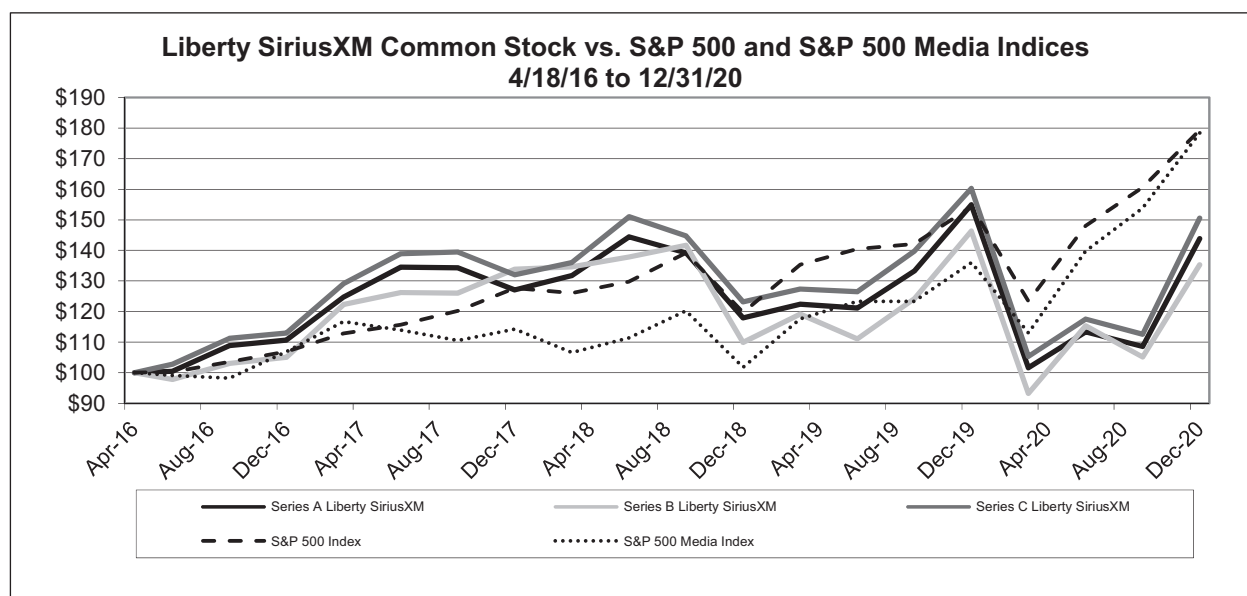


	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
LIBERTY MEDIA SERIES A COMPOSITE	\$100.00	\$114.07	\$128.63	\$120.49	\$160.60	\$146.33
LIBERTY MEDIA SERIES B COMPOSITE	\$100.00	\$117.13	\$143.92	\$121.15	\$163.47	\$152.53
LIBERTY MEDIA SERIES C COMPOSITE	\$100.00	\$116.01	\$133.57	\$125.29	\$166.42	\$154.70
S&P 500 INDEX	\$100.00	\$109.54	\$130.81	\$122.65	\$158.07	\$183.77
S&P 500 MEDIA INDEX	\$100.00	\$113.67	\$121.43	\$108.22	\$144.61	\$189.68

Note: Trading data for all Series B shares is limited as they are thinly traded.

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on an investment in our Series A, Series B and Series C Liberty SiriusXM common stock (Nasdaq: LSXMA, LSXMB, LSXMK), including the impact of the 2020 Liberty SiriusXM Group rights offering, from April 18, 2016 (the date on which these shares first traded “regular way”) through December 31, 2020 to the S&P 500 Index and the S&P 500 Media Index.

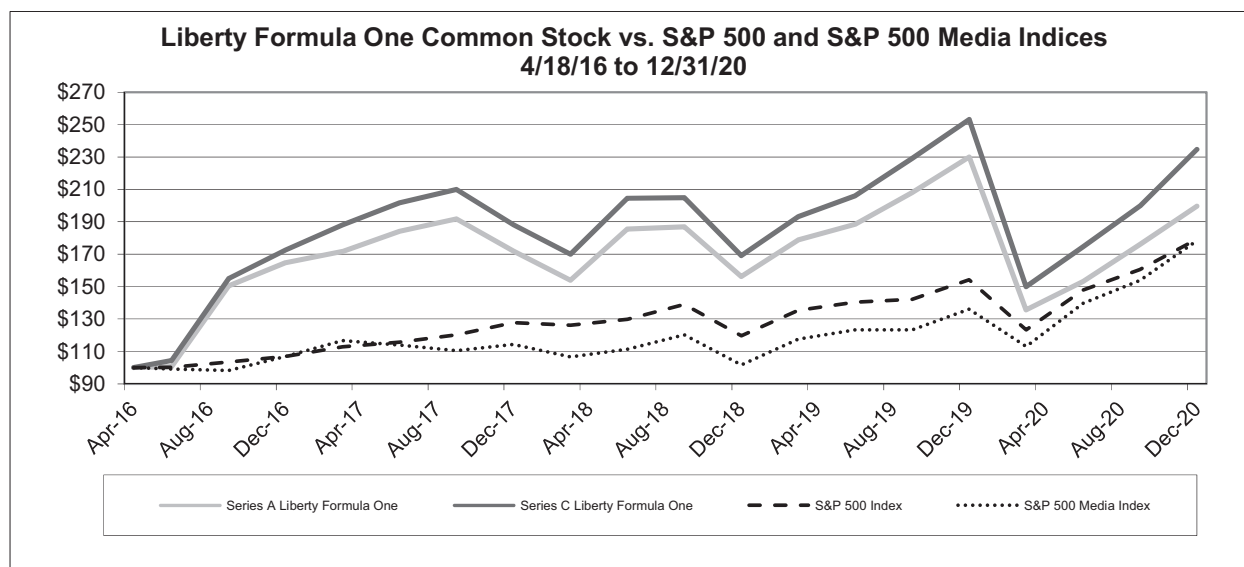


	4/18/16	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
SERIES A LIBERTY SIRIUSXM	\$100.00	\$110.64	\$127.12	\$117.95	\$154.94	\$143.86
SERIES B LIBERTY SIRIUSXM	\$100.00	\$105.08	\$133.83	\$109.86	\$146.34	\$135.29
SERIES C LIBERTY SIRIUSXM	\$100.00	\$112.95	\$132.07	\$123.14	\$160.31	\$150.53
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70	\$154.26	\$179.34
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79	\$136.02	\$178.42

Note: Trading data for all Series B shares is limited as they are thinly traded.

STOCK PERFORMANCE

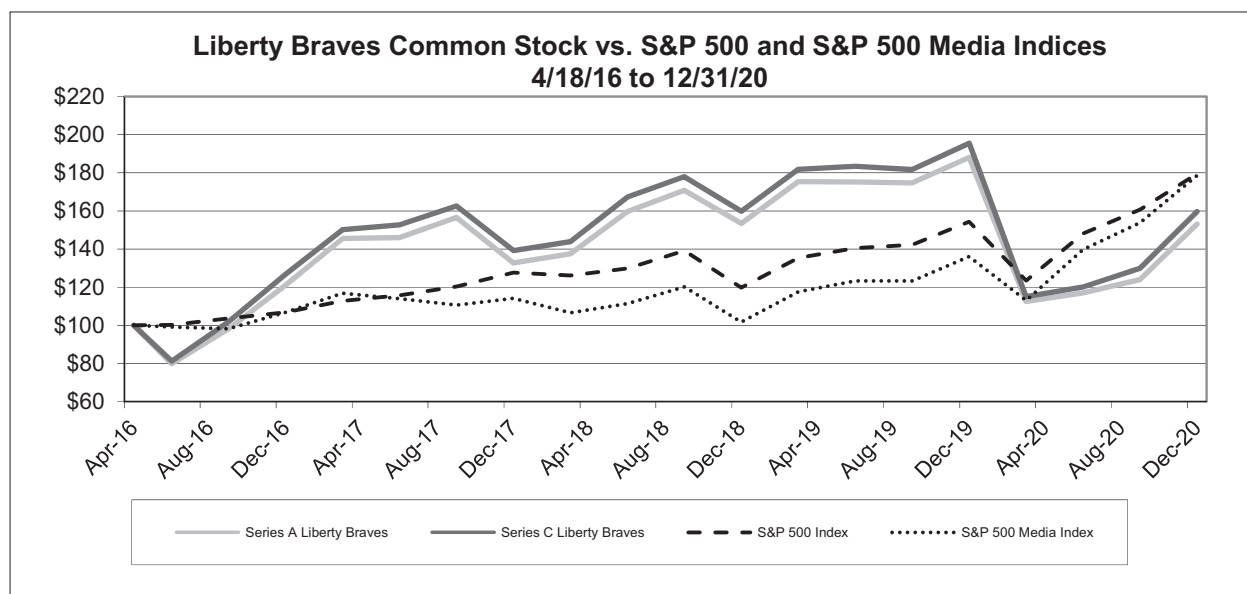
The following graph compares the percentage change in the cumulative total stockholder return on an investment in our Series A and Series C Liberty Formula One common stock (Nasdaq: FWONA, FWONK) (formerly known as the Liberty Media common stock (Nasdaq: LMCA, LMCK) from April 18, 2016 (the date on which these shares first traded “regular way”) through December 31, 2020 to the S&P 500 Index and the S&P 500 Media Index.



	4/18/16	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
SERIES A LIBERTY FORMULA ONE	\$100.00	\$164.74	\$171.94	\$156.17	\$230.06	\$199.63
SERIES C LIBERTY FORMULA ONE	\$100.00	\$172.62	\$188.21	\$169.15	\$253.25	\$234.71
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70	\$154.26	\$179.34
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79	\$136.02	\$178.42

STOCK PERFORMANCE

The following graph compares the percentage change in the cumulative total stockholder return on an investment in our Series A and Series C Liberty Braves common stock (Nasdaq: BATRA, BATRK), including the impact of the 2016 Braves Group rights offering, from April 18, 2016 (the date on which these shares first traded “regular way”) through December 31, 2020 to the S&P 500 Index and the S&P 500 Media Index.



	4/18/16	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
SERIES A LIBERTY BRAVES	\$100.00	\$121.06	\$132.72	\$153.50	\$188.06	\$153.12
SERIES C LIBERTY BRAVES	\$100.00	\$126.70	\$139.22	\$159.73	\$195.44	\$159.65
S&P 500 INDEX	\$100.00	\$106.90	\$127.66	\$119.70	\$154.26	\$179.34
S&P 500 MEDIA INDEX	\$100.00	\$106.92	\$114.22	\$101.79	\$136.02	\$178.42

INVESTMENT SUMMARY

(Based on publicly available information as of January 31, 2021) Libertymedia.com/asset-list.aspx

Liberty Media Corporation owns interests in a broad range of media, communications and entertainment businesses. Those interests are attributed to three tracking stock groups: the Braves Group, Formula One Group and Liberty SiriusXM Group.

The following tables set forth some of Liberty Media Corporation's assets which may be held directly and indirectly through partnerships, joint ventures, common stock investments and/or instruments convertible into common stock. Ownership percentages in the tables are approximate and, where applicable, assume conversion to common stock by Liberty Media Corporation and, to the extent known by Liberty Media Corporation, other holders. In some cases, Liberty Media Corporation's interest may be subject to buy/sell procedures, repurchase rights or dilution.

BRAVES GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Braves Holdings, LLC	Owner of the Atlanta Braves, a Major League Baseball club, as well as certain of the Atlanta Braves' minor league clubs and associated real estate projects.	N/A	100%

FORMULA ONE GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Associated Partners, L.P.	Investment and operating partnership that targets long-term, risk-balanced and tax-efficient returns.	N/A	33%
AT&T Inc. (NYSE: T)	AT&T is a global leader in telecommunications, media and entertainment and technology. It executes in the market under three operating units: WarnerMedia, Communications and Latin America.	6.1	<1%
Braves Group (Intergroup Interest)	Consists of Liberty Media Corporation's wholly owned subsidiary Braves Holdings, LLC, which owns the Atlanta Braves, a Major League Baseball club, as well as certain of the Atlanta Braves' minor league clubs and associated real estate projects.	6.8	11% ⁽³⁾
CLEAR	Transforming eyes and face into a touchless ID, allowing quick and secure confirmation of identity—unlocking frictionless experiences across the physical and digital world.	N/A	<1%
Drone Racing League, Inc.	DRL is the premier drone racing league. A sports and media company, DRL combines world-class pilots, iconic locations, and proprietary technology to create engaging drone racing content with mass appeal.	N/A	3%
Formula 1	Formula 1, which began in 1950, is an iconic global motorsports business.	N/A	100%
Padtec Holding S.A. (BOVESPA: PDCT3)	A Brazil-based global provider of flexible and high-capacity optical transport solutions.	3.9	5%
INRIX, Inc.	Provider of traffic data and analytics to auto OEM's, governments, businesses and consumers.	N/A	4%

INVESTMENT SUMMARY

FORMULA ONE GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Kroenke Arena Company, LLC	Owner of Ball Arena (formerly Pepsi Center), a sports and entertainment facility in Denver, Colorado.	N/A	7%
Liberty Media Acquisition Corporation	A blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.	N/A	20%
Liberty Technology Venture Capital, LLC	Investment fund focused on Israeli technology companies.	N/A	80%
Meyer Shank Racing	An American racing team, currently competing in the NTT IndyCar Series and WeatherTech SportsCar Championship.	N/A	30%
Tastemade, Inc.	Tastemade brings the world's leading tastemakers in food together to create high-quality shows in the food and lifestyle category for digital platforms.	N/A	6%

LIBERTY SIRIUSXM GROUP			
ENTITY	DESCRIPTION OF OPERATING BUSINESS	ATTRIBUTED SHARE COUNT ⁽¹⁾ (in millions)	ATTRIBUTED OWNERSHIP ⁽²⁾
Braves Group (Intergroup Interest)	Consists of Liberty Media Corporation's wholly owned subsidiary Braves Holdings, LLC, which owns the Atlanta Braves, a Major League Baseball club, as well as certain of the Atlanta Braves' minor league clubs and associated real estate projects.	2.3	4% ⁽³⁾
Formula One Group (Intergroup Interest)	Consists of Liberty Media Corporation's wholly owned subsidiary Formula 1, its minority equity investment in AT&T, Inc. and Liberty Media Acquisition Corporation, and various other investments.	5.3	2% ⁽⁴⁾
iHeartMedia, Inc. (NASDAQ: IHRT)	American audio company with over 850 live broadcast stations and a leading streaming broadcast radio platform.	7.0	5% ⁽⁵⁾
Live Nation Entertainment, Inc. (NYSE: LYV)	Largest live entertainment company in the world, consisting of three segments: concerts, sponsorship and advertising and ticketing.	69.6 ⁽⁶⁾	33%
Sirius XM Holdings Inc. (NASDAQ: SIRI)	A satellite radio company delivering commercial-free music plus sports, entertainment, comedy, talk, news, traffic and weather.	3,162.2	76%

1) Applicable only for publicly-traded entities.

2) Represents undiluted ownership interest unless otherwise noted. All ownership percentages are based on publicly available information as of January 31, 2021.

3) Represents an inter-group interest in the Braves Group, which is not represented by outstanding shares.

4) Represents an inter-group interest in the Formula One Group, which is not represented by outstanding shares.

5) Ownership includes both iHeartMedia Class B common stock and warrants.

6) Upon reattribution in April 2020, Formula One Group purchased a one year European-style call option on 34.8m LYV shares at a \$36.72 strike from Liberty SiriusXM group, and simultaneously sold a one year European-style call option at a \$47.74 strike, valued as an asset to Formula One Group and a liability to Liberty SiriusXM Group. This instrument is marked to market on a quarterly basis and will expire on April 22, 2021.



LIBERTY MEDIA CORPORATION

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

April 14, 2021

Dear Stockholder:

You are cordially invited to attend the 2021 annual meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 8:00 a.m., Mountain time, on May 25, 2021. Due to concerns about the coronavirus, this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2021. To enter the annual meeting, you will need the 16-digit control number that is printed on your Notice of Internet Availability of Proxy Materials or proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 25, 2021.

At the annual meeting, you will be asked to consider and vote on the proposals described in the accompanying notice of annual meeting and proxy statement, as well as on such other business as may properly come before the meeting.

Your vote is important, regardless of the number of shares you own. Whether or not you plan to attend the annual meeting, please read the enclosed proxy materials and then promptly vote via the Internet or telephone or by completing, signing and returning the proxy card if you received a paper copy of the proxy materials by mail. Doing so will not prevent you from later revoking your proxy or changing your vote at the meeting.

Thank you for your cooperation and continued support and interest in Liberty Media.

Very truly yours,

Gregory B. Maffei
President and Chief Executive Officer

The Notice of Internet Availability of Proxy Materials is first being mailed on or about April 15, 2021, and the proxy materials relating to the annual meeting will first be made available on or about the same date.

LIBERTY MEDIA CORPORATION

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be Held on May 25, 2021

NOTICE IS HEREBY GIVEN of the annual meeting of stockholders of Liberty Media Corporation (**Liberty Media**) to be held at 8:00 a.m., Mountain time, on May 25, 2021. Due to concerns about the coronavirus (**COVID-19**), this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2021. To enter the annual meeting, you will need the 16-digit control number that is printed on your Notice of Internet Availability of Proxy Materials or proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 25, 2021. At the annual meeting, you will be asked to consider and vote on the following proposals:

1. A proposal (which we refer to as the **election of directors proposal**) to elect Brian M. Deevy, Gregory B. Maffei and Andrea L. Wong to continue serving as Class II members of our board until the 2024 annual meeting of stockholders or their earlier resignation or removal;
2. A proposal (which we refer to as the **auditors ratification proposal**) to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2021; and
3. A proposal (which we refer to as the **say-on-pay proposal**) to approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading "Executive Compensation."

You may also be asked to consider and vote on such other business as may properly come before the annual meeting.

Holders of record of our Series A Liberty SiriusXM common stock, par value \$0.01 per share, Series A Liberty Braves common stock, par value \$0.01 per share, Series A Liberty Formula One common stock, par value \$0.01 per share, Series B Liberty SiriusXM common stock, par value \$0.01 per share, Series B Liberty Braves common stock, par value \$0.01 per share, and Series B Liberty Formula One common stock, par value \$0.01 per share, in each case, outstanding as of 5:00 p.m., New York City time, on March 31, 2021, the **record date** for the annual meeting, will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment or postponement thereof. These holders will vote together as a single class on each proposal. A list of stockholders entitled to vote at the annual meeting will be available at our offices at 12300 Liberty Boulevard, Englewood, Colorado 80112 for review by our stockholders for any purpose germane to the annual meeting for at least ten days prior to the annual meeting. If you have any questions with respect to accessing this list, please contact Liberty Media Investor Relations at (877) 772-1518. The holders of record of our Series C Liberty SiriusXM common stock, par value \$0.01 per share, Series C Liberty Braves common stock, par value \$0.01 per share, and Series C Liberty Formula One common stock, par value \$0.01 per share, are not entitled to any voting powers, except as required by Delaware law, and may not vote on the proposals to be presented at the annual meeting.

We describe the proposals in more detail in the accompanying proxy statement. We encourage you to read the proxy statement in its entirety before voting.

Our board of directors has unanimously approved each proposal for inclusion in the proxy materials and recommends that you vote "**FOR**" the election of each director nominee, "**FOR**" the auditors ratification proposal and "**FOR**" the say-on-pay proposal.

Votes may be cast electronically during the annual meeting via the Internet or by proxy prior to the meeting by telephone, via the Internet, or by mail.

Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Stockholders to be Held on May 25, 2021: our Notice of Annual Meeting of Stockholders, Proxy Statement, and 2020 Annual Report to Stockholders are available at www.proxyvote.com.

YOUR VOTE IS IMPORTANT. Voting promptly, regardless of the number of shares you own, will aid us in reducing the expense of any further proxy solicitation in connection with the annual meeting.

By order of the board of directors,



Michael E. Hurelbrink
Assistant Vice President and Secretary

Englewood, Colorado

April 14, 2021

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, PLEASE VOTE PROMPTLY VIA TELEPHONE OR ELECTRONICALLY VIA THE INTERNET. ALTERNATIVELY, PLEASE COMPLETE, SIGN AND RETURN THE PROXY CARD IF YOU RECEIVED A PAPER COPY OF THE PROXY MATERIALS BY MAIL.

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PROXY STATEMENT SUMMARY

2021 ANNUAL MEETING OF STOCKHOLDERS

WHEN

8:00 a.m., Mountain time, on
May 25, 2021

WHERE

The annual meeting can be
accessed virtually via the Internet
by visiting
www.virtualshareholdermeeting.com/LMC2021

RECORD DATE

5:00 p.m., New York City time, on
March 31, 2021

ITEMS OF BUSINESS

1. Election of directors proposal—To elect Brian M. Deevy, Gregory B. Maffei and Andrea L. Wong to continue serving as Class II members of our board until the 2024 annual meeting of stockholders or their earlier resignation or removal.
2. Auditors ratification proposal—To ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2021.
3. Say-on-pay proposal—To approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading “Executive Compensation.”

Such other business as may properly come before the annual meeting.

WHO MAY VOTE

Holders of shares of LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB. Holders of shares of LSXMK, FWONK, and BATRK are NOT eligible to vote at the annual meeting.

PROXY VOTING

Stockholders of record on the record date are entitled to vote by proxy in the following ways:



By calling 1-800-690-6903
(toll free) in the United States or
Canada



Online at
www.proxyvote.com



By returning a properly
completed, signed and dated
proxy card

ANNUAL MEETING AGENDA AND VOTING RECOMMENDATIONS

Proposal	Voting Recommendation	Page Reference (for more detail)
Election of directors proposal	✓FOR EACH NOMINEE	17
Auditors ratification proposal	✓FOR	23
Say-on-pay proposal	✓FOR	25

LIBERTY MEDIA CORPORATION

a Delaware corporation

12300 Liberty Boulevard
Englewood, Colorado 80112
(720) 875-5400

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

We are furnishing this proxy statement in connection with the board of directors' solicitation of proxies for use at our 2021 Annual Meeting of Stockholders to be held at 8:00 a.m., Mountain time, on May 25, 2021, or at any adjournment or postponement of the annual meeting. Due to concerns about COVID-19, this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2021. At the annual meeting, we will ask you to consider and vote on the proposals described in the accompanying Notice of Annual Meeting of Stockholders. The proposals are described in more detail in this proxy statement. We are soliciting proxies from holders of our Series A Liberty SiriusXM common stock, par value \$0.01 per share (**LSXMA**), Series A Liberty Braves common stock, par value \$0.01 per share (**BATRA**), Series A Liberty Formula One common stock, par value \$0.01 per share (**FWONA**), Series B Liberty SiriusXM common stock, par value \$0.01 per share (**LSXMB**), Series B Liberty Braves common stock, par value \$0.01 per share (**BATRB**), and Series B Liberty Formula One common stock, par value \$0.01 per share (**FWONB**). The holders of our Series C Liberty SiriusXM common stock, par value \$0.01 per share (**LSXMK**), Series C Liberty Braves common stock, par value \$0.01 per share (**BATRK**), and Series C Liberty Formula One common stock, par value \$0.01 per share (**FWONK**), are not entitled to any voting powers, except as required by Delaware law, and may not vote on the proposals to be presented at the annual meeting. We refer to LSXMA, LSXMB, LSXMK, BATRA, BATRB, BATRK, FWONA, FWONB and FWONK together as our **common stock**.

THE ANNUAL MEETING

NOTICE AND ACCESS OF PROXY MATERIALS

We have elected, in accordance with the Securities and Exchange Commission's "Notice and Access" rule, to deliver a Notice of Internet Availability of Proxy Materials (the **Notice**) to our stockholders and to post our proxy statement and our annual report to our stockholders (collectively, the **proxy materials**) electronically. The Notice is first being mailed to our stockholders on or about April 15, 2021. The proxy materials will first be made available to our stockholders on or about the same date.

The Notice instructs you how to access and review the proxy materials and how to submit your proxy via the Internet. The Notice also instructs you how to request and receive a paper copy of the proxy materials, including a proxy card or voting instruction form, at no charge. We will not mail a paper copy of the proxy materials to you unless specifically requested to do so.

ELECTRONIC DELIVERY

Registered stockholders may elect to receive future notices and proxy materials by e-mail. To sign up for electronic delivery, go to www.proxyvote.com. Stockholders who hold shares through a bank, brokerage firm or other nominee may sign up for electronic delivery when voting by Internet at www.proxyvote.com, by following the prompts. Also, stockholders who hold shares through a bank, brokerage firm or other nominee may sign up for electronic delivery by contacting their nominee. Once you sign up, you will not receive a printed copy of the notices and proxy materials, unless you request them. If you are a registered stockholder, you may suspend electronic delivery of the notices and proxy materials at any time by contacting our transfer agent, Broadridge, at (888) 789-8415 (outside the United States (303) 562-9273). Stockholders who hold shares through a bank, brokerage firm or other nominee should contact their nominee to suspend electronic delivery.

TIME, PLACE AND DATE

The annual meeting of stockholders is to be held at 8:00 a.m., Mountain time, on May 25, 2021. Due to concerns about COVID-19, this year the annual meeting will be held via the Internet and will be a completely virtual meeting of stockholders. You may attend the meeting, submit questions and vote your shares electronically during the meeting

via the Internet by visiting www.virtualshareholdermeeting.com/LMC2021. To enter the annual meeting, you will need the 16-digit control number that is printed on your Notice or proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that you are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 25, 2021.

PURPOSE

At the annual meeting, you will be asked to consider and vote on each of the following:

- the election of directors proposal, to elect Brian M. Deevy, Gregory B. Maffei and Andrea L. Wong to continue serving as Class II members of our board until the 2024 annual meeting of stockholders or their earlier resignation or removal;
- the auditors ratification proposal, to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2021; and
- the say-on-pay proposal, to approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement under the heading “Executive Compensation.”

You may also be asked to consider and vote on such other business as may properly come before the annual meeting, although we are not aware at this time of any other business that might come before the annual meeting.

QUORUM

In order to conduct the business of the annual meeting, a quorum must be present. This means that the holders of at least a majority of the aggregate voting power represented by the shares of our common stock outstanding on the record date and entitled to vote at the annual meeting must be represented at the annual meeting either in person or by proxy. Virtual attendance at the annual meeting also constitutes presence in person for purposes of quorum at the meeting. For purposes of determining a quorum, your shares will be included as represented at the meeting even if you indicate on your proxy that you abstain from voting. If a broker, who is a record holder of shares, indicates on a form of proxy that the broker does not have discretionary authority to vote those shares on a particular proposal or proposals, or if those shares are voted in circumstances in which proxy authority is defective or has been withheld, those shares (**broker non-votes**) will nevertheless be treated as present for purposes of determining the presence of a quorum. See “—Voting Procedures for Shares Held in Street Name—Effect of Broker Non-Votes” below.

WHO MAY VOTE

Holders of shares of LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB, as recorded in our stock register as of 5:00 p.m., New York City time, on March 31, 2021 (such date and time, the record date for the annual meeting), will be entitled to notice of the annual meeting and to vote at the annual meeting or any adjournment or postponement thereof.

VOTES REQUIRED

Each director nominee who receives a plurality of the combined voting power of the outstanding shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors at the annual meeting, voting together as a single class, will be elected to office.

Approval of each of the auditors ratification proposal and the say-on-pay proposal requires the affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.

Virtual attendance at the annual meeting also constitutes presence in person for purposes of each required vote.

VOTES YOU HAVE

At the annual meeting, holders of shares of LSXMA, BATRA and FWONA will have one vote per share, and holders of shares of LSXMB, BATRB and FWONB will have ten votes per share, in each case, that our records show are owned as of the record date. Holders of LSXMK, BATRK and FWONK will not be eligible to vote at the annual meeting.

RECOMMENDATION OF OUR BOARD OF DIRECTORS

Our board of directors has unanimously approved each of the proposals for inclusion in the proxy materials and recommends that you vote **“FOR”** the election of each director nominee and **“FOR”** each of the auditors ratification proposal and the say-on-pay proposal.

SHARES OUTSTANDING

As of the record date, 98,816,785 shares of LSXMA, 9,802,232 shares of LSXMB, 10,312,954 shares of BATRA, 981,494 shares of BATRB, 25,836,549 shares of FWONA and 2,445,895 shares of FWONB were issued and outstanding and entitled to vote at the annual meeting.

NUMBER OF HOLDERS

There were, as of the record date, 1,019 and 56 record holders of LSXMA and LSXMB, respectively, 1,995 and 34 record holders of BATRA and BATRB, respectively, and 708 and 52 record holders of FWONA and FWONB, respectively (which amounts do not include the number of stockholders whose shares are held of record by banks, brokers or other nominees, but include each such institution as one holder).

VOTING PROCEDURES FOR RECORD HOLDERS

Holders of record of LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB as of the record date may vote via the Internet at the annual meeting or prior to the annual meeting by telephone or through the Internet. Alternatively, if they received a paper copy of the proxy materials by mail, they may give a proxy by completing, signing, dating and returning the proxy card by mail.

Holders of record may vote their shares electronically during the meeting via the Internet by visiting www.virtualshareholdermeeting.com/LMC2021. To enter the annual meeting, holders will need the 16-digit control number that is printed on their Notice or proxy card. We recommend logging in at least fifteen minutes before the meeting to ensure that they are logged in when the meeting starts. Online check-in will start shortly before the meeting on May 25, 2021.

Instructions for voting prior to the annual meeting by using the Internet are printed on the Notice or the proxy voting instructions attached to the proxy card. In order to vote prior to the annual meeting through the Internet, holders should have their Notices or proxy cards available so they can input the required information from the Notice or proxy card, and log onto the Internet website address shown on the Notice or proxy card. When holders log onto the Internet website address, they will receive instructions on how to vote their shares. The Internet voting procedures are designed to authenticate votes cast by use of a personal identification number, which will be provided to each voting stockholder separately. Unless subsequently revoked, shares of our common stock represented by a proxy submitted as described herein and received at or before the annual meeting will be voted in accordance with the instructions on the proxy.

YOUR VOTE IS IMPORTANT. It is recommended that you vote by proxy even if you plan to attend the annual meeting. You may change your vote at the annual meeting.

If you submit a properly executed proxy without indicating any voting instructions as to a proposal enumerated in the Notice of Annual Meeting of Stockholders, the shares represented by the proxy will be voted **“FOR”** the election of each director nominee and **“FOR”** each of the auditors ratification proposal and the say-on-pay proposal.

If you submit a proxy indicating that you abstain from voting as to a proposal, it will have no effect on the election of directors proposal and will have the same effect as a vote **“AGAINST”** each of the other proposals.

If you do not submit a proxy or you do not vote at the annual meeting, your shares will not be counted as present and entitled to vote for purposes of determining a quorum, and your failure to vote will have no effect on determining whether any of the proposals are approved (if a quorum is present).

VOTING PROCEDURES FOR SHARES HELD IN STREET NAME

General

If you hold your shares in the name of a broker, bank or other nominee, you should follow the instructions provided by your broker, bank or other nominee when voting your shares or to grant or revoke a proxy. The rules and regulations

of the New York Stock Exchange and The Nasdaq Stock Market LLC (**Nasdaq**) prohibit brokers, banks and other nominees from voting shares on behalf of their clients without specific instructions from their clients with respect to numerous matters, including, in our case, the election of directors proposal and the say-on-pay proposal. Accordingly, to ensure your shares held in street name are voted on these matters, we encourage you to provide promptly specific voting instructions to your broker, bank or other nominee.

Effect of Broker Non-Votes

Broker non-votes are counted as shares of our common stock present and entitled to vote for purposes of determining a quorum but will have no effect on any of the proposals. You should follow the directions your broker, bank or other nominee provides to you regarding how to vote your shares of LSXMA, BATRA, FWONA, LSXMB, BATRB or FWONB or how to change your vote or revoke your proxy.

REVOKING A PROXY

If you submitted a proxy prior to the start of the annual meeting, you may change your vote by attending the annual meeting online and voting via the Internet at the annual meeting or by delivering a signed proxy revocation or a new signed proxy with a later date to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Any signed proxy revocation or later-dated proxy must be received before the start of the annual meeting. In addition, you may change your vote through the Internet or by telephone (if you originally voted by the corresponding method) not later than 11:59 p.m., New York City time, on May 24, 2021 for shares held directly.

Your attendance at the annual meeting will not, by itself, revoke a prior vote or proxy from you.

If your shares are held in an account by a broker, bank or other nominee, you should contact your nominee to change your vote or revoke your proxy.

SOLICITATION OF PROXIES

We are soliciting proxies by means of our proxy materials on behalf of our board of directors. In addition to this mailing, our employees may solicit proxies personally or by telephone. We pay the cost of soliciting these proxies. We also reimburse brokers and other nominees for their expenses in sending the Notice and, if requested, paper proxy materials to you and getting your voting instructions.

If you have any further questions about voting or attending the annual meeting, please contact Liberty Media Investor Relations at (877) 772-1518 or Broadridge at (888) 789-8415 (outside the United States (303) 562-9273).

OTHER MATTERS TO BE VOTED ON AT THE ANNUAL MEETING

Our board of directors is not currently aware of any business to be acted on at the annual meeting other than that which is described in the Notice of Annual Meeting of Stockholders and this proxy statement. If, however, other matters are properly brought to a vote at the annual meeting, the persons designated as proxies will have discretion to vote or to act on these matters according to their best judgment. In the event there is a proposal to adjourn or postpone the annual meeting, the persons designated as proxies will have discretion to vote on that proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information concerning shares of our common stock beneficially owned by each person or entity known by us to own more than five percent of the outstanding shares of each series of our voting stock. All of such information is based on publicly available filings, unless otherwise known to us from other sources.

Unless otherwise indicated, the security ownership information is given as of February 28, 2021 and, in the case of percentage ownership information, is based upon (1) 99,150,661 LSXMA shares, (2) 9,802,232 LSXMB shares, (3) 228,405,226 LSXMK shares, (4) 10,312,954 BATRA shares, (5) 981,494 BATRB shares, (6) 40,958,175 BATTRK shares, (7) 25,836,549 FWONA shares, (8) 2,445,895 FWONB shares and (9) 203,538,477 FWONK shares, in each case, outstanding on February 28, 2021. The percentage voting power is presented on an aggregate basis for all LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB shares.

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
John C. Malone c/o Liberty Media Corporation 12300 Liberty Boulevard Englewood, CO 80112	LSXMA	1,135,428 ⁽¹⁾	1.2	48.3
	LSXMB	9,455,341 ⁽¹⁾	96.5	
	LSXMK	16,391,836 ⁽¹⁾	7.2	
	BATRA	114,271 ⁽¹⁾	1.1	
	BATRB	945,532 ⁽¹⁾	96.3	
	BATTRK	2,873,705 ⁽¹⁾	7.0	
	FWONA	285,530 ⁽¹⁾	1.1	
	FWONB	2,363,834 ⁽¹⁾	96.6	
	FWONK	4,402,774 ⁽¹⁾	2.2	
Berkshire Hathaway, Inc. 3555 Farnam Street Omaha, NE 68131	LSXMA	14,860,360 ⁽²⁾	15.0	5.6
	LSXMB	—	—	
	LSXMK	43,208,291 ⁽²⁾	18.9	
	BATRA	—	—	
	BATRB	—	—	
	BATTRK	—	—	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	—	—	
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	LSXMA	7,040,882 ⁽³⁾	7.1	3.0
	LSXMB	—	—	
	LSXMK	11,867,418 ⁽³⁾	5.2	
	BATRA	714,502 ⁽³⁾	6.9	
	BATRB	—	—	
	BATTRK	2,552,465 ⁽³⁾	6.2	
	FWONA	983,801 ⁽³⁾	3.8	
	FWONB	—	—	
	FWONK	14,707,442 ⁽³⁾	7.2	

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	LSXMA	7,497,403 ⁽⁴⁾	7.6	*
	LSXMB	—	—	
	LSXMK	14,435,257 ⁽⁴⁾	6.3	
	BATRA	501,187 ⁽⁵⁾	4.9	
	BATRB	—	—	
	BATRK	1,955,877 ⁽⁴⁾	4.8	
	FWONA	2,656,962 ⁽⁴⁾	10.3	
	FWONB	—	—	
	FWONK	16,821,724 ⁽⁴⁾	8.3	
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580	LSXMA	631,140 ⁽⁶⁾	*	1.1
	LSXMB	—	—	
	LSXMK	518,711 ⁽⁶⁾	*	
	BATRA	2,229,239 ⁽⁷⁾	21.6	
	BATRB	—	—	
	BATRK	1,287,468 ⁽⁶⁾	3.1	
	FWONA	75,110 ⁽⁶⁾	*	
	FWONB	—	—	
	FWONK	107,868 ⁽⁶⁾	*	
Ancient Art, L.P. 500 West 5 th Street Suite 1110 Austin, TX 78701	LSXMA	—	—	*
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	2,416,895 ⁽⁸⁾	9.4	
	FWONB	—	—	
	FWONK	—	—	
UBS AG Group Bahnhofstrasse 45 Zurich, Switzerland	LSXMA	313,270 ⁽⁹⁾	*	*
	LSXMB	—	—	
	LSXMK	540,323 ⁽⁹⁾	*	
	BATRA	1,509,892 ⁽⁹⁾	14.6	
	BATRB	—	—	
	BATRK	30,340 ⁽⁹⁾	*	
	FWONA	10,268 ⁽⁹⁾	*	
	FWONB	—	—	
	FWONK	873,580 ⁽⁹⁾	*	

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name and Address of Beneficial Owner	Title of Series	Amount and Nature of Beneficial Ownership	Percent of Series (%)	Voting Power (%)
State of Wisconsin Investment Board 121 East Wilson Street Madison, WI 53703	LSXMA	358,480 ⁽¹⁰⁾	*	*
	LSXMB	—	—	
	LSXMK	588,633 ⁽¹⁰⁾	*	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	187,906 ⁽¹⁰⁾	*	
	FWONA	1,554,254 ⁽¹⁰⁾	6.0	
	FWONB	—	—	
	FWONK	374,888 ⁽¹⁰⁾	*	
Norges Bank Bankplassen 2 PO Box 1179 Sentrum NO 0107 Oslo Norway	LSXMA	701,049 ⁽¹¹⁾	*	*
	LSXMB	—	—	
	LSXMK	2,210,888 ⁽¹¹⁾	1.0	
	BATRA	140,764 ⁽¹¹⁾	1.4	
	BATRB	—	—	
	BATRK	369,742 ⁽¹¹⁾	*	
	FWONA	1,432,027 ⁽¹¹⁾	5.5	
	FWONB	—	—	
	FWONK	2,801,608 ⁽¹¹⁾	1.4	

* Less than one percent

- (1) Information with respect to shares of our common stock beneficially owned by Mr. Malone, our Chairman of the Board, is also set forth in “— Security Ownership of Management.”
- (2) Based on Form 13F, filed February 16, 2021, by Berkshire Hathaway, Inc. (**Berkshire Hathaway**), with respect to itself and certain related institutional investment managers, including Warren E. Buffett (**Mr. Buffett**), GEICO Corp. (**GEICO**), National Fire & Marine Insurance Co. (**National Fire**) and National Indemnity Co (**National Indemnity**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion for shares of LSXMA and LSXMK as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Berkshire Hathaway and Mr. Buffett	LSXMA	4,308,117	—	—	4,308,117
	LSXMK	14,778,322	—	—	14,778,322
Berkshire Hathaway, Mr. Buffett and National Fire	LSXMA	933,391	—	—	933,391
	LSXMK	650,480	—	—	650,480
Berkshire Hathaway, Mr. Buffett and National Indemnity	LSXMA	1,827,072	—	—	1,827,072
	LSXMK	5,749,156	—	—	5,749,156
Berkshire Hathaway, Mr. Buffett, GEICO and National Indemnity	LSXMA	7,791,780	—	—	7,791,780
	LSXMK	22,030,333	—	—	22,030,333

- (3) Based on (i) Schedule 13G, filed February 5, 2021, by BlackRock, Inc. (**BlackRock**), a parent holding company, with respect to its ownership of shares of LSXMK, (ii) Amendment No. 1 to Schedule 13G, filed January 29, 2021, by BlackRock, with respect to its ownership of shares of FWONK, (iii) three separate filings, each an Amendment No. 4 to Schedule 13G filed January 29, 2021 by BlackRock, with respect to its ownership of shares of LSXMA, BATRA and BATRK, and (iii) Form 13F, filed February 5, 2021, by BlackRock with respect to its ownership of shares of FWONA, Blackrock has sole voting power, shared voting power, sole dispositive power/investment discretion, and shared dispositive power/investment discretion over these shares as provided in the following table. All shares covered by such filings are held by BlackRock and/or its subsidiaries.

Title of Series	Sole Voting Power	Shared Voting Power	Sole Dispositive Power/ Investment Discretion	Shared Dispositive Power / Investment Discretion
LSXMA	6,523,356	—	7,040,882	—
LSXMK	10,833,139	—	11,867,418	—
BATRA	697,085	—	714,502	—
BATRK	2,507,439	—	2,552,465	—
FWONA	916,952	—	983,801	—
FWONK	13,727,518	—	14,707,442	—

- (4) Based on (i) three separate filings with respect to LSXMA, LSXMK, and FWONK, each an Amendment No. 4 to Schedule 13G filed February 10, 2021 by The Vanguard Group (**Vanguard**), (ii) with respect to FWONA, Amendment No. 4 to Schedule 13G filed January 8, 2021 by Vanguard, and (iii) with respect to BATRK, Amendment No. 1 to Schedule 13G filed February 10, 2021 by Vanguard, which state that Vanguard, with respect to its ownership of shares of each of LSXMA, LSXMK, BATRK, FWONA and FWONK, has sole voting power, shared voting power, sole dispositive power, and shared dispositive power over these shares as follows:

Title of Series	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
LSXMA	—	86,796	7,269,231	228,172
LSXMK	—	173,363	14,047,278	387,979
BATRK	—	57,639	1,872,668	83,209
FWONA	—	11,479	2,629,938	27,024
FWONK	—	172,429	16,496,037	325,687

- (5) Based on Form 13F, filed February 12, 2021, by Vanguard, with respect to itself and certain related institutional investment managers, including Vanguard Fiduciary Trust Co (**Trust Co**), Vanguard Investments Australia, Ltd. (**Australia**) and Vanguard Global Advisors, LLC (**Global**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion for shares of BATRA as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
Vanguard	BATRA	—	221	470,377	—
Vanguard and Trust Co	BATRA	—	15,263	—	15,263
Vanguard and Australia	BATRA	—	6,516	—	6,516
Vanguard and Global	BATRA	—	—	—	9,031

- (6) Based on Form 13F, filed February 5, 2021, by GAMCO Investors, Inc. (**GBL**), which reports that GBL has sole investment discretion over 631,140 LSXMA shares and sole voting power over 598,983 LSXMA shares, sole investment discretion over 518,711 LSXMK shares and sole voting power over 509,369 LSXMK shares, sole investment discretion over 1,287,468 BATRK shares and sole voting power over 1,141,541 BATRK shares, sole investment discretion over 75,110 FWONA shares and sole voting power over 70,355 FWONA shares, and sole investment discretion over 107,868 FWONK shares and sole voting power over 100,916 FWONK shares.
- (7) Based on Amendment No. 15 to Schedule 13D, filed on October 23, 2020, jointly by Gabelli Funds, LLC (**Gabelli Funds**), GAMCO Asset Management Inc. (**GAMCO**), MJG Associates, Inc. (**MJG**), Gabelli & Company Investment Advisers, Inc. (**GCIA**), GGCP, Inc. (**GGCP**), GBL, Associated Capital Group, Inc. (**AC**), Gabelli Foundation, Inc. (**Foundation**) and Mario J. Gabelli (**Mr. Gabelli**) with respect to BATRA shares. Mr. Gabelli is deemed to have beneficial ownership of the shares owned beneficially by each of such persons. AC, GBL and GGCP are deemed to have beneficial ownership of the shares owned beneficially by each of such persons other than Mr. Gabelli and the Foundation.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

These entities have reported sole voting power, shared voting power, sole dispositive power and shared dispositive power over these shares as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Gabelli Funds	BATRA	372,224	—	372,224	—
GAMCO	BATRA	1,654,898	—	1,740,105	—
MJG	BATRA	8,500	—	8,500	—
GCIA	BATRA	7,000	—	7,000	—
Mario J. Gabelli	BATRA	50,000	—	50,000	—
AC	BATRA	410	—	410	—
GGCP	BATRA	30,000	—	30,000	—
Foundation	BATRA	21,000	—	21,000	—

- (8) Based on Amendment No. 2 to Schedule 13G, filed February 16, 2021, by Ancient Art, L.P. (**Ancient**), Trango II, L.L.C. (**Trango**) and Quincy J. Lee, which states that each of Ancient, Trango and Mr. Lee has shared voting power and shared dispositive power over 2,416,895 FWONA shares.
- (9) Based on (i) Amendment No. 1 to Schedule 13G, filed February 12, 2021, by UBS Group AG (**UBS Group**), a parent holding company, on behalf of UBS Asset Management (Americas) Inc. (**UBS Americas**) which states that, with respect to BATRA shares held by UBS Americas and its subsidiaries and affiliates, UBS Americas has sole voting power over 1,441,174 shares and shared dispositive power over 1,509,892 shares, and (ii) Amendment No. 1 to Form 13F, filed March 1, 2021, by UBS Americas, with respect to itself and certain related institutional investment managers, including UBS Group, UBS Asset Management Trust Company (**UBS AM Trust**), UBS AG/UBS Asset Management (**UBS AG**), UBS Asset Management (UK) Ltd (**UBS UK**), and UBS Asset Management Life Ltd. (**UBS Life**), which Form 13F reports sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
UBS Americas	LSXMA	34,707	—	29,602	18,099
	LSXMK	66,798	—	46,655	36,427
	BATRK	—	—	—	—
	FWONA	—	—	—	10,268
	FWONK	58,793	—	373,722	22,017
UBS Americas and UBS Group	LSXMA	—	—	—	38,208
	LSXMK	—	—	—	80,496
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	—	—	—	94,829
UBS Americas and UBS AM Trust	LSXMA	29,056	—	—	29,056
	LSXMK	17,183	—	—	17,183
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	24,366	—	—	24,366
UBS Americas and UBS AG	LSXMA	76,052	—	141,144	308
	LSXMK	122,194	—	257,476	478
	BATRK	1,546	—	21,241	—
	FWONA	—	—	—	—
	FWONK	138,416	—	294,072	812
UBS Americas and UBS UK	LSXMA	27,644	1,780	1,446	47,114
	LSXMK	39,203	1,548	2,912	88,289
	BATRK	6,999	—	362	8,737
	FWONA	—	—	—	—
	FWONK	6,119	3,276	2,560	61,202

	Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
UBS Americas and UBS Life	LSXMA	8,293	—	—	8,293
	LSXMK	10,407	—	—	10,407
	BATRK	—	—	—	—
	FWONA	—	—	—	—
	FWONK	—	—	—	—

- (10) Based on (i) Schedule 13G, filed February 5, 2021, by State of Wisconsin Investment Board (**SOW**) with respect to FWONA, which states that SOW has sole voting power and sole dispositive power over 1,554,254 shares, and (ii) Form 13F, filed February 3, 2021, by SOW, which states that SOW, with respect to its ownership of shares of each of LSXMA, LSXMK, BATRK and FWONK, has sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
LSXMA	358,480	—	358,480	—
LSXMK	588,633	—	588,633	—
BATRK	187,906	—	187,906	—
FWONK	374,888	—	374,888	—

- (11) Based on (i) Schedule 13G, filed January 29, 2021, by Norges Bank (**Norges**), with respect to FWONA, which states that Norges has sole voting power over 1,428,575 shares, sole dispositive power over 1,428,575 shares and shared dispositive power over 3,452 shares, and (ii) Form 13F, filed March 2, 2021, by Norges, which states that Norges, with respect to its ownership of shares of each of LSXMA, LSXMK, BATRK and FWONK, has sole voting power, shared voting power, sole investment discretion, and shared investment discretion as follows:

Title of Series	Sole Voting Power	Shared Voting Power	Sole Investment Discretion	Shared Investment Discretion
LSXMA	701,049	—	701,049	—
LSXMK	2,210,888	—	2,210,888	—
BATRA	140,764	—	140,764	—
BATRK	369,742	—	369,742	—
FWONK	2,801,608	—	2,801,608	—

SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth information with respect to the ownership by each of our directors and named executive officers (as defined herein) and by all of our directors and executive officers as a group of shares of (1) each series of our common stock (LSXMA, LSXMB, LSXMK, BATRA, BATRB, BATRK, FWONA, FWONB and FWONK), (2) the common stock, par value \$0.001 per share (**SIRI**), of Sirius XM Holdings Inc. (**Sirius XM**), in which we hold a controlling interest and (3) the Series A common stock, par value, \$0.0001 per share (**LMACA**), of Liberty Media Acquisition Corporation (**LMAC**), in which we hold a controlling interest. The security ownership information with respect to our common stock is given as of February 28, 2021 and, in the case of percentage ownership information, is based upon (1) 99,150,661 LSXMA shares, (2) 9,802,232 LSXMB shares, (3) 228,405,226 LSXMK shares, (4) 10,312,954 BATRA shares, (5) 981,494 BATRB shares, (6) 40,958,175 BATRK shares, (7) 25,836,549 FWONA shares, (8) 2,445,895 FWONB shares and (9) 203,538,477 FWONK shares, in each case, outstanding on that date. The security ownership information with respect to SIRI is given as of February 28, 2021 and, in the case of percentage ownership information, is based on 4,139,978,947 SIRI shares outstanding on January 29, 2021. The security ownership information with respect to LMACA is given as of February 28, 2021, and, in the case of percentage ownership information, is based on 57,500,000 LMACA shares outstanding on January 26, 2021. The percentage voting power with respect to our company is presented in the table below on an aggregate basis for all LSXMA, LSXMB, BATRA, BATRB, FWONA and FWONB shares. The percentage voting power with respect to LMAC refers to the power to approve LMAC's initial business combination or on any other matter submitted to a vote of LMAC's stockholders prior to its initial business combination and is based on 57,500,000 LMACA shares and 14,375,000 shares of LMAC's Series F common stock, par value, \$0.0001 per share, outstanding on January 26, 2021. Prior to the completion of LMAC's initial business combination, holders of LMACA shares do not have the right to elect LMAC directors.

Shares of common stock issuable upon exercise or conversion of options, warrants and convertible securities that were exercisable or convertible on or within 60 days after February 28, 2021 are deemed to be outstanding and to be beneficially owned by the person holding the options, warrants or convertible securities for the purpose of computing the percentage ownership of that person and for the aggregate percentage owned by the directors and named executive officers as a group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other individual person. For purposes of the following presentation, beneficial ownership of shares of LSXMB, BATRB or FWONB, though convertible on a one-for-one basis into shares of LSXMA, BATRA or FWONA, respectively, are reported as beneficial ownership of LSXMB, BATRB or FWONB only, and not as beneficial ownership of LSXMA, BATRA or FWONA, respectively. So far as is known to us, the persons indicated below have sole voting and dispositive power with respect to the shares indicated as owned by them, except as otherwise stated in the notes to the table.

The number of shares indicated as owned by the persons in the table includes interests in shares held by the Liberty Media 401(k) Savings Plan as of February 28, 2021. The shares held by the trustee of the Liberty Media 401(k) Savings Plan for the benefit of these persons are voted as directed by such persons.

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
John C. Malone Chairman of the Board and Director	LSXMA	1,135 ⁽¹⁾⁽²⁾⁽³⁾	1.2	48.3
	LSXMB	9,455 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.5	
	LSXMK	16,392 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	7.2	
	BATRA	114 ⁽¹⁾⁽²⁾⁽³⁾	1.1	
	BATRB	946 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.3	
	BATRK	2,874 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾	7.0	
	FWONA	286 ⁽¹⁾⁽²⁾⁽³⁾	1.1	
	FWONB	2,364 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.6	
	FWONK	4,403 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾	2.2	
	SIRI	267 ⁽³⁾	*	*
	LMACA	—	—	—

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Gregory B. Maffei President, Chief Executive Officer and Director	LSXMA	1,813 ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	1.8	1.1
	LSXMB	37	*	
	LSXMK	11,335 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	4.8	
	BATRA	181 ⁽⁸⁾⁽⁹⁾	1.8	
	BATRB	4	*	
	BATRK	1,480 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	3.6	
	FWONA	401 ⁽⁸⁾⁽⁹⁾	1.6	
	FWONB	9	*	
	FWONK	2,851 ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	1.4	
	SIRI	867 ⁽¹¹⁾	*	*
	LMACA	740	1.3	1.0
Robert R. Bennett Director	LSXMA	760 ⁽¹²⁾	*	*
	LSXMB	—	—	
	LSXMK	1,574 ⁽¹²⁾	*	
	BATRA	76 ⁽¹²⁾	*	
	BATRB	—	—	
	BATRK	268 ⁽¹²⁾	*	
	FWONA	190 ⁽¹²⁾	*	
	FWONB	—	—	
	FWONK	385 ⁽¹²⁾⁽¹³⁾	*	
	SIRI	—	—	—
	LMACA	100	*	*
Derek Chang⁽¹⁴⁾ Director	LSXMA	—	—	—
	LSXMB	—	—	
	LSXMK	—	—	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	—	—	
	FWONA	—	—	
	FWONB	—	—	
	FWONK	—	—	
	SIRI	—	—	—
	LMACA	—	—	—
Brian M. Deevy Director	LSXMA	10 ⁽¹⁵⁾	*	*
	LSXMB	—	—	
	LSXMK	27 ⁽⁷⁾⁽¹⁵⁾	*	
	BATRA	1 ⁽¹⁵⁾	*	
	BATRB	—	—	
	BATRK	4 ⁽⁷⁾⁽¹⁵⁾	*	
	FWONA	3 ⁽¹⁵⁾	*	
	FWONB	—	—	
	FWONK	12 ⁽⁷⁾⁽¹⁵⁾	*	
	SIRI	—	—	—
	LMACA	25	*	*

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
M. Ian G. Gilchrist Director	LSXMA	**	*	*
	LSXMB	—	—	
	LSXMK	32 ⁽⁷⁾	*	
	BATRA	**	*	
	BATRB	—	—	
	BATRK	5 ⁽⁷⁾	*	
	FWONA	**	*	
	FWONB	—	—	
	FWONK	17 ⁽⁷⁾	*	
	SIRI	—	—	—
	LMACA	1	*	*
Evan D. Malone Director	LSXMA	11	*	*
	LSXMB	—	—	
	LSXMK	70 ⁽⁷⁾	*	
	BATRA	1	*	
	BATRB	—	—	
	BATRK	9 ⁽⁷⁾	*	
	FWONA	3	*	
	FWONB	—	—	
	FWONK	24 ⁽⁷⁾	*	
	SIRI	398 ⁽¹¹⁾	*	*
	LMACA	—	—	—
David E. Rapley Director	LSXMA	4	*	*
	LSXMB	—	—	
	LSXMK	29 ⁽⁷⁾	*	
	BATRA	—	—	
	BATRB	—	—	
	BATRK	4 ⁽⁷⁾	*	
	FWONA	1	*	
	FWONB	—	—	
	FWONK	14 ⁽⁷⁾	*	
	SIRI	—	—	—
	LMACA	—	—	—
Larry E. Romrell Director	LSXMA	20	*	*
	LSXMB	**	*	
	LSXMK	76 ⁽⁷⁾	*	
	BATRA	2	*	
	BATRB	**	*	
	BATRK	9 ⁽⁷⁾	*	
	FWONA	5	*	
	FWONB	**	*	
	FWONK	28 ⁽⁷⁾	*	
	SIRI	—	—	—
	LMACA	—	—	—

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
Andrea L. Wong Director	LSXMA	4	*	*
	LSXMB	—	—	—
	LSXMK	45 ⁽⁷⁾	*	—
	BATRA	—	—	—
	BATRB	—	—	—
	BATRK	3 ⁽⁷⁾	*	—
	FWONA	**	*	—
	FWONB	—	—	—
	WONK	13 ⁽⁷⁾	*	—
	SIRI	—	—	—
	LMACA	35	*	*
Brian J. Wendling Chief Accounting Officer and Principal Financial Officer	LSXMA	28	*	*
	LSXMB	—	—	—
	LSXMK	169 ⁽⁷⁾	*	—
	BATRA	3	*	—
	BATRB	—	—	—
	BATRK	26 ⁽⁷⁾	*	—
	FWONA	7	*	—
	FWONB	—	—	—
	FWONK	45 ⁽⁷⁾	*	—
	SIRI	—	—	—
	LMACA	18	*	*
Albert E. Rosenthaler Chief Corporate Development Officer	LSXMA	66	*	*
	LSXMB	—	—	—
	LSXMK	410 ⁽⁶⁾⁽⁷⁾	*	—
	BATRA	7	*	—
	BATRB	—	—	—
	BATRK	66 ⁽⁶⁾⁽⁷⁾	*	—
	FWONA	17	*	—
	FWONB	—	—	—
	FWONK	118 ⁽⁶⁾⁽⁷⁾	*	—
	SIRI	—	—	—
	LMACA	100	*	*
Renee L. Wilm Chief Legal Officer and Chief Administrative Officer	LSXMA	—	—	—
	LSXMB	—	—	—
	LSXMK	3	*	—
	BATRA	—	—	—
	BATRB	—	—	—
	BATRK	**	*	—
	FWONA	—	—	—
	FWONB	—	—	—
	FWONK	**	*	—
	SIRI	—	—	—
	LMACA	8	*	*

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name	Title of Series	Amount and Nature of Beneficial Ownership (In thousands)	Percent of Series (%)	Voting Power (%)
All directors and executive officers as a group (13 persons)	LSXMA	3,853 ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾⁽¹⁵⁾	3.9	49.8
	LSXMB	9,492 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.8	
	LSXMK	30,161 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹²⁾⁽¹⁵⁾	12.8	
	BATRA	385 ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹⁵⁾	3.7	
	BATRB	949 ⁽¹⁾⁽⁴⁾⁽⁵⁾	96.7	
	BATRK	4,750 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹⁵⁾	11.4	
	FWONA	913 ⁽¹⁾⁽²⁾⁽³⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹⁵⁾	3.5	
	FWONB	2,373 ⁽¹⁾⁽⁴⁾⁽⁵⁾	97.0	
	FWONK	7,910 ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹²⁾⁽¹³⁾⁽¹⁵⁾	3.9	
	SIRI	1,532 ⁽³⁾⁽¹¹⁾	*	*
	LMACA	1,026	1.8	1.4

* Less than one percent

** Less than 1,000 shares

- (1) Includes 101,778 LSXMA shares, 230,564 LSXMB shares, 832,420 LSXMK shares, 10,177 BATRA shares, 23,056 BATRB shares, 113,329 BATRK shares, 25,444 FWONA shares, 57,641 FWONB shares and 166,171 FWONK shares held in a revocable trust with respect to which Mr. Malone and Mr. Malone's wife, Mrs. Leslie Malone, are trustees. Mrs. Malone has the right to revoke such trust at any time.
- (2) Includes (i) 250,000 LSXMA shares, 23,475 LSXMK shares, 25,000 BATRA shares and 62,500 FWONA shares held by The Malone Family Land Preservation Foundation and (ii) 170,743 LSXMA shares, 17,804 BATRA shares, 9,543 BATRK shares, and 44,360 FWONA shares held by The Malone Family Foundation, as to which shares Mr. Malone has disclaimed beneficial ownership.
- (3) Includes 612,907 LSXMA shares, 4,425,780 LSXMK shares, 61,290 BATRA shares, 1,095,786 BATRK shares, 153,226 FWONA shares, 1,125,186 FWONK shares and 267,141 SIRI shares pledged to Fidelity Brokerage Services, LLC (**Fidelity**); 1,845,686 LSXMK shares, 510,221 BATRK shares and 591,055 FWONK shares pledged to Merrill Lynch, Pierce, Fenner & Smith Incorporated (**Merrill Lynch**); and 7,264,000 LSXMK shares, 977,500 BATRK shares and 1,875,000 FWONK shares pledged to Bank of America (**BoA**) in connection with margin loan facilities extended by BoA.
- (4) Includes 108,687 LSXMB shares, 10,206 LSXMK shares, 10,868 BATRB shares, and 27,171 FWONB shares held by two trusts which are managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children and in which Mr. Malone has no pecuniary interest. Mr. Malone retains the right to substitute assets held by the trusts and has disclaimed beneficial ownership of the shares held by the trusts.
- (5) Includes 490,597 LSXMB shares, 1,989,890 LSXMK shares, 49,059 BATRB shares, 167,293 BATRK shares, 122,649 FWONB shares and 245,298 FWONK shares held by three trusts with respect to which Mr. Malone is the sole trustee and, with his wife, retains a unitrust interest in the trusts.
- (6) Includes shares held in the Liberty Media 401(k) Savings Plan as follows:

	LSXMK	BATRK	FWONK
John C. Malone	379	33	64
Gregory B. Maffei	39,231	3,848	9,629
Albert E. Rosenthaler	7,292	721	1,783
Total	46,902	4,602	11,476

- (7) Includes beneficial ownership of shares that may be acquired upon exercise of, or which relate to, stock options exercisable within 60 days after February 28, 2021.

	LSXMK	BATRK	FWONK
Brian M. Deevy	17,230	2,327	9,042
M. Ian G. Gilchrist	30,990	4,663	16,750
Gregory B. Maffei	6,903,579	786,343	1,901,543
Evan D. Malone	41,385	5,403	17,398
David E. Rapley	20,693	2,701	8,698
Larry E. Romrell	41,385	5,403	17,398
Andrea L. Wong	29,385	3,229	8,548
Brian J. Wendling	125,656	12,766	31,898
Albert E. Rosenthaler	233,158	36,111	67,465
Total	7,443,461	858,946	2,078,740

- (8) Includes 305,768 LSXMA shares, 684,423 LSXMK shares, 30,576 BATRA shares, 29,043 BATRK shares, 14,758 FWONA shares and 72,313 FWONK shares held by The Maffei Foundation, as to which shares Mr. Maffei has disclaimed beneficial ownership.

- (9) Includes 680,989 LSXMA shares, 1,489,367 LSXMK shares, 119,007 BATRA shares, 492,012 BATRК shares, 170,247 FWONA shares and 671,937 FWONK shares pledged to Morgan Stanley Private Bank, National Association in connection with a loan facility.
- (10) Includes 666,969 LSXMA shares and 388,030 LSXMK shares held by a grantor retained annuity trust.
- (11) Includes beneficial ownership of shares that may be acquired upon exercise of, or which relate to, stock options exercisable within 60 days after February 28, 2021.

	SIRI
Gregory B. Maffei	456,060
Evan D. Malone	319,360
Total	<u>775,420</u>

- (12) Includes 21,585 LSXMA shares, 43,170 LSXMK shares, 2,158 BATRA shares, 7,568 BATRК shares and 5,396 FWONA shares owned by Hilltop Investments, LLC, and 735,491 LSXMA shares, 1,523,795 LSXMK shares, 73,549 BATRA shares, 259,764 BATRК shares, 183,872 FWONA shares and 383,813 FWONK shares held by Hilltop Investments III, LLC, both of which are jointly owned by Mr. Bennett and his wife, Mrs. Deborah Bennett.
- (13) Includes 381,616 FWONK shares pledged to JP Morgan Private Bank in connection with a variable prepaid forward contract.
- (14) Mr. Chang was appointed as a director of our company effective March 10, 2021. Based on information provided as of March 10, 2021, Mr. Chang did not beneficially own any shares of our common stock or shares of SIRI or LMACA as of February 28, 2021.
- (15) Includes 247 LSXMA shares, 566 LSXMK shares, 24 BATRA shares, 87 BATRК shares, 61 FWONA shares and 123 FWONK shares held by the WJD Foundation, over which Mr. Deevy has sole voting power.

CHANGES IN CONTROL

We know of no arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of our company.

PROPOSALS OF OUR BOARD

The following proposals will be presented at the annual meeting by our board of directors.

PROPOSAL 1—THE ELECTION OF DIRECTORS PROPOSAL

BOARD OF DIRECTORS

Our board of directors currently consists of ten directors, divided among three classes. Our Class II directors, whose term will expire at the 2021 annual meeting, are Brian M. Deevy, Gregory B. Maffei and Andrea L. Wong. These directors are nominated for election to our board to continue serving as Class II directors, and we have been informed that Messrs. Deevy and Maffei and Ms. Wong are each willing to continue serving as a director of our company. The term of the Class II directors who are elected at the annual meeting will expire at the annual meeting of our stockholders in the year 2024. Our Class III directors, whose term will expire at the annual meeting of stockholders in the year 2022, are John C. Malone, Robert R. Bennett and M. Ian G. Gilchrist. Our class I directors, whose term will expire at the annual meeting of stockholders in the year 2023, are Derek Chang, Evan D. Malone, David E. Rapley and Larry E. Romrell.

If any nominee should decline election or should become unable to serve as a director of our company for any reason before election at the annual meeting, votes will be cast by the persons appointed as proxies for a substitute nominee, if any, designated by the board of directors.

The following lists the three nominees for election as directors at the annual meeting and the seven directors of our company whose term of office will continue after the annual meeting, and includes as to each person how long such person has been a director of our company, such person's professional background, other public company directorships and other factors considered in the determination that such person possesses the requisite qualifications and skills to serve as a member of our board of directors. For additional information on our board's evaluation of director candidates or incumbent directors seeking re-election, see "Management and Governance Matters—Committees of the Board of Directors—Nominating and Corporate Governance Committee—Director Candidate Identification Process." All positions referenced in the biographical information below with our company include, where applicable, positions with our predecessors. The number of shares of our common stock beneficially owned by each director is set forth in this proxy statement under the caption "Security Ownership of Certain Beneficial Owners and Management."

Nominees for Election as Directors

Brian M. Deevy

- *Age:* 66
- A director of our company.
- *Professional Background:* Mr. Deevy has been a director of our company since June 2015. Mr. Deevy previously served as the head of Royal Bank of Canada (**RBC**) Capital Markets' Communications, Media & Entertainment Group (**CME Group**) until June 2015. Mr. Deevy was responsible for strategic development of the CME Group's business, which includes mergers & acquisitions, private equity and debt capital formation and financial advisory engagements. Mr. Deevy also served as Chairman and Chief Executive Officer of Daniels & Associates, the investment banking firm that provided financial advisory services to the communications industry until it was acquired by RBC in 2007. Prior to joining Daniels & Associates, RBC Daniels' predecessor, Mr. Deevy was with Continental Illinois National Bank. He has served as the director of the Daniels Fund since 2003, and has been a director of the U.S. Olympic and Paralympic Foundation since 2016.
- *Other Public Company Directorships:* Mr. Deevy served as a director of Ascent Capital Group, Inc. (**Ascent**) from November 2013 to May 2016. Mr. Deevy served on the board of directors of Ticketmaster Entertainment, Inc. from August 2008 to January 2010.
- *Board Membership Qualifications:* Mr. Deevy brings to our board in-depth knowledge of the communications, media and entertainment industries. He has an extensive background in mergers and acquisitions, investment banking and capital formation and provides strategic insights with respect to our company's activities in these areas.

Gregory B. Maffei

- Age: 60
- Chief Executive Officer, President and a director of our company.
- *Professional Background:* Mr. Maffei has served as a director and the President and Chief Executive Officer of our company (including our predecessor) since May 2007, Liberty Broadband Corporation (**Liberty Broadband**) since June 2014 and LMAC since November 2020. He has served as a director, the President and Chief Executive Officer of Liberty TripAdvisor Holdings, Inc. (**Liberty TripAdvisor**) since July 2013 and as its Chairman of the Board since June 2015. He has served as the Chairman of the Board of Qurate Retail, Inc. (formerly named Liberty Interactive Corporation, **Qurate Retail**) (including its predecessor), since March 2018, and as a director of Qurate Retail since November 2005. Mr. Maffei also served as the President and Chief Executive Officer of GCI Liberty, Inc. (**GCI Liberty**) from March 2018 until its combination with Liberty Broadband in December 2020 and Qurate Retail (including its predecessor) from February 2006 to March 2018, having served as its CEO-Elect from November 2005 through February 2006. Prior thereto, Mr. Maffei served as President and Chief Financial Officer of Oracle Corporation (**Oracle**), Chairman, President and Chief Executive Officer of 360networks Corporation (**360networks**), and Chief Financial Officer of Microsoft Corporation (**Microsoft**).
- *Other Public Company Directorships:* Mr. Maffei has served as (i) Chairman of the Board of Qurate Retail since March 2018 and a director of Qurate Retail (including its predecessor) since November 2005, (ii) Chairman of the Board of Liberty TripAdvisor since June 2015 and a director since July 2013, (iii) a director of Liberty Broadband since June 2014, (iv) a director of LMAC since November 2020, (v) the Chairman of the Board of TripAdvisor, Inc. since February 2013, (vi) the Chairman of the Board of Live Nation Entertainment, Inc. (**Live Nation**) since March 2013 and as a director since February 2011, (vii) the Chairman of the Board of Sirius XM Holdings, Inc. (**Sirius XM**) since April 2013 and as a director since March 2009, (viii) a director of Zillow Group, Inc. since February 2015, having previously served as a director of its predecessor, Zillow, Inc., from May 2005 to February 2015, and (ix) a director of Charter Communications, Inc. (**Charter**) since May 2013. Mr. Maffei served as (i) a director of GCI Liberty from March 2018 to December 2020, (ii) a director of DIRECTV and its predecessors from February 2008 to June 2010, (iii) a director of Electronic Arts, Inc. from June 2003 to July 2013, (iv) a director of Barnes & Noble, Inc. from September 2011 to April 2014, (v) Chairman of the Board of Starz from January 2013 until its acquisition by Lions Gate Entertainment Corp. in December 2016 and (vi) the Chairman of the Board of Pandora Media, Inc. from September 2017 to February 2019.
- *Board Membership Qualifications:* Mr. Maffei brings to our board significant financial and operational experience based on his senior policy making positions at our company, Qurate Retail (including its predecessor), LMAC, Liberty TripAdvisor and Liberty Broadband, and his previous executive positions at GCI Liberty, Oracle, 360networks and Microsoft, as well as his public company board experience. He provides our board with executive leadership perspective on the operations and management of large public companies and risk management principles.

Andrea L. Wong

- Age: 54
- A director of our company.
- *Professional Background:* Ms. Wong has served as a director of our company (including our predecessor) since September 2011. Ms. Wong served as President, International Production for Sony Pictures Television and President, International for Sony Pictures Entertainment from September 2011 to March 2017. She previously served as President and Chief Executive Officer of Lifetime Entertainment Services from 2007 to April 2010. Ms. Wong also served as an Executive Vice President with ABC, Inc., a subsidiary of The Walt Disney Company, from 2003 to 2007.
- *Other Public Company Directorships:* Ms. Wong has served as a director of Qurate Retail since April 2010, as a director of Hudson Pacific Properties, Inc. since August 2017, as a director of Roblox Corporation since August 2020 and as a director of Oaktree Acquisition Corp. II since September 2020. Ms. Wong served as a director of Oaktree Acquisition Corp. from July 2019 to January 2021, as a director of Social Capital Hedosophia Holdings Corp. from September 2017 to October 2019 and as a director of Hudson's Bay Company from September 2014 to March 2020.

- *Board Membership Qualifications:* Ms. Wong brings to our board significant experience in the media and entertainment industry, having an extensive background in media programming across a variety of platforms, as well as executive leadership experience with the management and operation of companies in the entertainment sector. Her experience with programming development and production, brand enhancement and marketing brings a pragmatic and unique perspective to our board. Her professional expertise, combined with her continued involvement in the media and entertainment industry, makes her a valuable member of our board.

Directors Whose Term Expires in 2022

John C. Malone

- *Age:* 80
- Chairman of the Board of our company.
- *Professional Background:* Mr. Malone has served as the Chairman of the Board of our company (including our predecessor) since August 2011 and as a director since December 2010. He served as Chairman of the Board of Qurate Retail, including its predecessor, from its inception in 1994 until March 2018 and served as Qurate Retail's Chief Executive Officer from August 2005 to February 2006. Mr. Malone served as Chairman of the Board of Tele-Communications, Inc. (**TCI**) from November 1996 until March 1999, when it was acquired by AT&T Corp., and as Chief Executive Officer of TCI from January 1994 to March 1997.
- *Other Public Company Directorships:* Mr. Malone has served as (i) a director of Qurate Retail (including its predecessor) since 1994 and served as Chairman of the Board of Qurate Retail (including its predecessor) from 1994 to March 2018, (ii) a director of Discovery, Inc. (**Discovery**), which was formerly known as Discovery Communications, Inc. (**Discovery Communications**), since September 2008, and a director of Discovery Communications' predecessor, Discovery Holding Company (**DHC**), from May 2005 to September 2008 and as Chairman of the Board from March 2005 to September 2008, (iii) the Chairman of the Board of Liberty Global plc (**LGP**) since June 2013, having previously served as Chairman of the Board of Liberty Global, Inc. (**LGI**), LGP's predecessor, from June 2005 to June 2013 and as Chairman of the Board of LGI's predecessor, Liberty Media International, Inc. (**LMI**) from March 2004 to June 2005 and a director of UnitedGlobalCom, Inc., now a subsidiary of LGP, from January 2002 to June 2005 and (iv) the Chairman of the Board of Liberty Broadband since November 2014. Previously, he served as (i) Chairman of the Board of GCI Liberty from March 2018 to December 2020, (ii) a director of Liberty Latin America Ltd. from December 2017 to December 2019, (iii) Chairman of the Board of Liberty Expedia Holdings, Inc. (**Liberty Expedia**) from November 2016 to July 2019, (iv) a director of Lions Gate Entertainment Corp. from March 2015 to September 2018, (v) a director of Charter from May 2013 to July 2018, (vi) a director of Expedia, Inc. from December 2012 to December 2017, having previously served as a director from August 2005 to November 2012, (vii) the Chairman of the Board of Liberty TripAdvisor from August 2014 to June 2015, (viii) a director of Sirius XM from April 2009 to May 2013, (ix) a director of Ascent from January 2010 to September 2012, (x) a director of Live Nation from January 2010 to February 2011, (xi) Chairman of the Board of DIRECTV and its predecessors from February 2008 to June 2010 and (xii) a director of IAC/InterActiveCorp from May 2006 to June 2010.
- *Board Membership Qualifications:* Mr. Malone, as President of TCI, co-founded Qurate Retail's former parent company and is considered one of the preeminent figures in the media and telecommunications industry. He is well known for his sophisticated problem solving and risk assessment skills.

Robert R. Bennett

- *Age:* 63
- A director of our company.
- *Professional Background:* Mr. Bennett has served as a director of our company (including our predecessor) since September 2011. Mr. Bennett serves as Managing Director of Hilltop Investments LLC, a private investment company. Mr. Bennett served as the Chief Executive Officer of Qurate Retail (formerly known as Liberty Media Corporation) from April 1997 to August 2005 and its President from April 1997 to February 2006 and held various executive positions with Qurate Retail from 1994 to 1997.
- *Other Public Company Directorships:* Mr. Bennett served as a director of Qurate Retail from September 1994 to December 2011. He has served as a director of Discovery since September 2008 and served as a director of

DHC from May 2005 to September 2008. Mr. Bennett has served as a director of HP, Inc. (formerly Hewlett-Packard Company) since July 2013. He served as a director of Demand Media, Inc. from January 2011 to February 2014 and Sprint Corporation (and its predecessor) from October 2006 to November 2016.

- *Board Membership Qualifications:* Mr. Bennett brings to our board in-depth knowledge of the media and telecommunications industry generally and our corporate history specifically. He has experience in significant leadership positions with Qurate Retail, especially as a past Chief Executive Officer and President, and provides our company with strategic insights. Mr. Bennett also has an in-depth understanding of finance, and has held various financial management positions during the course of his career.

M. Ian G. Gilchrist

- *Age:* 71
- A director of our company.
- *Professional Background:* Mr. Gilchrist has served as a director of our company (including our predecessor) since September 2011. Mr. Gilchrist served as a director and the President of Trine Acquisition Corp. from March 2019 to December 2020. Mr. Gilchrist held various officer positions including Managing Director at Citigroup/Salomon Brothers from 1995 to 2008, CS First Boston Corporation from 1988 to 1995, and Blyth Eastman Paine Webber from 1982 to 1988 and served as a Vice President of Warburg Paribas Becker Incorporated from 1976 to 1982. Previously, he worked in the venture capital field and as an investment analyst.
- *Other Public Company Directorships:* Mr. Gilchrist has served as a director of Qurate Retail since July 2009. Mr. Gilchrist served as a director of Trine Acquisition Corp. from March 2019 to December 2020.
- *Board Membership Qualifications:* Mr. Gilchrist's field of expertise is in the media and telecommunications sector, having been involved with companies in this industry during much of his 32 years as an investment banker. Mr. Gilchrist brings to our board significant financial expertise and a unique perspective on the company and the media and telecommunications sector. He is also an important resource with respect to the financial services firms that our company engages from time to time.

Directors Whose Term Expires in 2023

Derek Chang

- *Age:* 53
- A director of our company.
- *Professional Background:* Mr. Chang has been a director of our company since March 2021. He served as the Chief Executive Officer of the National Basketball Association of China (**NBA China**) from April 2018 to May 2020. Mr. Chang also served as the Executive Vice President of Content Strategy and Development of DIRECTV (and its predecessor, The DirecTV Group, Inc.) from March 2006 to January 2013. He served as the Head of International Lifestyle Channels from April 2013 to April 2018 and as a Managing Director of Asia Pacific operations from April 2013 to July 2016 for Scripps Networks Interactive, Inc. (**Scripps**) from April 2013 to April 2018. Mr. Chang served as Executive Vice President—Finance and Strategy of Charter from December 2003 to April 2005 and as its interim Chief Financial Officer from August 2004 to April 2005. He also served as Executive Vice President—Development of the Yankees Entertainment and Sports Network from its inception in 2001 to January 2003.
- *Other Public Company Directorships:* Mr. Chang has served as a director of our company since March 2021, a director of Isos Acquisition Corp. since March 2021 and as a director of Vobile Group Limited since July 2020. He previously served as a director of STARZ from January 2013 to June 2013.
- *Board Membership Qualifications:* Mr. Chang brings to our board profound knowledge of media, entertainment and sports industries across global markets including the US and China as well as extensive operational experience from his policy making positions at NBA China, DIRECTV, and Scripps.

Evan D. Malone

- *Age:* 50
- A director of our company.
- *Professional Background:* Dr. Malone has served as a director of our company (including our predecessor) since September 2011. Since June 2009, he has served as President of NextFab Studio, LLC, which provides manufacturing-related technical training, product development, and business acceleration services. Since January 2008, Dr. Malone has served as the owner and manager of a real estate property and management company, 1525 South Street LLC. Dr. Malone has served as co-owner and director of Drive Passion PC Services, CC, an Internet café, telecommunications and document services company, in South Africa since 2007 and served as an applied physics technician for Fermi National Accelerator Laboratory, part of the national laboratory system of the Office of Science, U.S. Department of Energy, from 1999 until 2001. He also is a founding member of Jet Wine Bar, a wine bar, and Rex 1516, a restaurant, both in Philadelphia. Since November 2016, he has served as director and president of the NextFab Foundation, an IRS 501(c)(3) private operating foundation, which provides manufacturing-related technology and education to communities affected by economic or humanitarian distress.
- *Other Public Company Directorships:* Dr. Malone has served as a director of Qurate Retail since August 2008 and Sirius XM since May 2013.
- *Board Membership Qualifications:* Dr. Malone brings an applied science and engineering perspective to the board. Dr. Malone’s perspectives assist the board in developing business strategies and adapting to technological changes facing the industries in which our company competes. In addition, his entrepreneurial experience assists the board in evaluating strategic opportunities.

David E. Rapley

- *Age:* 79
- A director of our company.
- *Professional Background:* Mr. Rapley has served as a director of our company (including our predecessor) since September 2011. Mr. Rapley founded Rapley Engineering Services, Inc. (**RESI**) and served as its Chief Executive Officer and President from 1985 to 1998. Mr. Rapley also served as Executive Vice President of Engineering of VECO Corp. Alaska (a company that acquired RESI in 1998) from January 1998 to December 2001. Mr. Rapley served as the President and Chief Executive Officer of Rapley Consulting, Inc. from January 2000 to December 2014. From 2003 to 2013, Mr. Rapley was a director of Merrick & Co., a private firm providing engineering and other services to domestic and international clients. From 2008 to 2011, Mr. Rapley was chairman of the board of Merrick Canada ULC.
- *Other Public Company Directorships:* Mr. Rapley has served as a director of Qurate Retail since July 2002, having previously served as a director during 1994. He has served as a director of LGP since June 2013, having previously served as a director of LGI, LGP’s predecessor, from June 2005 to June 2013 and as a director of LMI, LGI’s predecessor, from May 2004 to June 2005.
- *Board Membership Qualifications:* Mr. Rapley brings to our board the unique perspective of his lifelong career as an engineer. The industries in which our company competes are heavily dependent on technology, which continues to change and advance. Mr. Rapley’s perspectives assist the board in adapting to these changes and developing strategies for our businesses.

Larry E. Romrell

- *Age:* 81
- A director of our company.
- *Professional Background:* Mr. Romrell has served as a director of our company (including our predecessor) since September 2011. Mr. Romrell held numerous executive positions with TCI from 1991 to 1999. Previously, Mr. Romrell held various executive positions with Westmarc Communications, Inc.
- *Other Public Company Directorships:* Mr. Romrell has served as a director of Qurate Retail since December 2011, having previously served as a director from March 1999 to September 2011, and as a director of Liberty TripAdvisor since August 2014. He has served as a director of LGP since June 2013, having previously served

as a director of LGI, LGP's predecessor, from June 2005 to June 2013 and as a director of LMI, LGI's predecessor, from May 2004 to June 2005.

- *Board Membership Qualifications:* Mr. Romrell brings extensive experience, including venture capital experience, in the telecommunications industry to our board and is an important resource with respect to the management and operations of companies in the media and telecommunications sector.

VOTE AND RECOMMENDATION

A plurality of the combined voting power of the outstanding shares of our common stock present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors at the annual meeting, voting together as a single class, is required to elect each of Messrs. Deevy and Maffei and Ms. Wong as a Class II member of our board of directors.



**Our board of directors unanimously recommends a vote
“FOR” the election of each nominee to our board of directors.**

PROPOSAL 2—THE AUDITORS RATIFICATION PROPOSAL

We are asking our stockholders to ratify the selection of KPMG LLP as our independent auditors for the fiscal year ending December 31, 2021.

Even if the selection of KPMG LLP is ratified, the audit committee of our board of directors in its discretion may direct the appointment of a different independent accounting firm at any time during the year if our audit committee determines that such a change would be advisable. In the event our stockholders fail to ratify the selection of KPMG LLP, our audit committee will consider it as a direction to select other auditors for the year ending December 31, 2021.

A representative of KPMG LLP is expected to be available to answer appropriate questions at the annual meeting and will have the opportunity to make a statement if he or she so desires.

AUDIT FEES AND ALL OTHER FEES

The following table presents fees for professional audit services rendered by KPMG LLP for the audit of our consolidated financial statements for 2020 and 2019 and fees billed for other services rendered by KPMG LLP.

	2020 ⁽¹⁾	2019 ⁽¹⁾
Audit fees	\$2,869,000	3,082,100
Audit related fees	—	—
Audit and audit related fees	2,869,000	3,082,100
Tax fees ⁽²⁾	518,900	783,500
All other fees	—	—
Total fees	<u>\$3,387,900</u>	<u>3,865,600</u>

(1) Such fees with respect to 2020 and 2019 exclude audit fees, audit related fees and tax fees billed by KPMG LLP to Sirius XM for services rendered. Sirius XM is a separate public company and its audit fees, audit related fees, tax fees and all other fees (which aggregated \$4,129,000 in 2020 and \$4,434,200 in 2019) are reviewed and approved by the audit committee of the board of directors of Sirius XM.

(2) Tax fees consist of tax compliance and consultations regarding the tax implications of certain transactions.

Our audit committee has considered whether the provision of services by KPMG LLP to our company other than auditing is compatible with KPMG LLP maintaining its independence and believes that the provision of such other services is compatible with KPMG LLP maintaining its independence.

POLICY ON PRE-APPROVAL OF AUDIT AND PERMISSIBLE NON-AUDIT SERVICES OF INDEPENDENT AUDITOR

Our audit committee has adopted a policy regarding the pre-approval of all audit and permissible non-audit services provided by our independent auditor. Pursuant to this policy, our audit committee has approved the engagement of our independent auditor to provide the following services (all of which are collectively referred to as **pre-approved services**):

- audit services as specified in the policy, including (i) financial audits of our company and our subsidiaries, (ii) services associated with registration statements, periodic reports and other documents filed or issued in connection with securities offerings (including comfort letters and consents), (iii) attestations of management reports on our internal controls and (iv) consultations with management as to accounting or disclosure treatment of transactions;
- audit related services as specified in the policy, including (i) due diligence services, (ii) financial statement audits of employee benefit plans, (iii) consultations with management as to the accounting or disclosure treatment of transactions, (iv) attest services not required by statute or regulation, (v) certain audits incremental to the audit of our consolidated financial statements, (vi) closing balance sheet audits related to dispositions, and (vii) general assistance with implementation of the requirements of certain Securities and Exchange Commission (**SEC**) rules or listing standards; and
- tax services as specified in the policy, including federal, state, local and international tax planning, compliance and review services, expatriate tax assistance and compliance and tax due diligence and advice regarding mergers and acquisitions.

Notwithstanding the foregoing general pre-approval, if, in the reasonable judgment of our Chief Accounting Officer and Principal Financial Officer, an individual project involving the provision of pre-approved services is likely to result in fees in excess of \$100,000, or if individual projects under \$100,000 are likely to equal or exceed \$500,000 during the period between the regularly scheduled meetings of the audit committee, then such projects will require the specific pre-approval of our audit committee. Our audit committee has delegated the authority for the foregoing approvals to the chairman of the audit committee, subject to his subsequent disclosure to the entire audit committee of the granting of any such approval. Brian M. Deevy currently serves as the chairman of our audit committee. In addition, the independent auditor is required to provide a report at each regularly scheduled audit committee meeting on all pre-approved services incurred during the preceding quarter. Any engagement of our independent auditors for services other than the pre-approved services requires the specific approval of our audit committee.

Under our policy, any fees incurred by Sirius XM in connection with the provision of services by Sirius XM's independent auditor, are expected to be reviewed and approved by Sirius XM's audit committee pursuant to Sirius XM's policy regarding the pre-approval of all audit and permissible non-audit services provided by its independent auditor in effect at the time of such approval. Such approval by Sirius XM's audit committee pursuant to its policy is deemed to be pre-approval of the services by our audit committee.

Our pre-approval policy prohibits the engagement of our independent auditor to provide any services that are subject to the prohibition imposed by Section 201 of the Sarbanes-Oxley Act.

All services provided by our independent auditor during 2020 were approved in accordance with the terms of the policy in place.

VOTE AND RECOMMENDATION

The affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class, is required to approve the auditors ratification proposal.



**Our board of directors unanimously recommends a vote
"FOR" the auditors ratification proposal.**

PROPOSAL 3—THE SAY-ON-PAY PROPOSAL

We are providing our stockholders the opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers as described below in accordance with Section 14A of the Securities Exchange Act of 1934, as amended (the **Exchange Act**). This advisory vote is often referred to as the “say-on-pay” vote and allows our stockholders to express their views on the overall compensation paid to our named executive officers. Our company values the views of its stockholders and is committed to the efficiency and effectiveness of our company’s executive compensation program.

Our most recent advisory vote on the compensation of our named executive officers was held at our 2018 annual meeting of stockholders on May 23, 2018, at which stockholders representing a majority of our aggregate voting power present and entitled to vote on the say-on-pay proposal voted in favor of, on an advisory basis, our executive compensation as disclosed in our proxy statement for our 2018 annual meeting of stockholders. At our 2018 annual meeting of stockholders on May 23, 2018, a majority of the votes cast on the say-on-frequency proposal by our stockholders that were present, in person or by proxy, and entitled to vote at the 2018 annual meeting of stockholders, voting together as a single class, voted in favor of holding future advisory votes on executive compensation at a frequency of once every three years, and our board of directors adopted this as the frequency at which future advisory votes on executive compensation would be held. We currently expect that our next advisory vote on executive compensation will be held in 2024.

We are seeking stockholder approval of the compensation of our named executive officers as disclosed in this proxy statement in accordance with applicable SEC rules, which include the disclosures under “Executive Compensation—Compensation Discussion and Analysis,” the compensation tables (including all related footnotes) and any additional narrative discussion of compensation included herein. Stockholders are encouraged to read the “Executive Compensation—Compensation Discussion and Analysis” section of this proxy statement, which provides an overview of our company’s executive compensation policies and procedures.

In accordance with Section 14A of the Exchange Act, and Rule 14a-21(a) promulgated thereunder, and as a matter of good corporate governance, our board of directors is asking stockholders to approve the following advisory resolution at the 2021 annual meeting of stockholders:

RESOLVED, that the stockholders of Liberty Media Corporation hereby approve, on an advisory basis, the compensation paid to our company’s named executive officers, as disclosed in this proxy statement pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and any related narrative discussion.

ADVISORY VOTE

Although this vote is advisory and non-binding on our board and our company, our board and the compensation committee, which is responsible for designing and administering our company’s executive compensation program, value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation policies and decisions for named executive officers.

VOTE AND RECOMMENDATION

This advisory resolution, which we refer to as the say-on-pay proposal, will be considered approved if it receives the affirmative vote of a majority of the combined voting power of the outstanding shares of our common stock that are present in person or by proxy, and entitled to vote at the annual meeting, voting together as a single class.



**Our board of directors unanimously recommends a vote
“FOR” the say-on-pay proposal.**

MANAGEMENT AND GOVERNANCE MATTERS

EXECUTIVE OFFICERS

The following lists the executive officers of our company (other than Gregory B. Maffei, our President and Chief Executive Officer, and John C. Malone, our Chairman of the Board, each of whom also serve as directors of our company and who are listed under “Proposals of Our Board—Proposal 1—The Election of Directors Proposal”), their ages and a description of their business experience, including positions held with our company. All positions referenced in the table below with our company include, where applicable, positions with our predecessors.

Name	Positions
Albert E. Rosenthaler Age: 61	Mr. Rosenthaler has served as Chief Corporate Development Officer of our company, Qurate Retail, Liberty TripAdvisor and Liberty Broadband since October 2016 and LMAC since November 2020. He previously served as Chief Corporate Development Officer of GCI Liberty from March 2018 to December 2020, Liberty Expedia from October 2016 to July 2019 and Chief Tax Officer of our company, Qurate Retail, Liberty TripAdvisor and Liberty Broadband from January 2016 to September 2016 and Liberty Expedia from March 2016 to September 2016. Prior to that, he served as a Senior Vice President of our company (including our predecessor) from May 2007 to December 2015, Qurate Retail (including its predecessor) from April 2002 to December 2015, Liberty TripAdvisor from July 2013 to December 2015 and Liberty Broadband from June 2014 to December 2015. Mr. Rosenthaler has served as a director of Tripadvisor, Inc. since February 2016.
Brian J. Wendling Age: 48	Mr. Wendling has served as Chief Accounting Officer and Principal Financial Officer of our company, Qurate Retail and Liberty Broadband since January 2020 and July 2019, respectively. He has also served as Chief Accounting Officer and Principal Financial Officer of LMAC since November 2020. He previously served as Chief Accounting Officer and Principal Financial Officer of GCI Liberty from January 2020 and July 2019, respectively, to December 2020 as well as Senior Vice President and Controller of each of our company, Qurate Retail and Liberty Broadband from January 2016 to December 2019 and GCI Liberty from March 2018 to December 2019. In addition, Mr. Wendling has served as a Senior Vice President and Chief Financial Officer of Liberty TripAdvisor since January 2016, and he previously served as Vice President and Controller of Liberty TripAdvisor from August 2014 to December 2015. He previously served as Senior Vice President of Liberty Expedia from March 2016 to July 2019, and Vice President and Controller of Liberty Media (including its predecessor) from November 2011 to December 2015, Qurate Retail from November 2011 to December 2015 and Liberty Broadband from October 2014 to December 2015. Prior thereto, Mr. Wendling held various positions with Liberty Media and Qurate Retail and their predecessors since 1999. Mr. Wendling has served as a director of comScore, Inc. since March 2021.
Renee L. Wilm Age: 47	Ms. Wilm has served as Chief Legal Officer and Chief Administrative Officer since September 2019 and January 2021, respectively, of our company, Qurate Retail, Liberty TripAdvisor and Liberty Broadband, and Chief Legal Officer and Chief Administrative Officer of LMAC since November 2020 and January 2021, respectively. She previously served as Chief Legal Officer of GCI Liberty from September 2019 to December 2020. Ms. Wilm has served as a director of LMAC since January 2021. Prior to September 2019, Ms. Wilm was a Senior Partner with the law firm Baker Botts L.L.P., where she represented our company, Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty and their predecessors for over twenty years, specializing in mergers and acquisitions, complex capital structures and shareholder arrangements, as well as securities offerings and matters of corporate governance and securities law compliance. At Baker Botts, Ms. Wilm was a member of the Executive Committee, the East Coast Corporate Department Chair and Partner-in-Charge of the New York office.

Our executive officers will serve in such capacities until their respective successors have been duly elected and have been qualified, or until their earlier death, resignation, disqualification or removal from office. There is no family relationship between any of our executive officers or directors, by blood, marriage or adoption, other than Evan D. Malone, who is the son of John C. Malone.

During the past ten years, none of our directors and executive officers has had any involvement in such legal proceedings as would be material to an evaluation of his or her ability or integrity.

DELINQUENT SECTION 16(A) REPORTS

Section 16(a) of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC.

Based solely on a review of the copies of the Forms 3, 4 and 5 and amendments to those forms filed with the SEC and written representations made to us by our executive officers and directors, we believe that, during the year ended December 31, 2020, all Section 16(a) filing requirements applicable to our officers, directors and greater than ten-percent beneficial owners were met, with the exception of one Form 4 reporting nine transactions by R. Ted Weschler, an investment manager for Berkshire Hathaway Inc., that was filed on an untimely basis and one Form 4 reporting nine transactions by Berkshire Hathaway Inc. that was filed on an untimely basis.

CODE OF ETHICS

We have adopted a code of business conduct and ethics that applies to our directors, officers, and employees of Liberty Media, which constitutes our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act. Our code of business conduct and ethics is available on our website at www.libertymedia.com.

DIRECTOR INDEPENDENCE

It is our policy that a majority of the members of our board of directors be independent of our management. For a director to be deemed independent, our board of directors must affirmatively determine that the director has no direct or indirect material relationship with us. To assist our board of directors in determining which of our directors qualify as independent for purposes of Nasdaq rules as well as applicable rules and regulations adopted by the SEC, the nominating and corporate governance committee of our board of directors follows Nasdaq’s corporate governance rules on the criteria for director independence.

Our board of directors has determined that each of Robert R. Bennett, Derek Chang, Brian M. Deevy, M. Ian G. Gilchrist, David E. Rapley, Larry E. Romrell and Andrea L. Wong qualifies as an independent director of our company.

BOARD COMPOSITION

As described above under “Proposals of Our Board—Proposal 1—The Election of Directors Proposal,” our board is comprised of directors with a broad range of backgrounds and skill sets, including in media and telecommunications, science and technology, venture capital, investment banking, auditing and financial engineering. Our board is also chronologically diverse with our members’ ages spanning four decades. For more information on our policies with respect to board candidates, see “— Committees of the Board of Directors—Nominating and Corporate Governance Committee” below.

BOARD CLASSIFICATION

As described above under “Proposals of our Board—Proposal 1—The Election of Directors Proposal,” our board of directors currently consists of ten directors, divided among three classes. Our board believes that its current classified structure, with directors serving for three-year terms, is the appropriate board structure for our company at this time and is in the best interests of our stockholders for the following reasons.

Long-Term Focus & Accountability

Our board believes that a classified board encourages our directors to look to the long-term best interest of our company and our stockholders, rather than being unduly influenced by the short-term focus of certain investors and special interests. In addition, our board believes that three-year terms focus director accountability on the board’s long-term strategic vision and performance, rather than short-term pressures and circumstances.

Continuity of Board Leadership

A classified board allows for a greater amount of stability and continuity providing institutional perspective and knowledge to both management and less-tenured directors. By its very nature, a classified board ensures that at any given time there will be experienced directors serving on our board who are fully immersed in and knowledgeable about our businesses, including our relationships with current and potential strategic partners, as well as the competition, opportunities, risks and challenges that exist in the industries in which our businesses operate. We also believe the benefit of a classified board to our company and our stockholders comes not from continuity alone but rather from the continuity of highly qualified, engaged and knowledgeable directors focused on long-term stockholder interests. Each year, our nominating and corporate governance committee works actively to ensure our board continues to be comprised of such individuals.

BOARD DIVERSITY

Our board understands and appreciates the value and enrichment provided by a diverse board. As such, we actively seek diverse director candidates (see “— Committees of the Board of Directors—Nominating and Corporate Governance Committee—Board Criteria”). Our board membership currently includes one director who identifies as female, two directors who identify as of Asian ancestry, one director who identifies as LGBTQ+ and one director who holds dual American and Canadian citizenship.

BOARD LEADERSHIP STRUCTURE

Our board has separated the positions of Chairman of the Board and Chief Executive Officer (principal executive officer). John C. Malone, one of our largest stockholders, holds the position of Chairman of the Board, leads our board and board meetings and provides strategic guidance to our Chief Executive Officer. Gregory B. Maffei, our President, holds the position of Chief Executive Officer, leads our management team and is responsible for driving the performance of our company. We believe this division of responsibility effectively assists our board in fulfilling its duties.

BOARD ROLE IN RISK OVERSIGHT

The board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant board committees. Our audit committee oversees management of financial risks and risks relating to potential conflicts of interest. Our compensation committee oversees the management of risks relating to our compensation arrangements with senior officers. Our nominating and corporate governance committee oversees the nomination of individuals with the judgment, skills, integrity, and independence necessary to oversee the key risks associated with our company, as well as risks inherent in our corporate structure. These committees then provide reports periodically to the full board. In addition, the oversight and review of other strategic risks are conducted directly by the full board.

The oversight responsibility of the board and its committees is enabled by management reporting processes that are designed to provide visibility to the board about the identification, assessment and management of critical risks. These areas of focus include strategic, operational, financial and reporting, succession and compensation, legal and compliance, cybersecurity and other risks, including those related to material environmental and social matters such as climate change, human capital management, diversity, equity and inclusion, and community relations (together with governance concerns, **ESG**). Our management reporting processes include regular reports from our Chief Executive Officer, which are prepared with input from our senior management team, and also include input from our Internal Audit group and our Chief Portfolio Officer, who manages our company’s ESG efforts and remains in regular contact with senior ESG leaders across our portfolio of companies who provide feedback and disclosure on material issues. With our board’s oversight, we seek to collaborate across our portfolio of companies to drive best practices through regular ESG-focused internal meetings and discussions, including on topics such as ESG disclosure, diversity and inclusion, cybersecurity, and sustainability.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE INITIATIVES

Our company and our subsidiaries strive to create diverse, inclusive and supportive workplaces, with opportunities for employees to grow and develop in their careers, supported by competitive compensation, benefits and health and wellness programs, and by programs that build connections between employees.

At Liberty Media, our initiatives have focused on several ESG pillars, including community engagement, diversity, equity and inclusion, health and wellness and environmental stewardship. Our Liberty Gives Foundation, along with employee-gift matching, encourages and promotes charitable giving, and we provide our employees with paid time-off for volunteer work. In partnership with Colorado State University, in 2021 Liberty Media is supporting an academic student consulting project designed to strengthen students' understanding of corporate environmental strategies. As we place a greater emphasis on diversity, equity and inclusion, we have added additional resources for our employees, such as fertility treatment benefits and gender-neutral paid parental leave. During the COVID-19 pandemic, we increased our mental health benefits offered to employees to include telehealth visits and virtual mental-health counseling. We recently completed our first full measurement of our company's scope 1 and 2 greenhouse gas emissions, and have implemented reductions in single use items and more sustainable and energy efficient systems in our on-site facilities.

Our wholly-owned subsidiaries have also adopted many initiatives to further promote their own ESG efforts. For example, as part of its focus on diversity and inclusion within its workforce, Braves Holdings has launched a program to provide space for employees to share perspectives, thoughts and insights and engage in thoughtful discussion with peers. Braves Holdings has also created fellowship programs to promote the hiring of diverse talent and accessibility within areas including baseball and baseball operations, data and analytics, scouting and executive leadership. Through its efforts to develop diversity within motorsport, Formula 1 seeks to find untapped, often under-represented talent from diverse areas. Formula 1 has also committed to a strong internship program and apprenticeship opportunities and will be seeking to provide scholarships to talented engineering students from diverse backgrounds. Also of great importance to our company and our wholly own subsidiaries is our commitment to environmental stewardship. Most notably, Formula 1 has undertaken a series of initiatives aimed at achieving carbon neutrality by 2030, eliminating waste at its events, and developing the world's first 100% advanced sustainable fueled power units. In 2020, Formula 1 was awarded a three-star accreditation from the Fédération Internationale de l'Automobile, the governing body and regulator of world motorsport, for its sustainability efforts, the highest level of achievement possible.

In response to the COVID-19 pandemic, we and our subsidiaries implemented work place health and safety changes that we consider to be in the best interest of our employees, as well as the communities in which we operate, and which comply with government regulations. During the COVID-19 pandemic, many of our employees have been working from home, and we have implemented additional safety measures for employees continuing critical on-site work. Through these measures, as well as the additional mental health benefits offered to our employees, we believe we have been able to preserve our business continuity without sacrificing our commitment to keeping our employees safe during the COVID-19 pandemic. We have also worked closely with our portfolio of companies to collaborate and share best practices as we seek to respond to the pandemic and the risks it poses to our employees and workforce.

COMMITTEES OF THE BOARD OF DIRECTORS

Executive Committee

Our board of directors has established an executive committee, whose members are John C. Malone, Gregory B. Maffei and Robert R. Bennett. Except as specifically prohibited by the General Corporation Law of the State of Delaware, the executive committee may exercise all the powers and authority of our board of directors in the management of our business and affairs, including the power and authority to authorize the issuance of shares of our capital stock.

Compensation Committee

Our board of directors has established a compensation committee, whose chairman is M. Ian G. Gilchrist and whose other members are David E. Rapley and Andrea L. Wong. See “—Director Independence” above.

The compensation committee reviews and approves corporate goals and objectives relevant to the compensation of our Chief Executive Officer and our other executive officers. The compensation committee also reviews and approves the compensation of our Chief Executive Officer, Chief Legal Officer, Chief Administrative Officer, Chief Portfolio Officer, Chief Accounting Officer, Principal Financial Officer and Chief Corporate Development Officer, and oversees the compensation of the chief executive officers of our non-public operating subsidiaries. For a description of our processes and policies for consideration and determination of executive compensation, including the role of our Chief Executive Officer and an outside consultant in determining or recommending amounts and/or forms of compensation, see “Executive Compensation—Compensation Discussion and Analysis.”

Our board of directors has adopted a written charter for the compensation committee, which is available on our website at www.libertymedia.com.

Compensation Committee Report

The compensation committee has reviewed and discussed with our management the “Compensation Discussion and Analysis” included under “Executive Compensation” below. Based on such review and discussions, the compensation committee recommended to our board of directors that the “Compensation Discussion and Analysis” be included in this proxy statement.

Submitted by the Members of the Compensation Committee

***M. Ian G. Gilchrist
David E. Rapley
Andrea L. Wong***

Compensation Committee Interlocks and Insider Participation

No member of our compensation committee during 2020 is or has been an officer or employee of our company, or has engaged in any related party transaction in which our company was a participant.

Nominating and Corporate Governance Committee

Our board of directors has established a nominating and corporate governance committee, whose chairman is David E. Rapley and whose other members are M. Ian G. Gilchrist, Larry E. Romrell and Andrea L. Wong. See “—Director Independence” above.

The nominating and corporate governance committee identifies individuals qualified to become board members consistent with criteria established or approved by our board of directors from time to time, identifies director nominees for upcoming annual meetings, develops corporate governance guidelines applicable to our company and oversees the evaluation of our board and management.

Board Criteria. The nominating and corporate governance committee believes that nominees for director should possess the highest personal and professional ethics, integrity, values and judgment and should be committed to the long-term interests of our stockholders. To be nominated to serve as a director, a nominee need not meet any specific minimum criteria. As described in our corporate governance guidelines, director candidates are identified and nominated based on broad criteria, with the objective of identifying and retaining directors that can effectively develop the company’s strategy and oversee management’s execution of that strategy. In the director candidate identification and nomination process, our board seeks a breadth of experience from a variety of industries and from professional disciplines, along with a diversity of gender, ethnicity, age and other characteristics. When evaluating a potential director nominee, including one recommended by a stockholder, the nominating and corporate governance committee will take into account a number of factors, including, but not limited to, the following:

- independence from management;
- his or her unique background, including education, professional experience, relevant skill sets and diversity of gender, ethnicity, age and other characteristics;
- judgment, skill, integrity and reputation;
- existing commitments to other businesses as a director, executive or owner;
- personal conflicts of interest, if any; and
- the size and composition of the existing board of directors, including whether the potential director nominee would positively impact the composition of the board by bringing a new perspective or viewpoint to the board of directors.

The nominating and corporate governance committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

Director Candidate Identification Process. The nominating and corporate governance committee will consider candidates for director recommended by any stockholder provided that such recommendations are properly submitted. Eligible stockholders wishing to recommend a candidate for nomination as a director should send the recommendation in writing to the Corporate Secretary, Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. Stockholder recommendations must be made in accordance with our bylaws, as discussed under “Stockholder Proposals” below, and contain the following information:

- the name and address of the proposing stockholder and the beneficial owner, if any, on whose behalf the nomination is being made, and documentation indicating the number of shares of our common stock owned beneficially and of record by such person and the holder or holders of record of those shares, together with a statement that the proposing stockholder is recommending a candidate for nomination as a director;
- the candidate’s name, age, business and residence addresses, principal occupation or employment, business experience, educational background and any other information relevant in light of the factors considered by the nominating and corporate governance committee in making a determination of a candidate’s qualifications, as described below;
- a statement detailing any relationship, arrangement or understanding between the proposing stockholder and/or beneficial owner(s), if different, and any other person(s) (including their names) under which the proposing stockholder is making the nomination and any affiliates or associates (as defined in Rule 12b-2 of the Exchange Act) of such proposing stockholder(s) or beneficial owner (each a **Proposing Person**);
- a statement detailing any relationship, arrangement or understanding that might affect the independence of the candidate as a member of our board of directors;
- any other information that would be required under SEC rules in a proxy statement soliciting proxies for the election of such candidate as a director;
- a representation as to whether the Proposing Person intends (or is part of a group that intends) to deliver any proxy materials or otherwise solicit proxies in support of the director nominee;
- a representation by each Proposing Person who is a holder of record of our common stock as to whether the notice is being given on behalf of the holder of record and/or one or more beneficial owners, the number of shares held by any beneficial owner along with evidence of such beneficial ownership and that such holder of record is entitled to vote at the annual stockholders meeting and intends to appear in person or by proxy at the annual stockholders meeting at which the person named in such notice is to stand for election;
- a written consent of the candidate to be named in the proxy statement and to serve as a director, if nominated and elected;
- a representation as to whether the Proposing Person has received any financial assistance, funding or other consideration from any other person regarding the nomination (a **Stockholder Associated Person**) (including the details of such assistance, funding or consideration); and
- a representation as to whether and the extent to which any hedging, derivative or other transaction has been entered into with respect to our company within the last six months by, or is in effect with respect to, the Proposing Person, any person to be nominated by the proposing stockholder or any Stockholder Associated Person, the effect or intent of which transaction is to mitigate loss to or manage risk or benefit of share price changes for, or increase or decrease the voting power of, the Proposing Person, its nominee, or any such Stockholder Associated Person.

In connection with its evaluation, the nominating and corporate governance committee may request additional information from the proposing stockholder and the candidate. The nominating and corporate governance committee has sole discretion to decide which individuals to recommend for nomination as directors.

When seeking candidates for director, the nominating and corporate governance committee may solicit suggestions from incumbent directors, management, stockholders and others. After conducting an initial evaluation of a prospective nominee, the nominating and corporate governance committee will interview that candidate if it believes the candidate might be suitable to be a director. The nominating and corporate governance committee may also ask the candidate to meet with management. If the nominating and corporate governance committee believes a candidate would be a valuable addition to our board of directors, it may recommend to the full board that candidate’s nomination and election.

Prior to nominating an incumbent director for re-election at an annual meeting of stockholders, the nominating and corporate governance committee will consider the director’s past attendance at, and participation in, meetings of the board of directors and its committees and the director’s formal and informal contributions to the various activities conducted by the board and the board committees of which such individual is a member. In addition, the nominating and corporate governance committee will consider any outside directorships held by such individual. Given our company’s ownership interests in other public companies, our company and our board values the positions our directors and members of management hold on the boards of these entities, as they provide our company with unique

insight and input into those businesses and their operations. The nominating and corporate governance committee also recognizes and values the benefits derived by our directors from their service on other public company boards, as such service provides our directors with diverse perspectives, in-depth industry knowledge and cross-industry insights, all of which enhance the knowledge base and skill set of our board as a whole.

The members of our nominating and corporate governance committee have determined that Messrs. Deevy and Maffei and Ms. Wong, who are nominated for election at the annual meeting, continue to be qualified to serve as directors of our company and such nominations were approved by the entire board of directors.

Our board of directors has adopted a written charter for the nominating and corporate governance committee. Our board of directors has also adopted corporate governance guidelines, which were developed by the nominating and corporate governance committee. The charter and the corporate governance guidelines are available on our website at www.libertymedia.com.

Audit Committee

Our board of directors has established an audit committee, whose chairman is Brian M. Deevy and whose other members are Derek Chang and Larry E. Romrell. Prior to April 2021, M. Ian G. Gilchrist also served as a member of the audit committee. See “—Director Independence” above.

Our board of directors has determined that Mr. Chang is an “audit committee financial expert” under applicable SEC rules and regulations. The audit committee reviews and monitors the corporate financial reporting and the internal and external audits of our company. The committee’s functions include, among other things:

- appointing or replacing our independent auditors;
- reviewing and approving in advance the scope and the fees of our annual audit and reviewing the results of our audits with our independent auditors;
- reviewing and approving in advance the scope and the fees of non-audit services of our independent auditors;
- reviewing compliance with and the adequacy of our existing major accounting and financial reporting policies;
- reviewing our management’s procedures and policies relating to the adequacy of our internal accounting controls and compliance with applicable laws relating to accounting practices;
- confirming compliance with applicable SEC and stock exchange rules; and
- preparing a report for our annual proxy statement.

Our board of directors has adopted a written charter for the audit committee, which is available on our website at www.libertymedia.com.

Audit Committee Report

Each member of the audit committee is an independent director as determined by our board of directors, based on the listing standards of Nasdaq. Each member of the audit committee also satisfies the SEC’s independence requirements for members of audit committees. Our board of directors has determined that Mr. Chang is an “audit committee financial expert” under applicable SEC rules and regulations.

The audit committee reviews our financial reporting process on behalf of our board of directors. Management has primary responsibility for establishing and maintaining adequate internal controls, for preparing financial statements and for the public reporting process. Our independent auditor, KPMG LLP, is responsible for expressing opinions on the conformity of our audited consolidated financial statements with U.S. generally accepted accounting principles. Our independent auditor also expresses its opinion as to the effectiveness of our internal control over financial reporting.

Our audit committee has reviewed and discussed with management and KPMG LLP our most recent audited consolidated financial statements, as well as management’s assessment of the effectiveness of our internal control over financial reporting and KPMG LLP’s evaluation of the effectiveness of our internal control over financial reporting. Our audit committee has also discussed with KPMG LLP the matters required to be discussed by the

applicable requirements of the Public Company Accounting Oversight Board (the **PCAOB**) and the SEC, including that firm's judgment about the quality of our accounting principles, as applied in its financial reporting.

KPMG LLP has provided our audit committee with the written disclosures and the letter required by the applicable requirements of the PCAOB regarding KPMG LLP's communications with the audit committee concerning independence, and the audit committee has discussed with KPMG LLP that firm's independence from the company and its subsidiaries.

Based on the reviews, discussions and other considerations referred to above, our audit committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2020 (the **2020 Form 10-K**), which was filed on February 26, 2021 with the SEC.

Submitted by the Members of the Audit Committee

Brian M. Deevy (June 2015–Present)

Derek Chang (April 2021–Present)

M. Ian G. Gilchrist (2013–March 2021)

Larry E. Romrell (2013–Present)

Other

Our board of directors, by resolution, may from time to time establish other committees of our board of directors, consisting of one or more of our directors. Any committee so established will have the powers delegated to it by resolution of our board of directors, subject to applicable law.

BOARD MEETINGS

During 2020, there were ten meetings of our full board of directors, two of our executive committee, five meetings of our compensation committee, one meeting of our nominating and corporate governance committee and six meetings of our audit committee.

DIRECTOR ATTENDANCE AT ANNUAL MEETINGS

Our board of directors encourages all members of the board to attend each annual meeting of our stockholders. Seven of the nine directors then serving attended our 2020 annual meeting of stockholders.

STOCKHOLDER COMMUNICATION WITH DIRECTORS

Our stockholders may send communications to our board of directors or to individual directors by mail addressed to the Board of Directors or to an individual director c/o Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. All such communications from stockholders will be forwarded to our directors on a timely basis. Stockholders are also encouraged to send communications to Liberty Media Investor Relations, which conducts robust stockholder engagement efforts for our company and provides our board with insight on stockholder concerns.

EXECUTIVE SESSIONS

In 2020, the independent directors of our company, then serving, met at three executive sessions without management participation.

Any interested party who has a concern regarding any matter that it wishes to have addressed by our independent directors, as a group, at an upcoming executive session may send its concern in writing addressed to Independent Directors of Liberty Media Corporation, c/o Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112. The current independent directors of our company are Robert R. Bennett, Derek Chang, Brian M. Deevy, M. Ian G. Gilchrist, David E. Rapley, Larry E. Romrell and Andrea L. Wong.

HEDGING DISCLOSURE

We do not have any practices or policies regarding the ability of our employees (including officers) or directors, or any of their designees, to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of our equity securities.

EXECUTIVE COMPENSATION

This section sets forth information relating to, and an analysis and discussion of, compensation paid by our company to the following persons (who we collectively refer to as our **named executive officers**):

- John C. Malone, our Chairman of the Board;
- Gregory B. Maffei, our President and Chief Executive Officer;
- Brian J. Wendling, our Chief Accounting Officer and Principal Financial Officer;
- Albert E. Rosenthaler, our Chief Corporate Development Officer; and
- Renee L. Wilm, our Chief Legal Officer and Chief Administrative Officer.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Overview

Our compensation committee of our board of directors has responsibility for establishing, implementing and regularly monitoring adherence to our compensation philosophy. That philosophy seeks to align the interests of the named executive officers with those of our stockholders, with the ultimate goal of appropriately motivating our executives to increase long-term stockholder value. To that end, the compensation packages provided to the named executive officers (other than Mr. Malone) include significant performance-based bonuses and significant equity incentive awards, including equity awards that vest multiple years after initial grant.

Our compensation committee seeks to approve a compensation package for each named executive officer that is commensurate with the responsibilities and proven or expected performance of that executive and that is competitive relative to the compensation packages paid to similarly situated executives in other companies. Our compensation committee believes that our compensation packages should assist our company in attracting and retaining key executives critical to our long-term success.

At our 2018 annual stockholder meeting, stockholders representing a majority of the aggregate voting power of Liberty Media present and entitled to vote on our say-on-pay proposal voted in favor of, on an advisory basis, our executive compensation disclosed in our proxy statement for the 2018 annual meeting of stockholders. No material changes were implemented to our executive compensation program as a result of this vote. At our 2018 annual stockholder meeting, stockholders elected to hold a say-on-pay vote every three years and our board of directors adopted this as the frequency at which future say-on-pay votes would be held. At our 2021 annual stockholder meeting, we are submitting for stockholder consideration a proposal to approve, on an advisory basis, our executive compensation. See “Proposals of Our Board—Proposal 3—The Say-On-Pay Proposal.”

Services Agreements

In connection with prior spin-off or split-off transactions involving our company or Qurate Retail, we entered into transitional services arrangements with each of Qurate Retail, Liberty Broadband, Liberty TripAdvisor, and GCI Liberty (each a **Service Company**, or, collectively the **Service Companies**). Pursuant to these arrangements, our employees provide or provided services to the Service Companies and our company is reimbursed for the time spent serving these Service Companies. During the year ended December 31, 2020, the weighted average percentage of each such named executive officer’s time that was allocated to our company was: Mr. Malone—75%; Mr. Wendling—79%; Mr. Rosenthaler—81%; and Ms. Wilm—86%.

Qurate Retail

We assumed a services agreement with Qurate Retail in connection with the spin-off of our company from our predecessor parent company, which was amended in December 2019 (the **Qurate Retail Services Agreement**) in connection with our compensation committee approving Mr. Maffei’s current five-year employment agreement (the **2019 Maffei Employment Agreement**). We similarly also entered into amendments to the services agreements with the other Service Companies (as discussed further below). Under the amended services agreements, including the Qurate Retail Services Agreement, each Service Company establishes, and pays or grants directly to Mr. Maffei, its allocable portion of his annual performance-based cash bonus, his annual equity-based awards and his upfront awards, and reimburses us for its allocable portion of the other components of Mr. Maffei’s compensation, which amounts are therefore not reflected in the “Summary Compensation Table” below. Liberty Media’s allocated

portion of Mr. Maffei's annual compensation for 2020 was 44% and Qurate Retail's allocated portion of Mr. Maffei's compensation was 19%. For a description of the terms of the 2019 Maffei Employment Agreement, please see "—Executive Compensation Arrangements—Gregory B. Maffei—2019 Maffei Employment Agreement." In addition, pursuant to the Qurate Retail Services Agreement, in 2020, Qurate Retail reimbursed us \$8.8 million for the portion of the base salary and certain other compensation we paid to our other employees that was allocable to Qurate Retail for estimated time spent by each such employee related to that company and for certain administrative and management services. The 2020 performance-based bonuses earned by the named executive officers for services provided to our company were paid directly by our company and the performance-based bonuses earned by the named executive officers for services provided to Qurate Retail were paid directly by Qurate Retail. During 2020, the estimate of the allocable percentages of time spent performing services for Qurate Retail, on the one hand, and our company, on the other hand, were reviewed quarterly by our audit committee for appropriateness. The salaries, performance-based bonuses and certain perquisite information included in the "Summary Compensation Table" below reflect the portion of the compensation paid by and allocable to Liberty Media and do not reflect the portion of the compensation allocable to Qurate Retail and for which Qurate Retail reimbursed Liberty Media under the Qurate Retail Services Agreement.

Other Services Agreements

In connection with each of the August 2014 spin-off of Liberty TripAdvisor from Qurate Retail, our November 2014 spin-off of Liberty Broadband and the March 2018 acquisition and subsequent separation of GCI Liberty from Qurate Retail, we entered into a services agreement with Liberty TripAdvisor, Liberty Broadband and GCI Liberty, respectively, pursuant to which we provide or provided each of them certain administrative and management services, and each of them pays or paid us a monthly management fee, the amount of which is subject to a quarterly review. For the year ended December 31, 2020, Liberty TripAdvisor, Liberty Broadband and GCI Liberty accrued aggregate management fees of \$3.5 million, \$4.9 million and \$7.4 million, respectively, payable to our company under the relevant services agreement.

In December 2019, each of the Service Companies' services agreements were amended in connection with the 2019 Maffei Employment Agreement. Under the amended services agreements, our company is responsible for paying or providing annual base salary, perquisites and other employee benefits, severance benefits and certain reimbursements directly to Mr. Maffei, and a portion of these expenses are allocated to, and reimbursed by Liberty TripAdvisor, Liberty Broadband and, with respect to 2020, GCI Liberty. Liberty TripAdvisor's, Liberty Broadband's and GCI Liberty's allocable portions of Mr. Maffei's 2020 compensation were 5%, 18% and 14%, respectively. Under the amended services agreements, each of Liberty TripAdvisor and Liberty Broadband establishes, and pays or grants directly to Mr. Maffei, that company's allocable portion of his annual performance-based cash bonus, his annual equity-based awards and his upfront awards, and reimburses Liberty Media for its allocable portion of the other components of Mr. Maffei's compensation, which amounts are therefore not reflected in the "Summary Compensation Table" below, as described in more detail below in "—Executive Compensation Arrangements—Gregory B. Maffei."

In December 2020, Liberty Broadband completed its acquisition of GCI Liberty in a stock-for-stock merger (the **combination**). The amended services agreement between GCI Liberty and Liberty Media was terminated, and GCI Liberty paid a termination fee of approximately \$5.6 million to Liberty Media when the combination was completed pursuant to the terms of the amended services agreement. Prior to the termination of its amended services agreement with Liberty Media, GCI Liberty paid directly to Mr. Maffei its allocable portion of his annual performance-based cash bonus and granted directly to Mr. Maffei its allocable portion of his annual equity-based awards and his upfront awards, both of which were assumed by Liberty Broadband and converted into Liberty Broadband awards when the combination was completed. In addition, prior to its termination, the amended services agreement provided for reimbursement payments by GCI Liberty to Liberty Media for GCI Liberty's allocable portion of the other components of Mr. Maffei's 2020 compensation.

Setting Executive Compensation

In making its compensation decision for each named executive officer (other than Mr. Malone), our compensation committee considers the following:

- each element of the named executive officer's compensation, including salary, performance-based bonus, equity compensation, perquisites and other personal benefits, and weights equity compensation most heavily;
- the financial performance of our company compared to internal forecasts and budgets;

- the scope of the named executive officer’s responsibilities;
- the competitive nature of the compensation packages offered based on general industry knowledge of the media, telecommunications and entertainment industries and periodic use of survey information provided by Mercer (US) Inc. (**Mercer**); and
- the performance of the group reporting to the named executive officer.

In addition, when setting compensation, our compensation committee considers the recommendations obtained from Mr. Maffei as to all elements of the compensation packages of Messrs. Wendling and Rosenthaler and Ms. Wilm. To make these recommendations, Mr. Maffei evaluates the performance and contributions of each such named executive officer. He also considers whether the pay packages afforded to such named executive officers are competitive and are aligned internally. He also evaluates the named executive officer’s performance against individual, department and corporate goals.

In December 2019, our compensation committee approved the 2019 Maffei Employment Agreement, which established his compensation for the term of the agreement. See “—Executive Compensation Arrangements—Gregory B. Maffei” below. Prior to entering into the 2019 Maffei Employment Agreement, our compensation committee reviewed information from Mercer with respect to chief executive officer compensation packages at the companies described above (media, telecommunications, e-commerce and entertainment companies) and discussed with Mercer alternative equity award structures.

Mr. Malone’s compensation is governed by the terms of his employment agreement with our company. See “—Executive Compensation Arrangements—John C. Malone.”

Elements of 2020 Executive Compensation

For 2020, the principal components of compensation for the named executive officers (other than Mr. Malone) were:

- base salary;
- a one-time award of time-based restricted stock units granted to Mr. Maffei in connection with his offer to restructure his 2020 compensation and reduce his 2020 base salary in response to potential liquidity concerns at Liberty Media and the Service Companies resulting from the onset of the pandemic;
- a performance-based bonus, payable in cash;
- time-vested stock options and performance-based restricted stock units;
- perquisites and other limited personal benefits;
- in the case of Ms. Wilm, relocation expenses; and
- deferred compensation arrangements.

Base Salary

Our compensation committee believes base salary should be a relatively smaller portion of each named executive officer’s overall compensation package, allowing for a greater portion to be performance based, thereby aligning the interests of our executives more closely with those of our stockholders. The base salaries of the named executive officers are reviewed on an annual basis (other than Messrs. Malone and Maffei, whose salaries are set by their employment agreements), as well as at the time of any change in responsibilities. Typically, after establishing a named executive officer’s base salary, salary increases are limited to cost-of-living adjustments, adjustments based on changes in the scope of the named executive officer’s responsibilities, and adjustments to align the named executive officer’s salary level with those of our other named executive officers. Similarly, in accordance with the terms of his employment agreement, Mr. Malone’s fixed cash compensation is limited.

After completion of the annual review in December 2019, the 2020 base salaries of Messrs. Wendling and Rosenthaler and Ms. Wilm were increased by 2%, reflecting a cost-of-living adjustment. For 2020, Mr. Maffei’s salary was increased to \$3,000,000, as prescribed by the 2019 Maffei Employment Agreement; however, due to potential liquidity concerns at Liberty Media and the Service Companies resulting from the onset of the pandemic, Mr. Maffei offered to waive and restructure a portion of his 2020 calendar year base salary. For the period from April 4, 2020 through December 31, 2020, Mr. Maffei waived the right to receive his base salary (except for amounts sufficient to cover health insurance, flexible spending contributions and certain taxes) and received grants of RSUs (as defined below) on April 14, 2020, from our company and each Service Company with an aggregate grant date value equal to one-half of the base salary waived by Mr. Maffei. Such RSUs (as defined below) were allocated among us and each Service Company in accordance with the 2019 Maffei Employment Agreement and vested on December 10, 2020. The other half of Mr. Maffei’s base salary for the referenced period was forfeited pursuant to his waiver. Mr. Malone received no increase under the terms of his employment agreement.

2020 Performance-based Bonuses

Overview. For 2020, our compensation committee adopted an annual, performance-based bonus program for each of Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm. The 2020 bonus program was comprised of two components: a bonus amount payable based on each participant's individual performance (the **Individual Performance Bonus**) and a bonus amount payable based on the corporate performance of our company (the **Corporate Performance Bonus**).

Pursuant to the 2019 Maffei Employment Agreement, Mr. Maffei was assigned a target bonus opportunity under the performance-based bonus program equal to \$17 million in the aggregate for our company and each of the Service Companies. That bonus amount was split among, and payable directly by, our company and each of the Service Companies, with payment subject to the achievement of one or more performance metrics as determined by the applicable company's compensation committee. In 2020, the portion of Mr. Maffei's aggregate target bonus amount allocated to our company was 44% or \$7,480,000. The portions of Mr. Maffei's aggregate target bonus amount allocated to each of Qurate Retail, GCI Liberty, Liberty Broadband and Liberty TripAdvisor were 19% (or \$3,230,000), 14% (or \$2,380,000), 18% (or \$3,060,000) and 5% (or \$850,000), respectively.

Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm were assigned by our compensation committee a maximum bonus opportunity under the performance-based bonus program for each of Liberty Media and Qurate Retail. The maximum bonuses for the Liberty Media program were \$14,960,000, \$699,120, \$1,557,365 and \$1,303,073 for Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm, respectively (the **LMC Maximum Performance Bonus**). The bonus maximums were established by the compensation committee in March 2020 and were determined to be up to 200% of Mr. Maffei's target annual bonus allocated to our company under the 2019 Maffei Employment Agreement, up to 170% of base pay for Mr. Wendling, up to 200% of base pay for Mr. Rosenthaler and up to 150% of base pay for Ms. Wilm. Qurate Retail also established maximum performance-based bonuses of \$6,460,000, \$164,330, \$337,973 and \$226,927 for each of Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm, respectively. Each of GCI Liberty, Liberty Broadband and Liberty TripAdvisor also established maximum performance-based bonuses for Mr. Maffei of \$4,760,000, \$6,120,000 and \$1,700,000, respectively.

Each participant was entitled to receive from our company an amount (the **LMC Maximum Individual Bonus**) equal to 60% of the LMC Maximum Performance Bonus for that participant. The LMC Maximum Individual Bonus was subject to reduction based on a determination of the participant's achievement of qualitative criteria established with respect to the services to be performed by the participant on behalf of our company. Under Qurate Retail's corollary program (and, for Mr. Maffei, the corollary programs of the other Service Companies), each participant was entitled to receive from Qurate Retail a maximum individual bonus equal to 60% of his or her Qurate Retail maximum performance bonus subject to reduction based on a determination of the participant's achievement of qualitative criteria established with respect to the services to be performed by the participant on behalf of Qurate Retail (and, for Mr. Maffei, on behalf of each other Service Company). Under the corollary programs of each of Liberty Broadband, GCI Liberty and Liberty TripAdvisor, Mr. Maffei was entitled to receive from the applicable Service Company a maximum individual bonus equal to 100% of his maximum performance bonus established by the applicable Service Company, subject to reduction based on a determination of Mr. Maffei's achievement of qualitative criteria established with respect to the services to be performed by him on behalf of that Service Company. Our compensation committee believes this construct was appropriate in light of the Qurate Retail Services Agreement, the services agreements with the other Service Companies and the fact that each participant splits his or her professional time and duties.

Each participant was entitled to receive from our company an amount (the **LMC Maximum Corporate Bonus**) equal to 40% of his or her LMC Maximum Performance Bonus, subject to reduction based on a determination of the corporate performance of our company. Qurate Retail has a corollary program pursuant to which each participant was entitled to receive from Qurate Retail a bonus that is 40% of the Qurate Retail maximum bonus, which was subject to reduction based on a determination of the corporate performance of Qurate Retail.

In December 2020, our compensation committee, the Qurate Retail compensation committee and, with respect to Mr. Maffei, the compensation committees of the other Service Companies, reviewed contemporaneously our respective named executive officers' individual performance and, with respect to our company and Qurate Retail, corporate performance under each company's program. Notwithstanding this joint effort, our compensation committee retained sole and exclusive discretion with respect to the approval of award terms and amounts payable under our bonus program.

Individual Performance Bonus. Our compensation committee reviewed the individual performance of each participant to determine the reductions that would apply to each participant's LMC Maximum Individual Bonus. Our compensation committee took into account a variety of factors, without assigning a numerical weight to any single

performance measure. This determination was based on reports to our board, the observations of committee members throughout the year, executive self-evaluations and, with respect to the participants other than Mr. Maffei, the observations and input of Mr. Maffei. In evaluating the performance of each of the participants for determining the reduction that would apply to each named executive officer's LMC Maximum Individual Bonus, the following performance objectives related to our company which had been assigned to each participant for 2020 were considered:

Individual	Performance Objectives
Gregory B. Maffei	<ul style="list-style-type: none"> • Provide leadership to management team to drive strategies, further enhance brand and increase shareholder value • Support F1 management and SiriusXM management in strategic initiatives • Pursue synergistic acquisitions • Assist F1 and SiriusXM with succession plans and hiring of key executives • Pursue optimal capital structure for our company and subsidiaries, including development of additional capital funding strategies • Assist with strategy and succession planning at our company and subsidiaries; support development of our company's management team • Oversee extension of Braves stadium development • Develop ESG program for our company
Brian J. Wendling	<ul style="list-style-type: none"> • Ensure timely and accurate internal and external financial reports • Continued development and training of accounting, reporting and internal audit staff • Assist other executives in accounting and financial related due diligence on potential acquisition targets and strategic investments • Assist treasury and management on evaluation of capital structures and capital allocation • Assist with financial, accounting and compliance matters at our subsidiaries
Albert E. Rosenthaler	<ul style="list-style-type: none"> • Lead corporate development efforts, including efforts at F1, SiriusXM and our company • Identify possible acquisition targets; provide analysis and evaluation of potential transactions • Assist with creation and promotion of a special purpose acquisition company • Oversee, train and develop internal tax staff • Increase staffing as needed and oversee personal and departmental growth of corporate development team
Renee L. Wilm	<ul style="list-style-type: none"> • Oversee enhanced risk management and compliance efforts • Oversee executive recruiting and talent development at our company and assist with succession planning at F1 and SiriusXM • Support corporate development in the evaluation of acquisition targets and strategic investments • Assist with creation and promotion of a special purpose acquisition company • Support subsidiary legal departments with regard to litigation, corporate and compliance matters • Support treasury and management in evaluation of capital structures and capital allocation, including liquidity concerns resulting from the coronavirus pandemic • Support development of ESG initiative • Oversee restructuring of coordinated government affairs program

Our compensation committee then considered the time allocated and services provided by each named executive officer to (i) our company, or (ii) the applicable Service Company. See “—Services Agreements” above.

Following a review of the above, our compensation committee determined to pay each participant the following portion of his or her LMC Maximum Individual Bonus:

Name	LMC Maximum Individual Bonus	Percentage Payable	Aggregate Dollar Amount
Gregory B. Maffei	\$8,976,000	87.5%	\$7,854,000
Brian J. Wendling	\$ 409,275	81.25%	\$ 332,536
Albert E. Rosenthaler	\$ 921,134	81.25%	\$ 748,421
Renee L. Wilm	\$ 789,480	87.5%	\$ 690,795

Corporate Performance Bonus. Our compensation committee then made a determination as to the portion, if any, that would be payable to each participant for his or her LMC Maximum Corporate Bonus. In making this determination, our compensation committee first reviewed forecasts of 2020 Adjusted OIBDA (defined as revenue less cost of sales, operating expense and selling, general and administrative expense (excluding stock compensation)), revenue and free cash flow (**financial measures**) for SiriusXM, Braves Holdings, LLC (**Braves Holdings**) and Formula 1, and a proportionate share of Live Nation, all of which forecasts were prepared in December 2020. In order to receive any portion of the corporate performance bonus associated with financial measures, we would need to recognize a minimum of \$14.3 billion, \$3.3 billion and \$2.3 billion in revenue, Adjusted OIBDA and free cash flow, respectively. Due to the financial impact of the coronavirus pandemic, resulting in the cancellation of Formula 1 races, cancellation of certain Braves baseball games and limited in person attendance at other games, and cancellation of Live Nation events, none of the financial measures approved by our compensation committee in March 2020, prior to the onset of the coronavirus pandemic, were achieved. However, when approving the performance-based bonus program in March 2020, our compensation committee reserved the right to adjust corporate performance criteria to reflect the impact of extraordinary economic events and financial market volatility, including the impact of COVID-19.

In December 2020, our compensation committee determined to assess corporate performance based on achievements other than pre-COVID financial measures that were deemed to be reflective of the intended incentive effect of the performance-based bonus program and recognized the strong performance of the management team navigating the challenges presented throughout 2020. These achievements included the following events:

- Reattribution of assets between Formula One Group and Liberty SiriusXM Group, consolidating music assets in the same tracking stock and creating significant liquidity at Formula One Group
- Completion of a rights offering within the Liberty SiriusXM Group
- Strategic assistance to Formula 1, Braves Holdings, Live Nation and SiriusXM in the areas of treasury and tax support
- Launch of a Liberty Media-sponsored Special Purpose Acquisition Company (**SPAC**) with strong investor response

In addition, for Messrs. Wendling and Rosenthaler and Ms. Wilm, our compensation committee also considered corporate achievements involving GCI Liberty, Liberty Broadband and Liberty TripAdvisor (including the successful completion of the merger between GCI Liberty and Liberty Broadband and the March 2020 preferred stock investment in Liberty TripAdvisor) since a portion of the corporate performance bonus paid by us was charged to the Service Companies through their respective amended service agreements with us.

After review of corporate performance outside of financial measures, our compensation committee determined to pay each participant 65% of his or her LMC Maximum Corporate Bonus, as follows:

Name	LMC Maximum Corporate Bonus	Percentage Payable	Aggregate Dollar Amount
Gregory B. Maffei	\$5,984,000	65%	\$3,889,600
Brian J. Wendling	\$ 289,845	65%	\$ 188,399
Albert E. Rosenthaler	\$ 636,230	65%	\$ 413,550
Renee L. Wilm	\$ 513,593	65%	\$ 333,836

Aggregate Results. The following table presents information concerning the aggregate 2020 performance-based bonus amounts payable to each named executive officer by our company (other than Mr. Malone), after giving effect to the determinations described above.

Name	Individual Performance Bonus	Corporate Performance Bonus	Total Bonus
Gregory B. Maffei	\$7,854,000	\$3,889,600	\$11,743,600
Brian J. Wendling	\$ 332,536	\$ 188,399	\$ 520,935
Albert E. Rosenthaler	\$ 748,421	\$ 413,550	\$ 1,161,971
Renee L. Wilm	\$ 690,795	\$ 333,836	\$ 1,024,631

Our compensation committee then noted that, when combined with the total 2020 performance-based bonus amounts paid by Qurate Retail (and, with respect to Mr. Maffei, the other Service Companies) to the overlapping named executive officers, Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm received \$27,917,713, \$664,867, \$1,459,432 and \$1,235,493, respectively. For more information regarding these bonus awards, please see the “Grants of Plan-Based Awards” table below.

Equity Incentive Compensation

The Liberty Media Corporation 2017 Omnibus Incentive Plan, as amended, (the **2017 incentive plan**) provides, and prior to its expiration, the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015), as amended (the **2013 incentive plan**) provided, for the grant of a variety of incentive awards, including stock options, restricted shares, restricted stock units (**RSUs**), stock appreciation rights and performance awards. Our compensation committee has a preference for grants of stock-based incentive awards (RSUs, restricted stock and options) as compared with cash incentive awards based on the belief that they better promote retention of key employees through the continuing, long-term nature of an equity investment. It is the policy of our compensation committee that stock options be awarded with an exercise price equal to fair market value on the date of grant, typically measured by reference to the closing price on the grant date. In the past, except for the 2014 stock option grants from Liberty Broadband and Liberty TripAdvisor to Mr. Maffei, our company has not allocated any portion of the costs of the named executive officers’ equity awards to Liberty Broadband, Liberty TripAdvisor or GCI Liberty. After the closing of the transactions that resulted in Qurate Retail acquiring a controlling equity interest in GCI Liberty that was subsequently split-off, our compensation committee reviewed this practice and determined that it would be appropriate to request each of these entities to grant a portion of the equity awards granted to our named executive officers. Our compensation committee determined to allocate to each of Qurate Retail, Liberty Broadband, Liberty TripAdvisor and GCI Liberty a proportionate share of the aggregate equity grant value given to each named executive officer based 50% on relative market capitalization and 50% on relative time spent by our company’s employees working for such issuer. With respect to awards made to Mr. Maffei in 2020, the 2019 Maffei Employment Agreement provides that Mr. Maffei’s aggregate annual equity award value will be granted across all the companies by our compensation committee and the compensation committees of Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty based on two factors, each weighted 50%: (i) the relative market capitalization of each series of stock of each company and (ii) the average of (a) the percentage allocation of time for all Liberty Media employees across all companies and (b) Mr. Maffei’s percentage allocation of time across all companies, unless a different allocation method is agreed.

Maffei Annual Equity Awards. The 2019 Maffei Employment Agreement provides Mr. Maffei with the opportunity to earn annual equity awards during the employment term. See “—Executive Compensation Arrangements—Gregory B. Maffei” for additional information about the annual awards provided under the 2019 Maffei Employment Agreement.

When structuring the 2019 Maffei Employment Agreement, our compensation committee considered a number of factors including the amount and structure of CEO compensation packages provided by companies in our industry, companies of comparable size and complexity, and companies that may compete with our company for executive talent. The compensation committee also considered the strategic direction and goals of our company and considered how best to incent achievement of those objectives. To further align Mr. Maffei’s interests with those of the other stockholders, the compensation committee structured his annual equity award grants as either option awards or performance-based restricted stock units with meaningful payout metrics determined annually. This structure was designed to provide for alignment of interests with the company’s stockholders and flexibility to the compensation committee to incent achievement of strategic objectives that may change or evolve over the term of the agreement.

The 2019 Maffei Employment Agreement provided that Mr. Maffei was entitled to receive from our company and the Service Companies in 2020 a combined target value equity award of \$17.5 million comprised of time-vested stock options, performance-based restricted stock units or a combination of award types, at Mr. Maffei’s election.

In 2020, our compensation committee granted time-vested stock options to Mr. Maffei in satisfaction of our obligations under the 2019 Maffei Employment Agreement for 44.0% of Mr. Maffei's aggregate annual equity award value for 2020, or \$7,700,000. Our compensation committee believes that time-vested stock options are consistent with its philosophy of aligning the interests of the named executive officers with those of our stockholders, with the ultimate goal of appropriately motivating our executives to increase long-term stockholder value. In accordance with the agreed upon allocation, \$2,800,000 was granted in FWONK awards, \$4,025,000 was granted in LSXMK awards, and \$875,000 was granted in BATRK awards.

As a result, our compensation committee granted to Mr. Maffei 387,603 LSXMK time-vested options (the **2020 Maffei LSXMK options**), 246,310 FWONK time-vested options (the **2020 Maffei FWONK options**), and 136,528 BATRK time-vested options (the **2020 Maffei BATRK options**, and collectively with the 2020 Maffei LSXMK options and the 2020 Maffei FWONK options, the **2020 Maffei Annual Options**). The 2020 Maffei LSXMK options, 2020 Maffei FWONK options and 2020 Maffei BATRK options had a grant date of March 11, 2020, a term of seven years, and a base price of \$39.87, \$28.61 and \$20.07, respectively, which was the closing price of LSXMK, FWONK and BATRK on the grant date. In addition, the stock options vested in full on December 31, 2020, and were subject to other applicable terms and conditions for option grants as set forth in the 2019 Maffei Employment Agreement.

For more information regarding the equity awards, see the "Grants of Plan-Based Awards" table below; "—Executive Compensation—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Equity Incentive Compensation—Maffei Annual Equity Awards" in Qurate Retail's Definitive Proxy Statement on Schedule 14A with respect to its 2021 annual meeting of stockholders; "—Executive Compensation—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Equity Incentive Compensation—Maffei Annual Equity Awards" in Liberty TripAdvisor's Definitive Proxy Statement on Schedule 14A with respect to its 2021 annual meeting of stockholders; and "—Executive Compensation—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Equity Incentive Compensation—Maffei Annual Equity Awards" in Liberty Broadband's Definitive Proxy Statement on Schedule 14A with respect to its 2021 annual meeting of stockholders.

Other 2020 Awards

Multiyear Stock Options. Consistent with its previous practices, our compensation committee has made larger stock option grants (equaling approximately three to five years' value of the named executive officer's annual grants) that vest between two and five years after grant, rather than making annual grants over the same period. These multiyear grants provide for back-end weighted vesting and generally expire seven to ten years after grant to encourage executives to remain with the company over the long-term and to better align their interests with those of the stockholders. In line with this philosophy, in connection with entering into, and pursuant to the terms of, the 2019 Maffei Employment Agreement, Mr. Maffei was entitled to an upfront equity award to be granted in two tranches in December 2019 and December 2020 (the **Maffei Term Equity**). Forty-four percent of the 2019 tranche of the Maffei Term Equity, or \$19.8 million, was allocated to our company and 41% of the 2020 tranche of the Maffei Term Equity, or \$18.45 million, was allocated to our company following a reallocation in December 2020. In December 2019, Mr. Maffei received a grant of options representing the 2019 tranche of his Maffei Term Equity (the **2019 Maffei Term Options**), which vest on December 31, 2023, and in December 2020, Mr. Maffei received a grant of options representing the 2020 tranche of his Maffei Term Equity (the **2020 Maffei Term Options**), which 2020 tranche included options to purchase 665,140 shares of LSXMK, 352,224 shares of BATRK and 544,508 shares of FWONK, which vest on December 31, 2024. The Maffei Term Equity is intended to encourage Mr. Maffei to remain with the company over the long-term and expected to more fully align Mr. Maffei's interests with those of the other stockholders. See "—Executive Compensation Arrangements—Gregory B. Maffei" below. In December 2020, our compensation committee granted to Messrs. Wendling and Rosenthaler and Ms. Wilm the following multiyear stock option awards that equal the value of Messrs. Wendling's and Rosenthaler's annual grants that are expected to be granted to each for the period from January 1, 2021 through December 31, 2023, and in the case of Ms. Wilm, a top-up in value over grants already made for the period from January 1, 2021 through December 31, 2023 to reflect the increased responsibilities associated with her new role as Chief Administrative Officer: Mr. Wendling—34,366 options to purchase LSXMK shares, 13,649 options to purchase BATRK shares and 28,960 options to purchase FWONK shares (the **Wendling 2020 Multiyear Options**); Mr. Rosenthaler—62,080 options to purchase LSXMK shares, 24,656 options to purchase BATRK shares and 52,316 options to purchase FWONK shares (the **Rosenthaler 2020 Multiyear Options**); and Ms. Wilm—16,717 options to purchase LSXMK shares, 6,639 options to purchase BATRK shares and 14,088 options to purchase FWONK shares (the **Wilm 2020 Multiyear Options**, and together with the Rosenthaler 2020 Multiyear Options and the Wendling 2020 Multiyear Options, the **2020 NEO Multiyear Options**). The 2020 NEO Multiyear Options vest in equal installments on each of December 10, 2022 and 2023 and expire on the seventh

anniversary of the grant date. See the “Grants of Plan-Based Awards” and the “Outstanding Equity Awards at Fiscal Year-End” tables below for more information about the 2020 NEO Multiyear Options. Mr. Malone does not participate in the equity award program and as a result did not receive a multiyear stock option award.

Annual Performance Awards. Consistent with our practice since December 2014 of granting a combination of multiyear stock options and annual performance awards to senior officers, our compensation committee granted annual performance RSUs to Messrs. Wendling and Rosenthaler and Ms. Wilm in March 2020. Our compensation committee granted to Messrs. Wendling and Rosenthaler and Ms. Wilm, 3,057, 6,294 and 5,057 LSXMK performance-based RSUs, respectively, 1,482, 3,051 and 2,451 BTRK performance-based RSUs, respectively, and 3,466, 7,135 and 5,733 FWONK performance-based RSUs, respectively, on March 11, 2020 (collectively, the **2020 Chief RSUs**). The 2020 Chief RSUs would vest subject to the satisfaction of the performance objectives described below.

Our compensation committee reviewed the 2020 financial performance of our company along with the 2020 personal performance of Messrs. Wendling and Rosenthaler and Ms. Wilm and considered the recommendations from Mr. Maffei, who recommended that our committee vest 100% of the 2020 Chief RSUs based on his assessment of their individual performance against the goals established in connection with the performance cash bonus program and his general observation of their leadership and executive performance. Accordingly, our compensation committee approved vesting in full of the 2020 Chief RSUs previously granted to Messrs. Wendling and Rosenthaler and Ms. Wilm.

Messrs. Malone and Maffei did not participate in the annual performance RSU program.

2020 CEO Base Salary Restructuring Restricted Stock Unit Grant. As described above, in April 2020, Mr. Maffei received a grant of 8,571 LSXMK, 3,057 BTRK and 6,959 FWONK restricted stock units (the **2020 CEO Salary Restructuring RSUs**) as a result of Mr. Maffei’s offer to waive and restructure his unpaid 2020 calendar year base salary due to potential liquidity concerns at Liberty Media and the Service Companies resulting from the onset of the pandemic. The 2020 CEO Salary Restructuring RSUs vested on December 10, 2020.

Rights Offering Adjustment Awards. In May 2020, we distributed to holders of shares of LSXMA, LSXMB and LSXMK 0.0939 of a subscription right to purchase one share of LSXMK for each share of LSXMA, LSXMB and LSXMK held on May 13, 2020 (the **rights offering**). In connection with the rights offering, holders of restricted stock units relating to shares of LSXMA and LSXMK received a grant of RSUs relating to LSXMK to compensate for the diminution in value associated with the common stock underlying these RSUs (the **Adjustment RSUs**). Holders of stock options to purchase shares of LSXMA and LSXMK received a grant of restricted shares of LSXMK to compensate for the diminution in value associated with the common stock underlying such options (the **Adjustment Restricted Shares**). As a result, Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm received 229, 96, 168 and 135 LSXMK RSUs, respectively, and 209,290, 3,358, 6,231 and 2,377 LSXMK restricted shares, respectively on June 8, 2020, shortly following the expiration of the rights offering. Each of the Adjustment RSUs and Adjustment Restricted Shares vested on June 17, 2020. Mr. Malone does not hold any company equity awards and so did not receive any Adjustment RSUs or Adjustment Restricted Shares. For more information regarding the equity awards, see the “Grants of Plan-Based Awards” table below.

Perquisites and Other Personal Benefits

The perquisites and other personal benefits available to our executives (that are not otherwise available to all of our salaried employees, such as matching contributions to the Liberty Media 401(k) Savings Plan and the payment of life insurance premiums) consist of:

- limited personal use of corporate aircraft;
- in the case of Mr. Maffei, payment of legal expenses pertaining to his employment arrangement;
- occasional, personal use of an apartment in New York City owned by a subsidiary of our company, which is primarily used for business purposes, and occasional, personal use of a company car and driver;
- a deferred compensation plan;
- in the case of Ms. Wilm, reimbursement of relocation expenses; and
- in the case of Mr. Malone, an annual allowance of \$1 million for personal expenses provided pursuant to the terms of his employment agreement (see “—Executive Compensation Arrangements—John C. Malone”).

Taxable income may be incurred by our executives in connection with their receipt of perquisites and personal benefits. Other than as contemplated by Mr. Malone's employment agreement, we have not provided gross-up payments to our executives in connection with any such taxable income incurred during the past three years.

Aircraft Usage. On occasion, and with the approval of our Chairman or Chief Executive Officer, executives may have family members and other guests accompany them on our corporate aircraft when traveling on business. Under the terms of the employment arrangements with our Chairman and our Chief Executive Officer, our Chairman and our Chief Executive Officer and their guests may use the corporate aircraft for non-business purposes subject to specified limitations.

Pursuant to a February 5, 2013 letter agreement between us and Mr. Maffei, Mr. Maffei is entitled to 120 hours per year of personal flight time through the first to occur of (i) the termination of his employment, subject to any continued right to use the corporate aircraft as described below or pursuant to the terms of his employment arrangement in effect at the time of the termination or (ii) the cessation of ownership or lease of corporate aircraft. During 2020, pursuant to November 11, 2015 and December 13, 2019 letter agreements between us and Mr. Maffei, Mr. Maffei was entitled to 50 additional hours per year of personal flight time if he reimbursed us for such usage through the first to occur of (i) the termination of his employment or (ii) the cessation of ownership or lease of corporate aircraft. If Mr. Maffei's employment is terminated due to disability, for good reason or without cause, Mr. Maffei would be entitled to continued use of the company's aircraft for 12 months after termination of his employment. Mr. Maffei incurs taxable income, calculated in accordance with the Standard Industry Fare Level (**SIFL**) rates, for all personal use of our corporate aircraft under the February 5, 2013 letter agreement. Mr. Maffei incurs taxable income at the SIFL rates minus amounts paid under time sharing agreements with our company for travel. Flights where there are no passengers on company-owned aircraft are not charged against the 120 hours of personal flight time per year allotted to Mr. Maffei if the flight department determines that the use of a NetJets, Inc. supplied aircraft for a proposed personal flight would be disadvantageous to our company due to (i) use of budgeted hours under the then current Liberty Media fractional ownership contract with NetJets, Inc. or (ii) higher flight cost as compared to the cost of using company-owned aircraft.

The cost of Mr. Malone's personal use of our corporate aircraft, calculated in accordance with SIFL, counts toward his \$1 million personal expense allowance (described above).

For disclosure purposes, we determine the aggregate incremental cost to the company of the executives' personal flights by using a method that takes into account all operating costs related to such flights, including:

- landing and parking expenses;
- crew travel expenses;
- supplies and catering;
- aircraft fuel and oil expenses per hour of flight;
- aircraft maintenance and upkeep;
- any customs, foreign permit and similar fees; and
- passenger ground transportation.

Because the company's aircraft is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage, such as salaries of pilots and crew, and purchase or lease costs of aircraft.

Pursuant to our aircraft time sharing agreements with Qurate Retail, Liberty TripAdvisor and Liberty Broadband, each of these companies pays us for any costs, calculated in accordance with Part 91 of the Federal Aviation Regulations, associated with Mr. Malone or Mr. Maffei using our corporate aircraft that are allocable to such company. For Mr. Maffei, allocations made to Qurate Retail, Liberty TripAdvisor and Liberty Broadband include his corporate aircraft use relating to such company's business matters and each Service Company's allocable portion of the approved personal use of our aircraft. Pursuant to our aircraft time sharing agreements with Mr. Maffei, Mr. Maffei was responsible for reimbursing us for costs associated with his 50 additional hours per year of personal flight time and such costs include the expenses listed above, insurance obtained for the specific flight and an additional charge equal to 100% of the aircraft fuel and oil expenses for the specific flight.

For purposes of determining an executive's taxable income, personal use of our aircraft is valued using a method based on SIFL rates, as published by the Treasury Department. The amount determined using the SIFL rates is typically lower than the amount determined using the incremental cost method. Under the American Jobs Creation Act of 2004, the amount we may deduct for a purely personal flight is limited to the amount included in the taxable

income of the executives who took the flight. Also, the deductibility of any non-business use will be limited by Section 162(m) of the Code to the extent that the named executive officer's compensation that is subject to that limitation exceeds \$1 million. See “—Deductibility of Executive Compensation” below.

Liberty Media has a fractional ownership contract with NetJets, Inc. for business travel purposes. Given the coronavirus pandemic and the significant reduction in business travel, the minimum use of the NetJets contract would not be met and, therefore, the company's named executive officers and directors were afforded the opportunity to use a portion of the NetJets contract for personal use, provided that each such named executive officer or director was responsible for reimbursing Liberty Media for costs associated therewith. Such use resulted in no incremental cost to the company and the executives did not incur any taxable income in connection therewith.

Deferred Compensation

To help accommodate the tax and estate planning objectives of the named executive officers, as well as other executives with the title of Assistant Vice President and above, our board of directors assumed the previously established Liberty Media Corporation 2006 Deferred Compensation Plan (as amended and restated). Under that plan, participants could elect to defer up to 50% of their base salary and up to 100% of their cash performance bonus that were allocable to our company. Compensation deferred under the plan that otherwise would have been received prior to 2015 would earn interest income at the rate of 9% per annum, compounded quarterly, for the period of the deferral. Compensation deferred under the plan that otherwise would have been received on or after January 1, 2015 will earn interest income at a rate that is intended to approximate our company's general cost of 10-year debt. For 2018, 2019 and 2020, the rate was 6.25%, 7.0% and 6.75%, respectively. Since September 2011, the named executive officers may not participate in the plan with respect to any portion of their cash performance bonuses paid by Qurate Retail or any other Service Company. For more information on this plan and the amendments that became effective January 1, 2016, see “—Executive Compensation Arrangements—2006 Deferred Compensation Plan” and the “—Nonqualified Deferred Compensation Plans” table below.

We provide Mr. Malone with certain deferred compensation arrangements that were entered into by our predecessors and assumed by us in connection with the various restructurings that we have undergone. Beginning in February 2009, Mr. Malone began receiving accelerated payments under those deferred compensation arrangements. For more information on these arrangements, see “—Executive Compensation Arrangements—John C. Malone” below.

Changes for 2021

The annual cash bonus program for our named executive officers for 2021 was approved by our company and each of the other Service Companies. The compensation committees of each of these companies established for each named executive officer target and maximum bonus opportunities, which will be based sixty percent on the officer's individual performance goals and forty percent on corporate performance goals that relate to our company, Qurate Retail and the other Service Companies (including subsidiary financial metrics and corporate level achievements). Each of the Service Companies has agreed to pay directly to our other named executive officers (in addition to Mr. Maffei) the portion of the annual cash performance bonus that will be allocated to each such Service Company according to the same allocation schedule that applies to Mr. Maffei, pursuant to the 2019 Maffei Employment Agreement and the amended services agreements. Mr. Maffei's compensation is allocated across Liberty Media and the other Service Companies based on two factors, each weighted 50%: (i) the relative market capitalization of each series of stock of each company and (ii) the average of (a) the percentage allocation of time for all Liberty Media employees across all companies and (b) Mr. Maffei's percentage allocation of time across all companies, unless a different allocation method is agreed. Therefore, beginning in 2021, our company will pay directly to our other named executive officers (in addition to Mr. Maffei) only our company's allocable portion of each named executive officer's annual cash bonus.

Deductibility of Executive Compensation

In developing the 2020 compensation packages for the named executive officers, the deductibility of executive compensation under Section 162(m) of the Code was considered. That provision prohibits the deduction of compensation of more than \$1 million paid to certain executives, subject to certain exceptions. Following the enactment of the Tax Cuts and Jobs Act of 2017, beginning with the 2018 calendar year, the executives potentially affected by the limitations of Section 162(m) of the Code have been expanded and there is no longer any exception for qualified performance-based compensation. Although some performance-based awards will not result in a compensation deduction after 2017, we believe the transition rules in effect for binding contracts in effect on

November 2, 2017 should continue to allow certain of these awards to maintain their exemption from the \$1 million annual deduction limitation for so long as such awards are not materially modified. However, portions of the compensation we pay to the named executive officers may not be deductible due to the application of Section 162(m) of the Code. Our compensation committee believes that the lost deduction on compensation payable in excess of the \$1 million limitation for the named executive officers is not material relative to the benefit of being able to attract and retain talented management.

Recoupment Provisions

In those instances where we grant cash or equity-based incentive compensation, we include in the related agreement with the executive a right, in favor of our company, to require the executive to repay or return to the company any cash, stock or other incentive compensation (including proceeds from the disposition of shares received upon exercise of options or stock appreciation rights). That right will arise if (1) a material restatement of any of our financial statements is required and (2) in the reasonable judgment of our compensation committee, (A) such restatement is due to material noncompliance with any financial reporting requirement under applicable securities laws and (B) such noncompliance is a result of misconduct on the part of the executive. In determining the amount of such repayment or return, our compensation committee may take into account, among other factors it deems relevant, the extent to which the market value of the applicable series of our common stock was affected by the errors giving rise to the restatement. The cash, stock or other compensation that we may require the executive to repay or return must have been received by the executive during the 12-month period beginning on the date of the first public issuance or the filing with the SEC, whichever occurs earlier, of the financial statement requiring restatement. The compensation required to be repaid or returned will include (1) cash or company stock received by the executive (A) upon the exercise during that 12-month period of any stock appreciation right held by the executive or (B) upon the payment during that 12-month period of any incentive compensation, the value of which is determined by reference to the value of company stock, and (2) any proceeds received by the executive from the disposition during that 12-month period of company stock received by the executive upon the exercise, vesting or payment during that 12-month period of any award of equity-based incentive compensation. Beginning in December 2020, we also began including in new forms of equity-based award agreements a right, in favor of our company, to require the executive to repay or return to the company, upon a reasonable determination by our compensation committee that the executive breached the confidentiality obligations included in the agreement, all or any portion of the outstanding award, any shares received under awards during the 12-month period prior to any such breach or any time after such breach and any proceeds from the disposition of shares received under awards during the 12-month period prior to any such breach or any time after such breach.

Stock Ownership Guidelines

Our board of directors adopted stock ownership guidelines in March 2016 that generally require our executive officers to own shares of our company's stock equal to at least three times 50% of the total base salary paid by Liberty Media to such executive officer. Our company's executive officers have a similar stock ownership requirement at Qurate Retail. Our executive officers generally have five years from the date of the policy, or five years from the date of their appointment to an executive officer role, to comply with these guidelines.

SUMMARY COMPENSATION TABLE

Name and Principal Position (as of 12/31/20)	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	Total (\$)
John C. Malone Chairman of the Board	2020	2,925	—	—	—	—	194,132	902,259 ⁽⁹⁾	1,099,316
	2019	2,925	—	—	—	—	205,494	1,240,689 ⁽⁹⁾	1,449,108
	2018	2,925	—	—	—	—	215,628	920,790 ⁽⁹⁾	1,139,343
Gregory B. Maffei President and Chief Executive Officer	2020	871,880	—	8,343,047	24,981,192	11,743,600	537,468	645,875 ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	47,123,062
	2019	1,167,798	2,200,000	3,564,833	27,800,742	8,434,116	380,320	497,261 ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾	44,045,070
	2018	1,112,188	—	3,024,616	8,830,019	6,372,841	397,703	416,179 ⁽¹⁰⁾⁽¹¹⁾	20,153,546
Brian J. Wendling⁽¹³⁾ Chief Accounting Officer and Principal Financial Officer	2020	401,250	—	388,327	961,684	520,935	96,448	23,893	2,392,537
	2019	362,842	—	381,415	—	462,015	48,294	32,373 ⁽¹⁴⁾	1,286,939
	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Albert E. Rosenthaler Chief Corporate Development Officer	2020	767,612	—	771,116	1,737,245	1,161,971	—	29,216	4,467,160
	2019	724,688	—	660,864	—	1,267,761	—	27,709	2,681,022
	2018	664,935	—	850,633	—	1,104,658	—	29,494 ⁽¹¹⁾⁽¹⁵⁾	2,649,720
Renee L. Wilm⁽¹⁶⁾ Chief Legal Officer	2020	877,200	—	514,863	467,809	1,024,631	—	110,480 ⁽¹⁷⁾	2,994,983
	2019	242,308	—	146,653	2,155,738	315,975	—	53,828 ⁽¹⁷⁾	2,914,502
	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

- (1) Represents only that portion of each named executive officer's salary that was allocated to our company with respect to the years ended December 31, 2020, 2019 and 2018. For a description of the allocation of compensation between our company and Qurate Retail for 2019 and 2018 and between our company and each of the Service Companies for 2020, see "—Compensation Discussion and Analysis—Services Agreements." Pursuant to the 2019 Maffei Employment Agreement, beginning January 1, 2020 the amount of Mr. Maffei's base salary allocable to our company was \$1,320,000. Due to the financial impact of the coronavirus pandemic, for the period from April 4, 2020 through December 31, 2020, Mr. Maffei offered to waive the right to receive his base salary except for amounts sufficient to cover health insurance, flexible spending contributions and certain taxes. In consideration for the portion of Mr. Maffei's base salary that he offered to waive and restructure, we granted to Mr. Maffei the 2020 CEO Salary Restructuring RSUs, which had a grant date fair value of \$511,080 and are detailed in the "Grants of Plan-Based Awards" table below. Mr. Maffei received an aggregate of \$360,800 in cash salary during 2020. The grant date fair value of all of the 2020 CEO Salary Restructuring RSUs is reflected in the "Grants of Plan-Based Awards" table below.
- (2) Represents only that portion of Mr. Maffei's cash commitment bonus allocated to our company under the amended services agreements in connection with the 2019 Maffei Employment Agreement. For a description of the allocation of Mr. Maffei's compensation among the Service Companies, see "—Compensation Discussion and Analysis—Services Agreements."
- (3) Reflects, as applicable, the grant date fair value of the RSUs (other than the 2020 CEO Salary Restructuring RSUs, the grant date fair value of which is reflected in the Salary column of this table in accordance with applicable SEC rules) and Adjustment Restricted Shares granted to our named executive officers during 2020 and the RSUs granted to our named executive officers during 2019 and 2018. The table reflects the grant date fair value of the 2020 Chief RSUs, the Adjustment RSUs, the Adjustment Restricted Shares, the performance-based RSUs granted to Messrs. Maffei, Wendling and Rosenthaler and Ms. Wilm in 2019, the time-based RSUs granted to Mr. Wendling in 2019 and the performance-based RSUs granted to Messrs. Maffei and Rosenthaler in 2018. The grant date fair value of these awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2020 (which are included in our 2020 Form 10-K).
- (4) The grant date fair value of Mr. Maffei's 2020, 2019 and 2018 stock option awards, including the 2020 Maffei Annual Options, the 2020 Maffei Term Options and the 2019 Maffei Term Options, the 2020 NEO Multiyear Options and Ms. Wilm's 2019 multi-year stock option award have been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2020 (which are included in the 2020 Form 10-K).
- (5) Reflects the above-market earnings credited during 2020, 2019 and 2018 to the deferred compensation accounts of each applicable named executive officer. See "—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Deferred Compensation," "—Executive Compensation Arrangements—John C. Malone," and "—Nonqualified Deferred Compensation Plans" below.

EXECUTIVE COMPENSATION

- (6) Included in this column are the following life insurance premiums paid on behalf of each of the named executive officers and allocated to our company under the 2019 Maffei Employment Agreement and the applicable amended services agreement:

Name	Amounts (\$)		
	2020	2019	2018
John C. Malone	4,635	4,635	4,635
Gregory B. Maffei	891	4,069	4,217
Brian J. Wendling	1,351	1,200	n/a
Albert E. Rosenthaler	6,094	5,869	3,579
Renee L. Wilm	1,471	414	n/a

- (7) We make available to our personnel, including our named executive officers, tickets to various sporting events with no aggregate incremental cost attributable to any single person.
- (8) The Liberty Media 401(k) Savings Plan provides employees with an opportunity to save for retirement. The Liberty Media 401(k) Savings Plan participants may contribute up to 75% of their eligible compensation on a pre-tax basis to the plan and an additional 10% of their eligible compensation on an after-tax basis (subject to specified maximums and IRS limits), and we contribute a matching contribution based on the participants' own contributions up to the maximum matching contribution set forth in the plan. Our company receives reimbursements from Qurate Retail under the Qurate Retail Services Agreement for Qurate Retail's allocable portion of the matching contribution for all of the named executive officers and from the other Service Companies under their respective services agreements for their respective allocable portion of the matching contributions for Mr. Maffei. Participant contributions to the Liberty Media 401(k) Savings Plan are fully vested upon contribution. Generally, participants acquire a vested right in our matching contributions as follows:

Years of Service	Vesting Percentage
Less than 1	0%
1 – 2	33%
2 – 3	66%
3 or more	100%

Included in this column, with respect to each named executive officer are the following matching contributions made by and allocated to our company to the Liberty Media 401(k) Savings Plan in 2020, 2019 and 2018:

Name	Amounts (\$)		
	2020	2019	2018
John C. Malone	21,375	21,000	20,625
Gregory B. Maffei	12,540	23,240	23,650
Brian J. Wendling	22,515	22,680	n/a
Albert E. Rosenthaler	23,085	21,840	20,075
Renee L. Wilm	24,510	—	n/a

With respect to these matching contributions, all of our named executive officers are fully vested other than Ms. Wilm who is 33% vested.

- (9) Includes the following amounts which were allocated to our company under the Qurate Retail Services Agreement:

	Amounts (\$)		
	2020	2019	2018
Reimbursement for personal legal, accounting and tax services	45,000	45,000	45,000
Compensation related to personal use of corporate aircraft ^(a)	158,628	550,242	204,974
Tax payments made on behalf of Mr. Malone	670,339	617,152	642,598

- (a) Calculated based on aggregate incremental cost of such usage to our company. Also includes miscellaneous personal expenses, such as courier charges.

(10) Includes the following amounts which were allocated to our company under the 2019 Maffei Employment Agreement for 2020 and under the Qurate Retail Services Agreement for 2019 and 2018:

	Amounts (\$)		
	2020	2019	2018
Compensation related to personal use of corporate aircraft ^(a)	343,813	456,172	373,028

(a) Calculated based on aggregate incremental cost of such usage to our company.

- (11) We own an apartment in New York City which is primarily used for business purposes. Messrs. Maffei and Rosenthaler occasionally used this apartment for personal reasons during the years indicated above. From time to time, we pay the cost of miscellaneous shipping and catering expenses for Mr. Maffei.
- (12) Includes legal expenses paid on behalf of Mr. Maffei when negotiating the 2019 Maffei Employment Agreement, including \$287,240 in 2020.
- (13) Mr. Wendling was promoted to the Principal Financial Officer role at our company in July 2019, and the Chief Accounting Officer role at our company in January 2020, and was a named executive officer of our company for the first time in 2019. His compensation for 2018 has been omitted in reliance upon the SEC's interpretive guidance.
- (14) Includes miscellaneous travel expenses and a gift, with 81% of such gift's cost being allocable to us pursuant to the Qurate Retail Services Agreement.
- (15) Includes \$5,000 in charitable contributions in 2018 made on behalf of Mr. Rosenthaler pursuant to our political action committee matching contribution program.
- (16) Ms. Wilm assumed the role of Chief Legal Officer of our company effective September 23, 2019, and the role of Chief Administrative Officer in January 2021.
- (17) Includes the following relocation expenses paid on behalf of Ms. Wilm:

	Amounts (\$)		
	2020	2019	2018
	84,486	53,414	n/a

EXECUTIVE COMPENSATION ARRANGEMENTS

John C. Malone

Mr. Malone's employment agreement and his deferred compensation arrangements with our predecessor companies, as described below, have been assigned to our company. The term of Mr. Malone's employment agreement is extended daily so that the remainder of the employment term is five years. The employment agreement was amended in June 1999 to provide for, among other things, an annual salary of \$2,600 (which was increased to \$3,900 in 2014), subject to increase with board approval. The employment agreement was amended in 2003 to provide for payment or reimbursement of personal expenses, including professional fees and other expenses incurred by Mr. Malone for estate, tax planning and other services, and for personal use of corporate aircraft and flight crew. The aggregate amount of such payments or reimbursements and the value of his personal use of corporate aircraft was originally limited to \$500,000 per year but increased to \$1 million effective January 1, 2007 by the Qurate Retail compensation committee. Although the "Summary Compensation Table" table above reflects the portion of the aggregate incremental cost of Mr. Malone's personal use of our corporate aircraft attributable to our company, the value of his aircraft use for purposes of his employment agreement is determined in accordance with SIFL, which aggregated \$36,106 for use of the aircraft by our company and Qurate Retail during the year ended December 31, 2020. Qurate Retail is allocated, and reimburses us for, portions of the other components of the payments/reimbursements to Mr. Malone described above.

In December 2008, the Qurate Retail compensation committee determined to modify Mr. Malone's employment arrangements to permit Mr. Malone to begin receiving fixed monthly payments in 2009, in advance of a termination event, in satisfaction of its obligations to him under a 1993 deferred compensation arrangement, a 1982 deferred compensation arrangement and an installment severance plan, in each case, entered into with him by Qurate Retail's predecessors (and which had been assumed by Qurate Retail). At the time of the amendment, the amounts owed to Mr. Malone under these arrangements aggregated approximately \$2.4 million, \$20 million and \$39 million, respectively. As a result of these modifications, Mr. Malone receives 240 equal monthly installments, which commenced February 2009, of: (1) approximately \$20,000 under the 1993 deferred compensation arrangement, (2) approximately \$237,000 under the 1982 deferred compensation arrangement and (3) approximately \$164,000 under the installment severance plan. Interest ceased to accrue under the installment severance plan once these payments began; however, interest continues to accrue on the 1993 deferred compensation arrangement at a rate of 8% per annum and on the 1982 deferred compensation arrangement at a rate of 13% per annum. In 2013, we assumed these payment obligations.

Under the terms of Mr. Malone's employment agreement, he is entitled to receive upon the termination of his employment at our election for any reason (other than for death or "cause"), a lump sum equal to his salary for a period of five full years following termination (calculated on the basis of \$3,900 per annum, the **lump sum severance payment**). As described above, we assumed Mr. Malone's employment agreement and all outstanding obligations thereunder, and Qurate Retail will reimburse us for its allocated portion of any such lump sum severance payments made thereunder.

For a description of the effect of any termination event or a change in control of our company on his employment agreement, see "—Potential Payments Upon Termination or Change in Control" below.

Gregory B. Maffei

December 2019 Employment Arrangement

On December 13, 2019, our compensation committee approved a compensation arrangement with Mr. Maffei. The arrangement covers the terms of Mr. Maffei's employment during a five year employment term beginning January 1, 2020 and ending December 31, 2024, with an annual base salary of \$3 million (with no contracted increase) and a one-time cash commitment bonus of \$5 million, an annual target cash performance bonus equal to \$17 million (with payment subject to the achievement of one or more performance metrics as determined by the applicable company's compensation committee), upfront equity awards and annual equity awards. Mr. Maffei's compensation arrangement was memorialized in the 2019 Maffei Employment Agreement, dated as of December 13, 2019.

The arrangement provides that, in the event Mr. Maffei is terminated for cause (as defined in the 2019 Maffei Employment Agreement), he will be entitled to only his accrued base salary, any unpaid expense reimbursements and any amounts due under applicable law, and he will forfeit any unvested portion of his Upfront Awards (as defined below). If Mr. Maffei is terminated by Liberty Media without cause or if Mr. Maffei terminates his employment for good reason (as defined in the 2019 Maffei Employment Agreement), subject to the execution of releases by our company and Mr. Maffei in a form to be mutually agreed, he is entitled to (i) his accrued base salary, any accrued but unpaid bonus for the prior completed year, any unpaid expense reimbursements and any amounts due under applicable law (the **Standard Entitlements**), (ii) a severance payment of two times his base salary during the year of his termination to be paid in equal installments over 24 months, (iii) fully vested shares with an aggregate grant date fair value of \$35 million consisting of shares of the applicable series of common stock from Liberty Media, Qurate Retail, Liberty TripAdvisor and Liberty Broadband, (iv) full vesting of his Upfront Awards and full vesting of the Annual Awards (as defined below) for the year in which the termination occurs (including the grant and full vesting of such Annual Awards if the termination occurs before they have been granted), (v) a lump sum cash payment of two times the average annual cash performance bonus paid for the two calendar years ending prior to the termination, but in no event less than two times his target annual cash performance bonus of \$17 million, with (subject to certain exceptions) up to 25% of such amount payable in shares of the applicable series of common stock from Liberty Media, Qurate Retail, Liberty TripAdvisor and Liberty Broadband, (vi) a lump sum cash payment equal to the greater of (x) \$17 million and (y) the annual cash performance bonus otherwise payable for the year of termination, in each case, prorated based on the number of days that have elapsed within the year of termination (including the date of termination), with (subject to certain exceptions) up to 25% of such amount payable in shares of the applicable series of common stock from Liberty Media, Qurate Retail, Liberty TripAdvisor and Liberty Broadband, and (vii) continued use for 12 months after such termination of certain services and perquisites provided by our company, including continued aircraft benefits consistent with those provided to him during the period of his employment (collectively referred to as the **Severance Benefits**). If Mr. Maffei terminates his employment without good reason (as defined in the 2019 Maffei Employment Agreement), he will be entitled to the Standard Entitlements, pro rata vesting of the Upfront Awards (based on the number of days that have elapsed during the four-year vesting period), pro rata vesting of his Annual Awards for the year of termination (based on the elapsed number of days in the calendar year of termination) and a pro rata portion of \$17 million (based on the elapsed number of days in the calendar year of termination), with (subject to certain exceptions) up to 25% of such amount payable in shares of LSXMK, BTRK and FWONK and/or the common stock of other Service Companies. Any Annual Performance RSUs for the year of termination that are unvested on the date of termination will remain outstanding until the performance criteria is determined and will vest pro rata (based upon the elapsed number of days in the calendar year of termination) to the extent determined by our compensation committee (at a level not less than 100% of the target award). Lastly, in the case of Mr. Maffei's death or disability, he will be entitled to the Severance Benefits. The 2019 Maffei Employment Agreement also contains other customary terms and conditions.

Maffei Term Equity Awards

In connection with the execution of the 2019 Maffei Employment Agreement, Mr. Maffei became entitled to receive term equity awards with an aggregate grant date fair value of \$90 million (the **Upfront Awards**) to be granted in two equal tranches. The first tranche consisted of time-vested stock options from each of Liberty Media, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the **2019 term awards**) that vest, in each case, on December 31, 2023 (except Liberty TripAdvisor's award of time-vested restricted stock units, which vests on December 15, 2023), subject to Mr. Maffei's continued employment, except as described below. Liberty Media's portion of the 2019 term awards, granted in December 2019, had an aggregate grant date fair value of \$19,800,000 and consisted of stock options to purchase 927,334 LSXMK shares, 313,342 BATRK shares and 588,954 FWONK shares, with exercise prices of \$47.11, \$29.10 and \$43.85, respectively, each with a term of seven years.

The second tranche of the Upfront Awards was granted on December 10, 2020 and consisted of time-vested stock options from each of Liberty Media, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the **2020 term awards**). The 2020 term awards will vest, in each case, on December 31, 2024, subject to Mr. Maffei's continued employment (except Liberty TripAdvisor's award of time-vested restricted stock units, which vests on the fourth anniversary of its grant date), except as described below. Liberty Media's portion of the 2020 term awards, granted in December 2020, had an aggregate grant date fair value of \$18,450,000 and consisted of stock options to purchase 665,140 LSXMK shares, 352,224 BATRK shares and 544,508 FWONK shares, with exercise prices of \$42.13, \$26.36 and \$43.01, respectively, each with a term of seven years.

Annual Awards

The aggregate grant date fair value of Mr. Maffei's annual equity awards is \$17.5 million for each year during the term of the 2019 Maffei Employment Agreement and is comprised of awards of time-vested stock options (the **Annual Options**), performance-based restricted stock units (**Annual Performance RSUs**) or a combination of award types, at Mr. Maffei's election, allocable across Liberty Media and each of the Service Companies (collectively, the **Annual Awards**). Vesting of any Annual Performance RSUs will be subject to the achievement of one or more performance metrics to be approved by our compensation committee and the compensation committee of the applicable Service Company with respect to its respective allocable portion of the Annual Performance RSUs. At Liberty Media, Mr. Maffei's annual equity awards will be issued with respect to LSXMK, BATRK and FWONK. For a description of Mr. Maffei's Annual Awards, see "Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Equity Incentive Compensation—Maffei Annual Equity Awards."

Aircraft Usage

We are party to a February 5, 2013 letter agreement with Mr. Maffei, pursuant to which he is entitled to personal use of corporate aircraft not to exceed 120 hours of flight time per year through the first to occur of (i) the termination of his employment, subject to any continued right to use the corporate aircraft as described below or pursuant to the terms of his employment arrangement in effect at the time of the termination or (ii) the cessation of ownership or lease of corporate aircraft. During 2020, pursuant to the November 11, 2015 and December 13, 2019 letter agreements between us and Mr. Maffei, Mr. Maffei was entitled to 50 additional hours per year of personal flight time if he reimbursed us for such usage through the first to occur of (i) the termination of his employment or (ii) the cessation of ownership or lease of corporate aircraft. If Mr. Maffei's employment is terminated due to disability, for good reason or without cause, Mr. Maffei would be entitled to continued use of the company's aircraft for 12 months after termination of his employment. Mr. Maffei incurs taxable income, calculated in accordance with the SIFL value, for all personal use of our corporate aircraft under the February 5, 2013 letter agreement. Mr. Maffei incurs taxable income at the SIFL rates minus amounts paid under time sharing agreements with our company. Pursuant to our aircraft time sharing agreements with Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty, such entities pay us for any costs, calculated in accordance with Part 91 of the Federal Aviation Regulations, associated with Mr. Maffei using our corporate aircraft that are allocable to these entities. Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty reimburse us for Mr. Maffei's use of our corporate aircraft for such entity's business, as the case may be, while Qurate Retail also reimburses us for Mr. Maffei's personal use of our corporate aircraft. Pursuant to our aircraft time sharing agreements with Mr. Maffei, Mr. Maffei reimburses us for costs associated with his up to 50 hours of personal use of our corporate aircraft under the November 11, 2015 and December 13, 2019 letter agreements. Flights where there are no passengers on company-owned aircraft are not charged against the 120 hours of personal flight time per year allotted to Mr. Maffei if the flight department determines

that the use of a NetJets, Inc. supplied aircraft for a proposed personal flight would be disadvantageous to our company due to (i) use of budgeted hours under the then current Liberty Media fractional ownership contract with NetJets, Inc. or (ii) higher flight cost as compared to the cost of using company-owned aircraft.

Equity Incentive Plans

The 2017 incentive plan is administered by the compensation committee of our board of directors. The compensation committee has full power and authority to grant eligible persons the awards described below and to determine the terms and conditions under which any awards are made. The 2017 incentive plan is designed to provide additional remuneration to certain employees and independent contractors for exceptional service and to encourage their investment in our company. Our compensation committee may grant non-qualified stock options, SARs, restricted shares, RSUs, cash awards, performance awards or any combination of the foregoing under the 2017 incentive plan (collectively, **incentive plan awards**).

As of December 31, 2020, the maximum number of shares of our common stock with respect to which incentive plan awards may be issued under the 2017 incentive plan is 50,000,000, subject to anti-dilution and other adjustment provisions of the 2017 incentive plan. With limited exceptions, under the 2017 incentive plan, no person may be granted in any calendar year incentive plan awards covering more than 8,000,000 shares of our common stock (subject to anti-dilution and other adjustment provisions of the 2017 incentive plan) nor may any person receive under the 2017 incentive plan payment for cash incentive plan awards during any calendar year in excess of \$10 million. However, no nonemployee director may be granted during any calendar year incentive plan awards having a value (as determined on the grant date of such award) in excess of \$2 million. Shares of our common stock issuable pursuant to incentive plan awards made under the 2017 incentive plan are made available from either authorized but unissued shares or shares that have been issued but reacquired by our company. The 2017 incentive plan has a five year term.

In 2013, our company's board of directors adopted the Liberty Media Corporation Transitional Stock Adjustment Plan (the **TSAP**, and together with the 2013 incentive plan, the **existing incentive plans**). The TSAP governs the terms and conditions of equity incentive awards with respect to our common stock issued in connection with adjustments made to equity incentive awards relating to our predecessor's common stock that were granted prior to 2013. No further grants are permitted under the TSAP.

2006 Deferred Compensation Plan

Our company maintains the Liberty Media Corporation 2006 Deferred Compensation Plan (as amended and restated, the **2006 deferred compensation plan**), under which officers at the level of Assistant Vice President and above are eligible to elect to defer up to 50% of such officer's annual base salary and 100% of cash performance bonuses. These deferral elections must be made in advance of certain deadlines and may include (1) the selection of a payment date, which generally may not be later than 30 years from the end of the year in which the applicable compensation is initially deferred, and (2) the form of distribution, such as a lump-sum payment or substantially equal annual installments over two to five years for elections made prior to January 1, 2016 or two to ten years for elections made on or after January 1, 2016.

In addition to the accelerated distribution events described under "—Potential Payments Upon Termination or Change in Control" below, at the eligible officer's request, if the compensation committee determines that such officer has suffered a financial hardship, it may authorize immediate distribution of amounts deferred under the 2006 deferred compensation plan.

Compensation deferred under the 2006 deferred compensation plan that otherwise would have been received prior to 2015 would earn interest income at the rate of 9% per annum, compounded quarterly, for the period of the deferral. Compensation deferred under the 2006 deferred compensation plan that otherwise would have been received on or after January 1, 2015 will earn interest income at a rate that is intended to approximate our company's general cost of 10-year debt. For amounts deferred on or after January 1, 2015, the compensation committee may not change the applicable interest rate in effect after a change of control has occurred. For 2020 the rate was 6.75%.

Our board of directors reserves the right to terminate the 2006 deferred compensation plan at any time. An optional termination by our board of directors will not result in any distribution acceleration.

Pay Ratio Information

We are providing the following information about the relationship of the median annual total compensation of our employees and the total compensation of Mr. Maffei, our chief executive officer on December 31, 2020, pursuant to

the SEC’s pay ratio disclosure rules set forth in Item 402(u) of Regulation S-K. We believe our pay ratio is a reasonable estimate calculated in a manner consistent with the SEC’s pay ratio disclosure rules. However, because these rules provide flexibility in determining the methodology, assumptions and estimates used to determine pay ratios and the fact that workforce composition issues differ significantly between companies, our pay ratio may not be comparable to the pay ratios reported by other companies.

To identify our median employee, we first determined our employee population as of December 31, 2020, which consisted of employees located in the U.S., Belgium, Canada, Columbia, the Dominican Republic, France, Germany, Malaysia, Philippines, Romania and the United Kingdom, representing all full-time, part-time, seasonal and temporary employees employed by our company and our consolidated subsidiaries, SiriusXM, Formula 1 and Braves Holdings, on that date. Using information from our payroll records and Form W-2s (or its equivalent for non-U.S. employees), we then measured each employee’s gross wages for calendar year 2020, consisting of base salary, commissions, actual bonus payments, long-term incentive cash payments, if any, realized equity award value and taxable fringe benefits. We did not annualize the compensation of employees who were new hires or took a leave of absence in 2020. Also, we did not annualize the compensation of our temporary or seasonal employees. In addition, we did not make any cost-of-living adjustments to the gross wages information.

We determined that the median employee’s total compensation for calendar year 2020, including any perquisites and other benefits, in the same manner that we determined the total compensation of our named executive officers for purposes of the Summary Compensation Table above.

The ratio of our chief executive officer’s total annual compensation to that of the median employee was as follows:

Chief Executive Officer Total Annual Compensation	\$47,123,062
Median Employee Total Annual Compensation	\$ 100,400
Ratio of Chief Executive Officer to Median Employee Total Annual Compensation	469:1

In connection with the execution of the 2019 Maffei Employment Agreement, Mr. Maffei received the 2019 Maffei Term Options in December 2019 and the 2020 Maffei Term Options in December 2020. Liberty Media’s portion of the 2020 Maffei Term Options, granted in December 2020, had an aggregate grant date fair value of \$19,106,564. Given that this grant was made outside of our normal, annual compensation practices, we have also included a ratio that eliminates from the total compensation the grant date fair value of Liberty Media’s portion of the 2020 Maffei Term Options:

Chief Executive Officer Total Annual Compensation (without 2020 Maffei Term Options)	\$28,016,499
Median Employee Total Annual Compensation	\$ 100,400
Ratio of Chief Executive Officer to Median Employee Total Annual Compensation	279:1

GRANTS OF PLAN-BASED AWARDS

The following table contains information regarding plan-based incentive awards granted during the year ended December 31, 2020 to the named executive officers (other than Mr. Malone, who did not receive any grants).

Name	Grant Date	Committee Action Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards			Estimated Future Payouts under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
			Threshold (\$) ⁽¹⁾	Target (\$) ⁽¹⁾	Maximum (\$) ⁽²⁾	Threshold (#) ⁽³⁾	Target (#) ⁽³⁾	Maximum (#)				
Gregory B. Maffei												
	03/11/2020 ⁽⁴⁾		—	7,480,000	14,960,000	—	—	—	—	—	—	—
LSXMK	03/11/2020		—	—	—	—	—	—	387,603 ⁽⁵⁾	39.87	3,378,018	
BATRK	03/11/2020		—	—	—	—	—	—	136,528 ⁽⁵⁾	20.07	637,799	
FWONK	03/11/2020		—	—	—	—	—	—	246,310 ⁽⁵⁾	28.61	1,858,810	
LSXMK	04/14/2020		—	—	—	—	—	8,571 ⁽⁶⁾	—	—	283,786	
BATRK	04/14/2020		—	—	—	—	—	3,057 ⁽⁶⁾	—	—	55,546	
FWONK	04/14/2020		—	—	—	—	—	6,959 ⁽⁶⁾	—	—	171,748	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	209,290 ⁽⁷⁾	—	—	8,333,928	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	229 ⁽⁷⁾	—	—	9,119	
LSXMK	12/10/2020		—	—	—	—	—	—	665,140 ⁽⁸⁾	42.13	8,231,320	
BATRK	12/10/2020		—	—	—	—	—	—	352,224 ⁽⁸⁾	26.36	2,910,518	
FWONK	12/10/2020		—	—	—	—	—	—	544,508 ⁽⁸⁾	43.01	7,964,725	
Brian J. Wendling												
	03/11/2020 ⁽⁴⁾		—	—	699,120	—	—	—	—	—	—	
LSXMK	03/11/2020 ⁽⁹⁾		—	—	—	—	3,057	—	—	—	121,883	
BATRK	03/11/2020 ⁽⁹⁾		—	—	—	—	1,482	—	—	—	29,744	
FWONK	03/11/2020 ⁽⁹⁾		—	—	—	—	3,466	—	—	—	99,162	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	3,358 ⁽⁷⁾	—	—	133,716	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	96 ⁽⁷⁾	—	—	3,823	
LSXMK	12/10/2020		—	—	—	—	—	—	34,366 ⁽¹⁰⁾	42.13	425,290	
BATRK	12/10/2020		—	—	—	—	—	—	13,649 ⁽¹⁰⁾	26.36	112,785	
FWONK	12/10/2020		—	—	—	—	—	—	28,960 ⁽¹⁰⁾	43.01	423,609	
Albert E. Rosenthaler												
	03/11/2020 ⁽⁴⁾		—	—	1,557,365	—	—	—	—	—	—	
LSXMK	03/11/2020 ⁽⁹⁾		—	—	—	—	6,294	—	—	—	250,942	
BATRK	03/11/2020 ⁽⁹⁾		—	—	—	—	3,051	—	—	—	61,234	
FWONK	03/11/2020 ⁽⁹⁾		—	—	—	—	7,135	—	—	—	204,132	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	6,231 ⁽⁷⁾	—	—	248,118	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	168 ⁽⁷⁾	—	—	6,690	
LSXMK	12/10/2020		—	—	—	—	—	—	62,080 ⁽¹⁰⁾	42.13	768,260	
BATRK	12/10/2020		—	—	—	—	—	—	24,656 ⁽¹⁰⁾	26.36	203,739	
FWONK	12/10/2020		—	—	—	—	—	—	52,316 ⁽¹⁰⁾	43.01	765,246	
Renee L. Wilm												
	03/11/2020 ⁽⁴⁾		—	—	1,303,073	—	—	—	—	—	—	
LSXMK	03/11/2020 ⁽⁹⁾		—	—	—	—	5,057	—	—	—	201,623	
BATRK	03/11/2020 ⁽⁹⁾		—	—	—	—	2,451	—	—	—	49,192	
FWONK	03/11/2020 ⁽⁹⁾		—	—	—	—	5,733	—	—	—	164,021	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	2,377 ⁽⁷⁾	—	—	94,652	
LSXMK	06/08/2020	05/21/2020	—	—	—	—	—	135 ⁽⁷⁾	—	—	5,376	
LSXMK	12/10/2020		—	—	—	—	—	—	16,717 ⁽¹⁰⁾	42.13	206,878	
BATRK	12/10/2020		—	—	—	—	—	—	6,639 ⁽¹⁰⁾	26.36	54,860	
FWONK	12/10/2020		—	—	—	—	—	—	14,088 ⁽¹⁰⁾	43.01	206,071	

- (1) Our 2020 performance-based bonus program does not provide for a threshold bonus amount. Other than with respect to Mr. Maffei, the program also does not provide for a target payout amount for any named executive officer that would be payable upon satisfaction of the performance criteria under the 2020 performance-based bonus program. For the actual bonuses paid by our company see the amounts included for 2020 in the column entitled Non-Equity Incentive Plan Compensation in the “Summary Compensation Table” above.
- (2) Represents the maximum amount that would have been payable to each named executive officer. For more information on this performance bonus program, see “—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—2020 Performance-based Bonuses.”

- (3) The terms of the 2020 Chief RSUs do not provide for a threshold amount that would be payable upon satisfaction of the performance criteria established by the compensation committee. The amounts in the Target column represent the target amount that would have been payable to the named executive officer assuming our compensation committee determined not to reduce such payout after considering a combination of the criteria established by our compensation committee in March 2020. For the actual 2020 Chief RSUs that vested see “—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards” above.
- (4) Reflects the date on which our compensation committee established the terms of the 2020 performance-based bonus program, as described under “—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—2020 Performance-based Bonuses.”
- (5) Vested in full on December 31, 2020.
- (6) The 2020 CEO Salary Restructuring RSUs, which vested in full on December 10, 2020.
- (7) The Adjustment Restricted Shares and Adjustment RSUs, which vested in full on June 17, 2020.
- (8) Vests in full on December 31, 2024.
- (9) Reflects the date on which our compensation committee established the terms of the 2020 Chief RSUs as described under “—Compensation Discussion and Analysis—Elements of 2020 Executive Compensation—Equity Incentive Compensation—Annual Performance Awards” above.
- (10) Vests 50% on December 10, 2022 and 50% on December 10, 2023.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table contains information regarding unexercised options and unvested RSUs which were outstanding as of December 31, 2020 and held by the named executive officers (with the exception of John C. Malone, who had no outstanding equity awards as of December 31, 2020).

Name	Option awards					Stock awards			
	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option exercise price (\$)	Option expiration date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
Gregory B. Maffei									
<i>Option Awards</i>									
LSXMK	3,337,193	—	—	28.01	12/24/2021	—	—	—	—
LSXMK	348,109	—	—	31.44	03/31/2022	—	—	—	—
LSXMK	62,339	—	—	30.26	03/15/2023	—	—	—	—
LSXMK	724,228	—	—	31.07	03/29/2023	—	—	—	—
LSXMK	897,694	—	—	36.78	05/11/2024	—	—	—	—
LSXMK	22,465	—	—	36.78	05/11/2024	—	—	—	—
LSXMK	632,752	—	—	42.50	03/05/2025	—	—	—	—
LSXMK	94,913	—	—	40.53	03/06/2026	—	—	—	—
LSXMK	396,283	—	—	40.53	03/06/2026	—	—	—	—
LSXMK	—	927,334 ⁽¹⁾	—	47.11	12/15/2026	—	—	—	—
LSXMK	387,603	—	—	39.87	03/11/2027	—	—	—	—
LSXMK	—	665,140 ⁽²⁾	—	42.13	12/10/2027	—	—	—	—
BATRK	333,910	—	—	16.17	12/24/2021	—	—	—	—
BATRK	33,491	—	—	18.15	03/31/2022	—	—	—	—
BATRK	6,255	—	—	17.47	03/15/2023	—	—	—	—
BATRK	74,322	—	—	17.94	03/29/2023	—	—	—	—
BATRK	133,594	—	—	23.51	03/30/2024	—	—	—	—
BATRK	15,283	—	—	23.51	03/30/2024	—	—	—	—
BATRK	46,052	—	—	23.34	03/05/2025	—	—	—	—
BATRK	6,908	—	—	27.73	03/06/2026	—	—	—	—
BATRK	—	313,342 ⁽¹⁾	—	29.10	12/15/2026	—	—	—	—
BATRK	136,528	—	—	20.07	03/11/2027	—	—	—	—
BATRK	—	352,224 ⁽²⁾	—	26.36	12/10/2027	—	—	—	—
FWONK	834,316	—	—	16.16	12/24/2021	—	—	—	—
FWONK	83,682	—	—	18.14	03/31/2022	—	—	—	—
FWONK	15,631	—	—	17.46	03/15/2023	—	—	—	—
FWONK	185,703	—	—	17.93	03/29/2023	—	—	—	—
FWONK	171,299	—	—	33.92	03/30/2024	—	—	—	—
FWONK	138,655	—	—	31.99	03/05/2025	—	—	—	—
FWONK	20,798	—	—	33.94	03/06/2026	—	—	—	—
FWONK	205,149	—	—	33.94	03/06/2026	—	—	—	—
FWONK	—	588,954 ⁽¹⁾	—	43.85	12/15/2026	—	—	—	—
FWONK	246,310	—	—	28.61	03/11/2027	—	—	—	—
FWONK	—	544,508 ⁽²⁾	—	43.01	12/10/2027	—	—	—	—
Brian J. Wendling									
<i>Option Awards</i>									
LSXMK	45,818	—	—	30.51	05/12/2022	—	—	—	—
LSXMK	79,838	—	—	30.51	05/12/2023	—	—	—	—
LSXMK	—	34,366 ⁽³⁾	—	42.13	12/10/2027	—	—	—	—
BATRK	4,655	—	—	17.62	05/12/2022	—	—	—	—
BATRK	8,111	—	—	17.62	05/12/2023	—	—	—	—
BATRK	—	13,649 ⁽³⁾	—	26.36	12/10/2027	—	—	—	—
FWONK	11,631	—	—	17.61	05/12/2022	—	—	—	—
FWONK	20,267	—	—	17.61	05/12/2023	—	—	—	—
FWONK	—	28,960 ⁽³⁾	—	43.01	12/10/2027	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	3,057 ⁽⁴⁾	133,010

Option awards

Stock awards

Name	Option awards			Stock awards					
	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option exercise price (\$)	Option expiration date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
BATRK	—	—	—	—	—	—	—	1,482 ⁽⁴⁾	36,872
FWONK	—	—	—	—	—	—	—	3,466 ⁽⁴⁾	147,652
Albert E. Rosenthaler									
<i>Option Awards</i>									
LSXMK	193,774	—	—	32.63	03/04/2023	—	—	—	—
LSXMK	39,384	—	—	39.21	03/20/2024	—	—	—	—
LSXMK	—	62,080 ⁽³⁾	—	42.13	12/10/2027	—	—	—	—
BATRK	11,816	—	—	18.84	03/04/2022	—	—	—	—
BATRK	19,264	—	—	18.84	03/04/2023	—	—	—	—
BATRK	5,031	—	—	22.96	03/20/2024	—	—	—	—
BATRK	—	24,656 ⁽³⁾	—	26.36	12/10/2027	—	—	—	—
FWONK	48,134	—	—	18.83	03/04/2023	—	—	—	—
FWONK	19,331	—	—	33.85	03/20/2024	—	—	—	—
FWONK	—	52,316 ⁽³⁾	—	43.01	12/10/2027	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	6,294 ⁽⁴⁾	273,852
BATRK	—	—	—	—	—	—	—	3,051 ⁽⁴⁾	75,909
FWONK	—	—	—	—	—	—	—	7,135 ⁽⁴⁾	303,951
Renee L. Wilm									
<i>Option Awards</i>									
LSXMK	—	88,939 ⁽⁵⁾	—	46.98	11/13/2026	—	—	—	—
LSXMK	—	16,717 ⁽³⁾	—	42.13	12/10/2027	—	—	—	—
BATRK	—	34,709 ⁽⁵⁾	—	27.73	11/13/2026	—	—	—	—
BATRK	—	6,639 ⁽³⁾	—	26.36	12/10/2027	—	—	—	—
FWONK	—	74,859 ⁽⁵⁾	—	42.97	11/13/2026	—	—	—	—
FWONK	—	14,088 ⁽³⁾	—	43.01	12/10/2027	—	—	—	—
<i>RSU Awards</i>									
LSXMK	—	—	—	—	—	—	—	5,057 ⁽⁴⁾	220,030
BATRK	—	—	—	—	—	—	—	2,451 ⁽⁴⁾	60,981
FWONK	—	—	—	—	—	—	—	5,733 ⁽⁴⁾	244,226

(1) Vests in full on December 31, 2023.

(2) Vests in full on December 31, 2024.

(3) Vests 50% on December 10, 2022 and 50% on December 10, 2023.

(4) Represents the target number of 2020 Chief RSUs that each of Messrs. Wendling and Rosenthaler and Ms. Wilm could earn based on performance in 2020.

(5) Vests 50% on September 23, 2022 and 50% on September 23, 2023.

OPTION EXERCISES AND STOCK VESTED

The following table sets forth information concerning the vesting of RSUs held by our named executive officers (with the exception of Mr. Malone, who had no vesting of RSUs) during the year ended December 31, 2020. None of our named executive officers exercised any options during the year ended December 31, 2020.

Name	Option Awards		Stock Awards	
	Number of shares acquired on exercise (#) ⁽¹⁾	Value realized on exercise (\$)	Number of shares acquired on vesting (#) ⁽¹⁾	Value realized on vesting (\$)
Gregory B. Maffei				
LSXMK	—	—	218,090(2)	8,028,082
BATRK	—	—	41,225(2)	782,997
FWONK	—	—	66,464(2)	1,936,073
Brian J. Wendling				
LSXMK	—	—	7,274	270,931
BATRK	—	—	1,365	26,693
FWONK	—	—	4,124	120,792
Albert E. Rosenthaler				
LSXMK	—	—	13,900	512,652
BATRK	—	—	2,672	49,111
FWONK	—	—	8,331	229,019
Renee L. Wilm				
LSXMK	—	—	4,022	147,980
BATRK	—	—	609	11,193
FWONK	—	—	1,369	37,634

(1) Includes shares withheld in payment of withholding taxes at election of holder.

(2) Includes the 2020 CEO Salary Restructuring RSUs.

NONQUALIFIED DEFERRED COMPENSATION PLANS

The following table sets forth information regarding the nonqualified deferred compensation plans in which our named executive officers participated during the year ended December 31, 2020. Mr. Maffei maintained his account under the 2006 deferred compensation plan and Mr. Wendling made contributions to the 2006 deferred compensation plan. See “—Executive Compensation Arrangements—2006 Deferred Compensation Plan” for more information. Mr. Malone’s deferred compensation arrangements are described under “—Executive Compensation Arrangements—John C. Malone.” During 2020, Mr. Rosenthaler and Ms. Wilm did not participate in any deferred compensation arrangements.

Name	Executive contributions in 2020 (\$)	Registrant contributions in 2020 (\$)	Aggregate earnings in 2020 (\$) ⁽¹⁾	Aggregate withdrawals/distributions (\$)	Aggregate balance at 12/31/20 (\$) ⁽¹⁾⁽²⁾
John C. Malone	—	—	2,029,310	3,082,818	15,604,723
Gregory B. Maffei	—	—	719,030	—	8,443,618
Brian J. Wendling	517,679	—	144,637	—	2,639,369
Albert E. Rosenthaler	—	—	—	—	—
Renee L. Wilm	—	—	—	—	—

- (1) Of these amounts, the following were reported in the “Summary Compensation Table” as above-market earnings that were credited to the named executive officer’s deferred compensation account during 2020:

Name	Amount (\$)
John C. Malone	194,132
Gregory B. Maffei	537,468
Brian J. Wendling	96,448
Albert E. Rosenthaler	—
Renee L. Wilm	—

- (2) In our prior year proxy statements, we reported the following above-market earnings that were credited as interest to the applicable officer’s deferred compensation accounts during the years reported:

Name	Amount (\$)	
	2019	2018
John C. Malone	205,494	215,628
Gregory B. Maffei	380,320	397,703
Brian J. Wendling	48,294	n/a
Albert E. Rosenthaler	—	—
Renee L. Wilm	—	n/a

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

The following table sets forth the potential payments to our named executive officers if their employment with Liberty Media and the other Service Companies had terminated or a change in control had occurred, in each case, as of December 31, 2020, which was the last business day of our last completed fiscal year. In the event of such a termination or change in control, the actual amounts may be different due to various factors. In addition, we may enter into new arrangements or modify these arrangements from time to time.

The amounts provided in the table are based on the closing market prices on December 31, 2020 for our LSXMK common stock, which was \$43.51, our BATRК common stock, which was \$24.88, and our FWONK common stock, which was \$42.60. Any option awards held by the named executive officers that had an exercise price that was more than the closing market price of our LSXMK common stock, BATRК common stock and FWONK common stock on December 31, 2020 have been excluded from the table below. The value of the options shown in the table is based on the spread between the exercise price of the award and the applicable closing market price. The value of the RSUs shown in the table is based on the applicable closing market price and the number of unvested RSUs.

Each of our named executive officers (other than Mr. Malone) has received awards and payments under the existing incentive plans, and each of our named executive officers is eligible to participate in our deferred compensation plan. Additionally, each of Messrs. Malone and Maffei is entitled to certain payments and acceleration rights upon termination under his respective employment agreement. See “—Executive Compensation Arrangements” above and “—Termination Without Cause or for Good Reason” below.

No immediate distributions under the 2006 deferred compensation plan are permitted as a result of a termination for cause or a termination without cause or for good reason (other than pursuant to the compensation committee’s right to distribute certain de minimis amounts from an officer’s deferred compensation account). In addition, we do not have an acceleration right to pay out account balances to the named executive officers upon a voluntary termination or a termination due to death or disability. However, the named executive officer may file an election at the time of the deferral to receive distributions under the 2006 deferred compensation plan upon his or her separation from service, including any of the types of termination above. For purposes of the tabular presentation below, we have assumed that the named executive officer has elected to receive payout of all deferred compensation upon his separation from service, including interest. The 2006 deferred compensation plan also provides our compensation committee with the option of terminating the plan 30 days preceding or within 12 months after a change of control and distributing the account balances (which option is assumed to have been exercised for purposes of the tabular presentation below).

The circumstances giving rise to these potential payments and a brief summary of the provisions governing their payout are described below and in the footnotes to the table (other than those described under “—Executive Compensation Arrangements,” which are incorporated by reference herein):

Voluntary Termination

Each of the named executive officers (other than Mr. Malone) holds equity awards that were issued under our existing incentive plans. Under these plans and the related award agreements, in the event of a voluntary termination of his or her employment with our company for any reason, each named executive officer (other than Mr. Malone) would typically only have a right to the equity grants that vested prior to his or her termination date. However, if Mr. Maffei had voluntarily terminated his employment at December 31, 2020, his 2019 Maffei Term Options and 2020 Maffei Term Options would have been subject to pro rata vesting (based on the number of days elapsed during the four-year vesting period). Mr. Maffei would have been entitled to certain other benefits upon a voluntary termination of his employment with our company as of December 31, 2020. See “—Executive Compensation Arrangements—Gregory B. Maffei—December 2019 Employment Arrangement” above. Mr. Wendling, Mr. Rosenthaler and Ms. Wilm are not entitled to any severance payments or other benefits upon a voluntary termination of their employment. The foregoing discussion assumes that the named executive officers voluntarily terminated his or her respective employment without good reason. See “Termination Without Cause or for Good Reason” below for a discussion of potential payments and benefits upon a named executive officer’s voluntary termination of his employment for good reason.

Termination for Cause

All outstanding equity grants constituting options, whether unvested or vested but not yet exercised, and all equity grants constituting unvested RSUs under the existing incentive plans would be forfeited by any named executive officer (other than Mr. Maffei in the case of equity grants constituting vested options or similar rights) who is terminated for “cause.” The existing incentive plans, which govern the awards unless there is a different definition in the applicable award agreement,

define “cause” as insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform duties and responsibilities for any reason other than illness or incapacity; *provided* that, if such termination is within 12 months after a change in control (as described below), “cause” means a felony conviction for fraud, misappropriation or embezzlement. With respect to Mr. Maffei’s equity grants, “cause,” as defined in the award agreement, means (i) Mr. Maffei’s willful failure to follow the lawful instructions of the board of directors of our company; (ii) the commission by Mr. Maffei of any fraud, misappropriation or misconduct that causes demonstrable material injury to our company or its subsidiaries; (iii) Mr. Maffei’s conviction of, or plea of guilty or nolo contendere to, a felony; or (iv) Mr. Maffei’s failure to comply in any material respect with any written agreement between him and our company or any of our subsidiaries if such failure causes demonstrable material injury to our company or any of our subsidiaries, except that Mr. Maffei is entitled to certain procedural and cure rights relating to a termination for cause, except in the case of a termination for cause based on a felony conviction. Mr. Maffei has certain continuing rights to exercise vested options or similar rights following a termination for cause under his equity award agreements. See “—Executive Compensation Arrangements” above.

Termination Without Cause or for Good Reason

Mr. Malone does not have any outstanding equity awards. As of December 31, 2020, Mr. Maffei’s unvested equity awards consisted of the 2019 Maffei Term Options and the 2020 Maffei Term Options. The 2019 Maffei Term Options and 2020 Maffei Term Options would have vested in full upon a termination of his employment by our company without cause (as defined in the 2019 Maffei Employment Agreement) or by him for good reason (as defined in the 2019 Maffei Employment Agreement) as of December 31, 2020. Each of Mr. Malone and Mr. Maffei is entitled to severance payments and/or other benefits upon a termination of his employment without cause or for good reason. See “—Executive Compensation Arrangements—John C. Malone” and “—Executive Compensation Arrangements—Gregory B. Maffei” above.

As of December 31, 2020, Messrs. Wendling’s and Rosenthaler’s only unvested equity awards were their 2020 Chief RSUs and 2020 NEO Multiyear Options. Ms. Wilm’s only unvested equity awards as of December 31, 2020 were her 2019 multi-year stock option award, her 2020 Chief RSUs and her 2020 NEO Multiyear Options. The multi-year stock option awards granted to Ms. Wilm in November 2019 and the 2020 NEO Multiyear Options provide for vesting upon a termination of employment without cause of a pro rata portion of each vesting tranche of the applicable award (based on the number of days that have elapsed from the grant date through the termination date, plus an additional 365 days, over the applicable tranche’s vesting period). The 2020 Chief RSUs held by these officers would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee if these officers had been terminated without cause as of December 31, 2020. None of these officers is entitled to any severance pay or other benefits upon a termination without cause.

Death

In the event of death of any of the named executive officers as of December 31, 2020, the existing incentive plans and applicable award agreements would have provided for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards. Each of Mr. Malone and Mr. Maffei is also entitled to certain payments and other benefits if he dies while employed by our company. See “—Executive Compensation Arrangements” above.

No amounts are shown for payments pursuant to life insurance policies, which we make available to all our employees.

Disability

If the employment of any of the named executive officers had been terminated due to disability as of December 31, 2020, which is defined in the existing incentive plans or applicable award agreements, such plans or agreements would have provided for vesting in full of any outstanding options and the lapse of restrictions on any RSU awards. Each of Mr. Malone and Mr. Maffei is also entitled to certain payments and other benefits upon a termination of his employment due to disability. See “Executive Compensation Arrangements” above.

No amounts are shown for payments pursuant to short-term and long-term disability policies, which we make available to all our employees.

Change in Control

In case of a change in control, the incentive plans provide for vesting in full of any outstanding options (other than the 2019 Maffei Term Options and the 2020 Maffei Term Options) and the lapse of restrictions on any RSU awards held by the named executive officers. A change in control is generally defined as:

- The acquisition by a non-exempt person (as defined in the incentive plans) of beneficial ownership of at least 20% of the combined voting power of the then outstanding shares of our company ordinarily having the right to vote in the election of directors, other than pursuant to a transaction approved by our board of directors.
- The individuals constituting our board of directors over any two consecutive years cease to constitute at least a majority of the board, subject to certain exceptions that permit the board to approve new members by approval of at least two-thirds of the remaining directors.
- Any merger, consolidation or binding share exchange that causes the persons who were common stockholders of our company immediately prior thereto to lose their proportionate interest in the common stock or voting power of the successor or to have less than a majority of the combined voting power of the then outstanding shares ordinarily having the right to vote in the election of directors, the sale of substantially all of the assets of the company or the dissolution of the company.

In the case of a change in control described in the last bullet point, our compensation committee may determine not to accelerate the existing equity awards of the named executive officers if equivalent awards will be substituted for the existing awards. For purposes of the tabular presentation below, we have assumed that our named executive officers' existing unvested equity awards (other than the 2019 Maffei Term Options and the 2020 Maffei Term Options) would vest in full in the case of a change in control described in the last bullet. A change in control (as defined in the 2019 Maffei Employment Agreement) of our company would provide Mr. Maffei with a short time period during which to exercise his right to terminate his employment for good reason, which would result in vesting of his 2019 Maffei Term Options. For purposes of the tabular presentation below, we have assumed that Mr. Maffei does not exercise his right to terminate his employment for good reason in connection with a change in control.

Benefits Payable Upon Termination or Change in Control

Name	Voluntary Termination Without Good Reason (\$)	Termination for Cause (\$)	Termination Without Cause or for Good Reason (\$)	Death (\$)	Disability (\$)	After a Change in Control (\$)
John C. Malone						
Lump Sum Severance ⁽¹⁾	19,500	—	19,500	—	19,500	19,500
Installment Severance Plan ⁽²⁾	15,879,810	15,879,810	15,879,810	15,879,810	15,879,810	15,879,810
1993 Deferred Compensation Arrangement ⁽³⁾	1,948,265	1,948,265	1,948,265	1,431,330	1,948,265	1,948,265
1982 Deferred Compensation Arrangement ⁽³⁾	22,971,178	22,971,178	22,971,178	14,173,393	22,971,178	22,971,178
Options	—	—	—	—	—	—
RSUs	—	—	—	—	—	—
Total	40,818,753	40,799,253	40,818,753	31,484,533	40,818,753	40,818,753
Gregory B. Maffei						
Severance	6,970,000 ⁽⁴⁾	—	30,750,000 ⁽⁵⁾	30,750,000 ⁽⁵⁾	30,750,000 ⁽⁵⁾	—
Deferred Compensation	8,443,618 ⁽⁶⁾	8,443,618 ⁽⁶⁾	8,443,618 ⁽⁶⁾	8,443,618 ⁽⁶⁾	8,443,618 ⁽⁶⁾	8,443,618 ⁽⁷⁾
Options	117,538,436 ⁽⁸⁾	117,538,436 ⁽⁸⁾	118,456,329 ⁽⁹⁾	118,456,329 ⁽¹⁰⁾	118,456,329 ⁽¹⁰⁾	117,538,436 ⁽¹¹⁾
RSUs	— ⁽⁸⁾	— ⁽⁸⁾	— ⁽⁹⁾	— ⁽¹⁰⁾	— ⁽¹⁰⁾	— ⁽¹¹⁾
Perquisites ⁽¹²⁾	—	—	243,968	—	243,968	—
Total	132,952,054	125,982,054	157,893,915	157,649,947	157,893,915	125,982,054
Brian J. Wendling						
Deferred Compensation	2,639,369 ⁽⁶⁾	2,639,369 ⁽⁶⁾	2,639,369 ⁽⁶⁾	2,639,369 ⁽⁶⁾	2,639,369 ⁽⁶⁾	2,639,369 ⁽⁷⁾
Options	2,523,340 ⁽⁸⁾	— ⁽¹³⁾	2,544,238 ⁽¹⁴⁾	2,570,765 ⁽¹⁰⁾	2,570,765 ⁽¹⁰⁾	2,570,765 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	317,534 ⁽¹⁴⁾	317,534 ⁽¹⁰⁾	317,534 ⁽¹⁰⁾	317,534 ⁽¹⁰⁾
Total	5,162,709	2,639,369	5,501,140	5,527,668	5,527,668	5,527,668
Albert E. Rosenthaler						
Options	3,788,286 ⁽⁸⁾	— ⁽¹³⁾	3,826,035 ⁽¹⁴⁾	3,873,957 ⁽¹⁰⁾	3,873,957 ⁽¹⁰⁾	3,873,957 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	653,712 ⁽¹⁴⁾	653,712 ⁽¹⁰⁾	653,712 ⁽¹⁰⁾	653,712 ⁽¹⁰⁾
Total	3,788,286	—	4,479,747	4,527,669	4,527,669	4,527,669
Renee L. Wilm						
Options	— ⁽⁸⁾	— ⁽¹³⁾	10,165 ⁽¹⁴⁾	23,069 ⁽¹⁰⁾	23,069 ⁽¹⁰⁾	23,069 ⁽¹⁰⁾
RSUs	— ⁽⁸⁾	— ⁽¹³⁾	525,237 ⁽¹⁴⁾	525,237 ⁽¹⁰⁾	525,237 ⁽¹⁰⁾	525,237 ⁽¹⁰⁾
Total	—	—	535,402	548,306	548,306	548,306

- (1) Under Mr. Malone's employment agreement, which was assigned to our company in 2013, if his employment had been terminated, as of December 31, 2020, at our election (other than for death or cause) (whether before or after a change in control) or upon Mr. Malone's prior written notice, he would have been entitled to a lump sum severance payment of \$19,500 payable upon termination, which is equal to five years of his current annual salary of \$3,900. See "—Executive Compensation Arrangements—John C. Malone" above. Pursuant to the amended Qurate Retail Services Agreement, 25% of such lump sum severance payment would have been allocable to Qurate Retail.
- (2) As described above, Mr. Malone began receiving 240 consecutive monthly installment severance payments in February 2009 pursuant to the terms of his amended employment agreement. The number included in the table represents the aggregate amount of the payments remaining as of December 31, 2020. With respect to periods following the termination of his employment, the foregoing payments are conditioned on Mr. Malone's compliance with the confidentiality, non-competition, non-solicitation and non-interference covenants contained in his employment agreement. See "—Executive Compensation Arrangements—John C. Malone" above.
- (3) As described above, Mr. Malone began receiving 240 consecutive monthly payments of his deferred compensation plus interest, in February 2009 pursuant to the terms of his amended employment agreement, which our company assumed in 2013. The number included in the table represents the aggregate amount of these payments remaining as of December 31, 2020. With respect to periods following the termination of his employment, the foregoing payments are conditioned on Mr. Malone's compliance with the confidentiality, non-competition, non-solicitation and non-interference covenants contained in his employment agreement. If Mr. Malone's employment had been terminated, as of December 31, 2020, as a result of his death, his beneficiaries would have instead been entitled to a lump sum payment of the unamortized principal balance of the remaining deferred compensation payments, and the compliance conditions described above would be inapplicable. See "—Executive Compensation Arrangements—John C. Malone" above.
- (4) If Mr. Maffei had voluntarily terminated his employment without good reason (as defined in the 2019 Maffei Employment Agreement) as of December 31, 2020, he would have been entitled to receive in a lump sum a prorated amount of \$17 million, with up to 25% of such amount payable in shares of our common stock of our company and each Service Company. See "—Executive Compensation Arrangements—Gregory B. Maffei" above. Liberty Media is responsible for paying the full severance payment and each of the Service Companies would be responsible for reimbursing us for their allocable portion of this payment. Therefore, the table above reflects only Liberty Media's allocable

portion (which was 41% as of December 31, 2020, pursuant to the reallocations that became effective following the combination of Liberty Broadband and GCI Liberty) of such amount.

- (5) If Mr. Maffei's employment had been terminated by Liberty Media without cause (as defined in the 2019 Maffei Employment Agreement), by him for good reason (as defined in the 2019 Maffei Employment Agreement) (whether before or within a specified period following a change in control) or due to Mr. Maffei's death or disability, in each case, subject to execution of a mutual release, as of December 31, 2020, he would have been entitled to receive (i) a payment of two times his 2020 base salary payable in 24 equal monthly installments, (ii) fully vested shares of common stock with an aggregate grant date fair value of \$35 million, (iii) a lump sum payment of an amount equal to two times his average annual bonus paid for the two calendar years prior to separation, but in no event an amount that is less than two times his aggregate target bonus of \$17 million and (iv) a lump sum cash payment equal to the greater of \$17 million and the annual cash performance bonus otherwise payable for the year of termination, in each case, prorated based on the number of days that have elapsed within the year of termination, with up to 25% of such amount payable in shares of the common stock of our company or the applicable Service Company. See "—Executive Compensation Arrangements—Gregory B. Maffei" above. Liberty Media is responsible for paying the full severance payment and each of the Service Companies would be responsible for reimbursing us for their allocable portion of this payment. Therefore, the table above reflects only Liberty Media's allocable portion (which was 41% as of December 31, 2020, pursuant to the reallocations that became effective following the combination of Liberty Broadband and GCI Liberty) of such amount. The amount in the table does not include the lump sum cash payment described in (iv) because Mr. Maffei had already been paid his 2020 cash bonus prior to December 31, 2020.
- (6) Under the 2006 deferred compensation plan, we do not and Qurate Retail does not have an acceleration right to pay out account balances to Messrs. Maffei or Wendling upon a termination of employment. However, Messrs. Maffei and Wendling had the right to file an election at the time of his initial deferral to receive distributions under the 2006 deferred compensation plan upon his separation from service, including under the termination scenarios in the table above. For purposes of the tabular presentation above, we have assumed that each of Messrs. Maffei and Wendling has elected to receive payout upon a separation from service of all deferred compensation, including interest.
- (7) The 2006 deferred compensation plan provides our compensation committee with the option of terminating the plan 30 days preceding or within 12 months after a change of control of Liberty Media and distributing the account balances (which option is assumed to have been exercised for purposes of the tabular presentation above).
- (8) Based on the number of vested options held by each named executive officer at December 31, 2020. If Mr. Maffei's employment had been terminated without good reason as of December 31, 2020, he would have been entitled to pro rata vesting of the 2019 Maffei Term Options and 2020 Maffei Term Options, (based on the number of days that had elapsed from the date of grant over the four-year vesting period). Also, if Mr. Maffei's employment had been terminated for cause as of December 31, 2020, he would have forfeited his 2019 Maffei Term Options and 2020 Maffei Term Options. Each of Messrs. Wendling and Rosenthaler and Ms. Wilm would have forfeited his or her 2020 Chief RSUs if his or her employment had been terminated without good reason as of December 31, 2020. For more information, see the "Outstanding Equity Awards at Fiscal Year-End" table, "—Executive Compensation Arrangements—Gregory B. Maffei."
- (9) Based on the number of vested options held by Mr. Maffei at December 31, 2020. If Mr. Maffei's employment had been terminated without cause (as defined in the 2019 Maffei Employment Agreement) or for good reason (as defined in the 2019 Maffei Employment Agreement) (whether before or within a specific period following a change in control) as of December 31, 2020, his 2019 Maffei Term Options and 2020 Maffei Term Options would have vested in full. See "—Executive Compensation Arrangements—Gregory B. Maffei" above and the "Outstanding Equity Awards at Fiscal Year-End" table above.
- (10) Based on the number of options, whether unvested or vested but not yet exercised, and unvested RSUs held by the named executive officer as of December 31, 2020. Also, if Mr. Maffei's employment terminated due to death or disability as of December 31, 2020, his 2019 Maffei Term Options and 2020 Maffei Term Options would have vested in full. Upon a change in control, we have assumed for purposes of the tabular presentation above that the other named executive officers' 2020 Chief RSUs, the 2020 NEO Multiyear Options and the multi-year stock option awards granted to Ms. Wilm in November 2019 would have vested in full. For more information, see the "Outstanding Equity Awards at Fiscal Year-End" table above.
- (11) Based on the number of vested options held by Mr. Maffei as of December 31, 2020. For more information, see the "Outstanding Equity Awards at Fiscal Year-End" table above.
- (12) If Mr. Maffei's employment had been terminated at our company's election for any reason (other than cause) or by Mr. Maffei for good reason (as defined in his employment agreement) or by reason of disability, as of December 31, 2020, he would have been entitled to receive personal use of the corporate aircraft for 120 hours over a 12-month period. Perquisite amount of \$595,044 represents the maximum potential cost of using the corporate aircraft for 120 hours based on an hourly average of the incremental cost of use of the corporate aircraft. The table above reflects only Liberty Media's allocable portion of such amount (which was 41% as of December 31, 2020, pursuant to the reallocations that became effective following the combination of Liberty Broadband and GCI Liberty).
- (13) If the named executive officer was terminated for "cause" as of December 31, 2020, all of his or her outstanding option and RSU grants would have been forfeited.
- (14) Based on (i) the number of vested options held by such named executive officer at December 31, 2020, (ii) the number of unvested options held by each named executive officer at December 31, 2020 that would have vested pursuant to the forward-vesting provisions in such named executive officer's award agreements if he or she were terminated without cause as of December 31, 2020 and (iii) the number of 2020 Chief RSUs held by Messrs. Wendling and Rosenthaler and Ms. Wilm which would have remained outstanding until any performance criteria had been determined to have been met or not and would have vested to the extent determined by the compensation committee. See "Outstanding Equity Awards at Fiscal Year-End" table and "—Termination Without Cause or for Good Reason" above.

DIRECTOR COMPENSATION

NONEMPLOYEE DIRECTORS

Director Fees

Each of our directors who is not an employee of our company is paid an annual fee for 2021 of \$232,000 (which, in 2020, was \$227,000) (which we refer to as the **director fee**), of which \$110,500 (\$108,000 in 2020) is payable in cash and the balance is payable in RSUs or options to purchase shares of LSXMK, BTRK and FWONK. For service on our board in 2021 and 2020, each director was permitted to elect to receive \$121,500 and \$119,000, respectively, of his or her director fee in RSUs or options to purchase shares of LSXMK, BTRK and FWONK. The awards issued to our board of directors with respect to service on our board in 2021 were issued in December 2020. See “—Director RSU Grants” and “—Director Option Grants” below for information on the incentive awards granted in 2020.

Fees for service on our audit committee, compensation committee and nominating and corporate governance committee are the same for 2021 and 2020, with each member thereof receiving an additional annual fee of \$30,000, \$10,000 and \$10,000, respectively, for his or her participation on each such committee, except that the chairman of each such committee instead receives an additional annual fee of \$40,000, \$20,000 and \$20,000, respectively, for his participation on that committee. With respect to our executive committee, each member thereof who is not an employee of our company receives an additional annual fee of \$10,000 for his participation on that committee. The cash portion of the director fees and the fees for participation on committees are payable quarterly in arrears.

Charitable Contributions

If a director makes a donation to our political action committee, we will make a matching donation to a charity of his or her choice in an amount not to exceed \$10,000.

Equity Incentive Plan

Awards granted to our nonemployee directors under the 2017 incentive plan are administered by our board of directors or our compensation committee. Our board of directors has full power and authority to grant nonemployee directors the awards described below and to determine the terms and conditions under which any awards are made. The 2017 incentive plan is designed to provide our nonemployee directors with additional remuneration for services rendered, to encourage their investment in our common stock and to aid in attracting persons of exceptional ability to become nonemployee directors of our company. Our board of directors may grant non-qualified stock options, SARs, restricted shares, restricted stock units and cash awards or any combination of the foregoing under the 2017 incentive plan.

The maximum number of shares of our common stock with respect to which awards may be granted under the 2017 incentive plan is 50 million shares, subject to anti-dilution and other adjustment provisions of the 2017 incentive plan. No nonemployee director may be granted during any calendar year awards having a value (as determined on the grant date of such award) that would be in excess of \$2 million. Shares of our common stock issuable pursuant to awards made under the 2017 incentive plan will be made available from either authorized but unissued shares of our common stock or shares of our common stock that we have issued but reacquired, including shares purchased in the open market.

As described above, in 2013, our company’s board of directors adopted the TSAP, which governs the terms and conditions of awards with respect to our common stock issued in connection with adjustments made to awards relating to our predecessor’s common stock that were granted prior to 2013.

Director RSU Grants

Pursuant to our director compensation policy described above and the 2017 incentive plan, we granted the following RSU awards in December 2020:

Name	LSXMK	BATRK	FWONK
Robert R. Bennett	1,640	248	1,147
Brian M. Deevy	820	124	573
M. Ian G. Gilchrist	—	248	—
David E. Rapley	820	124	573
Andrea L. Wong	—	248	1,147

These RSUs will vest on the first anniversary of the grant date, or on such earlier date that the grantee ceases to be a director because of death or disability, and, unless our board of directors determines otherwise, will be forfeited if the grantee resigns or is removed from the board before the vesting date.

Director Option Grants

Pursuant to our director compensation policy described above and the 2017 incentive plan, we granted the following stock option awards in December 2020:

Name	# of LSXMK Options	Exercise Price (\$)	# of BATRK Options	Exercise Price (\$)	# of FWONK Options	Exercise Price (\$)
Brian M. Deevy	2,794	42.13	396	26.36	1,686	43.01
M. Ian G. Gilchrist	5,587	42.13	—	—	3,373	43.01
Evan D. Malone	5,587	42.13	793	26.36	3,373	43.01
David E. Rapley	2,794	42.13	396	26.36	1,686	43.01
Larry E. Romrell	5,587	42.13	793	26.36	3,373	43.01
Andrea L. Wong	5,587	42.13	—	—	—	—

These options will become exercisable on the first anniversary of the grant date, or on such earlier date that the grantee ceases to be a director because of death or disability, and, unless our board determines otherwise, will be terminated without becoming exercisable if the grantee resigns or is removed from the board before the vesting date. Once vested, the options will remain exercisable until the seventh anniversary of the grant date or, if earlier, until the first business day following the first anniversary of the date the grantee ceases to be a director.

Rights Offering Adjustment Awards

In connection with the rights offering, holders of restricted stock units relating to shares of LSXMA and LSXMK received the Adjustment RSUs. Holders of stock options to purchase shares of LSXMA and LSXMK received the Adjustment Restricted Shares. As a result, we granted the following Adjustment RSUs and Adjustment Restricted Shares to our directors. Each of the Adjustment RSUs and Adjustment Restricted Shares vested shortly following the expiration of the rights offering.

Name	Adjustment RSUs	Adjustment Restricted Shares
Robert R. Bennett	40	—
Brian M. Deevy	20	460
M. Ian G. Gilchrist	—	828
Evan D. Malone	—	1,106
David E. Rapley	20	553
Larry E. Romrell	—	1,106
Andrea L. Wong	—	785

Aircraft Usage

Liberty Media has a fractional ownership contract with NetJets, Inc. for business travel purposes. Given the coronavirus pandemic and the significant reduction in business travel, the minimum use of the NetJets contract would not be met and, therefore, the company's named executive officers and directors were afforded the opportunity to use a portion of the NetJets contract for personal use, provided that each such named executive officer or director was responsible for reimbursing Liberty Media for costs associated therewith. Such use resulted in no incremental cost to the company and the directors did not incur any taxable income in connection therewith.

Stock Ownership Guidelines

In March 2016, our board of directors adopted stock ownership guidelines that require each nonemployee director to own shares of our company's stock equal to at least three times the value of their annual cash retainer fees. Nonemployee directors will have five years from the later of (i) the effective date of the guidelines and (ii) the director's initial appointment to our board to comply with these guidelines.

Director Deferred Compensation Plan

Effective beginning in the fourth quarter of 2013, directors of our company are eligible to participate in the Liberty Media Corporation Nonemployee Director Deferred Compensation Plan (the **director deferred compensation plan**), pursuant to which eligible directors of our company can elect to defer all or any portion of their annual cash fees that they would otherwise be entitled to receive. The deferral of such annual cash fees shall be effected by a reduction in the quarterly payment of such annual cash fees by the percentage specified in the director's election. Elections are required to be made in advance of certain deadlines, which generally must be on or before the close of business on December 31 of the year prior to the year to which the director's election will apply, and elections must include the form of distribution, such as a lump-sum payment or substantially equal installments over a period not to exceed ten years. Compensation deferred under the director deferred compensation plan that otherwise would have been received prior to 2015 would earn interest income at the rate of 9% per annum, compounded quarterly, for the period of the deferral. Compensation deferred under the director deferred compensation plan that otherwise would have been received on or after January 1, 2015 will earn interest income at a rate that is intended to approximate our company's general cost of 10-year debt. For 2019, 2020 and 2021, the rate was 6.25%, 7.0% and 6.75% respectively.

DIRECTOR COMPENSATION TABLE

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽²⁾⁽³⁾	Option Awards (\$) ⁽²⁾⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
Robert R. Bennett	118,000 ⁽⁴⁾	126,556	—	43,708	22,537 ⁽⁶⁾	310,801
Brian M. Deevy	198,000 ⁽⁷⁾	81,574	62,511	—	22,537 ⁽⁶⁾	364,621
M. Ian G. Gilchrist	198,000 ⁽⁷⁾	39,508	118,479	—	22,537 ⁽⁶⁾	378,524
Evan D. Malone	108,000	44,041	125,032	—	—	277,073
David E. Rapley	138,000 ⁽⁴⁾	85,277	62,511	29,312	22,537 ⁽⁶⁾	337,636
Larry E. Romrell	148,000	44,041	125,032	—	22,537 ⁽⁶⁾	339,610
Andrea L. Wong	148,000 ⁽⁴⁾⁽⁷⁾	87,128	69,141	42,525	19,234 ⁽⁶⁾	366,028

(1) John C. Malone and Gregory B. Maffei, each of whom is a director of our company and a named executive officer, received no compensation for serving as directors of our company during 2020. Derek Chang was not a director of our company during 2020.

- (2) As of December 31, 2020, our directors (other than Messrs. Malone and Maffei, whose equity awards are listed in “Outstanding Equity Awards at Fiscal Year-End” above) held the following equity awards with respect to shares of our common stock:

	Robert R. Bennett	Brian M. Deevy	M. Ian G. Gilchrist	Evan D. Malone	David E. Rapley	Larry E. Romrell	Andrea L. Wong
Options (#)							
LSXMK	—	20,024	36,577	46,972	23,487	46,972	34,972
BATRK	—	2,723	4,663	6,196	3,097	6,196	3,229
FWONK	—	10,728	20,123	20,771	10,384	20,771	8,548
RSUs (#)							
LSXMK	1,640	820	—	—	820	—	—
BATRK	248	124	248	—	124	—	248
FWONK	1,147	573	—	—	573	—	1,147

- (3) The aggregate grant date fair value of the stock option and RSU awards has been computed in accordance with FASB ASC Topic 718, but (pursuant to SEC regulations) without reduction for estimated forfeitures. For a description of the assumptions applied in these calculations, see Note 14 to our consolidated financial statements for the year ended December 31, 2020 (which are included in the 2020 Form 10-K).
- (4) Includes the following amounts earned and deferred under the director deferred compensation plan:

Name	2020 Deferred Compensation (\$)	2020 Above Market Earnings on Accrued Interest (\$)
Robert R. Bennett	115,092	43,708
David E. Rapley	135,092	29,312
Andrea L. Wong	126,098	42,525

- (5) We make available to our directors tickets to various sporting events with no aggregate incremental cost attributable to any single person.
- (6) Includes the following amounts of health insurance premiums paid by our company for the benefit of the following directors:

Name	Amount (\$)
Robert R. Bennett	22,537
Brian M. Deevy	22,537
M. Ian G. Gilchrist	22,537
David E. Rapley	22,537
Larry E. Romrell	22,537
Andrea L. Wong	19,234

- (7) Includes fees of \$50,000 paid to Mr. Deevy, \$30,000 paid to Mr. Gilchrist and \$20,000 paid to Ms. Wong, in each case, for additional committee work.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information as of December 31, 2020 with respect to shares of our common stock authorized for issuance under our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<i>Equity compensation plans approved by security holders:</i>			
Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015), as amended			— ⁽¹⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	6,988,596	\$30.58	
BATRA	—	—	
BATRB	—	—	
BATRK	793,431	\$18.41	
FWONA	—	—	
FWONB	—	—	
FWONK	3,299,320	\$26.74	
Liberty Media Corporation 2013 Nonemployee Director Incentive Plan (Amended and Restated as of December 17, 2015), as amended			— ⁽¹⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	86,207	\$31.96	
BATRA	—	—	
BATRB	—	—	
BATRK	10,262	\$18.97	
FWONA	—	—	
FWONB	—	—	
FWONK	22,811	\$23.45	
Liberty Media Corporation 2017 Omnibus Incentive Plan, as amended			30,908,233 ⁽²⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	3,794,765	\$43.10	
BATRA	—	—	
BATRB	—	—	
BATRK	2,668,414	\$26.75	
FWONA	—	—	
FWONB	—	—	
FWONK	7,068,803	\$34.16	
<i>Equity compensation plans not approved by security holders:</i>			
Liberty Media Corporation Transitional Stock Adjustment Plan, as amended			— ⁽³⁾
LSXMA	—	—	
LSXMB	—	—	
LSXMK	—	—	
BATRA	1,638	\$11.89	
BATRB	—	—	
BATRK	2,509	\$11.49	
FWONA	1,025	\$12.63	
FWONB	—	—	
FWONK	—	—	
Total			
LSXMA	—		
LSXMB	—		
LSXMK	10,869,568		
BATRA	1,638		
BATRB	—		
BATRK	3,474,616		
FWONA	1,025		
FWONB	—		
FWONK	<u>10,390,934</u>		
			<u>30,908,233</u>

- (1) Upon adoption of the Liberty Media Corporation 2017 Omnibus Incentive Plan, the board of directors ceased making any further grants under the prior plans, including the Liberty Media Corporation 2013 Incentive Plan and the Liberty Media Corporation 2013 Nonemployee Director Incentive Plan.
- (2) The Liberty Media Corporation 2017 Omnibus Incentive Plan permits grants of, or with respect to, shares of any series of our common stock, subject to a single aggregate limit.
- (3) The Liberty Media Corporation Transitional Stock Adjustment Plan governs the terms and conditions of awards with respect to our company's common stock that were granted in connection with adjustments made to awards relating to our predecessor's common stock that were granted prior to 2013. As a result, no further grants are permitted under this plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Under our Code of Business Conduct and Ethics and Corporate Governance Guidelines, if a director or executive officer has an actual or potential conflict of interest (which includes being a party to a proposed "related party transaction" (as defined by Item 404 of Regulation S-K)), the director or executive officer should promptly inform the person designated by our board to address such actual or potential conflicts. No related party transaction may be effected by our company without the approval of the audit committee of our board or another independent body of our board designated to address such actual or potential conflicts.

STOCKHOLDER PROPOSALS

This proxy statement relates to our annual meeting of stockholders for the calendar year 2021 which will take place on May 25, 2021. Based solely on the date of our 2021 annual meeting and the date of this proxy statement, (i) a stockholder proposal must be submitted in writing to our Corporate Secretary and received at our executive offices at 12300 Liberty Boulevard, Englewood, Colorado 80112, by the close of business on December 16, 2021 in order to be eligible for inclusion in our proxy materials for the annual meeting of stockholders for the calendar year 2022 (the **2022 annual meeting**), and (ii) a stockholder proposal, or any nomination by stockholders of a person or persons for election to the board of directors, must be received at our executive offices at the foregoing address not earlier than February 24, 2022 and not later than March 28, 2022 to be considered for presentation at the 2022 annual meeting. We currently anticipate that the 2022 annual meeting will be held during the second quarter of 2022. If the 2022 annual meeting takes place more than 30 days before or 30 days after May 25, 2022 (the anniversary of the 2021 annual meeting), a stockholder proposal, or any nomination by stockholders of a person or persons for election to the board of directors, will instead be required to be received at our executive offices at the foregoing address not later than the close of business on the tenth day following the first day on which notice of the date of the 2022 annual meeting is communicated to stockholders or public disclosure of the date of the 2022 annual meeting is made, whichever occurs first, in order to be considered for presentation at the 2022 annual meeting.

All stockholder proposals for inclusion in our proxy materials will be subject to the requirements of the proxy rules adopted under the Exchange Act, our charter and bylaws and Delaware law.

ADDITIONAL INFORMATION

We file periodic reports, proxy materials and other information with the SEC. You may inspect such filings on the Internet website maintained by the SEC at www.sec.gov. Additional information can also be found on our website at www.libertymedia.com. (Information contained on any website referenced in this proxy statement is not incorporated by reference in this proxy statement.) **If you would like to receive a copy of the 2020 Form 10-K, or any of the exhibits listed therein, please call or submit a request in writing to Investor Relations, Liberty Media Corporation, 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (877) 772-1518, and we will provide you with the 2020 Form 10-K without charge, or any of the exhibits listed therein upon the payment of a nominal fee (which fee will be limited to the expenses we incur in providing you with the requested exhibits).**

FINANCIAL INFORMATION

Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Liberty Media Corporation (“Liberty,” the “Company,” “we,” “us,” and “our”) has three classes of stock. Series A, Series B and Series C Liberty SiriusXM common stock trade under the symbols LSXMA/B/K, respectively; Series A, Series B and Series C Liberty Braves common stock trade or are quoted under the symbols BATRA/B/K, respectively; and Series A, Series B and Series C Liberty Formula One common stock trade or are quoted under the symbols FWONA/B/K, respectively. Each series (Series A, Series B and Series C) of the Liberty SiriusXM common stock trades on the Nasdaq Global Select Market. Series A and Series C Liberty Braves common stock and Series A and Series C Liberty Formula One common stock trade on the Nasdaq Global Select Stock Market, and Series B Liberty Braves common stock and Series B Liberty Formula One common stock are quoted on the OTC Markets. Stock price information for securities traded on the Nasdaq Global Select Market can be found on the Nasdaq’s website at www.nasdaq.com.

The following tables set forth the range of high and low sales prices of our Series B Liberty SiriusXM common stock, Series B Liberty Braves common stock and Series B Liberty Formula One common stock for the years ended December 31, 2020 and 2019. Although our Series B Liberty SiriusXM common stock is traded on the Nasdaq Global Select Market, an established public trading market does not exist for the stock, as it is not actively traded. Additionally, there is no established public trading market for our Series B Liberty Braves common stock and our Series B Liberty Formula One common stock, which are quoted on OTC Markets. The over-the-counter market quotations for our series B Liberty Braves common stock and our Series B Liberty Formula One common stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Liberty SiriusXM Group Series B (LSXMB)	
	High	Low
<i>2019</i>		
First quarter	\$ 41.04	38.75
Second quarter	\$ 39.93	35.71
Third quarter	\$ 42.00	39.57
Fourth quarter	\$ 48.75	41.83
<i>2020</i>		
First quarter	\$ 50.89	24.49
Second quarter	\$ 42.42	30.54
Third quarter	\$ 41.65	33.04
Fourth quarter	\$ 47.42	34.45

	Braves Group Series B (BATR B)	
	High	Low
<i>2019</i>		
First quarter (1).....	\$ 27.00	24.09
Second quarter	\$ 31.80	26.45
Third quarter.....	\$ 37.45	27.09
Fourth quarter.....	\$ 31.50	30.00
<i>2020</i>		
First quarter.....	\$ 33.00	21.60
Second quarter	\$ 30.00	20.95
Third quarter.....	\$ 26.00	18.60
Fourth quarter.....	\$ 39.90	24.90

(1) The Series B common shares trade infrequently. During the first quarter of 2019, no trades occurred, as such the high and low prices shown for this period related to the fourth quarter of 2018.

	Formula One Group Series B (FWONB)	
	High	Low
<i>2019</i>		
First quarter.....	\$ 31.00	29.60
Second quarter	\$ 36.41	36.00
Third quarter.....	\$ 39.00	34.90
Fourth quarter.....	\$ 43.00	38.50
<i>2020</i>		
First quarter.....	\$ 44.95	22.00
Second quarter	\$ 36.00	21.00
Third quarter.....	\$ 36.40	30.00
Fourth quarter.....	\$ 43.47	36.10

Holders

The number of record holders as of January 31, 2021 were as follows:

	Series A	Series B	Series C
Liberty SiriusXM common stock	1,029	58	1,085
Liberty Braves common stock.....	1,965	36	796
Liberty Formula One common stock	714	54	920

The foregoing numbers of record holders do not include the number of stockholders whose shares are held nominally by banks, brokerage houses or other institutions, but include each such institution as one shareholder.

Dividends

We have not paid any cash dividends on our common stock, and we have no present intention of so doing. Payment of cash dividends, if any, in the future will be determined by our board of directors in light of our earnings, financial condition and other relevant considerations.

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item is incorporated by reference to our definitive proxy statement for our 2021 Annual Meeting of Stockholders.

Purchases of Equity Securities by the Issuer

Share Repurchase Programs

In August 2015, our board of directors authorized \$1 billion of Liberty Media Corporation common stock repurchases, which could be used to repurchase any of the Series A and Series C of each of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock. In November 2019, our board of directors authorized an additional \$1 billion of Series A and Series C shares of each of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock repurchases.

A summary of the repurchase activity for the three months ended December 31, 2020 is as follows:

Period	Series A Liberty SiriusXM Common Stock		Series C Liberty SiriusXM 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		
October 1-31, 2020	355,077	\$ 34.50	904,593	\$ 35.10	1,259,670	\$ 1,120
November 1-30, 2020	747,121	\$ 39.62	94,708	\$ 36.96	841,829	\$ 1,087
December 1-31, 2020	543,290	\$ 42.52	312,197	\$ 42.28	855,487	\$ 1,051
Total	<u>1,645,488</u>		<u>1,311,498</u>		<u>2,956,986</u>	

There were no repurchases of Series A Liberty Formula One common stock or Liberty Braves common stock and no repurchases of Series C Liberty Formula One common stock or Liberty Braves common stock during the three months ended December 31, 2020.

During the three months ended December 31, 2020, 123 shares of Series A and 242 shares of Series C Liberty Formula One common stock, 485 shares of Series A and 976 shares of Series C Liberty SiriusXM common stock, and 51 shares of Series A and 98 shares of Series C Liberty Braves common stock were surrendered by certain of our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock and restricted stock units.

Selected Financial Data.

Not applicable.

Management’s Discussion and Analysis of Financial Condition and Results of Operations.

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 consolidated financial statements and the notes thereto. See note 3 in the accompanying consolidated financial statements for an overview of accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

Overview

We own controlling and non-controlling interests in a broad range of media and entertainment companies. Our most significant operating subsidiary, which is a reportable segment, is Sirius XM Holdings Inc. (“Sirius XM Holdings”). Sirius XM Holdings operates two complementary audio entertainment businesses, Sirius XM and Pandora. 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 and 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. The Pandora business operates a music, comedy 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.

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 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 Entertainment, Inc. (“Live Nation”), which is accounted for as an equity method investment at December 31, 2020. Live Nation is considered the world’s leading live entertainment company. As of December 31, 2020, 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 a consolidated subsidiary, Braves Holdings, LLC (“Braves Holdings”) and corporate expenses. We also maintain minority positions in other public companies.

As discussed in note 2 of the accompanying consolidated financial statements, on April 15, 2016, Liberty completed the Recapitalization, which created three new tracking stock groups. 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 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.

As part of the Recapitalization, the Formula One Group initially held a 20% intergroup interest in the Braves Group. As a result of a rights offering in May 2016 to holders of Liberty Braves common stock to acquire shares of Series C Liberty Braves common stock, the number of notional shares representing the intergroup interest held by the Formula

One Group was adjusted to 9,084,940, representing a 15.1% intergroup interest in the Braves Group at December 31, 2019. In addition, during the fourth quarter of 2019, the Formula One Group began purchasing shares of Liberty SiriusXM common stock. As of December 31, 2019, the number of notional shares representing the intergroup interest held by the Formula One Group was 493,278, representing a 0.2% intergroup interest in the Liberty SiriusXM Group.

On April 22, 2020, the Company's board of directors approved the immediate reattribution of certain assets and liabilities between the Formula One Group and the Liberty SiriusXM Group (collectively, the "reattribution").

The assets reattributed from the Formula One Group to the Liberty SiriusXM Group, valued at \$2.8 billion, consisted of:

- Liberty's entire Live Nation stake, consisting of approximately 69.6 million shares of Live Nation common stock;
- a newly-created Formula One Group intergroup interest, consisting of approximately 5.3 million notional shares of Liberty Formula One common stock, to cover exposure under Liberty's 1.375% cash convertible senior notes due 2023 (the "Convertible Notes");
- the bond hedge and warrants associated with the Convertible Notes;
- the entire Liberty SiriusXM Group intergroup interest, consisting of approximately 1.9 million notional shares of Liberty SiriusXM common stock, thereby eliminating the Liberty SiriusXM Group intergroup interest; and
- a portion, consisting of approximately 2.3 million notional shares of Liberty Braves common stock, of the Formula One Group's intergroup interest in the Braves Group, to cover exposure under the Convertible Notes.

The reattributed liabilities, valued at \$1.3 billion, consisted of:

- the Convertible Notes;
- Liberty's 2.25% exchangeable senior debentures due 2048; and
- Liberty's margin loan secured by shares of Live Nation ("Live Nation Margin Loan").

Similarly, \$1.5 billion of net asset value has been reattributed from the Liberty SiriusXM Group to the Formula One Group, comprised of:

- a call spread between the Formula One Group and the Liberty SiriusXM Group with respect to 34.8 million of the Live Nation shares that were reattributed to the Liberty SiriusXM Group; and
- a net cash payment of \$1.4 billion from the Liberty SiriusXM Group to the Formula One Group, which was funded by a combination of (x) cash on hand, (y) an additional \$400 million drawn from the Company's existing margin loan secured by shares of common stock of Sirius XM Holdings, resulting in an aggregate outstanding balance of \$750 million, and (z) the creation of an intergroup loan obligation from the Liberty SiriusXM Group to the Formula One Group in the principal amount of \$750 million, plus interest thereon, which was repaid with the proceeds from the LSXMK rights offering described below (the "Intergroup Loan").

The reattribution is reflected in the Company's financial statements on a prospective basis.

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 December 31, 2020, 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 2.25% 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. As of December 31, 2020, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$996 million, which includes \$71 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. On February 1, 2019, Sirius XM Holdings acquired Pandora Media, Inc., which continues to operate as Pandora Media, LLC ("Pandora"). See note 5 to the accompanying consolidated financial statements for more information regarding the acquisition of Pandora. Additionally, the Liberty SiriusXM Group holds intergroup interests in the Formula One Group and Braves Group of approximately 2.2% and 3.7%, respectively, valued at \$200 million and \$57 million, respectively, as of December 31, 2020.

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 December 31, 2020, the Braves Group is primarily comprised of Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC," the "Braves," or the "Atlanta Braves") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project (the "Development Project") and corporate cash. As of December 31, 2020, the Braves Group has cash and cash equivalents of approximately \$151 million, which includes \$73 million of subsidiary cash. Additionally, the Formula One Group and the Liberty SiriusXM Group retain intergroup interests in the Braves Group.

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 December 31, 2020, 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 interest in Formula 1, cash, Liberty's 1% Cash Convertible Notes due 2023 and Liberty's 2.25% Exchangeable Senior Debentures due 2046. The Formula One Group also has an intergroup interest in the Braves Group of approximately 11.1%, valued at \$169 million as of December 31, 2020. As of December 31, 2020, the Formula One Group had cash and cash equivalents of approximately \$1,684 million, which includes \$265 million of subsidiary cash.

On April 22, 2020, the Company's board of directors authorized management of the Company to cause subscription rights (the "Series C Liberty SiriusXM Rights") to purchase shares of Series C Liberty SiriusXM common stock, par value \$0.01 per share ("LSXMK"), in a rights offering (the "LSXMK rights offering") to be distributed to holders of Series A Liberty SiriusXM common stock, par value \$0.01 per share, Series B Liberty SiriusXM common stock, par value \$0.01 per share, and LSXMK. In the LSXMK rights offering, Liberty distributed 0.0939 of a Series C Liberty SiriusXM Right for each share of Series A, Series B or Series C Liberty SiriusXM common stock held as of 5:00 p.m., New York City time, on May 13, 2020. Fractional Series C Liberty SiriusXM Rights were rounded up to the nearest whole right. Each whole Series C Liberty SiriusXM Right entitled the holder to purchase, pursuant to the basic subscription privilege, one share of LSXMK at a subscription price of \$25.47, which was equal to an approximate 20% discount to the volume weighted average trading price of LSXMK for the 3-day trading period ending on and including May 8, 2020. Each Series C Liberty SiriusXM Right also entitled the holder to subscribe for additional shares of LSXMK that were unsubscribed for in the LSXMK rights offering pursuant to an oversubscription privilege. The LSXMK rights offering commenced on May 18, 2020, which was also the ex-dividend date for the distribution of the Series C Liberty SiriusXM Rights. The LSXMK rights offering expired at 5:00 p.m. New York City time, on June 5, 2020 and was fully subscribed with 29,594,089 shares of LSXMK issued to those rightsholders exercising basic and, if applicable, oversubscription privileges. The proceeds from the LSXMK rights offering, which aggregated approximately \$754 million, were used to repay the outstanding balance on the Intergroup Loan and accrued interest.

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 and the Major League Baseball season 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. As a result, the Company's results of operations have been negatively impacted by COVID-19 during the year ended December 31, 2020. Further, Formula 1, the Atlanta Braves and Live Nation will

continue to be materially impacted by COVID-19 and local, state, and federal government actions taken in response, which will likely have a negative impact on our results of operations and financial condition in future periods.

Strategies and Challenges of Business Units

Sirius XM Holdings. Sirius XM Holdings is focused on several initiatives to increase its revenue. Sirius XM Holdings regularly evaluates its business plans and strategy. Currently, its strategies include:

- the acquisition of unique or compelling programming;
- the development and introduction of new features or services;
- significant new or enhanced distribution arrangements;
- investments in infrastructure, such as satellites, equipment or radio spectrum; and
- acquisitions and investments, including acquisitions and investments that are not directly related to its existing business.

Sirius XM Holdings faces certain key challenges in its attempt to meet these goals, including:

- its ability to convince owners and lessees of new and used vehicles that include satellite radios to purchase subscriptions to its service;
- potential loss of subscribers due to economic conditions and competition from other entertainment providers;
- competition for both listeners and advertisers, including providers of radio and other audio services;
- the operational performance of its satellites;
- the effectiveness of integration of acquired businesses and assets into its operations;
- the performance of its manufacturers, programming providers, vendors, and retailers; and
- unfavorable changes in legislation.

Formula 1. Formula 1's goal is to further broaden and increase the global scale and appeal of the FIA Formula One World Championship (the "World Championship") in order to improve the overall value of Formula 1 as a sport and its financial performance. Key factors of this strategy include:

- continuing to seek and identify opportunities to expand and develop the Event calendar and bring Events to attractive and/or strategically important new markets outside of Europe, which typically have higher race promotion fees, while continuing to build on the foundation of the sport in Europe;
- developing advertising and sponsorship revenue, including increasing sales of Event-based packages and under the Global Partner program, and exploring opportunities in underexploited product categories;
- capturing opportunities created by media's evolution, including the growth of social media and the development of Formula 1's digital media assets;
- building up the entertainment experience for fans and engaging with new fans on a global basis to further drive race attendance and television viewership; and
- improving the on-track competitive balance of the World Championship and the long term financial stability of the participating Teams; and
- improving the environmental sustainability of Formula One and its related activities, targeting a net zero carbon footprint by 2030 and sustainable race events by 2025, and building on Formula 1's "WeRaceAsOne" initiatives to fight inequality and improve the diversity and opportunity in Formula 1 at all levels.

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 consolidated 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

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Revenue			
Liberty SiriusXM Group			
Sirius XM Holdings	\$ 8,040	7,794	5,771
Total Liberty SiriusXM Group	<u>8,040</u>	<u>7,794</u>	<u>5,771</u>
Braves Group			
Corporate and other	178	476	442
Total Braves Group	<u>178</u>	<u>476</u>	<u>442</u>
Formula One Group			
Formula 1	1,145	2,022	1,827
Total Formula One Group	<u>1,145</u>	<u>2,022</u>	<u>1,827</u>
Consolidated Liberty	<u>\$ 9,363</u>	<u>10,292</u>	<u>8,040</u>
Operating Income (Loss)			
Liberty SiriusXM Group			
Sirius XM Holdings	\$ 790	1,578	1,659
Corporate and other	<u>(41)</u>	<u>(34)</u>	<u>(39)</u>
Total Liberty SiriusXM Group	<u>749</u>	<u>1,544</u>	<u>1,620</u>
Braves Group			
Corporate and other	<u>(128)</u>	<u>(39)</u>	<u>1</u>
Total Braves Group	<u>(128)</u>	<u>(39)</u>	<u>1</u>
Formula One Group			
Formula 1	(386)	17	(68)
Corporate and other	<u>(58)</u>	<u>(52)</u>	<u>(42)</u>
Total Formula One Group	<u>(444)</u>	<u>(35)</u>	<u>(110)</u>
Consolidated Liberty	<u>\$ 177</u>	<u>1,470</u>	<u>1,511</u>
Adjusted OIBDA			
Liberty SiriusXM Group			
Sirius XM Holdings	\$ 2,575	2,453	2,233
Corporate and other	<u>(31)</u>	<u>(17)</u>	<u>(16)</u>
Total Liberty SiriusXM Group	<u>2,544</u>	<u>2,436</u>	<u>2,217</u>
Braves Group			
Corporate and other	<u>(53)</u>	49	88
Total Braves Group	<u>(53)</u>	<u>49</u>	<u>88</u>
Formula One Group			
Formula 1	56	482	400
Corporate and other	<u>(38)</u>	<u>(36)</u>	<u>(25)</u>
Total Formula One Group	<u>18</u>	<u>446</u>	<u>375</u>
Consolidated Liberty	<u>\$ 2,509</u>	<u>2,931</u>	<u>2,680</u>

Revenue. Our consolidated revenue decreased \$929 million and increased \$2,252 million for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The 2020 decrease was driven by decreases at Formula 1 and Braves Holdings of \$877 million and \$298 million, respectively, partially offset by revenue growth at Sirius XM Holdings of \$246 million. The 2019 increase was driven by revenue growth at Sirius XM Holdings (primarily as a result of the Pandora acquisition), Formula 1 and Braves Holdings and of \$2,023 million, \$195 million and \$34 million, 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.

Operating income. Our consolidated operating income decreased \$1,293 million and \$41 million for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The 2020 decrease was driven by \$788 million, \$403 million and \$89 million decreases in Sirius XM Holdings, Formula 1 and Braves Holdings operating results, respectively. The 2019 decrease was driven by \$81 million and \$40 million decreases in Sirius XM Holdings and Braves Holdings operating results, respectively, partially offset by an \$85 million improvement in Formula 1’s operating results. The 2019 increase in corporate and other operating losses for Formula One Group was driven by increases in personnel related costs. 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.

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) phantom stock appreciation rights granted to officers and employees of certain of our subsidiaries pursuant to private equity plans and (3) amortization of restricted stock grants.

We recorded \$261 million, \$291 million and \$192 million of stock compensation expense for the years ended December 31, 2020, 2019 and 2018, respectively. The decrease in stock compensation expense in 2020 as compared to the prior year is primarily due to decreases of \$12 million, \$6 million and \$6 million at Braves Holdings, Formula 1 and Sirius XM Holdings, respectively. The increase in stock compensation expense in 2019 as compared to the prior year is primarily due to increases of \$96 million, \$5 million and \$3 million at Sirius XM Holdings, Braves Holdings and Formula 1, respectively.

As of December 31, 2020, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options and restricted stock units was \$385 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in the Company’s consolidated statements of operations over a weighted average period of approximately 2.6 years.

As of December 31, 2020, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$56 million. Such amount will be recognized in our consolidated statements of operations over a weighted average period of approximately 2.0 years.

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.

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 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. 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 (“GAAP”). The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Operating income (loss).....	\$ 177	1,470	1,511
Depreciation and amortization	1,083	1,061	905
Stock-based compensation	261	291	192
Impairment of intangible assets	976	—	—
Litigation settlements and reserves.....	(16)	25	69
Acquisition and restructuring	28	84	3
Adjusted OIBDA	<u>\$ 2,509</u>	<u>2,931</u>	<u>2,680</u>

During the year ended December 31, 2020, Sirius XM Holdings recorded a goodwill impairment charge of \$956 million related to the Pandora reporting unit and a \$20 million impairment of Pandora’s trademark. See note 8 to the accompanying consolidated financial statements for information regarding these impairments.

During the year ended December 31, 2020, Sirius XM Holdings reversed a pre-Pandora acquisition reserve of \$16 million for royalties. This benefit is included in the revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2020. During the year ended December 31, 2019, Sirius XM Holdings recorded a \$25 million litigation settlement for Do-Not-Call litigation. This charge is included in the selling, general and administrative expense line item in the accompanying consolidated financial statements for the year ended December 31, 2019. During the second quarter of 2018, Sirius XM Holdings recorded \$69 million related to music royalty litigation settlements. As separately reported in note 17 of the accompanying consolidated financial statements, this charge is included in the Revenue share and royalties expense line item in the accompanying consolidated financial statements for the year ended December 31, 2018. The aforementioned litigation settlements and reserve have been excluded from Adjusted OIBDA for the corresponding periods as they were not part of Sirius XM Holdings’ normal operations for the periods, and these lump sum amounts do not relate to the on-going performance of the business.

Consolidated Adjusted OIBDA decreased \$422 million and increased \$251 million for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The decrease in 2020 as compared to the prior year was primarily due to decreases of \$426 million and \$103 million in Formula 1 and Braves Holdings Adjusted OIBDA, respectively, partially offset by a \$122 million increase in Sirius XM Holdings Adjusted OIBDA. The increase in Adjusted OIBDA in 2019 as compared to the prior year was primarily due to increases of \$220 million and \$82 million in Sirius XM Holdings and Formula 1 Adjusted OIBDA, respectively, partially offset by a \$40 million decrease in Braves Holdings Adjusted OIBDA. 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.

	Years ended December 31,		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
<i>Interest expense</i>			
Liberty SiriusXM Group	\$ (462)	(435)	(388)
Braves Group	(26)	(27)	(26)
Formula One Group	<u>(146)</u>	<u>(195)</u>	<u>(192)</u>
Consolidated Liberty	<u>\$ (634)</u>	<u>(657)</u>	<u>(606)</u>
<i>Share of earnings (losses) of affiliates</i>			
Liberty SiriusXM Group	\$ (484)	(24)	(11)
Braves Group	6	18	12
Formula One Group	<u>(108)</u>	<u>12</u>	<u>17</u>
Consolidated Liberty	<u>\$ (586)</u>	<u>6</u>	<u>18</u>
<i>Realized and unrealized gains (losses) on financial instruments, net</i>			
Liberty SiriusXM Group	\$ (521)	(41)	(1)
Braves Group	(10)	(4)	(2)
Formula One Group	<u>129</u>	<u>(270)</u>	<u>43</u>
Consolidated Liberty	<u>\$ (402)</u>	<u>(315)</u>	<u>40</u>
<i>Other, net</i>			
Liberty SiriusXM Group	\$ (13)	(38)	25
Braves Group	—	2	35
Formula One Group	<u>23</u>	<u>45</u>	<u>18</u>
Consolidated Liberty	<u>\$ 10</u>	<u>9</u>	<u>78</u>
	<u>\$ (1,612)</u>	<u>(957)</u>	<u>(470)</u>

Interest expense. Consolidated interest expense decreased \$23 million and increased \$51 million for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. Interest expense for the Formula One Group decreased during 2020 as compared to the prior year due to a decrease in the average amount of corporate and subsidiary debt outstanding. Interest expense for the Liberty SiriusXM Group increased during 2020 as compared to the prior year due to an increase in the average amount of corporate and subsidiary debt outstanding. As previously disclosed, certain debt was reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020. The interest related to such debt is reflected in interest expense for the Formula One Group prior to the reattribution and in interest expense for the Liberty SiriusXM Group following the reattribution. The increase for 2019 as compared to the prior year was primarily due to an increase in interest expense for the Liberty SiriusXM Group 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:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Liberty SiriusXM Group			
Live Nation.	\$ (465)	NA	NA
Sirius XM Canada	5	(3)	(1)
Other	<u>(24)</u>	<u>(21)</u>	<u>(10)</u>
Total Liberty SiriusXM Group	<u>(484)</u>	<u>(24)</u>	<u>(11)</u>
Braves Group			
Other	<u>6</u>	<u>18</u>	<u>12</u>
Total Braves Group	<u>6</u>	<u>18</u>	<u>12</u>
Formula One Group			
Live Nation.	(112)	4	3
Other	<u>4</u>	<u>8</u>	<u>14</u>
Total Formula One Group	<u>(108)</u>	<u>12</u>	<u>17</u>
	<u>\$ (586)</u>	<u>6</u>	<u>18</u>

Due to the impact of COVID-19, Live Nation recorded significant losses during the year ended December 31, 2020.

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

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Debt and equity securities.	\$ (74)	110	2
Debt measured at fair value	(114)	(584)	130
Change in fair value of bond hedges	(127)	215	(94)
Other derivatives	<u>(87)</u>	<u>(56)</u>	<u>2</u>
	<u>\$ (402)</u>	<u>(315)</u>	<u>40</u>

The changes in unrealized gains (losses) on debt and equity securities (as defined in note 3 of our accompanying consolidated financial statements) 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 in October 2013 which are accounted for at fair value, as elected by Liberty at the time of issuance of the notes. At the same time, Liberty entered into a bond hedge transaction on the same amount of underlying shares. 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.

The unrealized losses on other derivatives for the years ended December 31, 2020 and 2019 are primarily due to changes in the fair value of Formula 1's interest rate swaps.

Other, net. The decrease in other, net expense in 2020 was primarily driven by a decrease in losses on extinguishment of debt related to Sirius XM Holdings. As previously disclosed, Liberty's investment in Live Nation was

reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020. Accordingly, any gains or losses on dilution of our investment in Live Nation are reflected in Formula One Group's results prior to the reattribution and in Liberty SiriusXM Group's results following the reattribution. The decrease in 2019 was primarily due to a \$56 million increase in losses on extinguishment of debt and a \$28 million decrease in gains on transactions, partially offset by a \$8 million increase in gains on dilution of our investment in Live Nation and a \$5 million increase in foreign exchange gains.

Income taxes. The Company had an income tax benefit of \$44 million and income tax expense of \$166 million and \$176 million for the years ended December 31, 2020, 2019 and 2018, respectively. Our effective tax rate for the years ended December 31, 2020, 2019 and 2018 was 3%, 32% and 17%, respectively. Our effective tax rate for all three years was impacted for the following reasons:

- During 2020, our effective tax rate was lower than the 21% U.S. federal tax rate due to additional tax expense related to an impairment loss on goodwill that is not deductible for tax purposes and an increase in the Company's valuation allowance, partially offset by tax benefits related to changes in the Company's effective tax rate and federal tax credits.
- During 2019, our effective tax rate was higher than the 21% U.S. federal tax rate due to additional tax expense related to increases in the Company's valuation allowance, changes in the Company's effective state tax rate and the effect of state income taxes, partially offset by tax benefits related to deductible stock based compensation, earnings in foreign jurisdictions taxed at rates lower than the 21% U.S. federal tax rate and federal income tax credits.
- During 2018, our effective tax rate was lower than the 21% U.S. federal tax rate due to deductible stock-based compensation, benefits related to federal tax credits and the resolution of historical matters with various tax authorities, partially offset by changes in the valuation allowance and taxable dividends not recognized for book purposes.

On February 1, 2021, the Company entered into a tax sharing agreement with Sirius XM Holdings governing the allocation of consolidated U.S. income tax liabilities and setting forth agreements with respect to other tax matters when one corporation owns stock representing at least 80% of the voting power and value of the outstanding capital stock of the other corporation. The tax sharing agreement and Sirius XM Holdings' inclusion in the Company's consolidated tax group is not expected to have a material adverse effect on the Company. See note 11 to the accompanying consolidated financial statements for additional information regarding the tax sharing agreement.

Net earnings. We had net losses of \$1,391 million, earnings of \$347 million and earnings of \$865 million for the years ended December 31, 2020, 2019 and 2018, respectively. The change in net earnings was the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Liquidity and Capital Resources

As of December 31, 2020, substantially all of our cash and cash equivalents are 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 net asset sales, monetization of our public investment portfolio (including derivatives), debt borrowings and equity issuances, available borrowing capacity under margin loans, and dividend and interest receipts. As of December 31, 2020, Liberty had \$266 million of unencumbered marketable equity securities.

Liberty currently does not have a corporate debt rating.

As of December 31, 2020, Liberty’s cash and cash equivalents were as follows:

	Cash and Cash Equivalents
	amounts in millions
Liberty SiriusXM Group	
Sirius XM Holdings	\$ 71
Corporate and other	925
Total Liberty SiriusXM Group	<u>\$ 996</u>
Braves Group	
Corporate and other	\$ 151
Total Braves Group	<u>\$ 151</u>
Formula One Group	
Formula 1	\$ 265
Corporate and other	1,419
Total Formula One Group	<u>\$ 1,684</u>

To the extent the Company recognizes any taxable gains from the sale of assets we may incur tax expense and be required to make tax payments, thereby reducing any cash proceeds. Additionally, the Company has a controlling interest in Sirius XM Holdings which has significant cash flows provided by operating activities, although due to Sirius XM Holdings being a separate public company and the significant noncontrolling interest, we do not have ready access to its cash. 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. However, Formula 1 does not have the ability to make a RP to Liberty during the waiver period, as discussed below. Pursuant to the RP test, Liberty does not have access to Formula 1’s cash when Formula 1’s 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. The RP test has not been met as of December 31, 2020. As of December 31, 2020, 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 December 31, 2020, Liberty had \$600 million available under Liberty’s margin loan secured by shares of Sirius XM Holdings and \$200 million available under Liberty’s margin loan secured by shares of Live Nation. Certain tax consequences may reduce the net amount of cash that Liberty is able to utilize for corporate purposes. 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.

As stated in note 9 to the accompanying consolidated financial statements, the Company, Sirius XM Holdings, Formula 1 and Braves Holdings are in compliance with all debt covenants as of December 31, 2020. Pursuant to an amendment to Formula 1’s Senior Loan Facility (as defined in note 9 of the accompanying consolidated financial statements) on June 26, 2020, subject to compliance by Formula 1 with certain financial conditions, the net leverage financial covenant does not apply until the quarter ended March 31, 2022. The relevant conditions applicable to Formula 1 include the maintenance of minimum liquidity (comprised of unrestricted cash and cash equivalent investments and available revolving credit facility commitments) of \$200 million and certain restrictions on dividends, other payments and the incurrence of additional debt. Formula 1 has the ability to recommence the requirement to comply with the net leverage financial covenant prior to the quarter ended March 31, 2022, in which case the relevant additional conditions will cease to apply. Pursuant to an amendment to Braves Holdings’ \$85 million credit facility on August 20, 2020, the fixed charge coverage ratio does not apply until the quarter ending March 31, 2022, subject to certain conditions, including the maintenance of minimum liquidity thresholds throughout the waiver period and certain other restrictions. Braves Holdings could recommence the requirement to comply with the fixed charge coverage ratio beginning with the quarter ending December 31, 2021, in which case the relevant additional conditions will cease to apply. In addition, on August 20, 2020, Braves Holdings amended the debt agreements related to its ballpark funding, waiving the debt service coverage covenant until the quarter ending September 30, 2021, subject to certain conditions, including the maintenance of a minimum liquidity threshold, the increase in debt service reserves and certain other conditions. On January 29, 2021, Braves Holdings amended one of the debt agreements of the mixed-use loans, waiving the debt yield ratio until the quarter ending June 30,

2021. Additionally, the calculation of the debt yield has been modified from June 30, 2021 through the quarter ending December 31, 2021, subject to certain other conditions.

See 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.

The cash provided (used) by our continuing operations for the prior three years is as follows:

	Years ended December 31,		
	2020	2019	2018
Cash Flow Information			
amounts in millions			
Liberty SiriusXM Group cash provided (used) by operating activities . .	\$ 1,924	1,944	1,785
Braves Group cash provided (used) by operating activities	(55)	75	103
Formula One Group cash provided (used) by operating activities	(139)	294	268
Net cash provided (used) by operating activities	<u>\$ 1,730</u>	<u>2,313</u>	<u>2,156</u>
Liberty SiriusXM Group cash provided (used) by investing activities . .	\$ (734)	384	(756)
Braves Group cash provided (used) by investing activities	(77)	(107)	159
Formula One Group cash provided (used) by investing activities	75	37	227
Net cash provided (used) by investing activities	<u>\$ (736)</u>	<u>314</u>	<u>(370)</u>
Liberty SiriusXM Group cash provided (used) by financing activities . .	\$ (689)	(1,923)	(1,552)
Braves Group cash provided (used) by financing activities	105	54	(212)
Formula One Group cash provided (used) by financing activities	1,158	96	(616)
Net cash provided (used) by financing activities	<u>\$ 574</u>	<u>(1,773)</u>	<u>(2,380)</u>

Liberty’s primary uses of cash during the year ended December 31, 2020 (excluding cash used by Sirius XM Holdings, Formula 1 and Braves Holdings) were \$318 million of Series A and Series C Liberty SiriusXM common stock repurchases and the repayment of \$130 million outstanding under Liberty’s margin loan secured by shares of Live Nation. These uses were primarily funded by borrowings of debt, returns of investments in equity method affiliates and dividends from Sirius XM Holdings. In connection with the reattribution, Liberty borrowed \$400 million under the margin loan secured by shares of Sirius XM Holdings. The proceeds from the LSXMK rights offering, which aggregated approximately \$754 million, were used to repay the outstanding balance on the Intergroup Loan and accrued interest.

Sirius XM Holdings’ primary uses of cash during the year ended December 31, 2020 were the repurchase and retirement of outstanding Sirius XM Holdings common stock, repayment of long-term debt, additions to property and equipment, acquisitions of businesses and dividends paid to stockholders. The Sirius XM Holdings uses of cash were funded by borrowings of debt and cash provided by operating activities. During the year ended December 31, 2020, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$237 million, of which Liberty received \$173 million.

Braves Holdings’ primary uses of cash during the year ended December 31, 2020 were operating expenses and capital expenditures for continued expansion of the mixed-use development, funded primarily by net borrowings of debt.

During the year ended December 31, 2020, Formula 1 borrowed against its revolving credit facility and then repaid the outstanding balance in full.

The projected uses of Liberty cash (excluding Sirius XM Holdings’, Formula 1’s and Braves Holdings’ uses of cash) are primarily the investment in new or existing businesses, debt service, including further repayment of the margin loan secured by shares of Sirius XM Holdings and the potential buyback of common stock under the approved share buyback program. 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. We 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, repurchases of outstanding Sirius XM Holdings common stock, interest payments, taxes and scheduled maturities of outstanding debt. In addition, Sirius XM Holdings' board of directors expects to declare regular quarterly dividends. On January 28, 2021, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.014641 per share of common stock, payable on February 26, 2021 to stockholders of record at the close of business on February 10, 2021. Liberty expects Sirius XM Holdings to fund its projected uses of cash with cash on hand, cash provided by operations and borrowings under its existing credit facility.

The precise extent to which the COVID-19 pandemic will impact Sirius XM Holdings' operational and financial performance will depend on various factors. To date, the pandemic has not increased Sirius XM Holdings' costs of or access to capital under its revolving credit facility and in the debt markets, and Sirius XM Holdings does not believe it is reasonably likely to in the future. In addition, Sirius XM Holdings does not believe that the pandemic will affect its ongoing ability to meet the covenants in its debt instruments, including under its revolving credit facility. Due to the nature of Sirius XM Holdings' subscription business, the effect of the COVID-19 pandemic will not be fully reflected in certain of its results of operations until future periods.

Formula 1's uses of cash are expected to be debt service payments and operating expenses. Formula 1 has historically funded its uses of cash with cash provided by operations. Formula 1's operating cash flows have been, and may continue to be, adversely impacted by COVID-19, which may require Formula 1 to fund its projected uses of cash with other sources of liquidity.

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 borrowings under construction loans. Braves Holdings' operating cash flows have been, and may continue to be, adversely impacted by COVID-19, which may require Braves Holdings to fund its projected uses of cash with other sources of liquidity.

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

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

Sirius XM Holdings has entered into various programming agreements. Under the terms of these agreements, Sirius XM Holdings' obligations include fixed payments, advertising commitments and revenue sharing arrangements. Sirius XM Holdings' future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the schedule of contractual obligations below.

The Atlanta Braves have entered into long-term employment contracts with certain of their players (current and former), coaches and executives whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of December 31, 2020 aggregated \$287 million. See the table below for more detail. In addition to the foregoing amounts, certain players, coaches and executives may earn incentive compensation under the terms of their employment contracts.

Information concerning the amount and timing of required payments, both accrued and off-balance sheet, under our contractual obligations, excluding uncertain tax positions as it is indeterminable when payments will be made, is summarized below.

	Payments due by period				
	Total	Less than 1 year	2 - 3 years	4 - 5 years	After 5 years
amounts in millions					
<i>Consolidated contractual obligations</i>					
Long-term debt (1)	\$ 16,954	69	4,333	4,577	7,975
Interest payments (2)	4,264	640	1,121	706	1,797
Programming and royalty fees (3)	1,918	709	730	284	195
Lease obligations	839	89	175	150	425
Employment agreements	287	128	76	56	27
Other obligations (4)	313	137	59	32	85
Total consolidated	<u>\$ 24,575</u>	<u>1,772</u>	<u>6,494</u>	<u>5,805</u>	<u>10,504</u>

- (1) Amounts are stated at the face amount at maturity of our debt instruments and may differ from the amounts stated in our consolidated balance sheet to the extent debt instruments (i) were issued at a discount or premium or (ii) have elements which are reported at fair value in our consolidated balance sheet. Amounts do not assume additional borrowings or refinancings of existing debt.
- (2) Amounts (i) are based on our outstanding debt at December 31, 2020, (ii) assume the interest rates on our variable rate debt remain constant at the December 31, 2020 rates and (iii) assume that our existing debt is repaid at maturity.
- (3) Sirius XM Holdings has entered into various programming agreements under which Sirius XM Holdings' obligations include fixed payments, advertising commitments and revenue sharing arrangements. In certain arrangements, the future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the table above. In addition, Sirius XM Holdings has entered into certain music royalty arrangements that include fixed payments.
- (4) Includes amounts related to Sirius XM Holdings' satellite and transmission, sales and marketing, satellite incentive payments, and other contractual commitments. Sirius XM Holdings satellite and transmission commitments are attributable to agreements with third parties to design, build, launch and insure two satellites, SXM-7 and SXM-8. Sirius XM Holdings has also entered into agreements to operate and maintain satellite telemetry, tracking and control facilities and certain components of its terrestrial repeater networks. Sirius XM Holdings sales and marketing commitments primarily relate to payments to sponsors, retailers, automakers and radio manufacturers pursuant to marketing, sponsorship and distribution agreements to promote Sirius XM Holdings' brands. Boeing Satellite Systems International, Inc., the manufacturers of certain of Sirius XM Holdings' in-orbit satellites, may be entitled to future in-orbit performance payments upon XM-4 meeting its fifteen-year design life, which it expects to occur. Boeing may also be entitled to up to an additional \$10 million if the XM-4 satellite continues to operate above baseline specifications during the five years beyond the satellite's fifteen-year design life. Additionally, Sirius XM Holdings has entered into various agreements with third parties for general operating purposes.

Critical Accounting Estimates

The preparation of our financial statements in conformity with GAAP requires us 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. Listed below are the accounting estimates that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported. All of these accounting estimates and assumptions, as well as the resulting impact to our financial statements, have been discussed with our audit committee.

Non-Financial Instruments. Our non-financial instrument valuations are primarily comprised of our determination of the estimated fair value allocation of net tangible and identifiable intangible assets acquired in business combinations, our annual assessment of the recoverability of our goodwill and other nonamortizable intangibles, such as

trademarks, and our evaluation of the recoverability of our other long-lived assets upon certain triggering events. If the carrying value of our long-lived assets exceeds their estimated fair value, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our consolidated statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value. As each of our operating segments has long-lived assets, this critical accounting policy affects the financial position and results of operations of each segment.

As of December 31, 2020, the intangible assets not subject to amortization for each of our consolidated reportable segments were as follows (amounts in millions):

	<u>Goodwill</u>	<u>FCC Licenses</u>	<u>Other</u>	<u>Total</u>
Sirius XM Holdings	\$ 15,082	8,600	1,242	24,924
Formula 1	3,956	—	—	3,956
Other	180	—	143	323
Consolidated	<u>\$ 19,218</u>	<u>8,600</u>	<u>1,385</u>	<u>29,203</u>

We perform our annual assessment of the recoverability of our goodwill and other nonamortizable intangible assets in the fourth quarter each year, or more frequently if events and circumstances indicate impairment may have occurred. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior year for other purposes. If based on the qualitative analysis it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

Useful Life of Broadcast/Transmission System. Sirius XM Holdings’ satellite system includes the costs of satellite construction, launch vehicles, launch insurance, capitalized interest, spare satellites, terrestrial repeater network and satellite uplink facilities. Sirius XM Holdings monitors its satellites for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset is not recoverable.

Sirius XM Holdings operates two in-orbit Sirius satellites, FM-5 and FM-6, which launched in 2009 and 2013, respectively, and estimates they will operate effectively through the end of their depreciable lives in 2024 and 2028, respectively.

Sirius XM Holdings currently operates three in-orbit XM satellites, XM-3, XM-4 and XM-5. The XM-3 satellite, launched in 2005, reached the end of its depreciable life in 2020. Sirius XM Holdings estimates that its XM-4 satellite, launched in 2006, will reach the end of its depreciable life in 2021. Sirius XM Holdings has entered into agreements for the design, construction and launch of two satellites, SXM-7 and SXM-8. SXM-7 was launched into a geostationary orbit in December 2020. In-orbit testing of SXM-7 began on January 4, 2021. During in-orbit testing of SXM-7, events occurred which have caused failures of certain SXM-7 payload units. An evaluation of SXM-7 is underway. The full extent of the damage to SXM-7 is not yet known. SXM-8 is expected to be launched into a geostationary orbit in 2021. The XM-5 satellite that was launched in 2010, is used as an in-orbit spare for the Sirius and XM systems and is expected to reach the end of its depreciable life in 2025.

Sirius XM Holdings' satellites have been designed to last fifteen-years. Sirius XM Holdings' in-orbit satellites may experience component failures which could adversely affect their useful lives. Sirius XM Holdings monitors the operating condition of its in-orbit satellites. If events or circumstances indicate that the depreciable lives of its in-orbit satellites have changed, the depreciable life will be modified accordingly. If Sirius XM Holdings were to revise its estimates, depreciation expense would change.

Income Taxes. We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in our financial statements or tax returns for each taxing jurisdiction in which we operate. This process requires our management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that we enter into. Based on these judgments we may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which we operate, our inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on our financial position.

Results of Operations—Businesses

Liberty SiriusXM Group

Sirius XM Holdings Sirius XM Holdings operates two complementary audio entertainment business, Sirius XM and Pandora.

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 premier content bundles 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 its website. The Sirius XM service is also available through a user interface called "360L," that combines Sirius XM's satellite and streaming services into a single, cohesive in-vehicle entertainment experience.

Sirius XM's primary source of revenue 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, direct sales of Sirius XM's satellite radios and accessories, and other ancillary services. As of December 31, 2020, Sirius XM had approximately 34.7 million subscribers.

In addition to Sirius XM's audio entertainment businesses, it 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.

In May 2020, Sirius XM terminated the Automatic Labs Inc. ("Automatic") service, which was part of its connected services business. Automatic operated a service for consumers and auto dealers and offered an install-it-yourself adapter and mobile application, which transformed vehicles into connected vehicles. During the year ended December 31, 2020, Sirius XM recorded \$24 million of restructuring expenses related to this termination of the service.

Sirius XM also holds a 70% equity interest and 33% voting interest in Sirius XM Canada Holdings Inc. ("Sirius XM Canada"). Sirius XM Canada's subscribers are not included in Sirius XM's subscriber count or subscriber-based operating metrics.

Pandora operates a music, comedy and podcast streaming discovery platform, offering a personalized experience for each listener wherever and whenever they want to listen, whether through mobile devices, car 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 (1) an ad-supported radio service, (2) a radio subscription service, called Pandora Plus and (3) an on-demand subscription service, called Pandora Premium. As of December 31, 2020, Pandora had approximately 6.3 million subscribers.

The majority of Pandora's revenue is generated from advertising on its ad-supported radio service. Pandora also derives subscription revenue from its Pandora Plus and Pandora Premium subscribers.

Pandora also sells advertising on audio platforms and in podcasts unaffiliated with Sirius XM Holdings. Pandora is the exclusive U.S. ad sales representative for SoundCloud Holdings, LLC ("SoundCloud"). Through this arrangement, Pandora offers advertisers the ability to execute campaigns in the U.S. across the Pandora and SoundCloud listening platforms. Sirius XM Holdings also has arrangements to serve as the ad sales representative for certain podcasts, such as the podcasts of NBC News. In addition, through AdsWizz, Inc. ("AdsWizz"), Pandora provides a comprehensive digital audio 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. As of December 31, 2020, Pandora had approximately 58.9 million monthly active users.

In October 2020, Sirius XM Holdings acquired the assets of Stitcher from The E.W. Scripps Company and certain of its subsidiaries for a total consideration of \$296 million, which includes \$272 million in cash and \$30 million related to contingent consideration, partially offset by working capital adjustments of \$6 million. In June 2020, Sirius XM Holdings acquired Simplecast for \$28 million in cash. Simplecast is a podcast management and analytics platform. The acquisition of Stitcher, in conjunction with Simplecast, creates a full-service platform for podcast creators, publishers and advertisers. Refer to note 5 to our consolidated financial statements for more information on these acquisitions.

In February 2020, Sirius XM Holdings completed a \$75 million investment in SoundCloud. SoundCloud is the world's largest open audio platform, with a connected community of creators, listeners and curators. SoundCloud's platform enables its users to upload, promote, share and create audio entertainment. The minority investment complements the existing ad sales relationship between SoundCloud and Pandora.

Results of Operations

We acquired a controlling interest in Sirius XM Holdings on January 18, 2013 and applied purchase accounting and consolidated the results of Sirius XM Holdings from that date. The results presented below include the impacts of acquisition accounting adjustments in all periods presented.

Sirius XM Holdings acquired Pandora on February 1, 2019. Although Pandora's results are only included in Sirius XM Holdings' results beginning on February 1, 2019, we believe a discussion of Sirius XM and Pandora's combined results for all periods presented promotes a better understanding of the overall results of the combined businesses. For comparative purposes, we are presenting the pro forma results of Sirius XM Holdings for the years ended December 31, 2019 and 2018. The pro forma financial information was prepared based on the historical financial information of Sirius XM Holdings and Pandora and assuming the acquisition of Pandora took place on January 1, 2017. The pro forma results primarily include adjustments related to amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs and associated tax impacts. Pro forma adjustments are not included for the acquisitions of Simplecast and Stitcher. The financial information below is presented for illustrative purposes only and does not purport to represent the actual results of operations of Sirius XM Holdings had the business combination occurred on January 1, 2017, or to project the results of operations of Sirius XM Holdings or Liberty for any future periods.

As of December 31, 2020, there is an approximate 24% noncontrolling interest in Sirius XM Holdings, and the net earnings of Sirius XM Holdings attributable to such noncontrolling interest is eliminated through the noncontrolling interest line item in the consolidated statement of operations. Sirius XM is a separate publicly traded company and additional information about Sirius XM can be obtained through its website and its public filings, which are not incorporated by reference herein.

Sirius XM Holdings' operating results were as follows:

	Years ended December 31,		
	2020 (actual)	2019 (pro forma)	2018 (pro forma)
	amounts in millions		
Sirius XM:			
Subscriber revenue	\$ 5,857	5,644	5,264
Advertising revenue	157	205	188
Equipment revenue	173	173	155
Other revenue	155	172	171
Total Sirius XM revenue	<u>6,342</u>	<u>6,194</u>	<u>5,778</u>
Pandora:			
Subscriber revenue	515	527	478
Advertising revenue	1,183	1,200	1,092
Total Pandora revenue	<u>1,698</u>	<u>1,727</u>	<u>1,570</u>
Total revenue	<u>8,040</u>	<u>7,921</u>	<u>7,348</u>
Operating expenses (excluding stock-based compensation included below):			
Sirius XM cost of services (excluding litigation settlement)	(2,430)	(2,378)	(2,203)
Pandora cost of services (excluding litigation reserve)	(1,121)	(1,104)	(1,082)
Subscriber acquisition costs	(362)	(427)	(470)
Selling, general and administrative expenses (excluding litigation settlement)	(1,332)	(1,344)	(1,245)
Other operating expenses	(220)	(241)	(217)
Adjusted OIBDA	<u>2,575</u>	<u>2,427</u>	<u>2,131</u>
Impairment of intangible assets	(976)	—	—
Litigation settlements and reserves	16	(25)	(69)
Stock-based compensation	(223)	(240)	(244)
Acquisition and restructuring	(28)	—	—
Depreciation and amortization	(574)	(552)	(533)
Operating income	<u>\$ 790</u>	<u>1,610</u>	<u>1,285</u>

Sirius XM Subscriber revenue includes self-pay and paid promotional subscriptions, U.S. Music Royalty Fees and other ancillary fees. Subscriber revenue increased 4% and 7% for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The increase for the year ended December 31, 2020 was primarily driven by higher self-pay revenue as a result of increases in certain subscription plans and higher U.S. Music Royalty Fees due to a higher music royalty rate, partially offset by lower paid promotional revenue. The increase for the year ended December 31, 2019 was primarily attributable to higher U.S. Music Royalty Fees due to a higher music royalty rate and higher self-pay subscription revenue as a result of a 3% increase in the daily weighted average number of subscribers during the year ended December 31, 2019, as compared to the corresponding prior year period.

Sirius XM Advertising revenue includes the sale of advertising on Sirius XM's non-music channels. Advertising revenue decreased 23% and increased 9% for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The decrease for the year ended December 31, 2020 was primarily due to lower advertising spend as a result of the impact of the COVID-19 pandemic. The increase for the year ended December 31, 2019 was primarily due to a greater number of advertising spots sold and transmitted as well as increases in rates charged per spot.

Sirius XM Equipment revenue includes revenue and royalties for the sale of satellite radios, components and accessories. Equipment revenue was flat and increased 12% for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. During the year ended December 31, 2020, increased OEM royalty revenue was offset by lower direct sales to customers and the loss of revenue resulting from the termination of the

Automatic service. The increase for the year ended December 31, 2019 was driven by an increase in royalty revenue due to Sirius XM's transition to a new generation of chipsets.

Sirius XM Other revenue includes service and advisory revenue from Sirius XM Canada, connected vehicle services, and ancillary revenue. Other revenue decreased 10% and increased 1% for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The decrease for the year ended December 31, 2020 was driven by lower revenue from Sirius XM's connected vehicle services, rental car revenue and royalty revenue from Sirius XM Canada. The increase for the year ended December 31, 2019 was driven by higher royalty revenue generated from Sirius XM Canada, partially offset by a decrease in data usage revenue generated from Sirius XM's connected vehicle services.

Pandora subscriber revenue includes fees charged for Pandora Plus, Pandora Premium, Stitcher and Simplecast subscriptions. Pandora subscriber revenue decreased 2% and increased 10% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The decrease for the year ended December 31, 2020 was primarily due to the expiration of the one-year promotional subscriptions generated through an agreement with T-Mobile. The increase for the year ended December 31, 2019 was primarily due to an increase in the weighted average number of subscribers and an increase in the average price paid per subscriber due to the growth of Pandora Premium.

Pandora advertising revenue is generated primarily from audio, display and video advertising from on-platform and off-platform advertising. Pandora advertising revenue decreased 1% and increased 10% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The decrease for the year ended December 31, 2020 was primarily due to lower advertising as a result of the impact of the COVID-19 pandemic and a decrease in advertising revenue per thousand hours, partially offset by growth in Pandora's off-platform advertising and the inclusion of revenue from Stitcher. The increase for the year ended December 31, 2019 was due to growth in Pandora's off-platform advertising revenue, increased sell-through percentage, increases in the average price per ad and revenue growth in the AdsWizz business.

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 (excluding litigation settlements)* includes royalties for transmitting content, including streaming royalties, as well as automaker, content provider and advertising revenue share. Revenue share and royalties increased 4% and 8% during 2020 and 2019, respectively, as compared to the prior year periods. The increases were driven by overall greater revenue subject to royalties and revenue share.
- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs increased 1% and 10% during 2020 and 2019, respectively, as compared to the corresponding prior years. The increases for both years were driven primarily by higher music licensing costs and increased personnel-related costs. The increase in 2020 was partially offset by one-time benefits for reduced sports programming as a result of shortened sports seasons due to the COVID-19 pandemic and lower costs associated with hosting live events.
- *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 expense decreased 2% and increased 4% during 2020 and 2019, respectively, as compared to the corresponding prior years. The 2020 decrease was driven by reduced staffing resulting from stay at home orders issued in countries in which Sirius XM's vendors operate call centers. The 2019 increase was driven by increased transaction fees from a larger subscriber base and higher bad debt expense.
- *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 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 subscriber services was flat and increased 13% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior years. During the year ended December 31, 2020, higher hosting and wireless costs associated with Sirius XM's 360L platform and its streaming and connected vehicle services were offset by lower direct sales to consumers and reduced costs due to the termination of the Automatic service. The 2019 increase was primarily driven by higher hosting and other costs associated with Sirius XM's streaming services, higher repeater network costs and an increase in Sirius XM's inventory reserve, partially offset by lower direct sales to satellite radio and connected vehicle consumers.

Pandora Cost of services (excluding legal reserve) includes revenue share and royalties, programming and content costs, customer service and billing expenses and other ancillary costs.

- *Revenue share and royalties* include licensing fees paid for streaming music or other content to Pandora's subscribers and listeners as a 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 1% and 2% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 increase was attributable to the inclusion of Stitcher, partially offset by lower listening hours and the expiration during 2019 of certain minimum guarantees in direct license agreements with record labels. The 2019 increase was primarily attributable to higher revenue share driven by growth of Pandora's off-platform revenue, partially offset by lower royalty costs resulting from renegotiated agreements with record labels, music and sound recording copyright holders and distributors.
- *Programming and content* includes costs to produce live listener events and promote content. Programming and content increased 71% and 55% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The increases were primarily due to increases in personnel related and content costs.
- *Customer service and billing* includes transaction fees on subscription purchases through mobile app stores and bad debt expense. Customer service and billing increased 2% and decreased 11% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 increase was primarily driven by higher bad debt expense, partially offset by lower transaction costs. The 2019 decrease was primarily driven by lower bad debt expense due to recoveries and lower transaction fees.
- *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 costs decreased 9% and increased 21% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was primarily driven by lower streaming costs due to lower listener hours and lower personnel related costs. The 2019 increase was primarily driven by increased web hosting and personnel related costs.

Subscriber acquisition costs are costs 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. For the years ended December 31, 2020 and 2019, subscriber acquisition costs decreased 15% and 9%, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was driven by a decline in OEM installations as a result of the COVID-19 pandemic as well as lower hardware subsidiaries as certain subsidy rates decreased. The decrease for 2019 was driven by reductions to OEM hardware subsidy rates, lower subsidized costs related to the transition of chipsets and a decrease in the volume of satellite radio installations.

Selling, general and administrative (excluding litigation settlement) expense includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative and artist marketing; personnel related costs; facilities costs, finance, legal, human resources and information technology costs. Selling, general and administrative expense decreased 1% and increased 8% for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior year periods. The decrease for the year ended December 31, 2020 was driven by

lower personnel related costs, the closure of a sales and use tax audit in the second quarter of 2020 and lower travel and entertainment costs, partially offset by a \$25 million contribution to a donor advised fund that will be the source of Sirius XM Holdings' future charitable contributions, and higher legal costs. The increase for the year ended December 31, 2019 was driven by additional subscriber communications and acquisition campaigns and higher rent.

Other operating expense includes engineering, design and development costs consisting primarily of compensation and related costs to develop chipsets and new products and services. For the years ended December 31, 2020 and 2019, other operating expense decreased 9% and increased 11%, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was driven by lower personnel-related costs. The 2019 increase was driven by higher personnel-related costs.

Impairment of intangible assets for the year ended December 31, 2020 includes a goodwill impairment charge of \$956 million related to the Pandora reporting unit and a \$20 million impairment of Pandora's trademark.

Litigation settlements and reserves for the year ended December 31, 2020 relates to the reversal of a pre-Pandora acquisition reserve of \$16 million for royalties. This benefit is included in the revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2020. During the year ended December 31, 2019, Sirius XM Holdings recorded a one-time \$25 million litigation settlement for Do-Not-Call litigation. This charge is included in the selling, general and administrative expense line item in the accompanying consolidated financial statements for the year ended December 31, 2019. During the year ended December 31, 2018, Sirius XM Holdings recorded a \$69 million charge related to the litigation settlement that resolved all outstanding claims, including ongoing audits, under Sirius XM's statutory license for sound recordings for the period January 1, 2007 through December 31, 2017. This expense is included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2018. The aforementioned litigation settlements and reserve have been excluded from Adjusted OIBDA for the corresponding periods as they were not part of Sirius XM Holdings' normal operations and do not relate to the on-going performance of the business.

Stock-based compensation decreased 7% and 2% during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The decreases are primarily due to decreases in Pandora's stock-based compensation.

Acquisition and restructuring costs for the year ended December 31, 2020 relate to costs associated with the termination of the Automatic service and the acquisitions of Simplecast and Stitcher.

Depreciation and amortization increased 4% during both of the years ended December 31, 2020 and 2019, as compared to the corresponding periods in the prior year. The increases were due to higher depreciation expense related to additional assets placed in service.

Formula One Group

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 with various Events. Due to the COVID-19 pandemic, the start of the 2020 season was postponed, with certain Events being cancelled, certain new Events being added and others rescheduled to later dates. Formula 1 is responsible for the commercial exploitation and development of the World Championship. 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, broadcasting and advertising and sponsorship contracts specify payments in advance and annual increases in the fees payable over the course of the contracts.

Formula 1's operating results were as follows:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Primary Formula 1 revenue	\$ 964	1,664	1,487
Other Formula 1 revenue	181	358	340
Total Formula 1 revenue	1,145	2,022	1,827
Operating expenses (excluding stock-based compensation included below):			
Cost of Formula 1 revenue	(974)	(1,393)	(1,273)
Selling, general and administrative expenses	(115)	(147)	(154)
Adjusted OIBDA	56	482	400
Stock-based compensation	(13)	(19)	(16)
Depreciation and amortization	(429)	(446)	(452)
Operating income (loss)	<u>\$ (386)</u>	<u>17</u>	<u>(68)</u>
Number of Events	17	21	21

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), broadcasting fees (earned from licensing the right to broadcast Events on television and other platforms, including the internet) and advertising and sponsorship fees (earned from the sale of World Championship and Event-related advertising and sponsorship rights).

Primary Formula 1 revenue decreased \$700 million and increased \$177 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year.

Race promotion revenue decreased during the year ended December 31, 2020, as compared to the prior year, due to the fact that fans were prohibited at all but three Events during 2020, which led to one-time changes in the contractual terms of the originally scheduled Events that remained on the revised 2020 calendar, and limited revenue from the other Events that were added to make up the 17 Events. Broadcasting revenue decreased as the altered schedule triggered lower broadcasting fees pursuant to the contractual terms within certain broadcasting agreements and also led to other one-time changes as certain broadcasting fees were renegotiated for 2020, leading to overall lower than originally contracted broadcasting revenue. Additionally, Formula 1 was prevented from delivering all of the elements of a typical sponsorship offering with the cancellation of certain Events to which contracted sponsorship inventory related, and with limited activities at the Events that have taken place due to the lack of fans and inability to operate services such as hospitality, leading to one-time changes in sponsorship contracts. These challenging circumstances led to a number of other one-time changes as certain sponsorship fees were also renegotiated for 2020, with revenue related to certain undelivered contract rights in 2020 being deferred into future years.

The increase for the year ended December 31, 2019 was primarily driven by an increase in broadcasting revenue due to contractual increases in fees, partially offset by the net adverse impact of weaker foreign currency exchange rates used to translate broadcasting fees that were not denominated in U.S. Dollars. Additionally, advertising and sponsorship revenue increased due to revenue from contracts with new customers. Race promotion revenue decreased due to the financial terms of two race promotion agreements and the net adverse impact of weaker foreign currency exchange rates, partially offset by contractual increases in a number of contracts.

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 (either from the direct operation of the F2 and F3 series or from the licensing of other third party series or individual race events), various television production and post-production activities, digital and social media services and other ancillary operations.

Other Formula 1 revenue decreased \$177 million and increased \$18 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. Other Formula 1 revenue decreased in 2020 as there were four fewer Events in 2020 and COVID-19 related restrictions and the related calendar changes led to lower revenue from most activities, including the non-operation of the Formula One Paddock Club at all but one Event where a limited service could be provided, reduced freight income, the non-operation of fan festivals and business forums, and lower F2 and F3 series income. These decreases were partially offset by increases in licensing and digital media income, driven primarily by F1 TV subscriptions. The increase in 2019 was due to an increase in digital media revenue, higher Paddock Club attendance, increased revenue from other Event-based activities and higher sales of equipment, parts and maintenance and other services to the competing F2 and F3 teams, partially offset by non-recurring television production revenue recorded in the prior year.

Cost of Formula 1 revenue consists primarily of team payments. 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 fees payable to the Federation Internationale de l'Automobile, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, F2 and F3 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.

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Team payments	\$ (711)	(1,012)	(913)
Other costs of Formula 1 revenue	<u>(263)</u>	<u>(381)</u>	<u>(360)</u>
Cost of Formula 1 revenue	<u>\$ (974)</u>	<u>(1,393)</u>	<u>(1,273)</u>

Cost of Formula 1 revenue decreased \$419 million and increased \$120 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year.

Team payments decreased \$301 million and increased \$99 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was driven by the decrease in Primary Formula 1 revenue and other revenue and the associated impact on the calculation of variable Prize Fund elements, which are calculated with reference to Formula 1's revenue and costs, partially offset by one-time fees paid to teams upon signing the 2021 Concorde Agreement in 2020. The increase in team payments during 2019 was attributable to an increase in Primary Formula 1 revenue and the associated impact on the calculation of variable Prize Fund elements.

Other costs of Formula 1 revenue decreased \$118 million and increased \$21 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was driven by four fewer Events, fewer non-European Events, and the significantly reduced activities in the current period due to COVID-19. The 2019 increase was primarily due to costs related to various technical initiatives, the continued further development and delivery of digital and social media products and platforms, increased costs related to the sale of equipment, parts, maintenance and other services to the competing F2 and F3 teams and higher FIA and hospitality costs.

Selling, general and administrative expenses include personnel costs, legal, professional and other advisory fees, bad debt expense, rental expense, information technology costs, non-Event-related travel costs, insurance premiums, maintenance and utility costs and other general office administration costs. Selling, general and administrative expenses decreased \$32 million and \$7 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was driven by lower personnel costs and certain cost reduction initiatives while Events were not taking place and following the return to racing, resulting in lower legal and

professional fees and lower discretionary marketing expenditures. The 2019 decrease was driven by foreign exchange gains and lower bad debt expense, partially offset by higher personnel and information technology costs.

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 \$6 million and increased \$3 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding periods in the prior year. The 2020 decrease was due to the vesting of outstanding awards and a decrease in the fair value of the underlying awards. The 2019 increase in stock-based compensation is primarily due to an increase in the number of awards granted.

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. Depreciation and amortization decreased \$17 million and \$6 million during the year ended December 31, 2020 and 2019, respectively, as compared the corresponding periods in the prior year, primarily due to decreases in amortization expense related to certain intangible assets acquired in the acquisition of Formula 1 by Liberty.

Braves Group

Braves Holdings. Braves Holdings is our wholly owned subsidiary that indirectly owns and operates ANLBC and six minor league baseball clubs (the Gwinnett Stripers, the Mississippi Braves, the Rome Braves, the Danville Braves (through 2020), the GCL Braves and the Dominican Summer League). ANLBC's ballpark is located in Cobb County, a suburb of Atlanta. The facility is leased from Cobb County and Cobb-Marietta Coliseum and Exhibit Hall Authority and 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 adjacent mixed-use development project, which we refer to as the Development Project.

Due to COVID-19, Major League Baseball postponed the start of the 2020 season until late July, resulting in a regular season of 60 games, without fans in attendance. In addition, the 2020 minor league season was cancelled. Braves Holdings did not generate material revenue from the Braves' participation in the 2020 postseason given the structure of the Major League Baseball playoffs to accommodate COVID-19 safety protocols.

Operating results attributable to Braves Holdings were as follows.

	Year ended December 31,		
	2020	2019	2018
	amounts in millions		
Baseball revenue	\$ 142	438	404
Development revenue	36	38	38
Total revenue	178	476	442
Operating expenses (excluding stock-based compensation included below):			
Other operating expenses	(170)	(344)	(268)
Selling, general and administrative expenses	(57)	(78)	(80)
Adjusted OIBDA	(49)	54	94
Stock-based compensation	(3)	(15)	(10)
Depreciation and amortization	(69)	(71)	(76)
Operating income (loss)	<u>\$ (121)</u>	<u>(32)</u>	<u>8</u>
Regular season home games	30	81	81
Postseason home games	7	3	2

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, retail, suites and premium seat fees), local broadcast rights and national broadcast, licensing and other shared Major League Baseball

(“MLB”) revenue streams. Development revenue is derived from the mixed-use facilities and primarily includes rental income. For the years ended December 31, 2020 and 2019, revenue decreased \$298 million and increased \$34 million, respectively, as compared to the corresponding prior years. A normal baseball season has historically consisted of approximately 160 games. However, the 2020 regular season consisted of only 60 games. The decrease in baseball revenue in 2020 was primarily driven by fewer games in 2020. Without fans in attendance for any games, ballpark operations revenue was lower due to decreased ticket and concession sales. Fewer games also resulted in lower broadcasting revenue. Baseball revenue per game increased in 2019 due to increases in ballpark operations revenue, driven by increases in attendance, and revenue from local and national broadcasting rights. In addition, one additional postseason home game contributed to higher baseball revenue in 2019. The decrease in development revenue in 2020 was primarily driven by the deferral of rental income from the mixed-use facilities. The 2019 decrease in development revenue following the sale of the residential portion of the mixed-use facilities in 2018 was offset by increases in retail tenant rental income and parking revenue during 2019.

Other operating expenses primarily include costs associated with baseball and stadium operations. For the years ended December 31, 2020 and 2019, other operating expenses decreased \$174 million and increased \$76 million, respectively, as compared to the corresponding prior years. The decrease in 2020 as compared to 2019 was primarily due to lower player salaries, as players were paid a pro-rata portion of their salaries, lower travel expenses and lower facility and game day expenses, as there were fewer games in 2020, all without fans in attendance. The increase in 2019 as compared to 2018 was driven by higher player salaries, increased baseball operations costs driven by the opening of the new spring training facility and higher player development costs, increased obligations under MLB’s revenue sharing plan and increased stadium operating costs driven by concessions.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. Selling, general and administrative expense decreased \$21 million and \$2 million for the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior years. The decrease for 2020 as compared to 2019 was primarily driven by lower marketing expense and fewer games in 2020. The decrease for 2019 as compared to 2018 was primarily due to reduced expenses associated with the residential portion of the mixed-use complex, which was sold in October 2018.

Stock-based compensation decreased \$12 million and increased \$5 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior years. The decrease in 2020 as compared to 2019 was driven by a decrease in the fair value of the underlying awards. The increase in 2019 as compared to 2018 was driven by an increase in the fair value of the underlying awards.

Depreciation and amortization decreased \$2 million and \$5 million during the years ended December 31, 2020 and 2019, respectively, as compared to the corresponding prior years. The decrease in 2020 as compared to 2019 was driven by a decrease in amortization expense related to player contracts. The decrease in 2019 as compared to 2018 is primarily due to decreases in depreciation expense related to the new stadium as a result of the adoption of ASC 842 and the sale of the residential portion of the mixed-use complex during October 2018 and decreases in amortization expense related to player contracts.

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 and the conduct of operations. 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 December 31, 2020, 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	\$ 1,399	2.1%	\$ 11,252	3.8%
Braves Group	\$ 278	1.8%	\$ 396	3.6%
Formula One Group	\$ 832	3.5%	\$ 2,797	4.6%

Liberty’s borrowings under 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 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 November 30, 2020, ICE Benchmark Administration, the administrator of LIBOR, with the support of the United States Federal Reserve and the FCA, announced plans to consult on ceasing publication of LIBOR on December 31, 2021 for only the one week and two month LIBOR tenors, and on June 30, 2023 for all other LIBOR tenors. While this announcement extends the transition period to June 2023, the United States Federal Reserve concurrently issued a statement advising banks to stop new LIBOR issuances by the end of 2021. In light of these recent announcements, the future of LIBOR at this time 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.

At December 31, 2020, the fair value of our marketable equity securities was \$266 million. Had the market price of such securities been 10% lower at December 31, 2020, the aggregate value of such securities would have been \$27 million lower. Additionally, our stock in Live Nation (an equity method affiliate) is a publicly traded security which 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 financial statements.

Financial Statements and Supplementary Data.

The consolidated financial statements of Liberty Media Corporation are included herein, beginning on Page F-36.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Controls and Procedures.

In accordance with Rules 13a-15 and 15d-15 of 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 report. Based on that evaluation, the Executives concluded that the Company’s disclosure controls and procedures were effective as of December 31, 2020 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.

See page F-31 for *Management’s Report on Internal Control Over Financial Reporting*.

See page F-32 for *Report of Independent Registered Public Accounting Firm* for their attestation regarding our internal control over financial reporting.

There has been no change in the Company’s internal control over financial reporting that occurred during the three months ended December 31, 2020 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Other Information.

None.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Liberty Media Corporation's (the "Company") management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2020, using the criteria in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation the Company's management believes that, as of December 31, 2020, its internal control over financial reporting is effective.

The Company's independent registered public accounting firm audited the consolidated financial statements and related notes in the Annual Report and has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page F-32 of this Annual Report.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty Media Corporation:

Opinion on Internal Control Over Financial Reporting

We have audited Liberty Media Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements), and our report dated February 26, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Denver, Colorado
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Liberty Media Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Liberty Media Corporation and subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in note 10 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standard Codification (ASC) Topic 842, *Leases*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Sufficiency of audit evidence over certain subscriber and advertising revenue streams

As disclosed in the consolidated statements of operations, the Company generated \$9,363 million of revenue, of which \$5,857 million was Sirius XM subscriber revenue and \$1,183 million was Pandora (Pandora Media, LLC and subsidiaries, the successor to Pandora Media, Inc. and subsidiaries) advertising revenue, for the year ended December 31, 2020. The Company's accounting for these subscriber and advertising revenue streams involve multiple information technology (IT) systems.

We identified the evaluation of the sufficiency of audit evidence related to these subscriber and advertising revenue streams as a critical audit matter. Evaluating the sufficiency of audit evidence required our subjective judgment regarding, among other things, the nature and extent of the evidence relating to each revenue stream, due principally to the number of IT applications utilized in the revenue recognition process to capture and aggregate the data.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls related to the Sirius XM subscriber revenue and Pandora advertising revenue recognition processes. We involved IT professionals with specialized skills and knowledge, who assisted in testing relevant IT applications and controls used by the Company in its revenue recognition processes and testing the interface of relevant revenue data between different IT systems used in the revenue recognition processes. We applied auditor judgment to determine the nature and extent of procedures to be performed over subscriber and advertising revenue. For each revenue stream within Sirius XM subscriber revenue where procedures were performed, we developed an estimate of subscriber revenue. These estimates were based on a combination of internal data and publicly available external data and the estimates were compared to the Company's recorded amounts. In addition, we evaluated the relevance and reliability of the internal and external data used to develop those estimates. On a sample basis, we tested Pandora advertising revenue by tracing the recorded amounts to underlying source documents and system reports. We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed.

Fair value of the Pandora trademark and goodwill in the Pandora reporting unit

As discussed in note 8 to the consolidated financial statements, the Company's goodwill balance associated with Sirius XM Holdings was \$15,082 million as of December 31, 2020, which is comprised of Sirius XM and Pandora reporting units. Additionally, as discussed in note 8 to the consolidated financial statements, the Company's trademarks balance was \$1,242 million as of December 31, 2020. The Company performs goodwill and indefinite-lived assets impairment testing as of the fourth quarter of each fiscal year, and whenever events and changes in circumstances indicate that the carrying value of a trademark more likely than not exceeds its fair value or the carrying value of a reporting unit more likely than not exceeds its fair value. The Company identified events that indicated that it was more likely than not that the carrying value of the Pandora reporting unit and the Pandora trademark exceeded their fair values. The Company estimated the fair value of the Pandora reporting unit using a combination of a discounted cash flow model and a market approach, and the Pandora trademark using a discounted cash flow model. As a result, the Company recognized an impairment charge of \$956 million for the Pandora reporting unit goodwill and an impairment charge of \$20 million for the Pandora trademark.

We identified the evaluation of the Company's fair value assessment of the Pandora trademark and goodwill in the Pandora reporting unit as a critical audit matter. There was a high degree of subjective auditor judgment in applying and evaluating the results of our audit procedures over the discounted cash flow model used to calculate the fair value of the goodwill in the Pandora reporting unit and the Pandora trademark. Specifically, the revenue growth rates, long-term growth rate, and the discount rates (the key assumptions), which were used by the Company to estimate the fair value of the reporting unit involved a higher degree of subjectivity. In addition, these key assumptions used in the fair value assessment were challenging to test due to the sensitivity of the fair value to changes in these assumptions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's goodwill and trademark impairment process. This included controls over the selection of the revenue growth rates, long-term growth rate, and the discount rates used to estimate the fair value of the Pandora reporting unit and the Pandora trademark. We performed sensitivity analyses to assess the impact of possible changes to the revenue growth rates, long-term growth rate and discount rate assumptions on the fair value of the Pandora reporting unit and the Pandora trademark. We compared the Company's forecasted revenue growth rate assumptions to the Pandora reporting unit's historical revenue growth rates, to projected revenue growth rates for comparable companies, and to other publicly available data, including third party market studies. We compared the Company's historical revenue forecasts to actual results to assess the Company's ability to accurately forecast. We evaluated the relevance and reliability of the internal and external data used to develop those assumptions. We involved valuation professionals with specialized skills and knowledge who assisted in:

- evaluating the Company's discount rates by comparing them to discount rate ranges that were developed using publicly available market data for comparable entities;
- developing an estimated range of fair value of the Pandora reporting unit using the reporting unit's cash flow projections, estimated discount rate range, and comparing the result to the Company's fair value estimate; and
- developing an estimated range of fair value of the Pandora trademark using the Company's cash flow projections and an estimated discount rate range and comparing the result to the Company's fair value estimate.

/s/ KPMG LLP

We have served as the Company's auditor since 2010.

Denver, Colorado
February 26, 2021

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

	2020	2019
	amounts in millions	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 2,831	1,222
Trade and other receivables, net	823	767
Other current assets	376	416
Total current assets	4,030	2,405
Investments in affiliates, accounted for using the equity method (note 7)	1,018	1,625
Property and equipment, at cost	4,017	3,780
Accumulated depreciation	(1,778)	(1,518)
	2,239	2,262
Intangible assets not subject to amortization (note 8)		
Goodwill	19,218	19,939
FCC licenses	8,600	8,600
Other	1,385	1,405
	29,203	29,944
Intangible assets subject to amortization, net (note 8)	5,378	5,940
Other assets	2,136	2,013
Total assets	\$ 44,004	44,189
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,583	1,621
Current portion of debt, including \$684 million and \$0 measured at fair value, respectively (note 9)	743	60
Deferred revenue	2,070	2,113
Other current liabilities	94	94
Total current liabilities	4,490	3,888
Long-term debt, including \$3,861 million and \$3,678 million measured at fair value, respectively (note 9)	16,686	15,416
Deferred income tax liabilities (note 11)	2,126	1,913
Other liabilities	1,101	1,047
Total liabilities	\$ 24,403	22,264

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
	<u>amounts in millions</u>	
Stockholders' equity (notes 12,14 and 16):		
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 at December 31, 2020; issued and outstanding 99,383,666 shares at December 31, 2020 and 103,339,016 shares at December 31, 2019 (note 2)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2020; issued and outstanding 10,312,670 shares at December 31, 2020 and 10,312,639 shares at December 31, 2019 (note 2)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2020; issued and outstanding 25,835,838 shares at December 31, 2020 and 25,834,334 shares at December 31, 2019 (note 2)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares at December 31, 2020; issued and outstanding 9,802,237 shares at December 31, 2020 and 9,808,601 shares at December 31, 2019 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares at December 31, 2020; issued and outstanding 981,778 shares at December 31, 2020 and 981,860 shares at December 31, 2019 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares at December 31, 2020; issued and outstanding 2,446,606 shares at December 31, 2020 and 2,448,233 shares at December 31, 2019 (note 2)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares at December 31, 2020; issued and outstanding 229,575,090 shares at December 31, 2020 and 203,324,574 shares at December 31, 2019 (note 2)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2020; issued and outstanding 40,958,175 shares at December 31, 2020 and 39,894,784 shares at December 31, 2019 (note 2)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2020; issued and outstanding 203,538,477 shares at December 31, 2020 and 203,366,419 shares at December 31, 2019 (note 2)	2	2
Additional paid-in capital	2,688	2,575
Accumulated other comprehensive earnings (loss), net of taxes	78	(33)
Retained earnings	<u>12,320</u>	<u>13,748</u>
Total stockholders' equity	15,091	16,295
Noncontrolling interests in equity of subsidiaries	4,510	5,630
Total equity	<u>\$ 19,601</u>	<u>21,925</u>
Commitments and contingencies (note 17)		
Total liabilities and equity	<u>\$ 44,004</u>	<u>44,189</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations

Years ended December 31, 2020, 2019 and 2018

	2020	2019	2018
	amounts in millions		
Revenue:			
Sirius XM Holdings revenue	\$ 8,040	7,794	5,771
Formula 1 revenue	1,145	2,022	1,827
Other revenue	178	476	442
Total revenue	9,363	10,292	8,040
Operating costs and expenses, including stock-based compensation (note 3):			
Cost of services (exclusive of depreciation shown separately below):			
Revenue share and royalties	2,421	2,291	1,394
Programming and content	481	462	406
Customer service and billing	481	475	382
Other	196	199	126
Cost of Formula 1 revenue	974	1,394	1,273
Subscriber acquisition costs	362	427	470
Other operating expenses	434	624	391
Selling, general and administrative	1,750	1,805	1,179
Impairment of intangible assets (note 8)	976	—	—
Acquisition and restructuring (note 5)	28	84	3
Depreciation and amortization	1,083	1,061	905
	9,186	8,822	6,529
Operating income (loss)	177	1,470	1,511
Other income (expense):			
Interest expense	(634)	(657)	(606)
Share of earnings (losses) of affiliates, net (note 7)	(586)	6	18
Realized and unrealized gains (losses) on financial instruments, net (note 6)	(402)	(315)	40
Other, net	10	9	78
	(1,612)	(957)	(470)
Earnings (loss) before income taxes	(1,435)	513	1,041
Income tax (expense) benefit (note 11)	44	(166)	(176)
Net earnings (loss)	(1,391)	347	865
Less net earnings (loss) attributable to the noncontrolling interests	30	241	334
Net earnings (loss) attributable to Liberty stockholders	\$ (1,421)	106	531
Net earnings (loss) attributable to Liberty stockholders (note 2):			
Liberty SiriusXM common stock	\$ (747)	494	676
Liberty Braves common stock	(78)	(77)	5
Liberty Formula One common stock	(596)	(311)	(150)
	\$ (1,421)	106	531

(continued)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Operations (Continued)

Years ended December 31, 2020, 2019 and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty SiriusXM common stock	(2.24)	1.50	1.98
Series A, B and C Liberty Braves common stock	(1.53)	(1.51)	0.10
Series A, B and C Liberty Formula One common stock	(2.57)	(1.35)	(0.65)
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty SiriusXM common stock	(2.33)	1.48	1.95
Series A, B and C Liberty Braves common stock	(2.00)	(1.51)	0.10
Series A, B and C Liberty Formula One common stock	(2.57)	(1.35)	(0.65)

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Comprehensive Earnings (Loss)

Years ended December 31, 2020, 2019 and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
Net earnings (loss)	\$ (1,391)	347	865
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	12	20	(34)
Unrealized holding gains (losses) arising during the period	(7)	3	(3)
Credit risk on fair value debt instruments gains (losses)	117	(13)	32
Share of other comprehensive earnings (loss) of equity affiliates	(9)	1	(10)
Other comprehensive earnings (loss)	<u>113</u>	<u>11</u>	<u>(15)</u>
Comprehensive earnings (loss)	(1,278)	358	850
Less comprehensive earnings (loss) attributable to the noncontrolling interests	32	247	324
Comprehensive earnings (loss) attributable to Liberty stockholders	<u>\$ (1,310)</u>	<u>111</u>	<u>526</u>
Comprehensive earnings (loss) attributable to Liberty stockholders:			
Liberty SiriusXM common stock	\$ (712)	512	663
Liberty Braves common stock	(86)	(74)	2
Liberty Formula One common stock	<u>(512)</u>	<u>(327)</u>	<u>(139)</u>
	<u>\$ (1,310)</u>	<u>111</u>	<u>526</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Consolidated Statements Of Cash Flows

Years ended December 31, 2020, 2019 and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
	<u>(see note 4)</u>		
Cash flows from operating activities:			
Net earnings (loss)	\$ (1,391)	347	865
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	1,083	1,061	905
Stock-based compensation	261	312	192
Impairment of intangible assets	976	—	—
Share of (earnings) loss of affiliates, net	586	(6)	(18)
Realized and unrealized (gains) losses on financial instruments, net	402	315	(40)
Noncash interest expense	17	9	(1)
Losses (gains) on dilution of investment in affiliate	(4)	(7)	1
Loss on early extinguishment of debt	40	57	1
Deferred income tax expense (benefit)	(95)	120	167
Other charges (credits), net	35	8	(17)
Changes in operating assets and liabilities			
Current and other assets	(34)	(3)	(31)
Payables and other liabilities	(146)	100	132
Net cash provided (used) by operating activities	<u>1,730</u>	<u>2,313</u>	<u>2,156</u>
Cash flows from investing activities:			
Cash proceeds from dispositions of investments	13	442	399
Cash (paid) received for acquisitions, net of cash acquired	(300)	313	(2)
Investments in equity method affiliates and debt and equity securities	(113)	(29)	(414)
Return of investment in equity method affiliates	105	23	64
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	20	11	14
Capital expended for property and equipment, including internal-use software and website development	(452)	(510)	(403)
Other investing activities, net	(9)	64	(28)
Net cash provided (used) by investing activities	<u>(736)</u>	<u>314</u>	<u>(370)</u>
Cash flows from financing activities:			
Borrowings of debt	4,898	6,020	3,617
Repayments of debt	(2,931)	(4,871)	(4,057)
Liberty SiriusXM common stock repurchases	(318)	(443)	(466)
Subsidiary shares repurchased by subsidiary	(1,555)	(2,159)	(1,314)
Proceeds from Liberty SiriusXM common stock rights offering	754	—	—
Cash dividends paid by subsidiary	(64)	(68)	(59)
Taxes paid in lieu of shares issued for stock-based compensation	(120)	(211)	(130)
Other financing activities, net	(90)	(41)	29
Net cash provided (used) by financing activities	<u>574</u>	<u>(1,773)</u>	<u>(2,380)</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	3	—	(1)
Net increase (decrease) in cash, cash equivalents and restricted cash	1,571	854	(595)
Cash, cash equivalents and restricted cash at beginning of period	1,306	452	1,047
Cash, cash equivalents and restricted cash at end of period	<u>\$ 2,877</u>	<u>1,306</u>	<u>452</u>

See accompanying notes to consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2020, 2019 and 2018

(1) Basis of Presentation

The accompanying consolidated financial statements of Liberty Media Corporation (“Liberty,” “we,” “our,” “us” or the “Company” unless the context otherwise requires) represent a consolidation of certain media and entertainment related assets and businesses. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

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. Our significant subsidiaries include Sirius XM Holdings Inc. (“Sirius XM Holdings”), Formula 1 and Braves Holdings, LLC (“Braves Holdings”). Our significant investment accounted for under the equity method of accounting is Live Nation Entertainment, Inc. (“Live Nation”).

On February 1, 2019, Sirius XM Holdings issued shares in conjunction with its acquisition of Pandora Media, Inc., which continues to operate as Pandora Media, LLC (“Pandora”). See note 5 for more information regarding the acquisition of Pandora. Liberty continues to maintain a controlling interest in Sirius XM Holdings following the share repurchases and issuances. As of December 31, 2020, we owned approximately 76% of the outstanding equity interest in Sirius XM Holdings.

In 2011, Qurate Retail, Inc. (“Qurate Retail”) completed its split-off from Liberty, and in 2014, Liberty Broadband Corporation (“Liberty Broadband”) completed its spin-off from Liberty. In addition, in 2014, Liberty TripAdvisor Holdings, Inc. (“Liberty TripAdvisor”) completed its spin-off from Qurate Retail, and in 2018, GCI Liberty, Inc. (“GCI Liberty”) completed its split-off from Qurate Retail. These transactions resulted in the separate corporate existence of Liberty, Qurate Retail, Liberty Broadband, Liberty TripAdvisor and GCI Liberty. Following these transactions, each of these companies operates (or in the case of GCI Liberty, prior to its acquisition, operated) as separate publicly traded companies, none of which has any stock ownership, beneficial or otherwise, in the other (except that GCI Liberty owned shares of Liberty Broadband’s Series C non-voting common stock prior to the merger of GCI Liberty and Liberty Broadband in December 2020). In connection with the foregoing transactions, Liberty entered into certain agreements with Qurate Retail, Liberty TripAdvisor, Liberty Broadband, and GCI Liberty, respectively, in order to govern ongoing relationships between the companies and to provide for an orderly transition. As a result, these entities are considered related parties of the Company for accounting purposes through the dates of the respective transactions. These agreements include Reorganization Agreements (in the case of Qurate Retail and Liberty Broadband only), Services Agreements and Facilities Sharing Agreements. The Reorganization, Services and Facilities Sharing Agreements entered into with Qurate Retail were assigned from Liberty’s predecessor to Liberty in 2013 in connection with a prior transaction.

The Reorganization Agreements provide for, among other things, provisions governing the relationships between Liberty and each of Qurate Retail and Liberty Broadband, respectively, including certain cross-indemnities. Pursuant to the Services Agreements, Liberty provides Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty (prior to termination) with general and administrative services including legal, tax, accounting, treasury and investor relations support. Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty (prior to termination) 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. Liberty TripAdvisor, Liberty Broadband and GCI Liberty (prior to termination) reimburse Liberty for shared services and personnel based on a flat fee. Under the Facilities Sharing Agreements, Liberty shares office space and related amenities with Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty (prior to termination) at Liberty’s corporate headquarters. Under these various agreements, approximately \$28 million, \$46 million and \$30 million of these allocated expenses were reimbursed to Liberty during the years ended December 31, 2020, 2019 and 2018, respectively.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

In December 2019, Liberty entered into amendments to the Services Agreements with each of Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty in connection with Liberty's entry into a new employment arrangement with Gregory B. Maffei, its President and Chief Executive Officer. Under the amended Services Agreements, components of his compensation would either be paid directly to him by each of Qurate Retail, Liberty TripAdvisor, Liberty Broadband and GCI Liberty (collectively, the "Service Companies") or reimbursed to Liberty, in each case, based on allocations among Liberty and the Service Companies set forth in the amended Services Agreements. Following the merger between GCI Liberty and Liberty Broadband in December 2020, GCI Liberty no longer participates in the Services Agreement arrangement due to the termination of its Services Agreement with Liberty.

In December 2020, in conjunction with the merger, GCI Liberty made an executive termination payment to Liberty of approximately \$6 million. See note 13 for additional information related to termination payments.

On January 26, 2021, Liberty Media Acquisition Corporation ("LMAC") consummated its initial public offering (the "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. The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to LMAC of \$575 million. Concurrently with the IPO, LMAC completed the private placement of 10 million warrants to its sponsor, Liberty Media Acquisition Sponsor LLC (the "Sponsor"), a wholly-owned subsidiary of the Company, generating gross proceeds of \$15 million. 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. A total of \$575 million was placed in a U.S.-based trust account. 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 area. Under the terms of the offering, the Company, through the Sponsor, owns 20% of LMAC's issued and outstanding common stock 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) pursuant to a forward purchase agreement that will close substantially concurrently with the consummation of LMAC's initial business combination. In addition, the Company, through the Sponsor's ownership of LMAC founder shares, has certain governance rights which allow us to control LMAC's affairs, policies and operations through the initial business combination. The Company's ownership interest in LMAC will consist primarily of Series B common stock following the consummation of LMAC's initial business combination, and is initially being attributed to the Formula One Group tracking stock.

(2) Tracking Stocks

During November 2015, Liberty's board of directors authorized management to pursue a reclassification of the Company's common stock into three new tracking stock groups, one to be designated as the Liberty Braves common stock, one to be designated as the Liberty Formula One common stock (formerly known as Liberty Media common stock) and one to be designated as the Liberty SiriusXM common stock (the "Recapitalization"), and to cause to be distributed subscription rights related to the Liberty Braves common stock following the creation of the new 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,

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

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 or the Formula One 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.

Additionally, as a result of the Recapitalization, Liberty's 1.375% Cash Convertible Senior Notes due 2023 (the "Convertible Notes") are now convertible into cash based on the product of the conversion rate specified in the indenture and the basket of tracking stocks into which each outstanding share of Series A Liberty Media Corporation common stock was reclassified (the "Securities Basket"). The Series A Liberty Braves common stock component of the Securities Basket was subsequently adjusted pursuant to anti-dilution adjustments arising out of the distribution of subscription rights to purchase shares of Series C Liberty Braves common stock made to all holders of Liberty Braves common stock. Furthermore, the Company entered into amended agreements with the counterparties with regard the Recapitalization-related adjustments to the outstanding Series A Liberty Media Corporation common stock warrants as well as the outstanding cash convertible note hedges and purchased call options.

As part of the Recapitalization, the Formula One Group initially held a 20% intergroup interest in the Braves Group. As a result of a rights offering in May 2016 to holders of Liberty Braves common stock to acquire shares of Series C Liberty Braves common stock, the number of notional shares representing the intergroup interest held by the Formula One Group was adjusted to 9,084,940, representing a 15.1% intergroup interest in the Braves Group at December 31, 2019. In addition, during the fourth quarter of 2019, the Formula One Group began purchasing shares of Liberty SiriusXM common stock. As of December 31, 2019, the number of notional shares representing the intergroup interest held by the Formula One Group was 493,278, representing a 0.2% intergroup interest in the Liberty SiriusXM Group.

On April 22, 2020, the Company's board of directors approved the immediate reattribution of certain assets and liabilities between the Formula One Group and the Liberty SiriusXM Group (collectively, the "reattribution").

The assets reattributed from the Formula One Group to the Liberty SiriusXM Group, valued at \$2.8 billion, consisted of:

- Liberty's entire Live Nation stake, consisting of approximately 69.6 million shares of Live Nation common stock;
- a newly-created Formula One Group intergroup interest, consisting of approximately 5.3 million notional shares of Liberty Formula One common stock, to cover exposure under the Convertible Notes;
- the bond hedge and warrants associated with the Convertible Notes;
- the entire Liberty SiriusXM Group intergroup interest, consisting of approximately 1.9 million notional shares of Liberty SiriusXM common stock, thereby eliminating the Liberty SiriusXM Group intergroup interest; and
- a portion, consisting of approximately 2.3 million notional shares of Liberty Braves common stock, of the Formula One Group's intergroup interest in the Braves Group, to cover exposure under the Convertible Notes.

The reattributed liabilities, valued at \$1.3 billion, consisted of:

- the Convertible Notes;
- Liberty's 2.25% exchangeable senior debentures due 2048; and
- Liberty's margin loan secured by shares of Live Nation ("Live Nation Margin Loan").

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

Similarly, \$1.5 billion of net asset value has been reattributed from the Liberty SiriusXM Group to the Formula One Group, comprised of:

- a call spread between the Formula One Group and the Liberty SiriusXM Group with respect to 34.8 million of the Live Nation shares that were reattributed to the Liberty SiriusXM Group; and
- a net cash payment of \$1.4 billion from the Liberty SiriusXM Group to the Formula One Group, which was funded by a combination of (x) cash on hand, (y) an additional \$400 million drawn from the Company's existing margin loan secured by shares of common stock of Sirius XM Holdings, resulting in an aggregate outstanding balance of \$750 million, and (z) the creation of an intergroup loan obligation from the Liberty SiriusXM Group to the Formula One Group in the principal amount of \$750 million, plus interest thereon, which was repaid with the proceeds from the LSXMK rights offering described below (the "Intergroup Loan").

The reattribution is reflected in the Company's financial statements on a prospective basis.

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, which, as of December 31, 2020, include its 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 2.25% 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 Braves Group and the Formula One Group as of December 31, 2020. As of December 31, 2020, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$996 million, which includes \$71 million of subsidiary cash.

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, which, as of December 31, 2020, include its subsidiary, 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 (the "Development Project") and cash. The Liberty SiriusXM Group and the Formula One Group retain intergroup interests in the Braves Group as of December 31, 2020. As of December 31, 2020, the Braves Group has cash and cash equivalents of approximately \$151 million, which includes \$73 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, which, as of December 31, 2020, include 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 interest in Formula 1, cash, an intergroup interest in the Braves Group, Liberty's 1% Cash Convertible Notes due 2023 and Liberty's 2.25% Exchangeable Senior Debentures due 2046. As of December 31, 2020, the Formula One Group has cash and cash equivalents of approximately \$1,684 million, which includes \$265 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 11.1% intergroup interest at December 31, 2020. 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 December 31, 2020. 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 December 31, 2020. 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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

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.

On April 22, 2020, the Company’s board of directors authorized management of the Company to cause subscription rights (the “Series C Liberty SiriusXM Rights”) to purchase shares of Series C Liberty SiriusXM common stock, par value \$0.01 per share (“LSXMK”), in a rights offering (the “LSXMK rights offering”) to be distributed to holders of Series A Liberty SiriusXM common stock, par value \$0.01 per share, Series B Liberty SiriusXM common stock, par value \$0.01 per share, and LSXMK. In the LSXMK rights offering, Liberty distributed 0.0939 of a Series C Liberty SiriusXM Right for each share of Series A, Series B or Series C Liberty SiriusXM common stock held as of 5:00 p.m., New York City time, on May 13, 2020. Fractional Series C Liberty SiriusXM Rights were rounded up to the nearest whole right. Each whole Series C Liberty SiriusXM Right entitled the holder to purchase, pursuant to the basic subscription privilege, one share of LSXMK at a subscription price of \$25.47, which was equal to an approximate 20% discount to the volume weighted average trading price of LSXMK for the 3-day trading period ending on and including May 8, 2020. Each Series C Liberty SiriusXM Right also entitled the holder to subscribe for additional shares of LSXMK that were unsubscribed for in the LSXMK rights offering pursuant to an oversubscription privilege. The LSXMK rights offering commenced on May 18, 2020, which was also the ex-dividend date for the distribution of the Series C Liberty SiriusXM Rights. The LSXMK rights offering expired at 5:00 p.m. New York City time, on June 5, 2020 and was fully subscribed with 29,594,089 shares of LSXMK issued to those rightsholders exercising basic and, if applicable, oversubscription privileges. The proceeds from the LSXMK rights offering, which aggregated approximately \$754 million, were used to repay the outstanding balance on the Intergroup Loan and accrued interest.

See page F-103 of this Annual Report for unaudited attributed financial information for Liberty’s tracking stock groups.

(3) Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash equivalents consist of investments which are readily convertible into cash and have maturities of three months or less at the time of acquisition.

Receivables

Receivables are reflected net of an allowance for doubtful accounts and sales returns. Such allowance aggregated \$17 million and \$18 million at December 31, 2020 and 2019, respectively. Activity in the year ended December 31, 2020 included an increase of \$61 million of bad debt charged to expense and \$62 million of write-offs. Activity in the year ended December 31, 2019 included an increase of \$56 million of bad debt charged to expense and \$59 million of write-offs. Activity in the year ended December 31, 2018 included an increase of \$68 million of bad debt charged to expense and \$60 million of write-offs.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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Investments

All marketable equity and debt securities held by the Company are carried at fair value, generally based on quoted market prices and changes in the fair value of such securities are reported in realized and unrealized gain (losses) on financial instruments in the accompanying consolidated statements of operations. The Company elected the measurement alternative (defined as the cost of the security, adjusted for changes in fair value when there are observable prices, less impairments) for its equity securities without readily determinable fair values. The total value of marketable equity securities aggregated \$266 million and \$353 million as of December 31, 2020 and 2019, respectively.

For those investments in affiliates in which the Company has the ability to exercise significant influence, the equity method of accounting is used. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the affiliate as they occur rather than as dividends or other distributions are received. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee. In the event the Company is unable to obtain accurate financial information from an equity affiliate in a timely manner, the Company records its share of earnings or losses of such affiliate on a lag.

Changes in the Company's proportionate share of the underlying equity of an equity method investee, which result from the issuance of additional equity securities by such equity investee, are recognized in the statement of operations through the other, net line item. To the extent there is a difference between our ownership percentage in the underlying equity of an equity method investee and our carrying value, such difference is accounted for as if the equity method investee were a consolidated subsidiary.

The Company continually reviews its equity investments to determine whether a decline in fair value below the carrying value is other than temporary. The primary factors the Company considers in its determination are the length of time that the fair value of the investment is below the Company's carrying value; the severity of the decline; and the financial condition, operating performance and near term prospects of the investee. In addition, the Company considers the reason for the decline in fair value, be it general market conditions, industry specific or investee specific; analysts' ratings and estimates of 12-month share price targets for the investee; changes in stock price or valuation subsequent to the balance sheet date; and the Company's intent and ability to hold the investment for a period of time sufficient to allow for a recovery in fair value. If the decline in fair value is deemed to be other than temporary, the carrying value of the equity method investment is written down to fair value. In situations where the fair value of an investment is not evident due to a lack of a public market price or other factors, the Company uses its best estimates and assumptions to arrive at the estimated fair value of such investment. The Company's assessment of the foregoing factors involves a high degree of judgment and accordingly, actual results may differ materially from the Company's estimates and judgments. Writedowns for equity method investments are included in share of earnings (losses) of affiliates.

The Company performs a qualitative assessment for equity securities without readily determinable fair values each reporting period to determine whether the security could be impaired. If the qualitative assessment indicates that an impairment could exist, we estimate the fair value of the investments, and, to the extent the security's fair value is less than its carrying value, an impairment is recorded in the consolidated statements of operations.

Derivative Instruments and Hedging Activities

All of the Company's derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive earnings and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings. If the derivative is not designated as a hedge, changes in

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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the fair value of the derivative are recognized in earnings. None of the Company's derivatives are currently designated as hedges.

The fair value of certain of the Company's derivative instruments are estimated using the Black-Scholes model. The Black-Scholes model incorporates a number of variables in determining such fair values, including expected volatility of the underlying security and an appropriate discount rate. The Company obtained volatility rates from pricing services based on the expected volatility of the underlying security over the remaining term of the derivative instrument. A discount rate was obtained at the inception of the derivative instrument and updated each reporting period, based on the Company's estimate of the discount rate at which it could currently settle the derivative instrument. The Company considered its own credit risk as well as the credit risk of its counterparties in estimating the discount rate. Considerable management judgment was required in estimating the Black-Scholes variables.

Property and Equipment

Property and equipment consisted of the following:

	<u>Estimated Useful Life</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
		<u>amounts in millions</u>	
Land	NA	\$ 139	138
Buildings and improvements	10 - 40 years	836	783
Support equipment	3 - 20 years	748	630
Satellite system	15 years	1,709	1,694
Construction in progress	NA	585	535
Total property and equipment		<u>\$ 4,017</u>	<u>3,780</u>

Property and equipment, including significant improvements, is stated at cost. Depreciation is computed using the straight-line method using estimated useful lives. Depreciation expense for the years ended December 31, 2020, 2019 and 2018 was \$268 million, \$271 million and \$251 million, respectively.

Sirius XM Holdings capitalizes a portion of the interest on funds borrowed to finance the construction and launch of its satellites. Capitalized interest is recorded as part of the asset's cost and depreciated over the asset's useful life. Capitalized interest costs for the years ended December 31, 2020 and 2019 were approximately \$19 million and \$17 million, respectively.

Intangible Assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Goodwill and other intangible assets with indefinite useful lives (collectively, "indefinite lived intangible assets") are not amortized, but instead are tested for impairment at least annually. Our annual impairment assessment of our indefinite-lived intangible assets is performed during the fourth quarter of each year, or more frequently if events and circumstances indicate impairment may have occurred.

The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. The accounting guidance also allows entities the option to bypass the qualitative assessment for any reporting unit in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of our reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior years for other purposes. If based on the qualitative analysis it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

The quantitative goodwill impairment test compares the estimated fair value of a reporting unit to its carrying value. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in Liberty's valuation analysis are based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts. If the carrying value of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

The accounting guidance also permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. The accounting guidance also allows entities the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company's indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangibles) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, an impairment adjustment is to be recognized. Such adjustment is measured by the amount that the carrying value of such asset groups exceeds their fair value. The Company generally measures fair value by considering sale prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. Asset groups to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Noncontrolling Interests

The Company reports noncontrolling interests of subsidiaries within equity in the balance sheet and the amount of consolidated net income attributable to the parent and to the noncontrolling interest is presented in the statement of operations. Also, changes in ownership interests in subsidiaries in which the Company maintains a controlling interest are recorded in equity.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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Revenue Recognition

Effective January 1, 2018, the Company adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), under the modified retrospective transition method. ASC 606 requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers and also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASC 606 replaced most existing revenue recognition guidance in U.S. generally accepted accounting principles (“GAAP”).

The Company elected to utilize certain practical expedients as permitted under ASC 606. The Company elected to apply the guidance from ASC 606 only to contracts that were not completed as of January 1, 2018. Completed contracts are those contracts for which substantially all of the revenue had been recognized under ASC 605. The Company also elected to utilize the practical expedient for contract modifications. For modified contracts, the Company did not separately evaluate the effects of each contract modification that occurred prior to January 1, 2018. Instead, the Company reflected the aggregate effect of all contract modifications (on a contract-by-contract basis) that occurred prior to January 1, 2018 by identifying the satisfied and unsatisfied performance obligations and allocating the transaction price to such performance obligations.

Sales, value add, and other taxes when collected concurrently with revenue producing activities are excluded from revenue. Incremental costs of obtaining a contract are expensed when the amortization period of the asset is one year or less. To the extent the incremental costs of obtaining a contract relate to a period greater than one year, the Company amortizes such incremental costs in a manner that is consistent with the transfer to the customer of the goods or services to which the asset relates. If, at contract inception, we determine the time period between when we transfer a promised good or service to a customer and when the customer pays us for that good or service is one year or less, we do not adjust the promised amount of consideration for the effects of a significant financing component.

Our 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 consolidated statement of operations as the services are provided. Changes in the contract liability balance for Sirius XM Holdings during the year ended December 31, 2020 were not materially impacted by other factors. The opening and closing balances for our deferred revenue related to Formula 1 and Braves Holdings was approximately \$184 million and \$349 million, respectively. The primary cause for the increase related to the receipt of cash from our customers in advance of satisfying our performance obligations.

As the majority of Sirius XM Holdings contracts are one year or less, Sirius XM Holdings utilized the optional exemption under ASC 606 and has not disclosed information about the remaining performance obligations for contracts which have original expected durations of one year or less. As of December 31, 2020, less than ten percent of the Sirius XM Holdings total deferred revenue balance related to contracts that extended beyond one year. These contracts primarily include prepaid data trials which are typically provided for three to five years as well as for self-pay customers who prepay for their audio subscriptions for up to three years in advance. These amounts will be recognized on a straight-line basis as Sirius XM Holdings’ services are provided.

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 \$2,121 million in 2021, \$1,853 million in 2022, \$4,039 million in 2023 through 2028, and \$384 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

Sirius XM Holdings

The following table disaggregates Sirius XM Holdings' revenue by source:

	Years ended December 31,		
	2020	2019	2018
	<i>in millions</i>		
Subscriber	\$ 6,372	6,120	5,264
Advertising	1,340	1,336	188
Equipment	173	173	155
Other	155	165	164
Total Sirius XM Holdings revenue	\$ 8,040	7,794	5,771

The following is a description of the principal activities from which Sirius XM Holdings generates its revenue - including from self-pay and paid promotional subscribers, advertising, and sales of equipment.

Subscriber revenue. Subscriber revenue consists primarily of subscription fees and other ancillary subscription based revenue. Revenue is recognized on a straight line basis when the performance obligations to provide each service for the period are satisfied, which is over time as Sirius XM Holdings' subscription services are continuously transmitted and can be consumed by customers at any time. Consumers purchasing or leasing a vehicle with a factory-installed satellite radio may receive between a three and twelve month subscription to Sirius XM Holdings' service. In certain cases, the subscription fees for these consumers are prepaid by the applicable automaker. Prepaid subscription fees received from automakers or directly from consumers are recorded as deferred revenue and amortized to revenue ratably over the service period which commences upon sale. Activation fees are recognized over one month as the activation fees are non-refundable and do not provide for a material right to the customer. There is no revenue recognized for unpaid trial subscriptions. In some cases, Sirius XM Holdings pays a loyalty fee to the automakers when it receives a certain amount of payments from self-pay customers acquired from that automaker. These fees are considered incremental costs to obtain a contract and are therefore recognized as an asset and amortized to subscriber acquisition costs over an average subscriber life. Revenue share and loyalty fees paid to an automaker offering a paid trial are accounted for as a reduction of revenue as the payment does not provide a distinct good or service.

Music royalty fee primarily consists of U.S. music royalty fees ("MRF") collected from subscribers. The related costs Sirius XM Holdings incurs for the right to broadcast music and other programming are recorded as revenue share and royalties expense in the consolidated statements of operations. Fees received from subscribers for the MRF are recorded as deferred revenue and amortized to revenue ratably over the service period.

Advertising revenue. Sirius XM Holdings recognizes revenue from the sale of advertising as performance obligations are satisfied, which generally occurs as the ads are delivered. For Sirius XM Holdings' satellite radio service, ads are delivered when they are aired. For streaming services, ads are delivered primarily based on impressions. Agency fees are calculated based on a stated percentage applied to gross billing revenue for Sirius XM Holdings' advertising inventory and are reported as a reduction of advertising revenue. Additionally, Sirius XM Holdings pays certain third parties a percentage of advertising revenue. Advertising revenue is recorded gross of such revenue share payments as Sirius XM Holdings controls the advertising service including the ability to establish pricing and Sirius XM Holdings is primarily responsible for providing the service. Advertising revenue share payments are recorded to revenue share and royalties during the period in which the advertising is transmitted.

Equipment revenue. Equipment revenue and royalties from the sale of satellite radios, components and accessories are recognized upon shipment, net of discounts and rebates. Shipping and handling costs billed to customers

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

are recorded as revenue. Shipping and handling costs associated with shipping goods to customers are reported as a component of cost of services.

Other revenue. Other revenue primarily includes revenue recognized from royalties received from Sirius XM Canada.

Sirius XM Holdings revenue is reported net of any taxes assessed by a governmental authority that is both imposed on, and concurrent with, a specific revenue-producing transaction between a seller and a customer in the consolidated statements of operations.

Formula 1

The following table disaggregates Formula 1's revenue by source:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<i>in millions</i>		
Primary.....	\$ 964	1,664	1,487
Other.....	181	358	340
Total Formula 1 revenue.....	<u>\$ 1,145</u>	<u>2,022</u>	<u>1,827</u>

Upon entering into a new arrangement, Formula 1 occasionally incurs certain incremental costs of obtaining a contract. These incremental costs relate to commission amounts that will be paid over the life of the contract for which the recipient does not have any substantive future performance requirement to earn such commission. Accordingly, the commission costs are capitalized and amortized over the life of the contract.

The following is a description of principal activities from which Formula 1 generates its revenue.

Primary revenue. Formula 1 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. 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. Primary revenue derived from the commercial exploitation of the World Championship is (i) recognized on an event by event basis for those performance obligations associated with a specific event based on the fees within the underlying contractual arrangement and (ii) recognized over time for those performance obligations associated with a period of time that is greater than a single specific event (for example, over the entire race season or calendar year) based on the fees within the underlying contractual arrangement.

Other revenue. Formula 1 earns other revenue from miscellaneous and ancillary sources, primarily related to administering the shipment of cars and equipment to and from the events outside of Europe and revenue from the sale of tickets to the Formula One Paddock Club event-based hospitality at certain of the motor races. To the extent such revenue relates to services provided or rights associated with a specific event, the revenue is recognized upon occurrence of the related event and to the extent such revenue relates to services provided or rights over a longer period of time, the revenue is recognized over time.

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December 31, 2020, 2019 and 2018

Braves Holdings

The following table disaggregates Braves Holdings' revenue by source:

	Years ended December 31,		
	2020	2019	2018
	in millions		
Baseball.	\$ 142	438	404
Development.	36	38	38
Total Braves Holdings revenue.	\$ 178	476	442

Braves Holdings is required to estimate the entire transaction price of its contractual arrangements and recognize revenue allocated to each of the performance obligations within the contractual arrangements as those performance obligations are satisfied. Such performance obligations are typically satisfied over time and result in differences between revenue recognized and cash received, dependent on how far into a contractual arrangement Braves Holdings is at any given reporting period.

The following is a description of principal activities from which Braves Holdings generates its revenue.

Baseball revenue. Revenue for Braves Holdings ticket sales, signage and suites are recognized on a per game basis during the baseball season based on a pro rata share of total revenue earned during the entire baseball season to the total number of home games during the season. Broadcasting rights are recognized on a per game basis during the baseball season based on the pro rata number of games played to date to the total number of games during the season. Concession and parking revenue are recognized on a per game basis during the baseball season. Major League Baseball ("MLB") revenue is earned throughout the year based on an estimate of revenue generated by MLB on behalf of the 30 MLB clubs. Sources of MLB revenue include distributions from the Major League Central Fund, distributions from MLB Properties and revenue sharing income, if applicable.

Development revenue. Revenue from Braves Holdings' minimum rents are recognized on a straight-line basis over the terms of their respective lease agreements. Some retail tenants are required to pay overage rents based on sales over a stated base amount during the lease term. Overage rents are only recognized when each tenant's sales exceed the applicable sales threshold. Tenants reimburse Braves Holdings for a substantial portion of Braves Holdings operating expenses, including common area maintenance, real estate taxes and property insurance. Braves Holdings accrues reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. Braves Holdings recognizes differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented. Sponsorship revenue is recognized on a straight-line basis over each annual period. Parking revenue is recognized daily based on actual usage.

Cost of Services

Revenue Share

Sirius XM Holdings shares a portion of its subscription revenue earned from self-pay subscribers with certain automakers. The terms of the revenue share agreements vary with each automaker, but are typically based upon the earned audio revenue as reported or gross billed audio revenue. Revenue share on self-pay revenue is recognized as an expense and recorded in revenue share and royalties in our consolidated statements of operations. Sirius XM Holdings also pays revenue share to certain talent on non-music stations on its satellite radio service and to podcast talent based on advertising revenue for the related channel or podcast. Revenue share on non-music channels and podcasts is recognized in Revenue

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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share and royalties when it is earned. In some cases, Sirius XM Holdings prepays minimum guarantees for revenue share to podcast talent which is recorded in other current assets in the consolidated balance sheets. The minimum guarantee is recognized in revenue share and royalties primarily on a straight line basis over the contractual term. The prepaid balance is regularly reviewed for recoverability and any amount not deemed to be recoverable is recognized as an expense in the period.

Royalties

In connection with its businesses, Sirius XM Holdings must enter into royalty arrangements with two sets of rights holders: holders of musical compositions copyrights (that is, the music and lyrics) and holders of sound recordings copyrights (that is, the actual recording of a work). The Sirius XM and Pandora businesses use both statutory and direct music licenses as part of their businesses. Sirius XM Holdings licenses varying rights - such as performance and mechanical rights - for use in its Sirius XM and Pandora businesses based on the various radio and interactive services they offer. The music rights licensing arrangements for the Sirius XM and Pandora businesses are complex.

Sirius XM Holdings pays performance royalties for its Sirius XM and Pandora businesses to holders and rights administrators of musical compositions copyrights, including performing rights organizations and other copyright owners. These performance royalties are based on agreements with performing rights organizations which represent the holders of these performance rights. The Sirius XM and Pandora businesses have arrangements with these performance rights organizations. Arrangements with Sirius XM generally include fixed payments during the term of the agreement and arrangements with Pandora for its ad-supported radio service have variable payments based on usage and ownership of a royalty pool. Pandora must also license reproduction rights, which are also referred to as mechanical rights, to offer the interactive features of the Pandora services. For Pandora subscription services, copyright holders receive payments for these rights at the rates determined in accordance with the statutory license set forth in Section 115 of the United States Copyright Act (the "Copyright Act"). These mechanical royalties are calculated as the greater of a percentage of Sirius XM Holdings' revenue or a percentage of its payments to record labels. For interactive music services offered by Pandora, Sirius XM Holdings pays mechanical royalties to copyright holders at the rates determined by the Copyright Royalty Board (the "CRB") in accordance with the statutory license set forth in Section 115 of the Copyright Act.

For Sirius XM Holdings' non-interactive satellite radio or streaming services, it may license sound recordings under direct licenses with the owners of sound recordings or based on the royalty rate established by the CRB. For Sirius XM, the royalty rate for sound recordings has been set by the CRB. The revenue subject to royalty includes subscription revenue from Sirius XM Holdings' U.S. satellite digital audio radio subscribers, and advertising revenue from channels other than those channels that make only incidental performances of sound recordings. The rates and terms permit Sirius XM to reduce the payment due each month for those sound recording directly licensed from copyright owners and exclude from its revenue certain other items, such as royalties paid to Sirius XM for intellectual property, sales and use taxes, bad debt expense and generally revenue attributable to areas of Sirius XM's business that do not involve the use of copyrighted sound recordings.

Pandora has entered into direct license agreements with major and independent music labels and distributors for a significant majority of the sound recordings that stream on the Pandora ad-supported service, Pandora Plus and Pandora Premium. For sound recordings that Pandora streams and for which it has not entered into a direct license agreement with the sound recording rights holders, the sound recordings are streamed pursuant to the statutory royalty rates set by the CRB. Pandora pays royalties to owners of sound recordings on either a per-performance fee based on the number of sound recordings transmitted or a percentage of revenue associated with the applicable service. Certain of these agreements also require Pandora to pay a per subscriber minimum amount.

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Programming Costs

Programming costs which are for a specified number of events are amortized on an event-by-event basis; programming costs which are for a specified season or include programming through a dedicated channel are amortized over the season or period on a straight-line basis. Sirius XM Holdings allocates a portion of certain programming costs which are related to sponsorship and marketing activities to selling, general and administrative expense on a straight-line basis over the term of the agreement.

Cost of Formula 1 Revenue

Cost of Formula 1 revenue consists of team payments and 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 regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, F2 and F3 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.

Subscriber Acquisition Costs

Subscriber acquisition costs consist of costs incurred to acquire new subscribers which include hardware subsidies paid to radio manufacturers, distributors and automakers, including subsidies paid to automakers who include a satellite radio and a prepaid subscription to Sirius XM service in the sale or lease price of a new vehicle; subsidies paid for chipsets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; commissions paid to retailers and automakers as incentives to purchase, install and activate radios; product warranty obligations; freight; and provisions for inventory allowance attributable to inventory consumed in Sirius XM Holdings' automotive and retail distribution channels. Subscriber acquisition costs do not include advertising costs, loyalty payments to distributors and dealers of radios and revenue share payments to automakers and retailers of radios.

Subsidies paid to radio manufacturers and automakers are expensed upon installation, shipment, receipt of product or activation and are included in subscriber acquisition costs because Sirius XM Holdings is responsible for providing the service to the customers. Commissions paid to retailers and automakers are expensed upon either the sale or activation of radios. Chipsets that are shipped to radio manufacturers and held on consignment are recorded as inventory and expensed as subscriber acquisition costs when placed into production by radio manufacturers. Costs for chipsets are expensed as subscriber acquisition costs when the automaker confirms receipt.

Stock-Based Compensation

As more fully described in note 14, Liberty has granted to its directors, employees and employees of its subsidiaries options and restricted stock to purchase shares of Liberty common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an Award based on the grant-date fair value 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).

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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Included in the accompanying consolidated statements of operations are the following amounts of stock-based compensation:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Cost of services:			
Programming and content	\$ 32	30	28
Customer service and billing	6	4	4
Other	6	9	5
Other operating expense	43	49	17
Selling, general and administrative	<u>174</u>	<u>199</u>	<u>138</u>
	<u>\$ 261</u>	<u>291</u>	<u>192</u>

In June 2018, the Financial Accounting Standards Board (“FASB”) issued new accounting guidance which expands the scope of existing accounting guidance for stock-based compensation to include share-based payments made to nonemployees. The new guidance substantially aligns the accounting for payments made to nonemployees and employees. Upon adoption, equity classified share-based awards to nonemployees will be measured at fair value on the grant date of the awards, entities will need to assess the probability of satisfying performance conditions if any are present and awards will continue to be classified according to existing accounting guidance upon vesting, which eliminates the need to reassess classification upon vesting, consistent with awards granted to employees. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, and early adoption is permitted. Sirius XM Holdings, the Company’s only subsidiary with nonemployee share-based payment arrangements, elected to early adopt this guidance effective July 1, 2018. Upon adoption, the previously liability-classified awards were reclassified to equity. The impact of the adoption of this guidance was a \$22 million increase to additional paid-in capital, \$3 million decrease in opening retained earnings, \$7 million increase in noncontrolling interest in equity of subsidiaries and a decrease of \$26 million in accounts payable and accrued liabilities.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts and income tax bases of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted tax rates in effect for each taxing jurisdiction in which the Company operates for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are then reduced by a valuation allowance if the Company believes it more likely than not such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date.

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in interest expense in the accompanying consolidated statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in other income (expense) in the accompanying consolidated statements of operations.

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Earnings Attributable to Liberty 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 that were outstanding 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.

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 (“WASO”) shares of common stock. Excluded from diluted EPS for the years ended December 31, 2020, 2019 and 2018 are 25 million, 22 million and 22 million potentially dilutive shares of Liberty SiriusXM common stock, respectively, because their inclusion would be antidilutive.

	<u>Years ended December 31,</u>		
	<u>2020 (a)(b)</u>	<u>2019 (b)</u>	<u>2018 (b)</u>
	<u>number of shares in millions</u>		
Basic WASO	334	329	342
Potentially dilutive shares	<u>2</u>	<u>4</u>	<u>4</u>
Diluted WASO (c)	<u>336</u>	<u>333</u>	<u>346</u>

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which net losses attributable to the Liberty SiriusXM Group are reported since the result would be antidilutive.
- (b) As discussed in note 2, Liberty distributed subscription rights to holders of Liberty SiriusXM common stock, which were priced at a discount to the market value, to acquire additional shares of Series C Liberty SiriusXM common stock. The LSXMK rights offering, because of the discount, is considered a stock dividend and has been reflected retroactively in prior periods for the weighted average shares outstanding.
- (c) As discussed in note 2, the Formula One Group’s intergroup interest in the Liberty SiriusXM Group was eliminated on April 22, 2020 in conjunction with the reattribution. The number of notional Liberty Sirius XM shares representing the intergroup interest held by the Formula One Group was 1,945,491 immediately prior to the reattribution. The intergroup interest was a quasi-equity interest which was not represented by outstanding shares of common stock; rather, the Formula One Group had an attributed value in the Liberty SiriusXM Group which was generally stated in terms of a number of shares of stock issuable to the Formula One Group with respect to its interest in the Liberty SiriusXM Group. Each reporting period, the notional shares representing the intergroup interest were marked to fair value. As the notional shares underlying the intergroup interest were not represented by outstanding shares of common stock, such shares had not been officially designated Series A, B or C Liberty SiriusXM common stock. However, Liberty assumed that the notional shares would have been comprised of Series C Liberty SiriusXM common stock in order to not dilute voting percentages. Therefore, the market price of Series C Liberty SiriusXM common stock was used for the quarterly mark-to-market adjustment through the unaudited attributed consolidated statements of operations. The notional shares representing the intergroup interest had no impact on the basic earnings per share weighted average number of shares outstanding. However, in periods where the Liberty SiriusXM Group had net earnings, the notional shares representing the intergroup interest were included in the diluted earnings per share WASO as if the shares had been issued and outstanding during the period. An adjustment was also made to the numerator in

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Notes to Consolidated Financial Statements (Continued)

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the diluted earnings per share calculation for the unrealized gain or loss incurred from marking the intergroup interest to fair value during the period as follows:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Basic earnings (loss) attributable to Liberty SiriusXM shareholders	\$ (747)	494	676
Unrealized (gain) loss on the intergroup interest	(35)	—	NA
Diluted earnings (loss) attributable to Liberty SiriusXM shareholders	<u>\$ (782)</u>	<u>494</u>	<u>676</u>

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. Excluded from diluted EPS for the years ended December 31, 2020, 2019 and 2018 are 5 million, 3 million and 2 million potentially dilutive shares of Liberty Braves common stock, respectively, because their inclusion would be antidilutive.

	<u>Years ended December 31,</u>		
	<u>2020 (a)</u>	<u>2019 (a)</u>	<u>2018</u>
	number of shares in millions		
Basic WASO	51	51	51
Potentially dilutive shares	9	10	10
Diluted WASO (b)	<u>60</u>	<u>61</u>	<u>61</u>

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which net losses attributable to the Braves Group are reported since the result would be antidilutive.
- (b) As discussed in note 2, following the Recapitalization and Series C Liberty Braves common stock rights offering, the number of notional shares representing the Formula One Group’s intergroup interest in the Braves Group was adjusted to 9,084,940 shares. A portion of this intergroup interest was reattributed to the Liberty SiriusXM Group on April 22, 2020. 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 December 31, 2020.

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

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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 consolidated statements of operations. The notional shares representing the intergroup interests have no impact on the basic WASO. However, 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. An adjustment was 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 as follows:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Basic earnings (loss) attributable to Liberty Braves shareholders	\$ (78)	(77)	5
Unrealized (gain) loss on the intergroup interest	(42)	42	24
Diluted earnings (loss) attributable to Liberty Braves shareholders	<u>\$ (120)</u>	<u>(35)</u>	<u>29</u>

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. Excluded from diluted EPS for the years ended December 31, 2020, 2019 and 2018 are 7 million, 6 million and 8 million potentially dilutive shares of Liberty Formula One common stock, respectively, because their inclusion would be antidilutive.

	<u>Years ended December 31,</u>		
	<u>2020 (a)</u>	<u>2019 (a)</u>	<u>2018 (a)</u>
	number of shares in millions		
Basic WASO	232	231	231
Potentially dilutive shares	6	2	1
Diluted WASO (b)	<u>238</u>	<u>233</u>	<u>232</u>

-
- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which net losses attributable to the Formula One Group 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 December 31, 2020. 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 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 consolidated statements of operations. The notional shares representing the intergroup interest have no impact on the basic WASO. However, the notional shares representing the intergroup interest are included in the diluted WASO as

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if the shares had been issued and outstanding during the period. An adjustment was 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 as follows:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Basic earnings (loss) attributable to Liberty Formula One shareholders . . .	\$ (596)	(311)	(150)
Unrealized (gain) loss on the intergroup interest	75	NA	NA
Diluted earnings (loss) attributable to Liberty Formula One shareholders . . .	<u>\$ (521)</u>	<u>(311)</u>	<u>(150)</u>

Reclasses and Adjustments

Certain prior period amounts have been reclassified for comparability with the current year presentation.

Estimates

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.

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 and the Major League Baseball season 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.

We are not presently aware of any events or circumstances arising from the COVID-19 pandemic that would require us to update our estimates or judgments or revise the carrying value or classification of our assets or liabilities. Our estimates may change, however, as new events occur and additional information is obtained, any such changes will be recognized in the financial statements. Actual results could differ from estimates, and any such differences may be material to our financial statements.

The Company holds investments that are accounted for using the equity method. The Company does not control the decision making process or business management practices of these affiliates. Accordingly, the Company 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, the Company 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 the Company's consolidated financial statements.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

(4) Supplemental Disclosures to Consolidated Statements of Cash Flows

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Cash paid for acquisitions:			
Fair value of assets acquired	\$ 62	90	—
Intangibles not subject to amortization	235	1,884	3
Intangibles subject to amortization	50	800	2
Net liabilities assumed	(46)	(772)	(3)
Deferred tax liabilities	(1)	102	—
Fair value of equity consideration	—	(2,417)	—
Cash paid (received) for acquisitions, net of cash acquired	\$ 300	(313)	2
Stock repurchased by subsidiary not yet settled	\$ (19)	—	—
Cash paid for interest, net of amounts capitalized	\$ 576	585	586
Cash paid (received) for income taxes	\$ 48	40	(26)

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

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Cash and cash equivalents	\$ 2,831	1,222	358
Restricted cash included in other current assets	16	57	70
Restricted cash included in other assets	30	27	24
Total cash, cash equivalents and restricted cash at end of period	\$ 2,877	1,306	452

(5) Acquisitions and Restructurings

Sirius XM Holdings acquisition of Stitcher

On October 16, 2020, Sirius XM Holdings acquired certain assets and liabilities of Stitcher, a leader in podcast production, distribution, and ad sales, from The E.W. Scripps Company and certain of its subsidiaries (“Scripps”) for \$272 million in cash, which includes a working capital adjustment. The agreement provides that Sirius XM Holdings will potentially make up to \$60 million in additional contingent payments to Scripps based on Stitcher achieving certain financial metrics in 2020 and 2021. The total purchase consideration of \$296 million includes \$30 million related to the acquisition date fair value of the contingent consideration, partially offset by working capital adjustments of \$6 million. The fair value of the contingent consideration was determined using a probability-weighted cash flow model and will be remeasured to fair value at each subsequent reporting period. Stitcher is included in the Pandora reporting unit. In connection with the acquisition, Sirius XM Holdings recognized goodwill of \$218 million and intangible assets subject to amortization of \$38 million. The goodwill of Stitcher is deductible for tax purposes as it was an asset acquisition.

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Notes to Consolidated Financial Statements (Continued)

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Sirius XM Holdings recognized \$4 million of costs related to the acquisition of Stitcher during the year ended December 31, 2020. The acquisition of Stitcher was financed through borrowings under Sirius XM Holdings' Senior Secured Revolving Credit Facility.

Sirius XM Holdings acquisition of Simplecast

On June 16, 2020, Sirius XM Holdings acquired Simplecast for \$28 million in cash. Simplecast is a podcast management and analytics platform. Simplecast complements AdsWizz's advertising technology platform, allowing Sirius XM Holdings to offer podcasters a simple solution for management, hosting, analytics and advertising sales, and is included in the Pandora reporting unit. In connection with the acquisition, Sirius XM Holdings recognized goodwill of \$17 million, intangible assets subject to amortization of \$12 million, other assets of less than \$1 million and deferred income tax liabilities of \$1 million. The goodwill of Simplecast is not deductible for tax purposes. Sirius XM Holdings recognized less than \$1 million of costs related to the acquisition of Simplecast during the year ended December 31, 2020.

Sirius XM Holdings restructuring of Automatic Labs

In May 2020, Sirius XM Holdings terminated the Automatic Labs Inc. ("Automatic") service, which was part of its connected services business. During the year ended December 31, 2020, Sirius XM Holdings recorded \$24 million of restructuring expenses related to the termination of the service. The termination of the Automatic service does not meet the requirements to be reported as a discontinued operation because the termination of the service does not represent a strategic shift that will have a major effect on our operations and financial results.

Sirius XM Holdings acquisition of Pandora

On February 1, 2019, Sirius XM Holdings purchased all of the outstanding shares of Pandora for \$2.4 billion, by converting each outstanding share of Pandora common stock into 1.44 shares of Sirius XM Holdings common stock and by cancelling Sirius XM Holdings' investment in Pandora's preferred stock with a fair value of \$524 million, for total consideration of approximately \$2.9 billion. Net cash acquired by Sirius XM Holdings was \$313 million. Pandora operates an internet-based music discovery platform, offering a personalized experience for listeners.

The table below shows the value of the consideration paid in connection with the acquisition (in millions, except for exchange ratio and price per share of Sirius XM Holdings common stock):

Pandora common stock outstanding at January 31, 2019	272
Exchange ratio	<u>1.44</u>
Sirius XM Holdings common stock issued	392
Price per share of Sirius XM Holdings common stock as of January 31, 2019	<u>\$ 5.83</u>
Value of Sirius XM Holdings common stock issued to Pandora stockholders pursuant to the transactions	2,285
Value of Sirius XM Holdings replacement equity awards attributable to pre-combination service	70
Sirius XM Holdings' Pandora preferred stock investment cancelled	<u>524</u>
Total consideration	<u>\$ 2,879</u>

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Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

The final acquisition price allocation for Pandora is as follows (in millions):

Cash and cash equivalents	\$ 313
Trade and other receivables, net	353
Other current assets	109
Property and equipment	41
Goodwill	1,553
Intangible assets not subject to amortization	331
Intangible assets subject to amortization, net	800
Other assets	213
Accounts payable and accrued liabilities	(324)
Current portion of debt	(151)
Deferred revenue	(37)
Other current liabilities	(28)
Long-term debt (a)	(218)
Other liabilities	(76)
	<u>\$ 2,879</u>

(a) In order to present the assets acquired and liabilities assumed, the conversion feature associated with Pandora’s convertible notes for \$62 million has been included within long-term debt in the table above and included within noncontrolling interest in equity of subsidiaries within the consolidated statement of equity. See note 9 for details regarding Pandora’s convertible notes.

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired and represents synergies and economies of scale expected from the combination of services. None of the acquired goodwill is expected to be deductible for tax purposes. See note 8 for disclosures regarding the impairment of a portion of Pandora’s goodwill during the year ended December 31, 2020. Pandora’s amortizable intangible assets are comprised of customer relationships and software and technology, with estimated weighted average useful lives of 8 years and 5 years, respectively. The fair value assessed for the majority of the remaining assets acquired and liabilities assumed equaled their carrying value. Additionally, in connection with the acquisition, Sirius XM Holdings acquired gross net operating loss carryforwards of approximately \$1,287 million for federal income tax purposes available to offset future taxable income. The acquired net operating losses are limited by Section 382 of the Internal Revenue Code. Those limitations are not expected to impact our ability to fully utilize those net operating losses within the carryforward period.

Sirius XM Holdings recognized \$84 million of costs related to the acquisition of Pandora during the year ended December 31, 2019.

The amounts of revenue and net loss of Pandora included in Liberty’s consolidated statement of operations since the date of acquisition were \$1,607 million and \$303 million, respectively, for the year ended December 31, 2019.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

The unaudited pro forma revenue and net earnings of Liberty, prepared utilizing the historical financial statements of Pandora, giving effect to acquisition accounting related adjustments made at the time of acquisition, as if the acquisition of Pandora discussed above occurred on January 1, 2018, are as follows:

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>	
Revenue	\$ 10,419	9,617
Net earnings (loss)	\$ 371	533
Net earnings (loss) attributable to Liberty stockholders	\$ 123	294

The pro forma results primarily include adjustments related to the amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs, fair value gain or loss on the Pandora investment and associated tax impacts. The pro forma information is not representative of the Company’s future results of operations nor does it reflect what the Company’s results of operations would have been if the acquisition of Pandora had occurred previously and the Company consolidated Pandora during the entirety of the periods presented.

(6) 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. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

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

<u>Description</u>	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Total</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
	<u>amounts in millions</u>					
Cash equivalents	\$ 2,586	2,586	—	992	992	—
Debt and equity securities . .	\$ 266	181	85	353	242	111
Financial instrument assets .	\$ 424	84	340	532	63	469
Debt	\$ 4,545	—	4,545	3,678	—	3,678
Financial instrument liabilities	\$ 106	—	106	53	—	53

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. The fair value of debt related instruments are based on quoted market prices but not considered to be traded on “active markets,” as defined by GAAP. Accordingly, those debt and equity securities, financial instruments and debt or debt related instruments are reported in the foregoing table as Level 2 fair value. Debt and equity securities and financial instrument assets included in the table above are included in the Other assets line item in the consolidated balance sheets.

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Realized and Unrealized Gains (Losses) on Financial Instruments

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

	Years ended December 31,		
	2020	2019	2018
Debt and equity securities	\$ (74)	110	2
Debt measured at fair value (a)	(114)	(584)	130
Change in fair value of bond hedges (b)	(127)	215	(94)
Other derivatives	(87)	(56)	2
	\$ (402)	(315)	40

- (a) The Company elected to account for its exchangeable senior debentures and cash convertible notes using the fair value option. Changes in the fair value of the exchangeable senior debentures and cash convertible notes recognized in the 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 gain of \$148 million, loss of \$16 million and gain of \$41 million for the years ended December 31, 2020, 2019 and 2018, respectively, and the cumulative change was a gain of \$175 million as of December 31, 2020.
- (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 9 for additional discussion of the convertible notes and the bond hedges.

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(7) 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 and market value (Level 1) of the more significant investments in affiliates at December 31, 2020, and the carrying amount at December 31, 2019:

	Percentage ownership	December 31, 2020		December 31, 2019
		Fair Value (Level 1)	Carrying amount	Carrying amount
dollar amounts in millions				
Liberty SiriusXM Group				
Live Nation (a)	33%	\$ 5,118	\$ 163	NA
Sirius XM Canada	70%	NA	643	636
Other			80	8
Total Liberty SiriusXM Group			<u>886</u>	<u>644</u>
Braves Group				
Other	NA	NA	94	99
Total Braves Group			<u>94</u>	<u>99</u>
Formula One Group				
Live Nation (a)			NA	746
Other	various	NA	38	136
Total Formula One Group			<u>38</u>	<u>882</u>
Consolidated Liberty			<u>\$ 1,018</u>	<u>1,625</u>

(a) Liberty's interest in Live Nation was reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020. See note 9 for details regarding the number and fair value of shares pledged as collateral pursuant to the Live Nation Margin Loan as of December 31, 2020.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

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

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Liberty SiriusXM Group			
Live Nation (a)	\$ (465)	NA	NA
Sirius XM Canada	5	(3)	(1)
Other	<u>(24)</u>	<u>(21)</u>	<u>(10)</u>
Total Liberty SiriusXM Group	<u>(484)</u>	<u>(24)</u>	<u>(11)</u>
Braves Group			
Other	<u>6</u>	<u>18</u>	<u>12</u>
Total Braves Group	<u>6</u>	<u>18</u>	<u>12</u>
Formula One Group			
Live Nation (a)	(112)	4	3
Other	<u>4</u>	<u>8</u>	<u>14</u>
Total Formula One Group	<u>(108)</u>	<u>12</u>	<u>17</u>
Consolidated Liberty	<u>\$ (586)</u>	<u>6</u>	<u>18</u>

(a) Liberty's interest in Live Nation was reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020.

Sirius XM Canada

As of December 31, 2020, 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.

Sirius XM Holdings has a loan to Sirius XM Canada in the aggregate amount of \$123 million as of December 31, 2020. The loan is denominated in Canadian dollars and is considered a long-term investment with any unrealized gains or losses reported within Accumulated other comprehensive (loss) income. Such loan has a term of fifteen years, bears interest at a rate of 7.62% per annum and includes customary covenants and events of default, including an event of default relating to Sirius XM Canada's failure to maintain specified leverage ratios.

Sirius XM Holdings also entered into a Services Agreement and an Advisory Services Agreement with Sirius XM Canada. Each agreement has a thirty year term. Pursuant to the Services Agreement, Sirius XM Canada currently pays Sirius XM Holdings 25% of its gross revenue on a monthly basis and pursuant to the Advisory Services Agreement, Sirius XM Canada pays Sirius XM Holdings 5% of its gross revenue on a monthly basis.

Sirius XM Holdings had approximately \$20 million and \$22 million in related party current assets as of December 31, 2020 and 2019, respectively. At December 31, 2019, Sirius XM Holdings had approximately \$4 million in related party liabilities, which are recorded in other current liabilities in the consolidated balance sheet. Sirius XM Holdings recorded approximately \$97 million, \$98 million and \$97 million in revenue for the years ended December 31, 2020, 2019 and 2018, respectively, associated with these various agreements. Sirius XM Canada paid dividends to Sirius XM Holdings of \$2 million during each of the years ended December 31, 2020, 2019 and 2018.

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Notes to Consolidated Financial Statements (Continued)

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SoundCloud

In February 2020, Sirius XM Holdings completed a \$75 million investment in Series G Membership Units of SoundCloud Holdings, LLC (“SoundCloud”). The Series G Units are convertible at the option of the holders at any time into shares of ordinary membership units of SoundCloud at a ratio of one ordinary membership unit for each Series G Unit. 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 U.S. ad sales representative. Through this arrangement, Pandora offers advertisers the ability to execute campaigns in the U.S. across the Pandora and SoundCloud listening platforms. Sirius XM Holdings recorded revenue share expense related to this agreement of \$55 million and \$40 million during years ended December 31, 2020, and 2019, respectively. Sirius XM Holdings also had related party liabilities of \$24 million as of December 31, 2020 related to this agreement.

(8) Goodwill and Other Intangible Assets

Goodwill

Changes in the carrying amount of goodwill are as follows:

	<u>Sirius XM Holdings</u>	<u>Formula 1</u>	<u>Other</u>	<u>Total</u>
	<u>amounts in millions</u>			
Balance at January 1, 2019	\$ 14,250	3,956	180	18,386
Acquisitions (a)	1,553	—	—	1,553
Balance at December 31, 2019	15,803	3,956	180	19,939
Acquisitions (b)	235	—	—	235
Impairments	(956)	—	—	(956)
Balance at December 31, 2020	<u>\$ 15,082</u>	<u>3,956</u>	<u>180</u>	<u>19,218</u>

(a) See note 5 for details regarding Sirius XM Holdings’ acquisition of Pandora.

(b) See note 5 for details regarding SiriusXM Holdings’ acquisitions of Simplecast and Stitcher.

Other Intangible Assets Not Subject to Amortization

Other intangible assets not subject to amortization, not separately disclosed, are trademarks (\$1,242 million and \$1,262 million) at December 31, 2020 and 2019 and franchise rights owned by Braves Holdings (\$143 million) as of December 31, 2020 and 2019. We identified these assets as indefinite life intangible assets after considering the expected use of the assets, the regulatory and economic environment within which they are used and the effects of obsolescence on their use. Sirius XM Holdings’ Federal Communications Commission (“FCC”) licenses for its Sirius satellites expire in 2022 and 2025 and the FCC licenses for its XM satellites expire in 2021, 2022 and 2026. Prior to expiration, Sirius XM Holdings is required to apply for a renewal of its FCC licenses. The renewal and extension of its licenses is reasonably certain at minimal cost, which is expensed as incurred. Each of the FCC licenses authorizes Sirius XM Holdings to use the broadcast spectrum, which is a renewable, reusable resource that does not deplete or exhaust over time.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

Intangible Assets Subject to Amortization

Intangible assets subject to amortization are comprised of the following:

	December 31, 2020			December 31, 2019		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
			amounts in millions			
FIA Agreement	\$ 3,630	(742)	2,888	3,630	(543)	3,087
Customer relationships	3,053	(1,389)	1,664	3,086	(1,123)	1,963
Licensing agreements	355	(221)	134	316	(185)	131
Other	1,748	(1,056)	692	1,636	(877)	759
Total	<u>\$ 8,786</u>	<u>(3,408)</u>	<u>5,378</u>	<u>8,668</u>	<u>(2,728)</u>	<u>5,940</u>

The FIA Agreement is amortized over 35 years, customer relationships are amortized over 10-15 years and licensing agreements are amortized over 15 years. Amortization expense was \$815 million, \$790 million and \$654 million for the years ended December 31, 2020, 2019 and 2018, respectively. Based on its amortizable intangible assets as of December 31, 2020, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

2021	\$ 767
2022	\$ 726
2023	\$ 581
2024	\$ 398
2025	\$ 345

Impairments

Due to an increase in projected costs related to royalty rates from streaming, increasing uncertainty surrounding the projected demand for advertising and a decrease in listening hours, impairment losses of \$956 million and \$20 million were recorded during the year ended December 31, 2020 related to Pandora’s goodwill and trademark, respectively. The fair value of the Pandora reporting unit was determined using a combination of market multiples (market approach) and discounted cash flow (income approach) calculations (Level 3). The discounted cash flow model relies on making assumptions, such as the extent of the economic downturn related to the COVID-19 pandemic, the expected timing of recovery, expected growth in profitability and discount rate. Additionally, assumptions related to guideline company financial multiples used in the market approach decreased based on current market observations. As of December 31, 2020, accumulated goodwill impairment losses for Liberty totaled \$956 million.

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Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

(9) Debt

Debt is summarized as follows:

	Outstanding Principal December 31, 2020	Carrying value	
		December 31, 2020	December 31, 2019
	amounts in millions		
Liberty SiriusXM Group			
Corporate level notes and loans:			
1.375% Cash Convertible Notes due 2023 (1)	\$ 1,000	1,251	NA
2.125% Exchangeable Senior Debentures due 2048 (1)	400	418	423
2.25% Exchangeable Senior Debentures due 2048 (1)	385	475	NA
2.75% Exchangeable Senior Debentures due 2049 (1)	604	628	632
0.5% Exchangeable Senior Debentures due 2050 (1)	920	982	NA
Sirius XM Holdings Margin Loan	750	750	350
Live Nation Margin Loan	—	—	NA
Subsidiary notes and loans:			
Sirius XM 3.875% Senior Notes due 2022	1,000	997	995
Sirius XM 4.625% Senior Notes due 2023	—	—	498
Sirius XM 4.625% Senior Notes due 2024	1,500	1,488	1,485
Sirius XM 5.375% Senior Notes due 2025	—	—	993
Sirius XM 5.375% Senior Notes due 2026	1,000	993	992
Sirius XM 5.0% Senior Notes due 2027	1,500	1,490	1,488
Sirius XM 5.50% Senior Notes due 2029	1,250	1,237	1,236
Sirius XM 4.125% Senior Notes due 2030	1,500	1,484	—
Pandora 1.75% Convertible Senior Notes due 2020	—	—	1
Pandora 1.75% Convertible Senior Notes due 2023	193	170	163
Sirius XM Senior Secured Revolving Credit Facility	649	649	—
Deferred financing costs	—	(12)	(11)
Total Liberty SiriusXM Group	<u>12,651</u>	<u>13,000</u>	<u>9,245</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	674	674	559
Deferred financing costs	—	(4)	(5)
Total Braves Group	<u>674</u>	<u>670</u>	<u>554</u>
Formula One Group			
Corporate level notes and loans:			
1.375% Cash Convertible Notes due 2023 (1)	NA	NA	1,322
1% Cash Convertible Notes due 2023 (1)	450	582	585
2.25% Exchangeable Senior Debentures due 2046 (1)	203	209	257
2.25% Exchangeable Senior Debentures due 2048 (1)	NA	NA	459
Live Nation Margin Loan	NA	NA	130
Other	74	74	32
Subsidiary notes and loans:			
Senior Loan Facility	2,902	2,904	2,907
Deferred financing costs	—	(10)	(15)
Total Formula One Group	<u>3,629</u>	<u>3,759</u>	<u>5,677</u>
Total debt	<u>\$ 16,954</u>	<u>17,429</u>	<u>15,476</u>
Less debt classified as current	—	(743)	(60)
Total long-term debt	—	<u>\$ 16,686</u>	<u>15,416</u>

(1) Measured at fair value

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

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1.375% Cash Convertible Senior Notes due 2023

On October 17, 2013 Liberty issued \$1 billion aggregate principal amount of 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 December 31, 2020.

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 6 for information related to unrealized gains (losses) on debt measured at fair value. As of December 31, 2020, the Convertible Notes are classified as a long term liability in the consolidated balance sheets, as the conversion conditions have not 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 December 31, 2020, 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. As of December 31, 2020, the basket price of the securities underlying the Bond Hedge Transaction was \$56.09 per share. The bond hedge expires on October 15, 2023 and is included in other assets as of December 31, 2020 and 2019 in the accompanying consolidated balance sheets, with changes in the fair value recorded as unrealized gains (losses) on financial instruments, in the accompanying 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 expire over a period covering 81 days thereafter. Liberty may elect to settle its delivery obligation under the warrant transactions with cash. As of December 31, 2020, 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 December 31, 2020. As of December 31, 2020, the basket price of the securities underlying the warrants was \$56.09 per share. 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 were reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

1% Cash Convertible Notes due 2023

On January 23, 2017, Liberty issued \$450 million convertible cash 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 27.1091 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.

2.25% Exchangeable Senior Debentures due 2046

On August 17, 2016, Liberty closed a private offering of approximately \$445 million aggregate principal amount of its 2.25% exchangeable senior debentures due 2046 (the “2.25% Exchangeable Senior Debentures due 2046”), and shares of the Company’s Time Warner, Inc. (“Time Warner”) common stock were the reference shares attributable to the debentures. On June 14, 2018, AT&T Inc. (“AT&T”) acquired Time Warner in a stock-and-cash transaction. In accordance with the terms of the indenture governing the 2.25% Exchangeable Senior Debentures due 2046, the cash portion of the acquisition consideration was paid on June 22, 2018 as an extraordinary additional distribution to holders of debentures, and the stock portion of the acquisition consideration became reference shares attributable to the debentures. Also pursuant to the indenture, the original principal amount of the 2.25% Exchangeable Senior Debentures due 2046 was reduced by an amount equal to the extraordinary additional distribution of \$229 million, calculated as \$514.1295 per \$1,000 original principal amount of debentures. Additionally, any amount of excess regular quarterly cash dividends paid on the AT&T reference shares will be distributed by the Company to holders of the debentures as an additional distribution.

Upon an exchange of debentures, Liberty, at its option, may deliver AT&T common stock, cash or a combination of AT&T common stock and cash. The number of shares of AT&T common stock attributable to a debenture represents an initial exchange price of approximately \$35.35 per share. A total of approximately 6.11 million shares of AT&T 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 December 31, 2016. The debentures may be redeemed by Liberty, in whole or in part, on or after October 5, 2021. Holders of the debentures also have the right to require Liberty to purchase their debentures on October 5, 2021. Accordingly, the debentures are classified as a current liability in the consolidated balance sheet as of December 31, 2020. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest.

The debentures, as well as the associated cash proceeds, were attributed to the Formula One Group. Liberty used the net proceeds of the offering for the acquisition of an investment in Formula 1 during September 2016. Liberty has elected to account for the debentures using the fair value option. See note 6 for information related to unrealized gains (losses) on debt measured at fair value.

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,

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

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, as well as the associated cash proceeds, were attributed to the Liberty SiriusXM Group. Liberty has elected to account for the debentures using the fair value option. See note 6 for information related to unrealized gains (losses) on debt measured at fair value.

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”). 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 cash. The number of shares of Live Nation common stock attributable to a debenture represents an initial exchange price of approximately \$66.28 per share. A total of approximately 5.8 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, 2019. The debentures may be redeemed by Liberty, in whole or in part, on or after December 1, 2021. Holders of the debentures also have the right to require Liberty to purchase their debentures on December 1, 2021. Accordingly, the debentures are classified as a current liability in the consolidated balance sheets as of December 31, 2020. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest. The debentures were reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020. Liberty has elected to account for the debentures using the fair value option. See note 6 for information related to unrealized gains (losses) on debt measured at fair value.

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, as well as the associated cash proceeds, were attributed to the Liberty SiriusXM Group. Liberty has elected to account for the debentures using the fair value option. See note 6 for information related to unrealized gains (losses) on debt measured at fair value.

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

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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, as well as the associated cash proceeds, were attributed to the Liberty SiriusXM Group. Liberty has elected to account for the debentures using the fair value option. See note 6 for information related to unrealized gains (losses) on debt measured at fair value.

Margin Loans

Sirius XM Holdings Margin Loan

On April 30, 2013, Liberty Siri MarginCo, LLC (“Siri MarginCo”), a wholly-owned subsidiary of Liberty, entered into a margin loan agreement. Shares of common stock of certain of the Company’s equity affiliates and investments in equity securities were pledged as collateral pursuant to this agreement. During October 2014, Siri MarginCo refinanced this margin loan arrangement for a similar financial instrument with a \$250 million term loan and a \$750 million undrawn line of credit. Interest on the term loan was payable on the first business day of each calendar quarter, and interest was payable on the amounts outstanding under the revolving line of credit on the last day of the interest period applicable to the borrowing of which such loan was a part.

During October 2015, Siri MarginCo amended this margin loan arrangement for a similar financial instrument with a \$250 million term loan and a \$1 billion undrawn line of credit. As of December 31, 2015, shares of Sirius XM Holdings and Live Nation were pledged as collateral pursuant to this agreement. The term loan and any drawn portion of the revolver carried an interest rate of LIBOR plus and applicable spread between 1.75% and 2.25% (based on the value of collateral) with the undrawn portion carrying a fee of 0.75%. Other terms of the agreement were substantially similar to the previous arrangement.

During October 2016, Siri MarginCo amended this margin loan arrangement for a similar financial instrument with a \$250 million term loan and a \$500 million undrawn line of credit, which was scheduled to mature during October 2018. The term loan and any drawn portion of the revolver carried an interest rate of LIBOR plus 1.75% with the undrawn portion carrying a fee of 0.75%. Other terms of the agreement were substantially similar to the previous arrangement, except shares of Live Nation common stock were no longer pledged as collateral.

During March 2018, Siri MarginCo amended this margin loan agreement for a similar financial instrument with a \$250 million term loan, \$500 million revolving line of credit and a \$600 million delayed draw term loan, which was scheduled to mature during March 2020. The 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%. Other terms of the agreement were substantially similar to the previous arrangement. Borrowing outstanding under this margin loan bore interest at a rate of 4.83% per annum at December 31, 2018.

During March 2019, Siri MarginCo amended this margin loan agreement, extending the maturity to March 2021. The \$600 million delayed draw term loan was available until March 2020. Other terms of the agreement were substantially similar to the previous arrangement. Borrowings outstanding under this margin loan bore interest at a rate of 3.99% per annum at December 31, 2019. As of December 31, 2019, availability under the margin loan was \$1,000 million.

In March 2020, Siri MarginCo amended this margin loan agreement, extending the maturity to March 2022. Other terms of the agreement were substantially similar to the previous arrangement. Borrowings outstanding under this margin loan bore interest at a rate of 2.30% per annum at December 31, 2020. As of December 31, 2020, availability under the Sirius XM Holdings Margin Loan was \$600 million. As of December 31, 2020, 1,000 million shares of the Company’s Sirius XM Holdings common stock with a value of \$6,370 million were pledged as collateral to the margin loan. The

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margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The margin loan does not include any financial covenants.

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 and any drawn portion of the revolver will carry an interest rate of LIBOR plus 2.00% with the undrawn portion carrying a fee of 0.50%. Other terms of the agreement were substantially similar to the previous arrangement.

Live Nation Margin Loan

On November 8, 2016, LMC LYV, LLC, a wholly-owned subsidiary of Liberty, entered into a margin loan agreement with an available borrowing capacity of \$500 million with various financial institutions. This margin loan bore interest at a rate of LIBOR plus 2.25% and contained an undrawn commitment fee of 0.75% per annum. On January 20, 2017, LMC LYV, LLC drew \$350 million under the margin loan. On December 12, 2017, the margin loan agreement was amended, decreasing the interest rate to LIBOR plus 1.90% and the undrawn commitment fee to 0.60% per annum. On December 10, 2018, the 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. Interest on the margin loan is payable on the last business day of each calendar quarter. As of December 31, 2020, availability under the margin loan was \$200 million. As of December 31, 2020, 9.0 million shares of the Company's Live Nation common stock with a value of \$659 million were pledged as collateral to the loan. The margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The loan agreement does not include any financial covenants.

Sirius XM Holdings Senior Notes and Senior Secured Revolving Credit Facility

Sirius XM 4.625% Senior Notes due 2023

In May 2013, Sirius XM Holdings issued \$500 million of Senior Notes due 2023 (the "4.625% Senior Notes due 2023"). Interest on the notes was payable semi-annually in arrears on May 15 and November 15 of each year at an annual rate of 4.625%. In July 2020, Sirius XM Holdings redeemed the \$500 million aggregate principal amount of the 4.625% Senior Notes due 2023 for \$507 million.

Sirius XM 3.875% Senior Notes due 2022 and 5.00% Senior Notes due 2027

In July 2017, Sirius XM Holdings issued \$1.0 billion aggregate principal amount of 3.875% Senior Notes due 2022 (the "3.875% Notes") and \$1.5 billion aggregate principal amount of 5.00% Senior Notes due 2027 (the "5.00% Notes"). For both series of notes, interest is payable semi-annually in arrears on February 1 and August 1, commencing on February 1, 2018. The 3.875% Notes will mature on August 1, 2022 and the 5.00% Notes will mature on August 1, 2027. The 3.875% Notes and the 5.00% notes are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings' domestic wholly-owned subsidiaries guarantee Sirius XM Holdings' obligations under the notes.

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Sirius XM 4.625% Senior Notes due 2024

In July 2019, Sirius XM Holdings issued \$1.5 billion aggregate principal amount of 4.625% Senior Notes due 2024 (the “4.625% Senior Notes due 2024”). Interest is payable semi-annually in arrears on January 15 and July 15 of each year at an annual rate of 4.625%. The 4.625% Senior Notes due 2024 will mature on July 15, 2024 and are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes.

Sirius XM 5.375% Senior Notes due 2025

In March 2015, Sirius XM Holdings issued \$1.0 billion aggregate principal amount of 5.375% Senior Notes due 2025 (the “5.375% Senior Notes due 2025”). Interest was payable semi-annually in arrears on April 15 and October 15 at an annual rate of 5.375%. In July 2020, Sirius XM Holdings redeemed the \$1.0 billion aggregate principal amount of the 5.375% Senior Notes due 2025 for \$1,039 million.

Sirius XM 5.375% Senior Notes due 2026

In May 2016, Sirius XM Holdings issued \$1.0 billion aggregate principal amount of 5.375% Senior Notes due July 2026 (the “5.375% Senior Notes due 2026”). Interest is payable semi-annually in arrears on January 15 and July 15 at an annual rate 5.375%. The 5.375% Senior Notes due 2026 will mature on July 15, 2026 and are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes.

Sirius XM 5.50% Senior Notes due 2029

In June 2019, Sirius XM Holdings issued \$1.25 billion aggregate principal amount of 5.50% Senior Notes due 2029 (the “5.50% Notes”). Interest is payable semi-annually in arrears on January 1 and July 1 of each year at an annual rate of 5.50%. The 5.50% Notes will mature on July 1, 2029 and are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes.

Sirius XM 4.125% Senior Notes due 2030

In June 2020, Sirius XM Holdings issued \$1.5 billion aggregate principal amount of 4.125% Senior Notes due 2030 (the “4.125% Notes”). Interest is payable semi-annually in arrears on January 1 and July 1 of each year at an annual rate of 4.125%. The 4.125% Notes will mature on July 1, 2030 and are recorded net of the remaining unamortized discount. Substantially all of Sirius XM Holdings’ domestic wholly-owned subsidiaries guarantee Sirius XM Holdings’ obligations under the notes. Sirius XM Holdings used the net proceeds from the offering to redeem all of its 4.625% Senior Notes due 2023 and 5.375% Senior Notes Due 2025 in July 2020.

Pandora 1.75% Convertible Senior Notes due 2020

Sirius XM Holdings acquired \$152 million principal amount of the 1.75% Convertible Senior Notes due 2020 as part of the Pandora acquisition. On February 14, 2019, Pandora announced a tender offer to repurchase for cash any and all of its outstanding 1.75% Convertible Senior Notes due 2020 at a price equal to 100% of the aggregate principal amount thereof plus accrued and unpaid interest thereon to, but not including, the repurchase date. On March 18, 2019, Sirius XM Holdings purchased \$151 million principal amount of the 1.75% Convertible Senior Notes due 2020. On December 1, 2020, the 1.75% Convertible Senior Notes due 2020 were redeemed at their stated maturity.

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Pandora 1.75% Convertible Senior Notes due 2023

Sirius XM Holdings acquired \$193 million principal amount of the 1.75% Convertible Senior Notes due 2023 (the “Pandora Notes due 2023”) as part of the Pandora acquisition. Sirius XM Holdings allocates the principal amount of the Pandora Notes due 2023 between the liability and equity components. The value assigned to the debt components of the Pandora Notes due 2023 is the estimated fair value as of the issuance date of similar debt without the conversion feature. The difference between the fair value of the debt and this estimated fair value represents the value which has been assigned to the equity component. The equity component is recorded to noncontrolling interest in equity of subsidiaries and is not remeasured as long as it continues to meet the conditions for equity classification. The excess of the principal amount of the Pandora Notes due 2023 over the carrying amount of the liability component is recorded as a debt discount, and is being amortized to interest expense using the effective interest method through the December 1, 2023 maturity date. As of December 31, 2020, the conversion rate applicable to the Pandora Notes due 2023 was 151.9533 shares of Sirius XM Holdings’ common stock per one thousand principal amount of the Pandora Notes due 2023 plus carryforward adjustments not yet effected pursuant to the terms of the indenture governing the Pandora Notes due 2023.

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 June 2023. 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 as of December 31, 2020 bore interest at a rate of 1.89% per annum. Sirius XM Holdings is required to pay a variable fee on the average daily unused portion of the Credit Facility which was 0.25% as of December 31, 2020 and is payable on a quarterly basis. The Credit Facility contains customary covenants, including a maintenance covenant. As the amount available for future borrowings is reduced by \$1 million related to Pandora letters of credit, availability under the Credit Facility was \$1,100 million as of December 31, 2020.

Braves Holdings Notes and Loans

In 2014, Braves Holdings, through a wholly-owned subsidiary, purchased 82 acres of land for the purpose of constructing a Major League Baseball facility and development of a mixed-use complex adjacent to the ballpark. Braves Holdings’ debt, primarily related to the stadium and mixed-use complex, is summarized as follows:

	Carrying value		As of December 31, 2020		Maturity Date
	December 31, 2020	December 31, 2019	Borrowing Capacity	Weighted avg interest rate	
	amounts in millions				
Operating credit facilities	\$ 115	45	185	1.51%	various
Ballpark funding					
Term loan	46	49	NA	1.77%	August 2021
Senior secured note	184	190	NA	3.77%	September 2041
Floating rate notes	60	65	NA	1.92%	September 2029
Mixed-use credit facilities and loans	239	180	307	3.38%	various
Spring training credit facility . . .	30	30	NA	3.65%	December 2030
Total Braves Holdings	<u>\$ 674</u>	<u>559</u>			

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In August 2020, Braves Holdings amended the terms of its \$100 million operating credit facility, extending the maturity to December 2022.

Formula 1 Loans

Formula 1 had a first lien term loan denominated in Euros totaling \$42 million, which was repaid on June 30, 2017. On August 3, 2017, Formula 1 increased the amount outstanding under a first lien term loan denominated in U.S. Dollars (the “Senior Loan Facility”) from \$3.1 billion to \$3.3 billion and extended its maturity to February 2024. In addition, on August 3, 2017, the revolving credit facility under the Senior Loan Facility was increased from \$75 million to \$500 million. As part of a refinancing of the Senior Loan Facility in March 2017, \$628 million of the Senior Loan Facility was considered repaid and then borrowed due to a change in the mix of counterparties in the Senior Loan Facility. As part of the refinancing in March 2017, the interest rate on the Senior Loan Facility was reduced from LIBOR plus 3.75% per annum to LIBOR plus 3.25% per annum, with a LIBOR floor on the U.S. Dollar denominated debt of 1%. In September 2017, the interest rate on the Senior Loan Facility was reduced to LIBOR plus 3.0% per annum.

On January 31, 2018, Formula 1 refinanced the Senior Loan Facility. As part of the refinancing, Formula 1 repaid \$400 million of the Senior Loan Facility, reducing the amount outstanding to \$2.9 billion. The repayment was funded through borrowings of \$250 million under the revolving credit facility and \$150 million of cash on hand. The interest rate on the Senior Loan Facility was reduced to LIBOR plus 2.5% per annum. Formula 1 repaid all outstanding borrowings under the revolving credit facility during the year ended December 31, 2018. The interest rate on the Senior Loan Facility was approximately 4.74% as of December 31, 2018.

On May 23, 2019, Formula 1 refinanced the revolving credit facility, reducing the pricing grid by 25 basis points, which in combination with leverage reduction, resulted in an applicable interest rate of LIBOR plus 2.0% per annum prior to June 30, 2020. The subsequent increase in leverage as a result of the impact of COVID-19 on Formula 1 resulted in an increase to the maximum level on the pricing grid, LIBOR plus 2.5% per annum. 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 December 31, 2020, 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 December 31, 2020. 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 December 31, 2020, 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, debt yield ratio, capital expenditures and liquidity. 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. As of December 31, 2020, the Company, Sirius XM Holdings, Formula 1 and Braves Holdings were in compliance with all debt covenants. Pursuant to an amendment to the Senior Loan Facility on June 26, 2020, subject to compliance by Formula 1 with certain financial conditions, the net leverage financial covenant does not apply until the quarter ended March 31, 2022. The relevant conditions applicable to Formula 1 include the maintenance of minimum liquidity (comprised of unrestricted cash and cash equivalent investments and available revolving credit facility commitments) of \$200 million and certain restrictions on dividends, other payments and the incurrence of additional debt. Formula 1 has the ability to recommence the requirement to comply with the net leverage financial covenant prior to the quarter ended March 31, 2022, in which case the relevant additional conditions will cease to apply. Pursuant to an amendment to Braves Holdings’ \$85 million

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credit facility on August 20, 2020, the fixed charge coverage ratio does not apply until the quarter ending March 31, 2022, subject to certain conditions, including the maintenance of minimum liquidity thresholds throughout the waiver period and certain other restrictions. Braves Holdings could recommence the requirement to comply with the fixed charge coverage ratio beginning with the quarter ending December 31, 2021, in which case the relevant additional conditions will cease to apply. In addition, on August 20, 2020, Braves Holdings amended the debt agreements related to its ballpark funding, waiving the debt service coverage covenant until the quarter ending September 30, 2021, subject to certain conditions, including the maintenance of a minimum liquidity threshold, the increase in debt service reserves and certain other conditions. On January 29, 2021, Braves Holdings amended one of the debt agreements of the mixed-use loans, waiving the debt yield ratio until the quarter ending June 30, 2021. Additionally, the calculation of the debt yield has been modified from June 30, 2021 through the quarter ending December 31, 2021, subject to certain other conditions.

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 is as follows (amounts in millions):

	December 31, 2020
Sirius XM 3.875% Senior Notes due 2022.....	\$ 1,011
Sirius XM 4.625% Senior Notes due 2024.....	\$ 1,553
Sirius XM 5.375% Senior Notes due 2026.....	\$ 1,043
Sirius XM 5.0% Senior Notes due 2027.....	\$ 1,584
Sirius XM 5.50% Senior Notes due 2029.....	\$ 1,370
Sirius XM 4.125% Senior Notes due 2030.....	\$ 1,584
Pandora 1.75% Senior Notes due 2023.....	\$ 216

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 December 31, 2020.

Five Year Maturities

The annual principal maturities of outstanding debt obligations for each of the next five years is as follows (amounts in millions):

2021.....	\$ 69
2022.....	\$ 1,872
2023.....	\$ 2,461
2024.....	\$ 4,460
2025.....	\$ 117

(10) Leases

Effective January 1, 2019, the Company adopted Accounting Standards Codification Topic 842 ("ASC 842") and elected the transition method that allows for a cumulative-effect adjustment in the period of adoption. ASC 842 requires a company to recognize lease assets and lease liabilities arising from operating leases in the statement of financial position. Additionally, the criteria for classifying a lease as a finance lease versus an operating lease are substantially the same as the previous guidance. Results for reporting periods beginning after January 1, 2019 are presented under ASC 842, while prior period amounts were not adjusted and continue to be reported under the accounting standards in effect for those periods.

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We elected certain of the available transition practical expedients, including those that permit us to not reassess (1) whether any expired or existing contracts are leases or contain leases, (2) the lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases as of the effective date. We elected the hindsight practical expedient, which permits entities to use hindsight in determining the lease term and assessing impairment. The most significant impact of ASC 842 was the recognition of right-of-use assets and lease liabilities for operating leases. In addition, the Company elected the practical expedient to account for the lease and non-lease components as a single component and will not recognize right-of-use assets or lease liabilities for short-term leases, which are those leases with a term of twelve months or less at the lease commencement date.

The Company and its subsidiaries lease a baseball stadium and facilities, business offices, satellite transponders and equipment. Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of the future lease payments using our incremental borrowing rate at the commencement date of the lease.

Our leases have remaining lease terms of 1 year to 39 years, some of which may include the option to extend for up to 10 years, and some of which include options to terminate the leases within 1 year.

Braves Holdings' baseball stadium was historically accounted for as a financing obligation under the build-to-suit lease guidance. The transition guidance for a build-to-suit lease arrangement requires the lessee to derecognize the assets and liabilities that were recognized solely as a result of a transaction's build-to-suit designation under the previous accounting guidance, with any difference recorded as an adjustment to equity as of the adoption date. Braves Holdings then applied the general lessee guidance under ASC 842 to the baseball stadium lease, including classifying it as a finance lease, and recorded a right-of-use asset and lease liability on the balance sheet, which has been initially measured at the present value of the remaining lease payments over the lease term.

The components of lease expense during the years ended December 31, 2020 and 2019 were as follows:

	Years ended December 31,	
	2020	2019
	amounts in millions	
Finance lease cost		
Depreciation of leased assets	\$ 35	37
Interest on lease liabilities	6	6
Total finance lease cost	41	43
Operating lease cost	93	89
Sublease income	(2)	(3)
Total lease cost	\$ 132	129

Prior to the adoption of ASC 842, rental expense under lease agreements amounted to \$64 million for the year ended December 31, 2018.

The remaining weighted-average lease term and the weighted average discount rate were as follows:

	2020	2019
Weighted-average remaining lease term (years):		
Finance leases	28.3	29.7
Operating leases	9.2	9.2
Weighted-average discount rate:		
Finance leases	4.6%	4.6%
Operating leases	5.2%	5.2%

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Supplemental balance sheet information related to leases was as follows:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	amounts in millions	
Operating leases:		
Operating lease right-of-use assets (1)	\$ 465	510
Current operating lease liabilities (2)	\$ 54	53
Operating lease liabilities (3)	<u>453</u>	<u>495</u>
Total operating lease liabilities	<u>\$ 507</u>	<u>548</u>
Finance Leases:		
Property and equipment, at cost	\$ 477	473
Accumulated depreciation	<u>(118)</u>	<u>(89)</u>
Property and equipment, net	<u>\$ 359</u>	<u>384</u>
Current finance lease liabilities (2)	\$ 6	4
Finance lease liabilities (3)	<u>116</u>	<u>119</u>
Total finance lease liabilities	<u>\$ 122</u>	<u>123</u>

(1) Included in Other assets in the consolidated balance sheet

(2) Included in Other current liabilities in the consolidated balance sheet

(3) Included in Other liabilities in the consolidated balance sheet

Supplemental cash flow information related to leases was as follows:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
	amounts in millions	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 87	79
Financing cash flows from finance leases	\$ 6	8
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 8	83

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Notes to Consolidated Financial Statements (Continued)

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Future minimum payments under noncancelable operating leases and finance leases with initial terms of one year or more at December 31, 2020 consisted of the following:

	<u>Finance leases</u>	<u>Operating leases</u>
	<u>amounts in millions</u>	
2021.....	\$ 11	78
2022.....	11	80
2023.....	9	75
2024.....	9	66
2025.....	9	66
Thereafter.....	153	272
Total lease payments.....	<u>202</u>	<u>637</u>
Less: implied interest.....	80	130
Present value of lease liabilities.....	<u>\$ 122</u>	<u>507</u>

(11) Income Taxes

Income tax benefit (expense) consists of:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
Current:			
Federal.....	\$ 13	(1)	(14)
State and local.....	(62)	(24)	13
Foreign.....	<u>(2)</u>	<u>(21)</u>	<u>(8)</u>
	<u>(51)</u>	<u>(46)</u>	<u>(9)</u>
Deferred:			
Federal.....	12	(139)	(228)
State and local.....	(1)	(20)	(2)
Foreign.....	<u>84</u>	<u>39</u>	<u>63</u>
	<u>95</u>	<u>(120)</u>	<u>(167)</u>
Income tax benefit (expense).....	<u>\$ 44</u>	<u>(166)</u>	<u>(176)</u>

The following table presents a summary of our domestic and foreign earnings (loss) before income taxes:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
Domestic.....	\$ (969)	583	1,140
Foreign.....	<u>(466)</u>	<u>(70)</u>	<u>(99)</u>
Total.....	<u>\$ (1,435)</u>	<u>513</u>	<u>1,041</u>

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Expected income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the years ended December 31, 2020, 2019 and 2018 as a result of the following:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Computed expected tax benefit (expense)	\$ 301	(108)	(219)
State and local income taxes, net of federal income taxes	(42)	(41)	18
Foreign income taxes, net of federal income taxes	20	26	22
Taxable dividends, net of dividends received deductions	(12)	(10)	(27)
Federal tax credits	24	26	30
Change in valuation allowance affecting tax expense	(69)	(40)	(62)
Change in tax rate	30	(48)	1
Settlements with tax authorities	—	—	43
Deductible stock-based compensation	14	71	38
Non-deductible executive compensation	(17)	(22)	(7)
Impairment of nondeductible goodwill	(194)	—	—
Other, net	(11)	(20)	(13)
Income tax benefit (expense)	\$ 44	(166)	(176)

For the year ended December 31, 2020, the significant reconciling items, as noted in the table above, are additional tax expense related to an impairment loss on goodwill that is not deductible for tax purposes and an increase in the Company's valuation allowance, partially offset by tax benefits related to changes in the Company's effective tax rate and federal tax credits.

For the year ended December 31, 2019, the significant reconciling items, as noted in the table above, are additional tax expense related to increases in the Company's valuation allowance, changes in the Company's effective state tax rate and the effect of state income taxes, partially offset by tax benefits related to deductible stock based compensation, earnings in foreign jurisdictions taxed at rates lower than the 21% U.S. federal tax rate and federal income tax credits.

For the year ended December 31, 2018, the significant reconciling items, as noted in the table above, are deductible stock-based compensation, benefits related to federal tax credits and the resolution of historical matters with various tax authorities, partially offset by changes in the valuation allowance and taxable dividends not recognized for book purposes.

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Notes to Consolidated Financial Statements (Continued)

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The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 1,436	1,510
Accrued stock compensation	107	106
Other accrued liabilities	217	240
Deferred revenue	55	74
Discount on debt	25	45
Investments	107	—
Other future deductible amounts	24	31
Deferred tax assets	<u>1,971</u>	<u>2,006</u>
Valuation allowance	<u>(293)</u>	<u>(216)</u>
Net deferred tax assets	<u>1,678</u>	<u>1,790</u>
Deferred tax liabilities:		
Investments	—	90
Fixed assets	448	458
Intangible assets	<u>2,830</u>	<u>2,912</u>
Deferred tax liabilities	<u>3,278</u>	<u>3,460</u>
Net deferred tax liabilities	<u>\$ 1,600</u>	<u>1,670</u>

Sirius XM Holdings’ deferred tax assets and liabilities are included in the amounts above although Sirius XM Holdings’ deferred tax assets and liabilities are not offset with Liberty’s deferred tax assets and liabilities as Sirius XM Holdings is not included in the consolidated group tax return of Liberty. Liberty’s acquisition of a controlling interest in Sirius XM Holdings’ outstanding common stock during January 2013 did not cause a change in control under Section 382 of the Code.

During the year ended December 31, 2020, there was a \$69 million increase in the Company’s valuation allowance that affected tax expense and an \$8 million increase that affected equity.

At December 31, 2020, the Company had a deferred tax asset of \$1,436 million for federal, state and foreign net operating losses (“NOLs”), interest expense carryforwards and tax credit carryforwards. Of this amount, \$745 million is recorded at the Sirius XM Holdings level. If not utilized to reduce income tax liabilities at Sirius XM Holdings in future periods, these loss carryforwards and tax credits will expire on various dates through 2040. The Company has \$61 million of federal NOLs, \$97 million of federal interest expense carryforwards, \$300 million of foreign NOLs and \$214 million of foreign interest expense carryforwards that may be carried forward indefinitely. The remaining \$19 million of carryforwards expire at certain future dates. These carryforwards are expected to be utilized in future periods, except for \$293 million of NOLs, interest expense carryforwards and tax credit carryforwards which, based on current projections, will not be utilized in the future and are subject to a valuation allowance.

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A reconciliation of unrecognized tax benefits is as follows:

	<u>December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Balance at beginning of year	\$ 405	387	365
Reductions for tax positions of prior years	(7)	(13)	(27)
Increase in tax positions for current year	20	12	15
Increase in tax positions from prior years	14	1	65
Settlements with tax authorities	—	—	(31)
Increase in tax positions from acquisition	—	18	—
Balance at end of year	<u>\$ 432</u>	<u>405</u>	<u>387</u>

As of December 31, 2020, the Company had unrecognized tax benefits and uncertain tax positions of \$432 million. If such tax benefits were to be recognized for financial statement purposes, approximately \$310 million dollars would be reflected in the Company’s tax expense and affect its effective tax rate. We do not currently anticipate that our existing reserves related to uncertain tax positions as of December 31, 2020 will significantly increase or decrease during the twelve-month period ending December 31, 2020; however, various events could cause our current expectations to change in the future. The Company’s estimate of its unrecognized tax benefits related to uncertain tax positions requires a high degree of judgment.

As of December 31, 2020, the Company’s tax years prior to 2017 are closed for federal income tax purposes, and the IRS has completed its examination of the Company’s 2017 and 2018 tax years. The Company’s 2019 and 2020 tax years are being examined currently as part of the IRS’s Compliance Assurance Process program. Various states are currently examining the Company’s prior years’ state income tax returns. Sirius XM Holdings, which does not consolidate with Liberty for income tax purposes, has certain state income tax audits pending. We do not expect the ultimate disposition of these audits to have a material adverse effect on our financial position or results of operations.

As of December 31, 2020, the Company had less than \$1 million dollars in accrued interest and penalties recorded related to uncertain tax positions.

On February 1, 2021, the Company entered into a tax sharing agreement with Sirius XM Holdings governing the allocation of consolidated U.S. income tax liabilities and setting forth agreements with respect to other tax matters. The tax sharing agreement was negotiated by the Company with a special committee of SiriusXM Holdings’ board of directors, all of whom are independent of the Company, and approved by the executive committee of the Company’s board of directors.

Under the Internal Revenue Code, two corporations may form a consolidated tax group, and file a consolidated federal income tax return, if one corporation owns stock representing at least 80% of the voting power and value of the outstanding capital stock of the other corporation. As of December 31, 2020, the Company beneficially owned, directly and indirectly, approximately 76% of the outstanding shares of Sirius XM Holdings’ common stock. The Company expects that it could beneficially own, directly and indirectly, over 80% of the outstanding shares of Sirius XM Holdings’ common stock at some time in 2021, and the Company and Sirius XM Holdings would then become members of the same consolidated tax group. Should that happen, the tax sharing agreement would govern certain matters related to the resulting consolidated federal income tax returns, as well as state and local returns filed on a consolidated or combined basis. The tax sharing agreement contains provisions that the Company believes are customary for tax sharing agreements between members of a consolidated group.

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(12) Stockholders' Equity

Preferred Stock

Liberty's preferred stock is issuable, from time to time, with such designations, preferences and relative participating, optional or other rights, qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or resolutions providing for the issue of such preferred stock adopted by Liberty's board of directors. As of December 31, 2020, no shares of preferred stock were issued.

Common Stock

As discussed in note 2, on April 15, 2016, the Company completed the Recapitalization of its common stock into three new tracking stock groups, one designated as the Liberty SiriusXM common stock, one designated as the Liberty Braves common stock and one designated as the Liberty Media common stock. The Liberty Media common stock was renamed the Liberty Formula One common stock on January 24, 2017.

As discussed in note 1, on July 23, 2014, holders of Series A and Series B Liberty Media Corporation common stock received a dividend of two shares of Series C Liberty Media Corporation common stock for each share of Series A or Series B Liberty Media Corporation common stock held by them as of July 7, 2014.

Series A Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have one vote per share, Series B Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have ten votes per share and Series C Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have no votes per share except as otherwise required by Delaware law. Each share of Series B common stock is exchangeable at the option of the holder for one share of Series A common stock of the same group. All series of our common stock participate on an equal basis with respect to dividends and distributions.

Purchases of Common Stock

During the year ended December 31, 2018, the Company repurchased 10.8 million shares of Series C Liberty SiriusXM common stock for aggregate cash consideration of \$466 million under the authorized repurchase program. All of the foregoing shares obtained have been retired and returned to the status of authorized and available for issuance. There were no repurchases of Series A Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock and no repurchases of Series C Liberty Braves common stock or Liberty Formula One common stock during the year ended December 31, 2018.

During the year ended December 31, 2019, the Company repurchased 11.0 million shares of Series C Liberty SiriusXM common stock for aggregate cash consideration of \$443 million under the authorized repurchase program. All of the foregoing shares obtained have been retired and returned to the status of authorized and available for issuance. There were no repurchases of Series A Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock and no repurchases of Series C Liberty Braves common stock or Liberty Formula One common stock during the year ended December 31, 2019.

During the year ended December 31, 2020, the Company repurchased 4.0 million shares of Series A Liberty SiriusXM common stock for aggregate cash consideration of \$174 million and 3.8 million shares of Series C Liberty SiriusXM common stock for aggregate cash consideration of \$144 million under the authorized repurchase program. All

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of the foregoing shares obtained have been retired and returned to the status of authorized and available for issuance. There were no repurchases of Series A Liberty Braves common stock or Liberty Formula One common stock and no repurchases of Series C Liberty Braves common stock or Liberty Formula One common stock during the year ended December 31, 2020.

Dividends Declared by Subsidiary

During the year ended December 31, 2018, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$201 million, of which Liberty received \$143 million.

During the year ended December 31, 2019, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$226 million, of which Liberty received \$157 million.

During the year ended December 31, 2020, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$237 million, of which Liberty received \$173 million. Sirius XM Holdings' board of directors expects to declare regular quarterly dividends, in an aggregate annual amount of \$0.058564 per share of common stock. On January 28, 2021, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.014641 per share of common stock, payable on February 26, 2021 to stockholders of record at the close of business on February 10, 2021.

(13) Related Party Transactions with Officers and Directors

Chief Executive Officer Compensation Arrangement

In December 2019, the Compensation Committee (the "Committee") of Liberty approved a compensation arrangement (the "CEO Arrangement") for its President and Chief Executive Officer (the "CEO"). Also in December 2019, each of the Service Companies executed an amendment to each Service Company's services agreement with Liberty, pursuant to which components of the CEO's compensation described below will either be paid directly to the CEO by each Service Company or reimbursed to Liberty, in each case based on allocations among Liberty and each of the Service Companies set forth in the service agreement amendments. For 2020, the allocation percentage for Liberty is 44%. Beginning with his 2021 compensation, this percentage will be determined based on a combination of (1) relative market capitalizations, weighted 50%, and (2) a blended average of historical time allocation on a Liberty-wide and CEO basis, weighted 50%, in each case, absent agreement to the contrary by Liberty and the Service Companies in consultation with the CEO. The percentage will then be adjusted annually and following certain events.

The CEO Arrangement provides for a five year employment term which began on January 1, 2020 and ends December 31, 2024, with an annual base salary of \$3 million (with no contracted increase), a one-time cash commitment bonus of \$5 million (paid in December 2019) and an annual target cash performance bonus of \$17 million (with payment subject to the achievement of one or more performance metrics as determined by the applicable company's Compensation Committee), upfront equity awards and annual equity awards (as described below).

The CEO was entitled to receive term equity awards with an aggregate grant date fair value of \$90 million (the "Upfront Awards") which were granted in two equal tranches. The first tranche consisted of time-vested stock options from each of Liberty, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the "2019 term awards") that vest, in each case, on December 31, 2023 (except Liberty TripAdvisor's award of time-vested restricted stock units, which vests on December 15, 2023), subject to the CEO's continued employment, except under certain circumstances. Liberty's portion of the 2019 term awards, granted in December 2019, had an aggregate grant date fair value of \$19,800,000 and consisted of stock options to purchase 927,334

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Series C Liberty SiriusXM common stock (“LSXMK”) shares, 313,342 Series C Liberty Braves (“BATRK”) shares and 588,954 Series C Formula One common stock (“FWONK”) shares, with exercise prices of \$47.11, \$29.10 and \$43.85, respectively. The second tranche of the Upfront Awards consisted of time-vested stock options from each of Liberty, Qurate Retail, Liberty Broadband and GCI Liberty and time-vested restricted stock units from Liberty TripAdvisor (collectively, the “2020 term awards”) that vest, in each case, on December 31, 2024 (except Liberty TripAdvisor’s award of time-vested restricted stock units, which vests on December 7, 2024), subject to the CEO’s continued employment, except under certain circumstances. Liberty’s portion of the 2020 term awards, granted in December 2020, had an aggregate grant date fair value of \$19,107,000 and consisted of stock options to purchase 665,140 LSXMK shares, 352,224 BATRK shares and 544,508 FWONK shares, with exercise prices of \$42.13, \$26.36 and \$43.01, respectively.

Beginning in 2020, the CEO received annual equity award grants with an annual aggregate grant date fair value of \$17.5 million, consisting of time-vested options and/or performance-based restricted stock units. The CEO elected the portions of his annual equity awards that he desired to be issued in the form of options, performance-based RSUs or a combination of both. The annual equity awards were allocated across Liberty and each of the Service Companies. Vesting of any of these annual performance-based RSUs will be subject to the achievement of one or more performance metrics to be approved by the Compensation Committee of the applicable company with respect to its respective allocable portion of the annual performance-based RSUs. At Liberty, the CEO’s annual equity awards were issued with respect to LSXMK, BATRK and FWONK.

The CEO will be entitled to payments and benefits if his employment is terminated, subject to the execution of releases. Such payments and benefits generally will take the form of cash payments, issuance of fully vested shares and the acceleration of unvested equity awards, depending on the type of termination. In the event that the CEO’s services to a Service Company are discontinued and he remains employed by Liberty following such discontinuation (unless such discontinuation is for cause (as defined in his employment agreement)), the Service Company will be required to make a termination payment to Liberty, as well as provide the CEO with certain payments and benefits upon termination under certain circumstances.

Chairman’s Employment Agreement

On December 12, 2008, the Committee determined to modify its employment arrangements with its Chairman of the Board, to permit the Chairman to begin receiving payments in 2009 while he remains employed by the Company (instead of following his termination) in satisfaction of Liberty’s obligations to him under two deferred compensation plans and a salary continuation plan. Under one of the deferred compensation plans (the “8% Plan”), compensation has been deferred by the Chairman since January 1, 1993 and accrues interest at the rate of 8% per annum compounded annually from the applicable date of deferral. Under the second plan (the “13% Plan”), compensation was deferred by the Chairman from 1982 until December 31, 1992 and accrues interest at the rate of 13% per annum compounded annually from the applicable date of deferral. The amounts owed to the Chairman under the 8% Plan and 13% Plan aggregated approximately \$2.4 million and \$20 million, respectively, at December 31, 2008. The amount owed to the Chairman under his salary continuation plan aggregated approximately \$39 million at December 31, 2008. The Chairman will receive 240 equal monthly installments as follows: (1) approximately \$20,000 under the 8% Plan; (2) approximately \$237,000 under the 13% Plan; and (3) approximately \$164,000 under the salary continuation plan. Interest ceased to accrue under his salary continuation plan once the payment began.

(14) Stock-Based Compensation

Liberty—Incentive Plans

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

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Company measures 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.

Pursuant to the Liberty Media Corporation 2017 Omnibus Incentive Plan (the “2017 Plan”), the company may grant Awards to purchase shares of Series A, Series B and Series C Liberty Media Corporation common stock. The 2017 Plan provides for Awards to be made in respect of a maximum of 50.0 million shares of Liberty Media Corporation common stock. Awards generally vest over 1-5 years and have a term of 7-10 years. Liberty issues new shares upon exercise of equity awards.

Liberty—Grants of Stock Options

Awards granted in 2020, 2019 and 2018 are summarized as follows:

	Years ended December 31,					
	2020		2019		2018	
	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV
Series C Liberty SiriusXM common stock, Liberty employees and directors (1)	372	\$ 12.12	179	\$ 11.62	33	\$ 11.09
Series C Liberty SiriusXM common stock, Liberty CEO (2)	1,053	\$ 11.03	1,419	\$ 11.23	633	\$ 11.56
Series C Liberty Formula One common stock, Liberty employees and directors (1)	305	\$ 14.29	139	\$ 12.70	21	\$ 8.99
Series C Liberty Formula One common stock, Liberty CEO (2)	791	\$ 12.42	815	\$ 11.67	139	\$ 8.80
Series C Liberty Formula One common stock, Formula 1 employees (3).	1,435	\$ 7.55	2,005	\$ 9.79	1,888	\$ 8.64
Series C Liberty Braves common stock, Liberty employees and directors (1).	146	\$ 7.79	62	\$ 7.33	5	\$ 7.14
Series C Liberty Braves common stock, Liberty CEO (2) . . .	489	\$ 7.26	320	\$ 7.36	46	\$ 6.44
Series C Liberty Braves common stock, Braves employees (4)	1,585	\$ 8.52	—	\$ —	—	\$ —

- (1) Mainly vests between two and five years for employees and in one year for directors.
- (2) Grants made in March 2020 cliff vested in December 2020, and grants made in December 2020 in connection with the CEO’s new employment agreement cliff vest in December 2024. Grants made in March 2019 mainly cliff vested in December 2019, and grants made in December 2019 in connection with the CEO’s new employment agreement cliff vest in December 2023. See discussion in note 13 regarding the new compensation agreement with the Company’s CEO. Grants in 2018 vested in December 2018.
- (3) Vest monthly over one year.
- (4) Vest 50% in each of December 2022 and December 2023.

In addition to the stock option grants to the Liberty CEO, and in connection with his employment agreement, the Company granted time-based and performance-based RSUs. During the year ended December 31, 2020, the Company granted 9 thousand, 7 thousand and 3 thousand time-based RSUs of Series C common stock of Liberty SiriusXM, Liberty Formula One and Liberty Braves, respectively, to our CEO. The RSUs had a GDFV of \$33.11, \$24.68 and \$18.17 per

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share, respectively, and cliff vested on December 10, 2020. These RSU grants were issued in lieu of our CEO receiving 50% of his remaining base salary for the last three quarters of calendar year 2020, and he waived his right to receive the other 50%, in each case, in light of the ongoing financial impact of COVID-19. During the year ended December 31, 2019, the Company granted 12 thousand and 2 thousand time-based RSUs of Series C Liberty Formula One common stock and Series C Liberty Braves common stock, respectively. Such RSUs had a GDFV of \$33.94 per share and \$27.73 per share, respectively, at the time they were granted and cliff vested on March 11, 2019. During the years ended December 31, 2019 and 2018, the Company granted 60 thousand and 86 thousand performance-based RSUs, respectively, of Series C Liberty Formula One common stock. Such RSUs had a GDFV of \$33.94 per share and \$31.99 per share, respectively. During the years ended December 31, 2019 and 2018, the Company granted 38 thousand and 12 thousand performance-based RSUs, respectively, of Series C Liberty Braves common stock. Such RSUs had a GDFV of \$27.73 per share and \$23.34 per share, respectively. The 2019 and 2018 performance-based RSUs cliff vested one year from the month of grant, subject to the satisfaction of certain performance objectives and based on an amount determined by the compensation committee. Performance objectives, which are subjective, are considered in determining the timing and amount of the compensation expense recognized. As the satisfaction of the performance objectives becomes probable, the Company records compensation expense. The value of the grant is re-measured at each reporting period.

The Company did not grant any options to purchase shares of Series A or Series B Liberty SiriusXM, Liberty Formula One or Liberty Braves common stock during the year ended December 31, 2020.

The Company has calculated the GDFV for all of its equity classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2020, 2019 and 2018, the range of expected terms was 5.3 to 6.3 years. The volatility used in the calculation for Awards is based on the historical volatility of Liberty’s stocks and the implied volatility of publicly traded Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

The following table presents the volatilities used by the Company in the Black-Scholes Model for the 2020, 2019 and 2018 grants.

	Volatility
<i>2020 grants</i>	
Liberty options	21.8 % - 37.2 %
<i>2019 grants</i>	
Liberty options	21.8 % - 27.5 %
<i>2018 grants</i>	
Liberty options	23.5 % - 26.0 %

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.

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Liberty SiriusXM

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2020	9,817	\$ 33.90		
Granted	1,425	\$ 41.26		
Exercised	(372)	\$ 31.10		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2020	<u>10,870</u>	\$ 34.96	3.2 years	\$ 97
Exercisable at December 31, 2020	<u>8,705</u>	\$ 32.62	2.4 years	\$ 95

Liberty Formula One

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2020	8,284	\$ 31.16		
Granted	2,531	\$ 33.35		
Exercised	(424)	\$ 29.06		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2020	<u>10,391</u>	\$ 31.78	4.5 years	\$ 114
Exercisable at December 31, 2020	<u>8,113</u>	\$ 29.84	4.0 years	\$ 104

Liberty Braves

	Series C		Weighted average remaining life	Aggregate intrinsic value (in millions)
	Liberty Awards (000's)	WAEP		
Outstanding at January 1, 2020	1,267	\$ 21.82		
Granted	2,220	\$ 26.48		
Exercised	(12)	\$ 17.10		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2020	<u>3,475</u>	\$ 24.81	5.6 years	\$ 6
Exercisable at December 31, 2020	<u>1,012</u>	\$ 19.02	2.7 years	\$ 6

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Activity related to options to purchase Series A Liberty SiriusXM common stock, Liberty Formula One common stock and Liberty Braves common stock was not material during 2020.

There were no outstanding Series B options to purchase shares of Series B Liberty SiriusXM common stock, Liberty Formula One common stock or Liberty Braves common stock during 2020.

As of December 31, 2020, the total unrecognized compensation cost related to unvested Liberty Awards was approximately \$56 million. Such amount will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.0 years.

As of December 31, 2020, 10.9 million, 10.4 million and 3.5 million shares of Series A and Series C Liberty SiriusXM, Liberty Formula One and Liberty Braves common stock, respectively, were reserved for issuance under exercise privileges of outstanding stock Awards.

Liberty—Exercises

The aggregate intrinsic value of all options exercised during the years ended December 31, 2020, 2019 and 2018 was \$8 million, \$163 million and \$22 million, respectively.

Liberty—Restricted Stock and Restricted Stock Units

The Company had approximately 77 thousand, 76 thousand and 204 thousand unvested RSAs and RSUs of Liberty SiriusXM, Liberty Formula One and Liberty Braves common stock, respectively, held by certain directors, officers and employees of the Company as of December 31, 2020. These Series A and Series C unvested RSAs and RSUs of Liberty SiriusXM common stock, Liberty Formula One common stock and Liberty Braves common stock had a weighted average GDFV of \$35.81, \$32.81 and \$25.75 per share, respectively.

The aggregate fair value of all RSAs and RSUs of Liberty common stock that vested during the years ended December 31, 2020, 2019 and 2018 was \$45 million, \$17 million and \$9 million, respectively.

Sirius XM Holdings—Stock-based Compensation

During the years ended December 31, 2020, 2019 and 2018, Sirius XM Holdings granted various types of stock awards to its employees and members of its board of directors. Stock-based awards are generally subject to a graded vesting requirement, which is generally three to four years from the grant date. Stock options generally expire ten years from the date of grant. Restricted stock units include performance-based restricted stock units ("PRSU's"), the vesting of which are subject to the achievement of performance goals and the employee's continued employment and generally cliff vest on the third anniversary of the grant date. Sirius XM Holdings calculates the grant-date fair value for all of its equity classified awards and any subsequent remeasurement of its liability classified awards using the Black-Scholes Model. The weighted average volatility applied to the fair value determination of Sirius XM Holdings' option grants during 2020, 2019 and 2018 was 28%, 26% and 23%, respectively. During the year ended December 31, 2020, Sirius XM Holdings granted approximately 11 million stock options with a weighted-average exercise price of \$6.87 per share and a grant date fair value of \$1.46 per share. As of December 31, 2020, Sirius XM Holdings has approximately 184 million options outstanding of which approximately 147 million are exercisable, each with a weighted-average exercise price per share of \$4.73 and \$4.31, respectively. The aggregate intrinsic value of these outstanding and exercisable options was \$318 million and \$309 million, respectively. During the year ended December 31, 2020, Sirius XM Holdings granted approximately 37 million RSUs and PRSU's with a grant date fair value of \$6.14 per share. The stock-based compensation related to Sirius XM Holdings stock options and restricted stock awards was \$223 million, \$229 million and \$133 million for the years

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ended December 31, 2020, 2019, and 2018, respectively. In addition, the acquisition costs recognized by Sirius XM Holdings during the year ended December 31, 2019 includes \$21 million of stock-based compensation. As of December 31, 2020, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options was \$385 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.6 years.

(15) Employee Benefit Plans

Liberty is the sponsor of the Liberty Media 401(k) Savings Plan (the "Liberty 401(k) Plan"), which provides its employees and the employees of certain of its subsidiaries an opportunity for ownership in the Company and creates a retirement fund. The Liberty 401(k) Plan provides for employees to make contributions to a trust for investment in Liberty common stock, as well as several mutual funds. The Company and its subsidiaries make matching contributions to the Liberty 401(k) Plan based on a percentage of the amount contributed by employees. In addition, certain of the Company's subsidiaries have similar employee benefit plans. Employer cash contributions to all plans aggregated \$30 million, \$19 million and \$20 million for each of the years ended December 31, 2020, 2019 and 2018, respectively.

(16) Other Comprehensive Earnings (Loss)

Accumulated other comprehensive earnings (loss) included in Liberty's consolidated balance sheets and consolidated statements of equity reflect the aggregate of foreign currency translation adjustments, unrealized holding gains and losses on debt and equity securities and Liberty's share of accumulated other comprehensive earnings of affiliates.

The change in the components of accumulated other comprehensive earnings (loss), net of taxes ("AOCI"), is summarized as follows:

	<u>Unrealized holding gains (losses) on securities</u>	<u>Foreign currency translation adjustment</u>	<u>Other</u>	<u>AOCI</u>
	<u>amounts in millions</u>			
Balance at January 1, 2018	\$ (12)	(6)	(17)	(35)
Other comprehensive earnings (loss) attributable to Liberty stockholders	(3)	(24)	22	(5)
Cumulative adjustment for change in accounting principle	—	—	2	2
Balance at December 31, 2018	<u>(15)</u>	<u>(30)</u>	<u>7</u>	<u>(38)</u>
Other comprehensive earnings (loss) attributable to Liberty stockholders	3	13	(11)	5
Balance at December 31, 2019	<u>(12)</u>	<u>(17)</u>	<u>(4)</u>	<u>(33)</u>
Other comprehensive earnings (loss) attributable to Liberty stockholders	(7)	10	108	111
Balance at December 31, 2020	<u><u>\$ (19)</u></u>	<u><u>(7)</u></u>	<u><u>104</u></u>	<u><u>78</u></u>

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The components of other comprehensive earnings (loss) are reflected in Liberty’s consolidated statements of comprehensive earnings (loss) net of taxes. The following table summarizes the tax effects related to each component of other comprehensive earnings (loss).

	<u>Before-tax amount</u>	<u>Tax (expense) benefit</u>	<u>Net-of-tax amount</u>
	<u>amounts in millions</u>		
<i>Year ended December 31, 2020:</i>			
Unrealized holding gains (losses) arising during period	\$ (9)	2	(7)
Credit risk on fair value debt instruments gains (losses)	149	(32)	117
Foreign currency translation adjustments	4	(1)	3
Other comprehensive earnings	<u>\$ 144</u>	<u>(31)</u>	<u>113</u>
<i>Year ended December 31, 2019:</i>			
Unrealized holding gains (losses) arising during period	\$ 4	(1)	3
Credit risk on fair value debt instruments gains (losses)	(17)	4	(13)
Foreign currency translation adjustments	27	(6)	21
Other comprehensive earnings	<u>\$ 14</u>	<u>(3)</u>	<u>11</u>
<i>Year ended December 31, 2018:</i>			
Unrealized holding gains (losses) arising during period	\$ (4)	1	(3)
Credit risk on fair value debt instruments gains (losses)	41	(9)	32
Foreign currency translation adjustments	(56)	12	(44)
Other comprehensive earnings	<u>\$ (19)</u>	<u>4</u>	<u>(15)</u>

(17) 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 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 contracts as of December 31, 2020 aggregated \$287 million, which is payable as follows: \$128 million in 2021, \$43 million in 2022, \$33 million in 2023, \$28 million in 2024, \$28 million in 2025 and \$27 million thereafter. In addition to the foregoing amounts, certain players, coaches and executives may earn incentive compensation under the terms of their employment contracts.

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Programming, music royalties and other contractual arrangements

Sirius XM Holdings has entered into various programming agreements under which Sirius XM Holdings' obligations include fixed payments, advertising commitments and revenue sharing arrangements. In addition, Sirius XM Holdings has entered into certain music royalty arrangements that include fixed payments. Amounts due under programming and music royalty agreements are payable as follows: \$709 million in 2021, \$496 million in 2022, \$234 million in 2023, \$163 million in 2024 and \$121 million in 2025. Future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in the amounts above. In addition, Sirius XM Holdings has entered into agreements related to certain satellite and transmission costs, sales and marketing costs and in-orbit performance payments to the manufacturer of its satellites. Amounts due under these agreements are payable as follows: \$127 million in 2021, \$31 million in 2022, \$23 million in 2023, \$15 million in 2024 and \$14 million in 2025.

SXM-7 Satellite

Sirius XM Holdings has entered into agreements for the design, construction and launch of two additional satellites, SXM-7 and SXM-8. On December 13, 2020, SXM-7 was successfully launched. In-orbit testing of SXM-7 began on January 4, 2021. During in-orbit testing of SXM-7, events occurred which have caused failures of certain SXM-7 payload units. An evaluation of SXM-7 is underway. The full extent of the damage to SXM-7 is not yet known.

Sirius XM Holdings does not expect its satellite radio service to be impacted by these adverse SXM-7 events. Sirius XM Holdings' XM-3 and XM-4 satellites continue to operate and are expected to support its satellite radio service for several years. In addition, the XM-5 satellite remains available as an in-orbit spare. Construction of the SXM-8 satellite is underway and that satellite is expected to be launched into a geostationary orbit in 2021.

Sirius XM Holdings has procured insurance for SXM-7 and SXM-8 to cover the risks associated with each satellite's launch and first year of in-orbit operation. The aggregate coverage under those insurance policies with respect to SXM-7 is \$225 million. Sirius XM Holdings has notified the underwriters of these policies of a potential claim with respect to SXM-7. As of December 31, 2020, Sirius XM Holdings has \$220 million capitalized in construction in progress related to SXM-7.

Potential Impact of COVID-19

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, and continue to be impacted. These businesses may be required to hold a smaller number of events than originally planned or may not be able to reschedule previously canceled or postponed events. In 2020, the regular baseball season was comprised of 60 games and Formula 1 had 17 Events. In addition, these businesses have been and may continue to be precluded from holding events with fans in attendance for an undetermined period of time, thereby reducing revenue associated with fan attendance. It is also unclear whether and to what extent COVID-19 concerns will impact the use of and/or demand for the entertainment, events and services provided by these businesses and demand for sponsorship and advertising assets, even after the restrictions are lifted. In many cases, the impact of cancelled events, closed venues and reduced attendance will substantially decrease our revenue. Due to these revenue reductions, these businesses have looked to reduce expenses, but may not be able to reduce expenses to the same degree as our decline in revenue, which is expected to adversely affect our results of operations and cash flow.

Litigation

The Company has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. We record a liability when we believe that it is both probable that a liability will be incurred

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and the amount of loss can be reasonably estimated. We evaluate developments in legal matters that could affect the amount of the liability accrual and make adjustments as appropriate. Significant judgment is required to determine both probability and the estimated amount of a loss or potential loss. We may be unable to reasonably estimate the reasonably possible loss or range of loss for a particular legal contingency for various reasons, including, among others, because: (i) the damages sought are indeterminate; (ii) the proceedings are in the relative early stages; (iii) there is uncertainty as to the outcome of pending proceedings (including motions and appeals); (iv) there is uncertainty as to the likelihood of settlement and the outcome of any negotiations with respect thereto; (v) there remain significant factual issues to be determined or resolved; (vi) the relevant law is unsettled; or (vii) the proceedings involve novel or untested legal theories. In such instances, there may be considerable uncertainty regarding the ultimate resolution of such matters, including a possible eventual loss, if any. 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 consolidated financial statements.

Telephone Consumer Protection Act Suits. On March 13, 2017, Thomas Buchanan, individually and on behalf of all others similarly situated, filed a class action complaint against Sirius XM Holdings in the United States District Court for the Northern District of Texas, Dallas Division. The plaintiff alleges that Sirius XM Holdings violated the Telephone Consumer Protection Act of 1991 (the “TCPA”) by, among other things, making telephone solicitations to persons on the National Do-Not-Call registry, a database established to allow consumers to exclude themselves from telemarketing calls unless they consent to receive the calls in a signed, written agreement, and making calls to consumers in violation of Sirius XM Holdings’ internal Do-Not-Call registry. The plaintiff is seeking various forms of relief, including statutory damages of \$500 for each violation of the TCPA or, in the alternative, treble damages of up to \$1,500 for each knowing and willful violation of the TCPA and a permanent injunction prohibiting Sirius XM Holdings from making, or having made, any calls to land lines that are listed on the National Do-Not-Call registry or Sirius XM Holdings’ internal Do-Not-Call registry.

Following a mediation, in April 2019, Sirius XM Holdings entered into an agreement to settle this purported class action suit. The settlement resolves the claims of consumers for the period October 2013 through January 2019. As part of the settlement, Sirius XM Holdings paid \$25 million into a non-reversionary settlement fund from which cash to class members, notice, administrative costs, and attorney's fees and costs will be paid. The settlement also contemplates that Sirius XM Holdings will provide three months of service to its All Access subscription package for those members of the class that elect to receive it, in lieu of cash, at no cost to those class members and who are not active subscribers at the time of the distribution. The availability of this three-month service option will not diminish the \$25 million common fund. As part of the settlement, Sirius XM Holdings will also implement certain changes relating to its “Do-Not-Call” practices and telemarketing programs. On January 28, 2020, the Court issued an order and final judgment approving the settlement. This charge is included in the selling, general and administrative expense line item in the consolidated financial statements for the year ended December 31, 2019, but has been excluded from Adjusted OIBDA (as defined in note 18) for the corresponding period as this charge does not relate to the on-going performance of the business.

SoundExchange Royalty Claims. On June 7, 2018, Sirius XM Holdings entered into an agreement with SoundExchange, Inc. (“Sound Exchange”), the organization that collects and distributes sound recording royalties pursuant to Sirius XM Holdings’ statutory license, to settle the cases titled SoundExchange, Inc. v. Sirius XM Radio, Inc., No.13-cv-1290-RJL (D.D.C.), and SoundExchange, Inc. v. Sirius XM Radio, Inc., No.17-cv-02666-RJL (D.D.C.). A description of these actions is contained in our prior public filings. In connection with the settlement, Sirius XM Holdings made a one-time lump sum payment of \$150 million to SoundExchange on July 6, 2018. Sirius XM Holdings accrued for a portion of this liability in prior years and recorded a \$69 million charge for the remaining liability during the second quarter of 2018. This expense is included in the Revenue share and royalties line item in the accompanying consolidated financial statements for the year ended December 31, 2018, but has been excluded from Adjusted OIBDA (as defined in note 18) for the corresponding period as this expense was not incurred as a part of Sirius XM Holdings’ normal operations and does not relate to the on-going performance of the business. The settlement resolved all outstanding claims, including ongoing audits, under Sirius XM Holdings’ statutory license for sound recordings for the period January 1, 2007 through December 31, 2017.

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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 Music Modernization Act 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.

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

Copyright Royalty Board Proceeding to Determine the Rate for Statutory Webcasting. Pursuant to Sections 112 and 114 of the Copyright Act, the Copyright Royalty Board (the “CRB”) initiated a proceeding in January 2019 to set the rates and terms by which webcasters may perform sound recordings via digital transmission over the internet and make ephemeral reproductions of those recordings during the 2021-2025 rate period under the authority of statutory licenses provided under Sections 112 and 114 of the Copyright Act. Sirius XM Holdings filed a petition to participate in the proceeding on behalf of its Sirius XM and Pandora businesses, as did other webcasters including Google Inc. and the National Association of Broadcasters. SoundExchange, a collective organization that collects and distributes digital performance royalties to artists and copyright holders, represents the various copyright owner participants in the proceeding, including Sony Music Entertainment, Universal Music Group, and Warner Music Group. Because the proceeding focuses on setting statutory rates for non-interactive online music streaming (commonly identified as “webcasting”), the proceeding will set the rates that Pandora pays for music streaming on its free, ad-supported tier, and that Sirius XM pays for streaming on its subscription internet radio service. This proceeding will not set the rates that Sirius XM Holdings pays for its other music offerings (satellite radio, business establishment services) or that it pays for interactive streaming on the Pandora Plus and Pandora Premium services.

In light of the COVID-19 pandemic, the multi-week hearing before the Copyright Royalty Judges originally scheduled to begin in Washington, DC in March 2020, was postponed and conducted virtually via videoconference between August 4 and September 9, 2020. Subsequent to the hearing, the parties submitted post-trial briefing and reply

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Notes to Consolidated Financial Statements (Continued)

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briefing. Closing arguments were held in November 2020. The final rates proposed for the 2021-2025 period by Sirius XM, Pandora, and the other webcaster participants are below the existing statutory rates. Specifically, Sirius XM and Pandora proposed rates of \$0.0011 per performance for nonsubscription commercial webcasters and \$0.0016 per performance for subscription commercial webcasters. SoundExchange proposed increasing the existing statutory rates to \$0.0028 per performance for nonsubscription commercial webcasters and \$0.0031 per performance for commercial subscription webcasters. Given the delay in the proceeding, the deadline for the CRB to deliver its initial rate determination has been extended to April 15, 2021.

(18) Information About Liberty's Operating Segments

The Company, through its ownership interests in subsidiaries and other companies, is primarily engaged in the media 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 (losses) represent 10% or more of the Company's annual pre-tax earnings (loss). The segment presentation for prior periods has been conformed to the current period segment presentation.

The Company evaluates performance and makes decisions about allocating resources to its 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 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, restructuring, acquisition 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.

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. 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 premier content bundles 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. The Pandora business operates a music, comedy and podcast streaming discovery platform. Pandora is available as an ad-supported radio service, a radio subscription service, called Pandora

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Notes to Consolidated Financial Statements (Continued)

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Plus, and an on-demand subscription service, called Pandora Premium. Sirius XM Holdings acquired Pandora on February 1, 2019, at which time it began consolidating the results of the Pandora business.

- 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 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 reportable 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 that are also consolidated subsidiaries are the same as those described in the Company's summary of significant policies.

As of December 31, 2020, 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 amount are included in the tables below and are subsequently eliminated in order to reconcile the account totals to the Company's consolidated financial statements. As disclosed in note 2, the Company's investment in Live Nation was reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020. Live Nation's revenue and Adjusted OIBDA are reflected with the Formula One Group prior to the reattribution and with the Liberty SiriusXM Group following the reattribution.

Performance Measures

	Years ended December 31,					
	2020		2019		2018	
	<u>Revenue</u>	<u>Adjusted OIBDA</u>	<u>Revenue</u>	<u>Adjusted OIBDA</u>	<u>Revenue</u>	<u>Adjusted OIBDA</u>
	amounts in millions					
Liberty SiriusXM Group						
Sirius XM Holdings	\$ 8,040	2,575	7,794	2,453	5,771	2,233
Live Nation	477	(891)	—	—	—	—
Corporate and other	—	(31)	—	(17)	—	(16)
	<u>8,517</u>	<u>1,653</u>	<u>7,794</u>	<u>2,436</u>	<u>5,771</u>	<u>2,217</u>
Eliminate equity method affiliate	(477)	891	—	—	—	—
Total Liberty SiriusXM Group	<u>8,040</u>	<u>2,544</u>	<u>7,794</u>	<u>2,436</u>	<u>5,771</u>	<u>2,217</u>
Braves Group						
Corporate and other	178	(53)	476	49	442	88
Total Braves Group	<u>178</u>	<u>(53)</u>	<u>476</u>	<u>49</u>	<u>442</u>	<u>88</u>
Formula One Group						
Formula 1	1,145	56	2,022	482	1,827	400
Live Nation	1,384	(125)	11,548	943	10,788	829
Corporate and other	—	(38)	—	(36)	—	(25)
	<u>2,529</u>	<u>(107)</u>	<u>13,570</u>	<u>1,389</u>	<u>12,615</u>	<u>1,204</u>
Eliminate equity method affiliate	(1,384)	125	(11,548)	(943)	(10,788)	(829)
Total Formula One Group	<u>1,145</u>	<u>18</u>	<u>2,022</u>	<u>446</u>	<u>1,827</u>	<u>375</u>
Total	<u>\$ 9,363</u>	<u>2,509</u>	<u>10,292</u>	<u>2,931</u>	<u>8,040</u>	<u>2,680</u>

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

Other Information

	December 31, 2020			December 31, 2019		
	Total assets	Investments in affiliates	Capital expenditures	Total assets	Investments in affiliates	Capital expenditures
	amounts in millions					
Liberty SiriusXM Group						
Sirius XM Holdings	\$ 30,030	723	350	30,868	644	363
Live Nation	10,589	170	223	—	—	—
Corporate and other	2,051	163	—	553	—	—
	<u>42,670</u>	<u>1,056</u>	<u>573</u>	<u>31,421</u>	<u>644</u>	<u>363</u>
Eliminate equity method affiliate.	<u>(10,589)</u>	<u>(170)</u>	<u>(223)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Liberty SiriusXM Group	<u>32,081</u>	<u>886</u>	<u>350</u>	<u>31,421</u>	<u>644</u>	<u>363</u>
Braves Group						
Corporate and other	1,571	94	81	1,593	99	103
Total Braves Group	<u>1,571</u>	<u>94</u>	<u>81</u>	<u>1,593</u>	<u>99</u>	<u>103</u>
Formula One Group						
Formula 1.	8,610	—	11	9,031	—	16
Live Nation	—	—	—	10,976	168	366
Corporate and other	2,581	38	10	2,474	882	28
	<u>11,191</u>	<u>38</u>	<u>21</u>	<u>22,481</u>	<u>1,050</u>	<u>410</u>
Eliminate equity method affiliate.	<u>—</u>	<u>—</u>	<u>—</u>	<u>(10,976)</u>	<u>(168)</u>	<u>(366)</u>
Total Formula One Group	<u>11,191</u>	<u>38</u>	<u>21</u>	<u>11,505</u>	<u>882</u>	<u>44</u>
Elimination (1).	<u>(839)</u>	<u>—</u>	<u>—</u>	<u>(330)</u>	<u>—</u>	<u>—</u>
Consolidated Liberty	<u>\$ 44,004</u>	<u>1,018</u>	<u>452</u>	<u>44,189</u>	<u>1,625</u>	<u>510</u>

(1) As of December 31, 2020, this amount is primarily comprised of the call spread between the Formula One Group and the Liberty SiriusXM Group with respect to the Live Nation shares that were reattributed to the Liberty SiriusXM Group and 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, as discussed in note 2. 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.

As of December 31, 2019, this amount is primarily the intergroup interests in the Liberty SiriusXM Group and the Braves Group held by the Formula One Group, as discussed in note 2. The intergroup interests attributable to the Formula One Group are presented as an asset and the intergroup interests attributable to the Liberty SiriusXM Group and the Braves Group are presented as liabilities in the attributed financial statements and the offsetting amounts between tracking stock groups are eliminated in consolidation.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2020, 2019 and 2018

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

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
Adjusted OIBDA	\$ 2,509	2,931	2,680
Litigation settlements and reserves (note 17).....	16	(25)	(69)
Stock-based compensation.....	(261)	(291)	(192)
Impairment of intangible assets (note 8).....	(976)	—	—
Acquisition and restructuring (note 5)	(28)	(84)	(3)
Depreciation and amortization	<u>(1,083)</u>	<u>(1,061)</u>	<u>(905)</u>
Operating income (loss).....	<u>177</u>	<u>1,470</u>	<u>1,511</u>
Interest expense	(634)	(657)	(606)
Share of earnings (losses) of affiliates, net.....	(586)	6	18
Realized and unrealized gains (losses) on financial instruments, net..	(402)	(315)	40
Other, net	<u>10</u>	<u>9</u>	<u>78</u>
Earnings (loss) from continuing operations before income taxes. . . .	<u>\$ (1,435)</u>	<u>513</u>	<u>1,041</u>

Revenue by Geographic Area

Revenue by geographic area based on the country of domicile is as follows:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	amounts in millions		
United States.....	\$ 8,121	8,172	6,112
United Kingdom.....	1,145	2,022	1,831
Other	<u>97</u>	<u>98</u>	<u>97</u>
	<u>\$ 9,363</u>	<u>10,292</u>	<u>8,040</u>

Long-lived Assets by Geographic Area

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	amounts in millions	
United States.....	\$ 2,221	2,246
United Kingdom.....	18	16
	<u>\$ 2,239</u>	<u>2,262</u>

Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present Liberty Media Corporation's ("Liberty") assets and liabilities as of December 31, 2020 and December 31, 2019 and revenue, expenses and cash flows for the years ended December 31, 2020, 2019, and 2018. The tables further present our assets, liabilities, revenue, expenses and cash flows that are attributed to the Liberty SiriusXM Group, Braves Group and the Formula One Group, respectively. The financial information should be read in conjunction with our consolidated financial statements for the year ended December 31, 2020 included in this Annual Report.

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 common stock 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:

	December 31, 2020	December 31, 2019
	amounts in millions	
Cash and cash equivalents	\$ 996	493
Investments in affiliates, accounted for using the equity method	\$ 886	644
Intangible assets not subject to amortization	\$ 24,924	25,665
Intangible assets subject to amortization, net	\$ 1,471	1,603
Total assets	\$ 32,081	31,421
Deferred revenue	\$ 1,721	1,930
Long-term debt, including current portion	\$ 13,000	9,245
Deferred tax liabilities	\$ 2,116	1,890
Attributed net assets	\$ 8,250	10,678
Noncontrolling interest	\$ 4,505	5,628

Summary Statement of Operations Data:

	Years ended December 31,		
	2020	2019	2018
amounts in millions			
Revenue	\$ 8,040	7,794	5,771
Cost of subscriber services (1)	\$ (3,579)	(3,427)	(2,308)
Subscriber acquisition costs	\$ (362)	(427)	(470)
Other operating expenses (1)	\$ (264)	(280)	(123)
Selling, general and administrative expense (1)	\$ (1,509)	(1,495)	(878)
Impairment of intangible assets	\$ (976)	—	—
Operating income (loss)	\$ 749	1,544	1,620
Interest expense	\$ (462)	(435)	(388)
Share of earnings (losses) of affiliates, net	\$ (484)	(24)	(11)
Income tax (expense) benefit	\$ (106)	(271)	(241)
Net earnings (loss) attributable to noncontrolling interests	\$ 28	241	328
Earnings (loss) attributable to Liberty stockholders	\$ (747)	494	676

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

	Years ended December 31,		
	2020	2019	2018
amounts in millions			
Cost of subscriber services	\$ 44	43	37
Other operating expenses	43	49	17
Selling, general and administrative expense	147	154	102
	<u>\$ 234</u>	<u>246</u>	<u>156</u>

Braves Group

Summary Balance Sheet Data:

	December 31, 2020	December 31, 2019
	amounts in millions	
Cash and cash equivalents	\$ 151	142
Property and equipment, net	\$ 799	795
Investments in affiliates, accounted for using the equity method	\$ 94	99
Intangible assets not subject to amortization	\$ 323	323
Intangible assets subject to amortization, net	\$ 24	34
Total assets	\$ 1,571	1,593
Deferred revenue	\$ 90	70
Long-term debt, including current portion	\$ 670	554
Deferred tax liabilities	\$ 52	61
Attributed net assets	\$ 291	378

Summary Statement of Operations Data:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Revenue	\$ 178	476	442
Selling, general and administrative expense (1)	\$ (67)	(100)	(97)
Operating income (loss)	\$ (128)	(39)	1
Share of earnings (losses) of affiliates, net	\$ 6	18	12
Income tax (expense) benefit	\$ 38	15	15
Earnings (loss) attributable to Liberty stockholders	\$ (78)	(77)	5

(1) Includes stock-based compensation of \$6 million, \$17 million, and \$11 million for the years ended December 31, 2020, 2019 and 2018, respectively.

Formula One Group

Summary Balance Sheet Data:

	December 31, 2020	December 31, 2019
	amounts in millions	
Cash and cash equivalents	\$ 1,684	587
Investments in affiliates, accounted for using the equity method	\$ 38	882
Intangible assets not subject to amortization	\$ 3,956	3,956
Intangible assets subject to amortization, net	\$ 3,883	4,303
Total assets	\$ 11,191	11,505
Long-term debt, including current portion	\$ 3,759	5,677
Attributed net assets	\$ 6,550	5,239

Summary Statement of Operations Data:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Revenue	\$ 1,145	2,022	1,827
Cost of Formula 1 revenue	\$ (974)	(1,394)	(1,273)
Selling, general and administrative expense (1)	\$ (174)	(210)	(204)
Operating income (loss)	\$ (444)	(35)	(110)
Interest expense	\$ (146)	(195)	(192)
Share of earnings (losses) of affiliates, net	\$ (108)	12	17
Realized and unrealized gains (losses) on financial instruments, net	\$ 129	(270)	43
Income tax (expense) benefit	\$ 112	90	50
Earnings (loss) attributable to Liberty stockholders	\$ (596)	(311)	(150)

(1) Includes stock-based compensation of \$21 million, \$28 million, and \$25 million for the years ended December 31, 2020, 2019, and 2018, respectively.

BALANCE SHEET INFORMATION
December 31, 2020
(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	\$ 996	151	1,684	—	2,831
Trade and other receivables, net	672	30	121	—	823
Other current assets	225	63	459	(371)	376
Total current assets	<u>1,893</u>	<u>244</u>	<u>2,264</u>	<u>(371)</u>	<u>4,030</u>
Intergroup interests (note 1)	257	—	169	(426)	—
Investments in affiliates, accounted for using the equity method (note 1)	886	94	38	—	1,018
Property and equipment, at cost	2,842	977	198	—	4,017
Accumulated depreciation	(1,526)	(178)	(74)	—	(1,778)
	<u>1,316</u>	<u>799</u>	<u>124</u>	<u>—</u>	<u>2,239</u>
Intangible assets not subject to amortization					
Goodwill	15,082	180	3,956	—	19,218
FCC licenses	8,600	—	—	—	8,600
Other	1,242	143	—	—	1,385
	<u>24,924</u>	<u>323</u>	<u>3,956</u>	<u>—</u>	<u>29,203</u>
Intangible assets subject to amortization, net	1,471	24	3,883	—	5,378
Other assets	1,334	87	757	(42)	2,136
Total assets	<u>\$ 32,081</u>	<u>1,571</u>	<u>11,191</u>	<u>(839)</u>	<u>44,004</u>
<i>Liabilities and Equity</i>					
Current liabilities:					
Intergroup payable (receivable) (note 4)	\$ (22)	(35)	57	—	—
Accounts payable and accrued liabilities	1,380	53	150	—	1,583
Current portion of debt (note 1)	475	59	209	—	743
Deferred revenue	1,721	90	259	—	2,070
Other current liabilities	442	6	17	(371)	94
Total current liabilities	<u>3,996</u>	<u>173</u>	<u>692</u>	<u>(371)</u>	<u>4,490</u>
Long-term debt (note 1)	12,525	611	3,550	—	16,686
Deferred income tax liabilities (note 3)	2,116	52	—	(42)	2,126
Redeemable intergroup interests (note 1)	—	226	200	(426)	—
Other liabilities	689	218	194	—	1,101
Total liabilities	<u>19,326</u>	<u>1,280</u>	<u>4,636</u>	<u>(839)</u>	<u>24,403</u>
Equity / Attributed net assets	8,250	291	6,550	—	15,091
Noncontrolling interests in equity of subsidiaries	4,505	—	5	—	4,510
Total liabilities and equity	<u>\$ 32,081</u>	<u>1,571</u>	<u>11,191</u>	<u>(839)</u>	<u>44,004</u>

BALANCE SHEET INFORMATION
December 31, 2019
(unaudited)

	Attributed (note 1)				Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	Inter-Group Eliminations	
	amounts in millions				
<i>Assets</i>					
<i>Current assets:</i>					
Cash and cash equivalents	\$ 493	142	587	—	1,222
Trade and other receivables, net	670	28	69	—	767
Other current assets	227	97	92	—	416
Total current assets	<u>1,390</u>	<u>267</u>	<u>748</u>	<u>—</u>	<u>2,405</u>
Intergroup interests (note 1)	—	—	292	(292)	—
Investments in affiliates, accounted for using the equity method (note 1)	644	99	882	—	1,625
Property and equipment, at cost	2,686	923	171	—	3,780
Accumulated depreciation	(1,331)	(128)	(59)	—	(1,518)
	<u>1,355</u>	<u>795</u>	<u>112</u>	<u>—</u>	<u>2,262</u>
<i>Intangible assets not subject to amortization</i>					
Goodwill	15,803	180	3,956	—	19,939
FCC licenses	8,600	—	—	—	8,600
Other	1,262	143	—	—	1,405
	<u>25,665</u>	<u>323</u>	<u>3,956</u>	<u>—</u>	<u>29,944</u>
Intangible assets subject to amortization, net	1,603	34	4,303	—	5,940
Other assets	764	75	1,212	(38)	2,013
Total assets	<u>\$ 31,421</u>	<u>1,593</u>	<u>11,505</u>	<u>(330)</u>	<u>44,189</u>
<i>Liabilities and Equity</i>					
<i>Current liabilities:</i>					
Intergroup payable (receivable) (note 4)	\$ (23)	(9)	32	—	—
Accounts payable and accrued liabilities	1,294	63	264	—	1,621
Current portion of debt (note 1)	1	59	—	—	60
Deferred revenue	1,930	70	113	—	2,113
Other current liabilities	72	5	17	—	94
Total current liabilities	<u>3,274</u>	<u>188</u>	<u>426</u>	<u>—</u>	<u>3,888</u>
Long-term debt (note 1)	9,244	495	5,677	—	15,416
Deferred income tax liabilities (note 3)	1,890	61	—	(38)	1,913
Redeemable intergroup interests (note 1)	24	268	—	(292)	—
Other liabilities	683	203	161	—	1,047
Total liabilities	<u>15,115</u>	<u>1,215</u>	<u>6,264</u>	<u>(330)</u>	<u>22,264</u>
Equity / Attributed net assets	10,678	378	5,239	—	16,295
Noncontrolling interests in equity of subsidiaries	5,628	—	2	—	5,630
Total liabilities and equity	<u>\$ 31,421</u>	<u>1,593</u>	<u>11,505</u>	<u>(330)</u>	<u>44,189</u>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2020
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 8,040	—	—	8,040
Formula 1 revenue	—	—	1,145	1,145
Other revenue	—	178	—	178
Total revenue	<u>8,040</u>	<u>178</u>	<u>1,145</u>	<u>9,363</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	2,421	—	—	2,421
Programming and content	481	—	—	481
Customer service and billing	481	—	—	481
Other	196	—	—	196
Cost of Formula 1 revenue	—	—	974	974
Subscriber acquisition costs	362	—	—	362
Other operating expenses	264	170	—	434
Selling, general and administrative	1,509	67	174	1,750
Impairment of intangible assets	976	—	—	976
Acquisition and restructuring	28	—	—	28
Depreciation and amortization	573	69	441	1,083
	<u>7,291</u>	<u>306</u>	<u>1,589</u>	<u>9,186</u>
Operating income (loss)	749	(128)	(444)	177
Other income (expense):				
Interest expense	(462)	(26)	(146)	(634)
Intergroup interest income (expense)	(7)	—	7	—
Share of earnings (losses) of affiliates, net	(484)	6	(108)	(586)
Unrealized gain/(loss) on inter-group interests	125	42	(167)	—
Realized and unrealized gains (losses) on financial instruments, net	(521)	(10)	129	(402)
Other, net	(13)	—	23	10
	<u>(1,362)</u>	<u>12</u>	<u>(262)</u>	<u>(1,612)</u>
Earnings (loss) before income taxes	(613)	(116)	(706)	(1,435)
Income tax (expense) benefit (note 3)	(106)	38	112	44
Net earnings (loss)	<u>(719)</u>	<u>(78)</u>	<u>(594)</u>	<u>(1,391)</u>
Less net earnings (loss) attributable to the noncontrolling interests	28	—	2	30
Net earnings (loss) attributable to Liberty stockholders.	<u>\$ (747)</u>	<u>(78)</u>	<u>(596)</u>	<u>(1,421)</u>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2019
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 7,794	—	—	7,794
Formula 1 revenue	—	—	2,022	2,022
Other revenue	—	476	—	476
Total revenue	<u>7,794</u>	<u>476</u>	<u>2,022</u>	<u>10,292</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	2,291	—	—	2,291
Programming and content	462	—	—	462
Customer service and billing	475	—	—	475
Other	199	—	—	199
Cost of Formula 1 revenue	—	—	1,394	1,394
Subscriber acquisition costs	427	—	—	427
Other operating expenses	280	344	—	624
Selling, general and administrative	1,495	100	210	1,805
Acquisition and restructuring	84	—	—	84
Depreciation and amortization	537	71	453	1,061
	<u>6,250</u>	<u>515</u>	<u>2,057</u>	<u>8,822</u>
Operating income (loss)	1,544	(39)	(35)	1,470
Other income (expense):				
Interest expense	(435)	(27)	(195)	(657)
Share of earnings (losses) of affiliates, net	(24)	18	12	6
Unrealized gain/(loss) on inter-group interests	—	(42)	42	—
Realized and unrealized gains (losses) on financial instruments, net	(41)	(4)	(270)	(315)
Other, net	(38)	2	45	9
	<u>(538)</u>	<u>(53)</u>	<u>(366)</u>	<u>(957)</u>
Earnings (loss) before income taxes	1,006	(92)	(401)	513
Income tax (expense) benefit (note 3)	(271)	15	90	(166)
Net earnings (loss)	<u>735</u>	<u>(77)</u>	<u>(311)</u>	<u>347</u>
Less net earnings (loss) attributable to the noncontrolling interests	241	—	—	241
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 494</u>	<u>(77)</u>	<u>(311)</u>	<u>106</u>

STATEMENT OF OPERATIONS INFORMATION
December 31, 2018
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 5,771	—	—	5,771
Formula 1 revenue	—	—	1,827	1,827
Other revenue	—	442	—	442
Total revenue	<u>5,771</u>	<u>442</u>	<u>1,827</u>	<u>8,040</u>
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	1,394	—	—	1,394
Programming and content	406	—	—	406
Customer service and billing	382	—	—	382
Other	126	—	—	126
Cost of Formula 1 revenue	—	—	1,273	1,273
Subscriber acquisition costs	470	—	—	470
Other operating expenses	123	268	—	391
Selling, general and administrative	878	97	204	1,179
Acquisition and restructuring	3	—	—	3
Depreciation and amortization	369	76	460	905
	<u>4,151</u>	<u>441</u>	<u>1,937</u>	<u>6,529</u>
Operating income (loss)	1,620	1	(110)	1,511
Other income (expense):				
Interest expense	(388)	(26)	(192)	(606)
Share of earnings (losses) of affiliates, net	(11)	12	17	18
Unrealized gain/(loss) on inter-group interests	—	(24)	24	—
Realized and unrealized gains (losses) on financial instruments, net	(1)	(2)	43	40
Other, net	25	35	18	78
	<u>(375)</u>	<u>(5)</u>	<u>(90)</u>	<u>(470)</u>
Earnings (loss) before income taxes	1,245	(4)	(200)	1,041
Income tax (expense) benefit (note 3)	(241)	15	50	(176)
Net earnings (loss)	<u>1,004</u>	<u>11</u>	<u>(150)</u>	<u>865</u>
Less net earnings (loss) attributable to the noncontrolling interests	328	6	—	334
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 676</u>	<u>5</u>	<u>(150)</u>	<u>531</u>

STATEMENT OF CASH FLOWS INFORMATION
December 31, 2020
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ (719)	(78)	(594)	(1,391)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	573	69	441	1,083
Stock-based compensation	234	6	21	261
Impairment of intangible assets	976	—	—	976
Share of (earnings) loss of affiliates, net	484	(6)	108	586
Unrealized (gains) losses on intergroup interests, net	(125)	(42)	167	—
Realized and unrealized (gains) losses on financial instruments, net	521	10	(129)	402
Noncash interest expense	12	1	4	17
Losses (gains) on dilution of investment in affiliate	(4)	—	—	(4)
Loss on early extinguishment of debt	40	—	—	40
Deferred income tax expense (benefit)	40	(10)	(125)	(95)
Intergroup tax allocation	5	(28)	23	—
Intergroup tax (payments) receipts	8	2	(10)	—
Other charges (credits), net	26	9	—	35
Changes in operating assets and liabilities				
Current and other assets	32	(29)	(37)	(34)
Payables and other liabilities	(179)	41	(8)	(146)
Net cash provided (used) by operating activities	<u>1,924</u>	<u>(55)</u>	<u>(139)</u>	<u>1,730</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	—	—	13	13
Cash (paid) received for acquisitions, net of cash acquired	(300)	—	—	(300)
Investments in equity method affiliates and debt and equity securities	(96)	—	(17)	(113)
Return of investments in equity method affiliates	—	—	105	105
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	20	—	—	20
Capital expended for property and equipment, including internal-use software and website development	(350)	(81)	(21)	(452)
Other investing activities, net	(8)	4	(5)	(9)
Net cash provided (used) by investing activities	<u>(734)</u>	<u>(77)</u>	<u>75</u>	<u>(736)</u>
Cash flows from financing activities:				
Borrowings of debt	4,149	228	521	4,898
Repayments of debt	(2,203)	(114)	(614)	(2,931)
Intergroup Loan (repayment) borrowing	(750)	—	750	—
Liberty SiriusXM stock repurchases	(249)	—	(69)	(318)
Subsidiary shares repurchased by subsidiary	(1,555)	—	—	(1,555)
Reattribution between Liberty SiriusXM Group and Liberty Formula One Group	(608)	—	608	—
Proceeds from Liberty SiriusXM common stock rights offering	754	—	—	754
Cash dividends paid by subsidiary	(64)	—	—	(64)
Taxes paid in lieu of shares issued for stock-based compensation	(116)	(1)	(3)	(120)
Other financing activities, net	(47)	(8)	(35)	(90)
Net cash provided (used) by financing activities	<u>(689)</u>	<u>105</u>	<u>1,158</u>	<u>574</u>
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	—	—	3	3
Net increase (decrease) in cash, cash equivalents and restricted cash	501	(27)	1,097	1,571
Cash, cash equivalents and restricted cash at beginning of period	507	212	587	1,306
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,008</u>	<u>185</u>	<u>1,684</u>	<u>2,877</u>

STATEMENT OF CASH FLOWS INFORMATION
December 31, 2019
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 735	(77)	(311)	347
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	537	71	453	1,061
Stock-based compensation	267	17	28	312
Share of (earnings) loss of affiliates, net	24	(18)	(12)	(6)
Unrealized (gains) losses on intergroup interests, net	—	42	(42)	—
Realized and unrealized (gains) losses on financial instruments, net	41	4	270	315
Noncash interest expense	7	1	1	9
Losses (gains) on dilution of investment in affiliate	—	—	(7)	(7)
Loss on early extinguishment of debt	57	—	—	57
Deferred income tax expense (benefit)	268	(7)	(141)	120
Intergroup tax allocation	(21)	(8)	29	—
Intergroup tax (payments) receipts	(3)	21	(18)	—
Other charges (credits), net	4	18	(14)	8
Changes in operating assets and liabilities				
Current and other assets	(11)	(12)	20	(3)
Payables and other liabilities	39	23	38	100
Net cash provided (used) by operating activities	<u>1,944</u>	<u>75</u>	<u>294</u>	<u>2,313</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	373	—	69	442
Cash (paid) received for acquisitions, net of cash acquired	313	—	—	313
Investments in equity method affiliates and debt and equity securities	(19)	(4)	(6)	(29)
Return of investments in equity method affiliates	—	—	23	23
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	11	—	—	11
Capital expended for property and equipment, including internal-use software and website development	(363)	(103)	(44)	(510)
Other investing activities, net	69	—	(5)	64
Net cash provided (used) by investing activities	<u>384</u>	<u>(107)</u>	<u>37</u>	<u>314</u>
Cash flows from financing activities:				
Borrowings of debt	5,795	96	129	6,020
Repayments of debt	(4,833)	(31)	(7)	(4,871)
Liberty SiriusXM stock repurchases	(419)	—	(24)	(443)
Subsidiary shares repurchased by subsidiary	(2,159)	—	—	(2,159)
Cash dividends paid by subsidiary	(68)	—	—	(68)
Taxes paid in lieu of shares issued for stock-based compensation	(201)	(4)	(6)	(211)
Other financing activities, net	(38)	(7)	4	(41)
Net cash provided (used) by financing activities	<u>(1,923)</u>	<u>54</u>	<u>96</u>	<u>(1,773)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	405	22	427	854
Cash, cash equivalents and restricted cash at beginning of period	102	190	160	452
Cash, cash equivalents and restricted cash at end of period	<u>\$ 507</u>	<u>212</u>	<u>587</u>	<u>1,306</u>

STATEMENT OF CASH FLOWS INFORMATION
December 31, 2018
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 1,004	11	(150)	865
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	369	76	460	905
Stock-based compensation	156	11	25	192
Share of (earnings) loss of affiliates, net	11	(12)	(17)	(18)
Unrealized (gains) losses on intergroup interests, net	—	24	(24)	—
Realized and unrealized (gains) losses on financial instruments, net	1	2	(43)	(40)
Noncash interest expense	(8)	5	2	(1)
Losses (gains) on dilution of investment in affiliate	—	—	1	1
Loss on early extinguishment of debt	—	—	1	1
Deferred income tax expense (benefit)	231	(1)	(63)	167
Intergroup tax allocation	22	(14)	(8)	—
Intergroup tax (payments) receipts	(20)	35	(15)	—
Other charges (credits), net	2	(20)	1	(17)
Changes in operating assets and liabilities				
Current and other assets	(4)	8	(35)	(31)
Payables and other liabilities	21	(22)	133	132
Net cash provided (used) by operating activities	<u>1,785</u>	<u>103</u>	<u>268</u>	<u>2,156</u>
Cash flows from investing activities:				
Cash proceeds from dispositions of investments	—	155	244	399
Cash (paid) received for acquisitions, net of cash acquired	(2)	—	—	(2)
Investments in equity method affiliates and debt and equity securities	(405)	—	(9)	(414)
Return of investments in equity method affiliates	—	50	14	64
Repayment of loans and other cash receipts from equity method affiliates and debt and equity securities	14	—	—	14
Capital expended for property and equipment, including internal-use software and website development	(356)	(33)	(14)	(403)
Other investing activities, net	(7)	(13)	(8)	(28)
Net cash provided (used) by investing activities	<u>(756)</u>	<u>159</u>	<u>227</u>	<u>(370)</u>
Cash flows from financing activities:				
Borrowings of debt	2,795	123	699	3,617
Repayments of debt	(2,431)	(317)	(1,309)	(4,057)
Liberty SiriusXM stock repurchases	(466)	—	—	(466)
Subsidiary shares repurchased by subsidiary	(1,314)	—	—	(1,314)
Cash dividends paid by subsidiary	(59)	—	—	(59)
Taxes paid in lieu of shares issued for stock-based compensation	(127)	—	(3)	(130)
Other financing activities, net	50	(18)	(3)	29
Net cash provided (used) by financing activities	<u>(1,552)</u>	<u>(212)</u>	<u>(616)</u>	<u>(2,380)</u>
Effect of foreign exchange rates on cash, cash equivalents and restricted cash	—	—	(1)	(1)
Net increase (decrease) in cash, cash equivalents and restricted cash	(523)	50	(122)	(595)
Cash, cash equivalents and restricted cash at beginning of period	625	140	282	1,047
Cash, cash equivalents and restricted cash at end of period	<u>\$ 102</u>	<u>190</u>	<u>160</u>	<u>452</u>

Notes to Attributed Financial Information (unaudited)

- (1) As discussed in note 2 to the accompanying consolidated financial statements, on April 15, 2016 Liberty completed a reclassification of Liberty Media Corporation's ("Liberty" or the "Company") common stock into three new tracking stock groups, one designated as the Liberty Braves common stock, one designated as the Liberty Media common stock and one designated as the Liberty SiriusXM common stock (the "Recapitalization"). In January 2017, the Liberty Media Group was renamed the Liberty Formula One Group (the "Formula One Group").

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 ("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"), Formula 1 or Live Nation Entertainment, Inc. ("Live Nation"), in which Liberty holds an interest and that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group or the Formula One 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 part of the Recapitalization, the Formula One Group initially held a 20% intergroup interest in the Braves Group. As a result of a rights offering in May 2016 to holders of Liberty Braves common stock to acquire shares of Series C Liberty Braves common stock, the number of notional shares underlying the intergroup interest held by the Formula One Group was adjusted to 9,084,940, representing a 15.1% intergroup interest in the Braves Group as of December 31, 2019. In addition, during the fourth quarter of 2019, the Formula One Group began purchasing shares of Liberty SiriusXM common stock. As of December 31, 2019, the number of notional shares representing the intergroup interest held by the Formula One Group was 493,278, representing a 0.2% intergroup interest in the Liberty SiriusXM Group.

On April 22, 2020, the Company's board of directors approved the immediate reattribution of certain assets and liabilities between the Formula One Group and the Liberty SiriusXM Group (collectively, the "reattribution").

The assets reattributed from the Formula One Group to the Liberty SiriusXM Group, valued at \$2.8 billion, consisted of:

- Liberty's entire Live Nation stake, consisting of approximately 69.6 million shares of Live Nation common stock;
- a newly-created Formula One Group intergroup interest, consisting of approximately 5.3 million notional shares of Liberty Formula One common stock, to cover exposure under Liberty's 1.375% cash convertible senior notes due 2023 (the "Convertible Notes");
- the bond hedge and warrants associated with the Convertible Notes;
- the entire Liberty SiriusXM Group intergroup interest, consisting of approximately 1.9 million notional shares of Liberty SiriusXM common stock, thereby eliminating the Liberty SiriusXM Group intergroup interest; and
- a portion, consisting of approximately 2.3 million notional shares of Liberty Braves common stock, of the Formula One Group's intergroup interest in the Braves Group, to cover exposure under the Convertible Notes.

The reattributed liabilities, valued at \$1.3 billion, consisted of:

- the Convertible Notes;
- Liberty's 2.25% exchangeable senior debentures due 2048; and
- Liberty's margin loan secured by shares of Live Nation ("Live Nation Margin Loan").

Notes to Attributed Financial Information (Continued)
(unaudited)

Similarly, \$1.5 billion of net asset value has been reattributed from the Liberty SiriusXM Group to the Formula One Group, comprised of:

- a call spread between the Formula One Group and the Liberty SiriusXM Group with respect to 34.8 million of the Live Nation shares that were reattributed to the Liberty SiriusXM Group; and
- a net cash payment of \$1.4 billion from the Liberty SiriusXM Group to the Formula One Group, which was funded by a combination of (x) cash on hand, (y) an additional \$400 million drawn from the Company's existing margin loan secured by shares of common stock of Sirius XM Holdings, resulting in an aggregate outstanding balance of \$750 million, and (z) the creation of an intergroup loan obligation from the Liberty SiriusXM Group to the Formula One Group in the principal amount of \$750 million, plus interest thereon, which was repaid with the proceeds from the LSXMK rights offering described below (the "Intergroup Loan").

The reattribution is reflected in the Company's financial statements on a prospective basis.

As of December 31, 2020, 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 2.25% 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. On February 1, 2019, Sirius XM Holdings acquired Pandora Media, Inc., which continues to operate as Pandora Media, LLC ("Pandora"). See note 5 to the accompanying consolidated financial statements for information related to Sirius XM Holdings' acquisition of Pandora. Additionally, as discussed below, the Liberty SiriusXM Group retains intergroup interests in the Braves Group and the Formula One Group. As of December 31, 2020, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$996 million, which includes \$71 million of subsidiary cash.

The Braves Group is primarily comprised of our consolidated subsidiary, Braves Holdings, LLC ("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 (the "Development Project") and corporate cash as of December 31, 2020. As of December 31, 2020, the Braves Group has cash and cash equivalents of approximately \$151 million, which includes \$73 million of subsidiary cash. Additionally, as discussed below, the Liberty SiriusXM Group and the Formula One Group retain intergroup interests in the Braves Group.

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, as of December 31, 2020, Liberty's interest in Formula 1, cash, an intergroup interest in the Braves Group, Liberty's 1% Cash Convertible Notes due 2023 and Liberty's 2.25% Exchangeable Senior Debentures due 2046. As of December 31, 2020, the Formula One Group has cash and cash equivalents of approximately \$1,684 million, which includes \$265 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 11.1% intergroup interest at December 31, 2020. 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 December 31, 2020. 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 December 31, 2020. 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 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

Notes to Attributed Financial Information (Continued)
(unaudited)

intergroup interests are reflected in the Redeemable intergroup interests line item in the unaudited attributed consolidated balance sheets. Similarly, the Formula One Group intergroup interest attributable to 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 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 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 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 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 and Liberty SiriusXM Group, respectively, to the Formula One Group.

The intergroup interests will remain outstanding until the redemption of the outstanding interests, at the discretion of the Company's 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.

On April 22, 2020, the Company's board of directors authorized management of the Company to cause subscription rights (the "Series C Liberty SiriusXM Rights") to purchase shares of Series C Liberty SiriusXM common stock, par value \$0.01 per share ("LSXMK"), in a rights offering (the "LSXMK rights offering") to be distributed to holders of Series A Liberty SiriusXM common stock, par value \$0.01 per share, Series B Liberty SiriusXM common stock, par value \$0.01 per share, and LSXMK. In the LSXMK rights offering, Liberty distributed 0.0939 of a Series C Liberty SiriusXM Right for each share of Series A, Series B or Series C Liberty SiriusXM common stock held as of 5:00 p.m., New York City time, on May 13, 2020. Fractional Series C Liberty SiriusXM Rights were rounded up to the nearest whole right. Each whole Series C Liberty SiriusXM Right entitled the holder to purchase, pursuant to the basic subscription privilege, one share of LSXMK at a subscription price of \$25.47, which was equal to an approximate 20% discount to the volume weighted average trading price of LSXMK for the 3-day trading period ending on and including May 8, 2020. Each Series C Liberty SiriusXM Right also entitled the holder to subscribe for additional shares of LSXMK that were unsubscribed for in the LSXMK rights offering pursuant to an oversubscription privilege. The LSXMK rights offering commenced on May 18, 2020, which was also the ex-dividend date for the distribution of the Series C Liberty SiriusXM Rights. The LSXMK rights offering expired at 5:00 p.m. New York City time, on June 5, 2020 and was fully subscribed with 29,594,089 shares of LSXMK issued to those rightsholders exercising basic and, if applicable, oversubscription privileges. The proceeds from the LSXMK rights offering, which aggregated approximately \$754 million, were used to repay the outstanding balance on the Intergroup Loan and accrued interest.

For information relating to investments in affiliates accounted for using the equity method and debt, see notes 7 and 9, respectively, of the accompanying 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 will be determined through an interview process and a review of personnel duties unless transactions significantly change the composition of companies and

Notes to Attributed Financial Information (Continued)
(unaudited)

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) We have accounted for income taxes for the Liberty SiriusXM Group, the Braves Group and the Formula One Group in the accompanying attributed financial information in a manner similar to a stand-alone company basis. To the extent this methodology differs from our tax sharing policy, differences have been reflected in the attributed net assets of the respective groups.

Liberty SiriusXM Group

Income tax benefit (expense) consists of:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
Current:			
Federal	\$ (4)	18	(22)
State and local	(62)	(21)	12
Foreign	—	—	—
	<u>(66)</u>	<u>(3)</u>	<u>(10)</u>
Deferred:			
Federal	(29)	(241)	(235)
State and local	(11)	(27)	4
Foreign	—	—	—
	<u>(40)</u>	<u>(268)</u>	<u>(231)</u>
Income tax benefit (expense)	<u>\$ (106)</u>	<u>(271)</u>	<u>(241)</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the years ended December 31, 2020, 2019 and 2018 as a result of the following:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
Computed expected tax benefit (expense)	\$ 129	(211)	(262)
State and local income taxes, net of federal income taxes	(49)	(45)	22
Foreign income taxes, net of federal income taxes	—	—	(1)
Taxable dividends, net of dividends received deductions	(13)	(11)	(28)
Federal tax credits	24	26	27
Change in valuation allowance affecting tax expense	18	(4)	(14)
Change in tax rate	—	(45)	(3)
Deductible stock-based compensation	14	47	37
Non-deductible executive compensation	(12)	(19)	(6)
Impairment of nondeductible goodwill	(194)	—	—
Intergroup Interest	(17)	—	—
Other, net	(6)	(9)	(13)
Income tax benefit (expense)	<u>\$ (106)</u>	<u>(271)</u>	<u>(241)</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
	<u>amounts in millions</u>	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 765	1,018
Accrued stock compensation	94	95
Other accrued liabilities	160	185
Deferred revenue	62	81
Discount on debt	44	2
Investments	154	—
Other future deductible amounts	4	11
Deferred tax assets	<u>1,283</u>	<u>1,392</u>
Valuation allowance	<u>(53)</u>	<u>(70)</u>
Net deferred tax assets	<u>1,230</u>	<u>1,322</u>
Deferred tax liabilities:		
Investments	—	31
Fixed assets	370	384
Intangible assets	<u>2,696</u>	<u>2,749</u>
Deferred tax liabilities	<u>3,066</u>	<u>3,164</u>
Net deferred tax liabilities	<u>\$ 1,836</u>	<u>1,842</u>

Braves Group

Income tax benefit (expense) consists of:

	<u>Years ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>amounts in millions</u>		
Current:			
Federal	\$ 28	8	14
State and local	—	—	—
Foreign	—	—	—
	<u>28</u>	<u>8</u>	<u>14</u>
Deferred:			
Federal	—	—	9
State and local	10	7	(8)
Foreign	—	—	—
	<u>10</u>	<u>7</u>	<u>1</u>
Income tax benefit (expense)	<u>\$ 38</u>	<u>15</u>	<u>15</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the years ended December 31, 2020, 2019 and 2018 as a result of the following:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Computed expected tax benefit (expense)	\$ 24	19	1
State and local income taxes, net of federal income taxes	7	6	(4)
Federal tax credits	—	—	3
Change in valuation allowance affecting tax expense	—	3	5
Change in tax rate	—	(3)	2
Deductible stock-based compensation	—	2	—
Intergroup interest	9	(9)	(5)
Other, net	(2)	(3)	13
Income tax benefit (expense)	<u>\$ 38</u>	<u>15</u>	<u>15</u>

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2020	2019
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 19	6
Accrued stock compensation	2	2
Other accrued liabilities	47	46
Other future deductible amounts	20	20
Deferred tax assets	<u>88</u>	<u>74</u>
Valuation allowance	—	—
Net deferred tax assets	<u>88</u>	<u>74</u>
Deferred tax liabilities:		
Investments	11	10
Fixed assets	69	71
Intangible assets	46	47
Other future taxable amounts	7	7
Deferred tax liabilities	<u>133</u>	<u>135</u>
Net deferred tax liabilities	<u>\$ 45</u>	<u>61</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

Liberty Formula One Group

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Current:			
Federal	\$ (11)	(27)	(6)
State and local	—	(3)	1
Foreign	(2)	(21)	(8)
	<u>(13)</u>	<u>(51)</u>	<u>(13)</u>
Deferred:			
Federal	41	102	(2)
State and local	—	—	2
Foreign	84	39	63
	<u>125</u>	<u>141</u>	<u>63</u>
Income tax benefit (expense)	<u>\$ 112</u>	<u>90</u>	<u>50</u>

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the years ended December 31, 2020, 2019 and 2018 as a result of the following:

	Years ended December 31,		
	2020	2019	2018
	amounts in millions		
Computed expected tax benefit (expense)	\$ 148	84	42
State and local income taxes, net of federal income taxes	—	(2)	—
Foreign income taxes, net of federal income taxes	20	26	23
Taxable dividends, net of dividends received deductions	1	1	1
Change in valuation allowance affecting tax expense	(87)	(39)	(53)
Change in tax rate	30	—	2
Settlements with tax authorities	—	—	43
Deductible stock-based compensation	—	22	1
Non-deductible executive compensation	(5)	(3)	(1)
Intergroup interest	8	9	5
Other, net	(3)	(8)	(13)
Income tax benefit (expense)	<u>\$ 112</u>	<u>90</u>	<u>50</u>

Notes to Attributed Financial Information (Continued)
(unaudited)

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2020	2019
	amounts in millions	
Deferred tax assets:		
Tax loss and credit carryforwards	\$ 652	486
Accrued stock compensation	11	9
Other accrued liabilities	10	9
Discount on debt	—	43
Deferred tax assets	673	547
Valuation allowance	(240)	(146)
Net deferred tax assets	433	401
Deferred tax liabilities:		
Investments	36	49
Fixed assets	9	3
Intangible Assets	88	116
Discount on debt	19	—
Deferred tax liabilities	152	168
Net deferred tax (assets) liabilities	\$ (281)	(233)

- (4) The intergroup balances as December 31, 2020 and December 31, 2019 also include the impact of the timing of certain tax benefits. Per the tracking stock tax sharing policies, consolidated income taxes arising from the Liberty SiriusXM Group in periods prior to the Recapitalization were not subject to tax sharing and were allocated to the Formula One Group. As such, the balance of the Intergroup tax payable between the Liberty SiriusXM Group and the Formula One Group was zero at the effective date of the Recapitalization and is accounted for going forward beginning on such date.
- (5) 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 will be entitled to one vote per share, and holders of Series B common stock of each group will be entitled to ten votes per share. Holders of Series C common stock of each group will be 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 will 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, Series A and Series B Liberty Braves common stock, or the approval of the holders of 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.

CORPORATE DATA

BOARD OF DIRECTORS

Robert R. Bennett
Derek Chang
Brian M. Deevy
M. Ian G. Gilchrist
Gregory B. Maffei
Evan D. Malone, Ph.D.

John C. Malone
(Chairman of the Board)

David E. Rapley
Larry E. Romrell
Andrea L. Wong

EXECUTIVE COMMITTEE

Robert R. Bennett
Gregory B. Maffei
John C. Malone

COMPENSATION COMMITTEE

M. Ian G. Gilchrist (Chairman)
David E. Rapley
Andrea L. Wong

AUDIT COMMITTEE

Brian M. Deevy (Chairman)
Derek Chang
Larry E. Romrell

NOMINATING & CORPORATE GOVERNANCE COMMITTEE

David E. Rapley (Chairman)
M. Ian G. Gilchrist
Larry E. Romrell
Andrea L. Wong

SENIOR OFFICERS

John C. Malone
Chairman of the Board
Gregory B. Maffei
President and Chief Executive Officer

Renee L. Wilm
Chief Legal Officer and Chief
Administrative Officer

Albert E. Rosenthaler
Chief Corporate Development Officer

Courtnee A. Chun
Chief Portfolio Officer

Brian J. Wendling
Chief Accounting Officer and Principal
Financial Officer

Ben Oren
Senior Vice President and Treasurer

CORPORATE SECRETARY

Michael E. Hurelbrink

CORPORATE HEADQUARTERS

12300 Liberty Boulevard
Englewood, CO 80112
(720) 875-5400

STOCK INFORMATION

Series A and C Liberty Braves Common Stock (BATRA/K), Series A and C Liberty Formula One Common Stock (FWONA/K), and Series A, B and C Liberty SiriusXM Common Stock (LSXMA/B/K) trade on the NASDAQ Global Select Market.

Series B Liberty Braves Common Stock (BATR) and Series B Liberty Formula One Common Stock (FWONB) are quoted on the OTC Markets.

CUSIP NUMBERS

BATRA – 531229 706
BATRB – 531229 805
BATRK – 531229 888

FWONA – 531229 870
FWONB – 531229 862
FWONK – 531229 854

LSXMA – 531229 409
LSXMB – 531229 508
LSXMK – 531229 607

TRANSFER AGENT

**Liberty Media Corporation
Shareholder Services**
c/o Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, NY 11717
Phone: (888) 789-8415
Toll Free: (303) 562-9273
<https://shareholder.broadridge.com/lmc>

INVESTOR RELATIONS

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ON THE INTERNET

Visit the Liberty Media Corporation website at
www.libertymedia.com

FINANCIAL STATEMENTS

Liberty Media Corporation financial statements are filed with the Securities and Exchange Commission. Copies of these financial statements can be obtained from the Transfer Agent or through the Liberty Media Corporation website.

ELECTRONIC DELIVERY



We encourage Liberty stockholders to voluntarily elect to receive future proxy and annual report materials electronically.

- If you are a registered stockholder, please visit www.proxyvote.com for simple instructions.
- Beneficial shareowners can elect to receive future proxy and annual report materials electronically as well as vote their shares online at www.proxyvote.com.

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to vote using your mobile device, sign up for e-delivery or download annual meeting materials.

2021 ANNUAL MEETING OF STOCKHOLDERS

 Tuesday, May 25, 2021

 8:00 a.m. Mountain Time

The 2021 Annual Meeting of Stockholders will be held via the Internet as a virtual meeting. See our Proxy Statement for additional information.

OUR ENVIRONMENT

Liberty believes in working to keep our environment cleaner and healthier. We are proud to have our headquarters overlooking the Colorado Rockies. Every day, Liberty takes steps to preserve the natural beauty of the surroundings that we are privileged to enjoy.

Liberty's initiative in reducing its carbon footprint by promoting electronic delivery of shareholder materials has had a positive effect on the environment. Based upon 2020 statistics, voluntary receipt of e-delivery resulted in the following environmental savings:



Using approximately 74.3 fewer tons of wood, or 446 fewer trees



Using approximately 475 million fewer BTUs, or the equivalent of the amount of energy used by 565 refrigerators



Using approximately 335,000 fewer pounds of greenhouse gases, including carbon dioxide, or the equivalent of 30.4 automobiles running for 1 calendar year



Saving approximately 398,000 gallons of water, or the equivalent of approximately 18 swimming pools



Saving approximately 21,900 pounds of solid waste



Reducing hazardous air pollutants by approximately 29.7 pounds

Environmental impact estimates calculated using the Environmental Paper Network Paper Calculator. For more information visit www.papercalculator.org.

