

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D. C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2020

OR

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

For the transition period from _____ to _____

Commission File Number 001-35707

LIBERTY MEDIA CORPORATION

(Exact name of Registrant as specified in its charter)

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

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

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

80112
(Zip Code)

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

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

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

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

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

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

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

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

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

The number of outstanding shares of Liberty Media Corporation's common stock as of July 31, 2020 was:

	Series A	Series B	Series C
Liberty SiriusXM common stock	101,421,551	9,808,105	232,276,238
Liberty Braves common stock	10,312,685	981,814	39,929,761
Liberty Formula One common stock	25,834,452	2,448,115	203,442,287

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LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(unaudited)

	June 30, 2020	December 31, 2019
	amounts in millions	
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,999	1,222
Trade and other receivables, net	673	767
Other current assets	709	416
Total current assets	5,381	2,405
Investments in affiliates, accounted for using the equity method (note 7)	1,274	1,625
Property and equipment, at cost	3,849	3,780
Accumulated depreciation	(1,604)	(1,518)
	2,245	2,262
Intangible assets not subject to amortization (note 8):		
Goodwill	19,956	19,939
FCC licenses	8,600	8,600
Other	1,405	1,405
	29,961	29,944
Intangible assets subject to amortization, net (note 8)	5,653	5,940
Other assets	1,694	2,013
Total assets	\$ 46,208	44,189
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,401	1,621
Current portion of debt (note 9)	1,874	60
Deferred revenue	2,638	2,113
Other current liabilities	102	94
Total current liabilities	6,015	3,888
Long-term debt, including \$3,091 million and \$3,678 million measured at fair value at June 30, 2020 and December 31, 2019, respectively (note 9)	14,980	15,416
Deferred income tax liabilities	2,004	1,913
Other liabilities	1,121	1,047
Total liabilities	24,120	22,264

(Continued)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets (Continued)

(unaudited)

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
	amounts in millions, except share amounts	
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares; issued and outstanding 101,421,424 shares at June 30, 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; issued and outstanding 10,312,675 shares at June 30, 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; issued and outstanding 25,834,426 shares at June 30, 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; issued and outstanding 9,808,232 shares at June 30, 2020 and 9,808,601 at December 31, 2019 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares; issued and outstanding 981,824 shares at June 30, 2020 and 981,860 at December 31, 2019 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,448,141 shares at June 30, 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; issued and outstanding 232,276,212 shares at June 30, 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; issued and outstanding 39,929,761 shares at June 30, 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; issued and outstanding 203,442,287 shares at June 30, 2020 and 203,366,419 shares at December 31, 2019 (note 2)	2	2
Additional paid-in capital	3,110	2,575
Accumulated other comprehensive earnings (loss), net of taxes	156	(33)
Retained earnings	13,339	13,748
Total stockholders' equity	<u>16,610</u>	<u>16,295</u>
Noncontrolling interests in equity of subsidiaries	5,478	5,630
Total equity	<u>22,088</u>	<u>21,925</u>
Commitments and contingencies (note 10)		
Total liabilities and equity	<u>\$ 46,208</u>	<u>44,189</u>

See accompanying notes to condensed consolidated financial statements.

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions, except per share amounts			
Revenue:				
Sirius XM Holdings revenue	\$ 1,874	1,977	3,826	3,721
Formula 1 revenue	24	620	63	866
Other revenue	11	208	33	230
Total revenue	1,909	2,805	3,922	4,817
Operating costs and expenses, including stock-based compensation (note 4):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	587	600	1,157	1,092
Programming and content	110	116	228	222
Customer service and billing	122	119	240	232
Other	47	47	91	84
Cost of Formula 1 revenue	16	441	59	589
Subscriber acquisition costs	48	104	147	212
Other operating expense	85	203	185	288
Selling, general and administrative	390	436	798	835
Acquisition and restructuring (note 3)	24	7	24	83
Depreciation and amortization	266	271	533	519
	<u>1,695</u>	<u>2,344</u>	<u>3,462</u>	<u>4,156</u>
Operating income (loss)	214	461	460	661
Other income (expense):				
Interest expense	(163)	(167)	(327)	(326)
Share of earnings (losses) of affiliates, net (note 7)	(193)	34	(255)	14
Realized and unrealized gains (losses) on financial instruments, net (note 6)	(180)	(87)	(179)	(185)
Other, net	14	21	31	29
	<u>(522)</u>	<u>(199)</u>	<u>(730)</u>	<u>(468)</u>
Earnings (loss) before income taxes	(308)	262	(270)	193
Income tax (expense) benefit	46	(70)	10	(128)
Net earnings (loss)	(262)	192	(260)	65
Less net earnings (loss) attributable to the noncontrolling interests	64	76	142	107
Net earnings (loss) attributable to Liberty stockholders	\$ (326)	116	(402)	(42)
Net earnings (loss) attributable to Liberty stockholders:				
Liberty SiriusXM common stock	\$ (88)	167	126	228
Liberty Braves common stock	(38)	26	15	(45)
Liberty Formula One common stock	(200)	(77)	(543)	(225)
	<u>\$ (326)</u>	<u>116</u>	<u>(402)</u>	<u>(42)</u>

(Continued)

See accompanying notes to condensed consolidated financial statements.

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

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 3 and 6):				
Series A, B and C Liberty SiriusXM common stock	(0.27)	0.51	0.39	0.69
Series A, B and C Liberty Braves common stock	(0.75)	0.51	0.29	(0.88)
Series A, B and C Liberty Formula One common stock	(0.86)	(0.33)	(2.34)	(0.97)
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 3 and 6):				
Series A, B and C Liberty SiriusXM common stock	(0.27)	0.50	0.28	0.68
Series A, B and C Liberty Braves common stock	(0.75)	0.46	(1.22)	(0.88)
Series A, B and C Liberty Formula One common stock	(0.86)	(0.33)	(2.34)	(0.97)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Earnings (Loss)

(unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Net earnings (loss)	\$ (262)	192	(260)	65
Other comprehensive earnings (loss), net of taxes:				
Foreign currency translation adjustments	15	10	(22)	19
Credit risk on fair value debt instruments gains (losses)	21	10	237	(3)
Unrealized holding gains (losses) arising during the period	—	1	(6)	3
Share of other comprehensive earnings (loss) of equity affiliates	4	—	(26)	—
Comprehensive earnings (loss)	(222)	213	(77)	84
Less comprehensive earnings (loss) attributable to the noncontrolling interests	68	79	136	113
Comprehensive earnings (loss) attributable to Liberty stockholders	\$ (290)	134	(213)	(29)
Comprehensive earnings (loss) attributable to Liberty stockholders:				
Liberty SiriusXM common stock	\$ (53)	175	221	242
Liberty Braves common stock	(39)	27	8	(42)
Liberty Formula One common stock	(198)	(68)	(442)	(229)
	\$ (290)	134	(213)	(29)

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Six months ended	
	June 30,	
	2020	2019
	amounts in millions	
Cash flows from operating activities:		
Net earnings	\$ (260)	65
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	533	519
Stock-based compensation	112	162
Share of (earnings) loss of affiliates, net	255	(14)
Realized and unrealized (gains) losses on financial instruments, net	179	185
Deferred income tax expense (benefit)	(34)	115
Other, net	34	3
Changes in operating assets and liabilities		
Current and other assets	(240)	(83)
Payables and other liabilities	290	220
Net cash provided (used) by operating activities	<u>869</u>	<u>1,172</u>
Cash flows from investing activities:		
Investments in equity method affiliates and debt and equity securities	(87)	(20)
Return of investment in equity method affiliates	105	—
Cash proceeds from sale of investments	13	373
Cash (paid) received for acquisitions, net of cash acquired	(28)	313
Capital expended for property and equipment, including internal-use software and website development	(206)	(221)
Sales of short term investments and other marketable securities	—	72
Other investing activities, net	—	(5)
Net cash provided (used) by investing activities	<u>(203)</u>	<u>512</u>
Cash flows from financing activities:		
Borrowings of debt	2,835	2,879
Repayments of debt	(884)	(2,387)
Liberty SiriusXM stock repurchases	(138)	(306)
Subsidiary shares repurchased by subsidiary	(399)	(1,474)
Proceeds from Liberty SiriusXM common stock rights offering	754	—
Cash dividends paid by subsidiary	(33)	(36)
Taxes paid in lieu of shares issued for stock-based compensation	(46)	(57)
Other financing activities, net	(20)	(4)
Net cash provided (used) by financing activities	<u>2,069</u>	<u>(1,385)</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(10)	—
Net increase (decrease) in cash, cash equivalents and restricted cash	2,725	299
Cash, cash equivalents and restricted cash at beginning of period	1,306	452
Cash, cash equivalents and restricted cash at end of period	<u>\$ 4,031</u>	<u>751</u>

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

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
	amounts in millions	
Cash and cash equivalents	\$ 3,999	1,222
Restricted cash included in other current assets	8	57
Restricted cash included in other assets	24	27
Total cash and cash equivalents and restricted cash at end of period	<u>\$ 4,031</u>	<u>1,306</u>

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statement of Equity
(unaudited)
Three Months ended June 30, 2020

	Stockholders' equity										Additional Paid-in Capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Preferred Stock	Liberty Sirius XM			Liberty Braves			Liberty Formula One							
		Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C					
Balance at March 31, 2020	\$ —	1	—	2	—	—	—	—	—	2	2,371	120	13,671	5,535	21,702
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	(326)	64	(262)
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	—	—	—	—	36	—	4	40
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	34	—	—	15	49
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	(8)	—	—	—	(8)
Liberty SiriusXM stock repurchases	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	(32)	—	—	(133)	(165)
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	(8)	—	—	8	—
Common stock issued pursuant to the Series C Liberty SiriusXM common stock rights offering	—	—	—	—	—	—	—	—	—	—	754	—	—	—	754
Other, net	—	—	—	—	—	—	—	—	—	—	(1)	—	(6)	(15)	(22)
Balance at June 30, 2020	\$ —	1	—	2	—	—	—	—	—	2	3,110	156	13,339	5,478	22,088

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statement of Equity
(unaudited)
Six Months ended June 30, 2020

	Stockholders' equity										Additional Paid-in Capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Preferred Stock	Liberty Sirius XM			Liberty Braves			Liberty Formula One							
		Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C					
Balance at January 1, 2020	\$ —	1	—	2	—	—	—	—	—	2	2,575	(33)	13,748	5,630	21,925
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	(402)	142	(260)
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	—	—	—	—	189	—	(6)	183
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	88	—	—	32	120
Withholding taxes on net share settlements of stock-based compensation	—	—	—	—	—	—	—	—	—	—	(46)	—	—	—	(46)
Liberty SiriusXM stock repurchases	—	—	—	—	—	—	—	—	—	—	(138)	—	—	—	(138)
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	(92)	—	—	(316)	(408)
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	(28)	—	—	28	—
Common stock issued pursuant to the Series C Liberty SiriusXM common stock rights offering	—	—	—	—	—	—	—	—	—	—	754	—	—	—	754
Other, net	—	—	—	—	—	—	—	—	—	—	(3)	—	(7)	(32)	(42)
Balance at June 30, 2020	\$ —	1	—	2	—	—	—	—	—	2	3,110	156	13,339	5,478	22,088

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statement of Equity
(unaudited)
Three Months ended June 30, 2019
 Stockholders' equity

	Preferred Stock	Liberty Sirius XM			Liberty Braves			Liberty Formula One			Additional Paid-in Capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
		Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C					
Balance at March 31, 2019	\$ —	1	—	2	—	—	—	—	—	2	3,261	(43)	13,484	6,488	23,195
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	116	76	192
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	—	—	—	—	18	—	3	21
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	60	—	—	19	79
Liberty SiriusXM stock repurchases	—	—	—	—	—	—	—	—	—	—	(84)	—	—	—	(84)
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	(208)	—	—	(690)	(898)
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	(13)	—	—	13	—
Other, net	—	—	—	—	—	—	—	—	—	—	—	—	—	(24)	(24)
Balance at June 30, 2019	\$ —	1	—	2	—	—	—	—	—	2	3,016	(25)	13,600	5,885	22,481

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statement of Equity

(unaudited)

Six Months ended June 30, 2019

	Stockholders' equity										Additional Paid-in Capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
Preferred Stock	Liberty Sirius XM			Liberty Braves			Liberty Formula One								
	Series A	Series B	Series C	Series A	Series B	Series C	Series A	Series B	Series C						
amounts in millions															
Balance at January 1, 2019	\$ —	1	—	2	—	—	—	—	—	2	2,984	(38)	13,644	5,103	21,698
Net earnings	—	—	—	—	—	—	—	—	—	—	—	—	(42)	107	65
Other comprehensive earnings (loss)	—	—	—	—	—	—	—	—	—	—	—	13	—	6	19
Cumulative effect of accounting change	—	—	—	—	—	—	—	—	—	—	—	—	(2)	—	(2)
Stock-based compensation	—	—	—	—	—	—	—	—	—	—	126	—	—	42	168
Liberty SiriusXM stock repurchases	—	—	—	—	—	—	—	—	—	—	(306)	—	—	—	(306)
Subsidiary shares issued as consideration in subsidiary acquisition	—	—	—	—	—	—	—	—	—	—	657	—	—	1,698	2,355
Shares repurchased by subsidiary	—	—	—	—	—	—	—	—	—	—	(372)	—	—	(1,130)	(1,502)
Shares issued by subsidiary	—	—	—	—	—	—	—	—	—	—	(34)	—	—	34	—
Other, net	—	—	—	—	—	—	—	—	—	—	(39)	—	—	25	(14)
Balance at June 30, 2019	\$ —	1	—	2	—	—	—	—	—	2	3,016	(25)	13,600	5,885	22,481

See accompanying notes to condensed consolidated financial statements.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Basis of Presentation

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

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

The accompanying (a) condensed consolidated balance sheet as of December 31, 2019, which has been derived from audited financial statements, and (b) the interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty's Annual Report on Form 10-K for the year ended December 31, 2019.

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 ("WHO") 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 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.

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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

Liberty has entered into certain agreements with Qurate Retail, Inc. ("Qurate Retail"), Liberty TripAdvisor Holdings, Inc. ("TripCo"), Liberty Broadband Corporation ("Liberty Broadband"), Liberty Expedia Holdings (prior to July 2019) and GCI Liberty, Inc. ("GCI Liberty"), all of which are, or were (in the case of Liberty Expedia Holdings), separate publicly traded companies, in order to govern relationships between the companies. None of these entities has any stock ownership, beneficial or otherwise, in any of the others (except that GCI Liberty owns shares of Liberty Broadband's Series C non-voting common stock). These agreements include Reorganization Agreements (in the case of Qurate Retail and Liberty Broadband only), Services Agreements, Facilities Sharing Agreements and Tax Sharing Agreements (in the case of Liberty Broadband only). In addition, as a result of certain corporate transactions, Liberty and Qurate Retail may have obligations to each other for certain tax related matters.

The Reorganization Agreements provide for, among other things, provisions governing the relationships between Liberty and the applicable counterparty, including certain cross-indemnities. Pursuant to the Services Agreements, Liberty provides the applicable counterparty with general and administrative services including legal, tax, accounting, treasury and investor relations support. Liberty is reimbursed by each counterparty 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. The remaining Services Agreements provide for the payment to Liberty of an annual fee for the provision of these services. Under the Facilities Sharing Agreements, Liberty shares office space and related amenities at its corporate headquarters with the other companies. Under these various agreements, approximately \$7 million and \$8 million of these allocated expenses were reimbursed to Liberty during the three months ended June 30, 2020 and 2019, respectively, and \$16 million and \$16 million were reimbursed during the six months ended June 30, 2020 and 2019, respectively.

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

Seasonality

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

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

Due to the delays of their respective 2020 seasons due to COVID-19, we expect the majority of Braves Holdings revenue to be recognized during the third quarter and the majority of Formula 1 revenue to be recognized in the third and fourth quarters.

(2) Tracking Stocks

A tracking stock is a type of common stock that the issuing company intends to reflect or "track" the economic performance of a particular business or "group," rather than the economic performance of the company as a whole. While the Liberty SiriusXM Group, 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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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 and 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.

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 (see note 5), 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 (see note 5), 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 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. As of June 30, 2020, the Liberty SiriusXM Group is comprised of Liberty's interests in Sirius XM Holdings and Live Nation, corporate cash, Liberty's 1.375% Cash

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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 and margin loan obligations incurred by wholly-owned special purpose subsidiaries of Liberty. The Liberty SiriusXM Group holds intergroup interests in the Formula One Group and the Braves Group as of June 30, 2020. As of June 30, 2020, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$1,924 million, which includes \$1,770 million of subsidiary cash. During the six months ended June 30, 2020, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$117 million, of which Liberty received \$84 million. On July 14, 2020, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.01331 per share of common stock payable on August 31, 2020 to stockholders of record as of the close of business on August 7, 2020.

The Liberty Braves common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Braves Group. As of June 30, 2020, the Braves Group is comprised primarily of Braves Holdings, which indirectly owns the Atlanta Braves Major League Baseball Club ("ANLBC") and certain assets and liabilities associated with ANLBC's stadium and mixed use development project and corporate cash. The Formula One Group and the Liberty SiriusXM Group retain intergroup interests in the Braves Group. As of June 30, 2020, the Braves Group has cash and cash equivalents of approximately \$308 million, which includes \$230 million of subsidiary cash.

The Liberty Formula One common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Formula One Group. As of June 30, 2020, the Formula One Group is comprised of all of the businesses, assets and liabilities of Liberty, other than those specifically attributed to the Braves Group or the Liberty SiriusXM Group, including Liberty's interest in Formula 1, 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 June 30, 2020, the Formula One Group has cash and cash equivalents of approximately \$1,767 million, which includes \$324 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 11.3% intergroup interest at June 30, 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 3.8% intergroup interest at June 30, 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 June 30, 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. 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

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

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

(3) Acquisitions and Restructurings***Sirius XM Holdings acquisition of Pandora***

On February 1, 2019, Sirius XM Holdings purchased all of the outstanding shares of Pandora Media, Inc. (“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	1.44
Sirius XM Holdings common stock issued	392
Price per share of Sirius XM Holdings common stock as of January 31, 2019	\$ 5.83
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	524
Total consideration	<u>\$ 2,879</u>

Sirius XM Holdings recognized \$7 million and \$83 million of costs related to the acquisition of Pandora during the three and six months ended June 30, 2019, respectively.

The amounts of revenue and net loss of Pandora included in Liberty’s condensed consolidated statement of operations since the date of acquisition were \$441 million and \$56 million, respectively, for the three months ended June 30, 2019 and \$692 million and \$178 million, respectively, for the six months ended June 30, 2019.

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

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, 2019, are as follows:

	Three months ended June 30, 2019	Six months ended June 30, 2019
	amounts in millions	
Revenue	\$ 2,807	4,935
Net earnings (loss)	\$ 194	86
Net earnings (loss) attributable to Liberty stockholders	\$ 118	(27)

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 period presented.

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. 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.

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 three and six months ended June 30, 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 Stitcher

On July 13, 2020, Sirius XM Holdings entered into an agreement with The E.W. Scripps Company ("Scripps") and certain of its subsidiaries to acquire the assets of Stitcher, a pioneer in podcast production, distribution, and ad sales. Under the terms of the asset purchase agreement, at the closing, Sirius XM Holdings will make a cash payment of \$265 million to Scripps. The agreement provides that Sirius XM Holdings will potentially make up to \$60 million in additional contingent payments based on Stitcher achieving certain financial metrics in 2020 and 2021. The transaction is expected to close in the third quarter of 2020, subject to receipt of required regulatory approvals and the satisfaction of other customary closing conditions.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(4) Stock-Based Compensation

Liberty grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock, restricted stock units ("RSUs") and stock options to purchase shares of its common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value ("GDFV") of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date.

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Cost of services:				
Programming and content	\$ 7	7	15	14
Customer service and billing	1	1	3	2
Other	2	2	3	3
Other operating expense	9	13	20	22
Selling, general and administrative	26	53	71	100
	<u>\$ 45</u>	<u>76</u>	<u>112</u>	<u>141</u>

Liberty—Grants of Awards

Awards granted during the six months ended June 30, 2020 are summarized as follows:

	Six Months Ended	
	June 30, 2020	
	Options granted (000's)	Weighted average GDFV
Series C Liberty SiriusXM common stock, Liberty employees (1)	13	\$ 9.71
Series C Liberty SiriusXM common stock, Liberty CEO (2)	388	\$ 8.72
Series C Liberty Formula One common stock, Liberty employees (1)	13	\$ 10.61
Series C Liberty Formula One common stock, Liberty CEO (2)	246	\$ 7.55
Series C Liberty Formula One common stock, Formula 1 employees (3)	1,435	\$ 7.55
Series C Liberty Braves common stock, Liberty employees (1)	6	\$ 6.05
Series C Liberty Braves common stock, Liberty CEO (2)	137	\$ 4.67

- (1) Grants vest between three and four years.
- (2) Grants cliff vest on December 31, 2020. Grants were made in connection with the CEO's employment agreement.
- (3) Grants vest monthly over one year.

The Company did not grant any options to purchase Series A or Series B Liberty SiriusXM, Liberty Braves or Liberty Formula One common stock during the six months ended June 30, 2020.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

Also during the six months ended June 30, 2020, the Company granted 9 thousand, 3 thousand and 7 thousand time-based RSUs of Series C common stock of Liberty SiriusXM, Liberty Braves and Liberty Formula One, respectively, to our CEO. The RSUs had a GDFV of \$33.11, \$18.17 and \$24.68 per share, respectively, and cliff vest 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 has waived his right to receive the other 50%, in each case, in light of the ongoing financial impact of COVID-19.

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

Liberty—Outstanding Awards

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

Liberty SiriusXM

	Series A				Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2020	22	\$ 22.62			9,817	\$ 33.90		
Granted	—	\$ —			401	\$ 39.61		
Exercised	(17)	\$ 19.94			(119)	\$ 28.47		
Forfeited/Cancelled	—	\$ —			—	\$ —		
Outstanding at June 30, 2020	<u>5</u>	\$ 31.00	0.4 years	\$ —	<u>10,099</u>	\$ 34.19	3.3 years	\$ 31
Exercisable at June 30, 2020	<u>5</u>	\$ 31.00	0.4 years	\$ —	<u>7,975</u>	\$ 32.24	2.7 years	\$ 29

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

Liberty Braves

	Series A				Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2020	2	\$ 11.89			1,267	\$ 21.82		
Granted	—	\$ —			143	\$ 20.12		
Exercised	—	\$ —			(11)	\$ 16.24		
Forfeited/Cancelled	—	\$ —			—	\$ —		
Outstanding at June 30, 2020	<u>2</u>	<u>\$ 11.89</u>	2.0 years	\$ —	<u>1,399</u>	<u>\$ 21.69</u>	4.1 years	\$ 2
Exercisable at June 30, 2020	<u>2</u>	<u>\$ 11.89</u>	2.0 years	\$ —	<u>815</u>	<u>\$ 18.84</u>	2.6 years	\$ 2

Liberty Formula One

	Series A				Series C			
	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)	Liberty Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2020	1	\$ 12.63			8,284	\$ 31.16		
Granted	—	\$ —			1,694	\$ 28.64		
Exercised	—	\$ —			(21)	\$ 17.79		
Forfeited/Cancelled	—	\$ —			—	\$ —		
Outstanding at June 30, 2020	<u>1</u>	<u>\$ 12.63</u>	2.5 years	\$ —	<u>9,957</u>	<u>\$ 30.76</u>	4.8 years	\$ 28
Exercisable at June 30, 2020	<u>1</u>	<u>\$ 12.63</u>	2.5 years	\$ —	<u>7,339</u>	<u>\$ 30.01</u>	4.2 years	\$ 21

As of June 30, 2020, the total unrecognized compensation cost related to unvested Awards was approximately \$35 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.1 years.

As of June 30, 2020, Liberty reserved 10.1 million, 1.4 million and 10.0 million shares of Series A and Series C common stock of Liberty SiriusXM, Liberty Braves and Liberty Formula One, respectively, for issuance under exercise privileges of outstanding stock Awards.

Sirius XM Holdings — Stock-based Compensation

Sirius XM Holdings granted various types of stock awards to its employees during the six months ended June 30, 2020. As of June 30, 2020, Sirius XM Holdings has approximately 201 million options outstanding of which approximately 143 million are exercisable, each with a WAEP per share of \$4.58 and \$4.07, respectively. The aggregate intrinsic value of Sirius XM Holdings options outstanding and exercisable as of June 30, 2020 is \$294 million and \$265 million, respectively. During the six months ended June 30, 2020, Sirius XM Holdings granted approximately 7 million nonvested

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

RSUs with a GDFV per share of \$7.01. The stock-based compensation expense related to Sirius XM Holdings was \$52 million and \$57 million for the three months ended June 30, 2020 and 2019, respectively, and \$107 million and \$106 million for the six months ended June 30, 2020 and 2019, respectively. In addition, the acquisition and restructuring costs recognized by Sirius XM Holdings during the six months ended June 30, 2019 includes \$21 million of stock-based compensation. As of June 30, 2020, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options and RSUs was \$342 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.2 years.

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

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

Excluded from diluted EPS for the three and six months ended June 30, 2020 are approximately 25 million potentially dilutive shares of Series A and Series C Liberty SiriusXM common stock, 3 million potentially dilutive shares of Series A and Series C Liberty Braves common stock and 12 million potentially dilutive shares of Series A and Series C Liberty Formula One common stock, primarily due to warrants issued in connection with the Bond Hedge Transaction (as defined in note 9), because their inclusion would be antidilutive. The Amended Warrant Transactions (as defined in note 9) may have a dilutive effect with respect to the shares comprising the basket of Liberty's tracking stocks as specified in the indenture, as amended, related to the Convertible Notes (the "Securities Basket") underlying the warrants to the extent that the settlement price exceeds the strike price of the warrants, and the warrants are settled in shares comprising such Securities Basket. The warrants and any potential future settlement were reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2020 (a)	2019 (a)	2020 (a)	2019 (a)
	numbers of shares in millions			
Basic WASO	328	329	326	331
Potentially dilutive shares	1	4	3	4
Diluted WASO (b)	329	333	329	335

- (a) 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 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.
- (b) 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

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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 condensed 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. In periods where the Liberty SiriusXM Group had net earnings, 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:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Basic earnings (loss) attributable to Liberty SiriusXM stockholders	\$ (88)	167	126	228
Unrealized (gain) loss on the intergroup interest	(4)	NA	(35)	NA
Diluted earnings (loss) attributable to Liberty SiriusXM stockholders	\$ (92)	167	91	228

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

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020 (a)	2019 (a)
	numbers of shares in millions			
Basic WASO	51	51	51	51
Potentially dilutive shares	9	10	9	10
Diluted WASO (b)	60	61	60	61

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.
- (b) Prior to the reattribution, as discussed in note 2, the number of notional Liberty Braves shares representing the Formula One Group's intergroup interest in the Braves Group was 9,084,940. 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 June 30, 2020.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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 underly the 1.375% convertible bonds. Therefore, the market prices of Series C Liberty Braves and Series A Liberty Braves common stock are used for the quarterly mark-to-market adjustment for the intergroup interests held by Formula One Group and Liberty SiriusXM Group, respectively, through the unaudited attributed condensed consolidated statements of operations. 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. In periods where the Liberty Braves Group had net earnings, 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:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Basic earnings (loss) attributable to Liberty Braves stockholders	\$ (38)	26	15	(45)
Unrealized (gain) loss on the intergroup interests	7	2	(88)	28
Diluted earnings (loss) attributable to Liberty Braves stockholders	\$ (31)	28	(73)	(17)

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

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

	Three months ended June 30,		Six months ended June 30,	
	2020 (a)	2019 (a)	2020 (a)	2019 (a)
	numbers of shares in millions			
Basic WASO	232	231	232	231
Potentially dilutive shares	5	2	6	2
Diluted WASO (b)	237	233	238	233

- (a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.
- (b) As discussed in note 2, the number of notional Formula One shares representing the Liberty SiriusXM Group's intergroup interest in the Formula One Group is 5,271,475 shares as of June 30, 2020. The intergroup interest is a quasi-equity interest which is not represented by outstanding shares of common stock; rather, the Liberty

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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 underly the 1.375% convertible bonds. Therefore, the market price of Series A Liberty Formula One common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed condensed consolidated statements of operations. The 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 if the shares had been issued and outstanding during the period. In periods where the Formula One Group had net earnings, 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:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Basic earnings (loss) attributable to Formula One stockholders	\$ (200)	(77)	(543)	(225)
Unrealized (gain) loss on the intergroup interest	28	NA	28	NA
Diluted earnings (loss) attributable to Formula One stockholders	\$ (172)	(77)	(515)	(225)

(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. Liberty does not have any assets or liabilities required to be measured at fair value considered to be Level 3.

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

(unaudited)

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

Description	Fair Value Measurements at June 30, 2020			Fair Value Measurements at December 31, 2019		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
	amounts in millions					
Cash equivalents	\$ 1,904	1,904	—	992	992	—
Debt and equity securities	\$ 242	187	55	353	242	111
Financial instrument assets	\$ 245	30	215	498	29	469
Debt	\$ 3,091	—	3,091	3,678	—	3,678
Financial instrument liabilities	\$ 132	—	132	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. Accordingly, those debt 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 classified as Level 1 and Level 2 in the table above are included in the Other assets line item in the condensed consolidated balance sheets.

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

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Debt and equity securities	\$ 22	40	(113)	71
Debt measured at fair value (a)	(262)	(71)	282	(233)
Change in fair value of bond hedges (b)	73	(12)	(250)	39
Other derivatives	(13)	(44)	(98)	(62)
	\$ (180)	(87)	(179)	(185)

- (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 condensed consolidated statements of operations are primarily due to market factors primarily driven by changes in the fair value of the underlying shares into which the debt is exchangeable. The Company isolates the portion of the unrealized gain (loss) attributable to changes in the instrument specific credit risk and recognizes such amount in other comprehensive earnings (loss). The change in the fair value of the exchangeable senior debentures and cash convertible notes attributable to changes in the instrument specific credit risk was a gain of \$27 million and a gain of \$12 million for the three months ended June 30, 2020 and 2019, respectively,

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

and a gain of \$302 million and a loss of \$4 million for the six months ended June 30, 2020 and 2019, respectively, and the cumulative change was a gain of \$329 million as of June 30, 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 bond hedges.

(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 of the more significant investments in affiliates at June 30, 2020 and the carrying amount at December 31, 2019:

	Percentage ownership	June 30, 2020		December 31, 2019
		Fair Value (Level 1)	Carrying amount	Carrying amount
dollar amounts in millions				
Liberty SiriusXM Group				
Live Nation (a)	33 %	\$ 3,087	\$ 453	NA
Sirius XM Canada	70 %	NA	612	636
Other		NA	80	8
Total Liberty SiriusXM Group			1,145	644
Braves Group				
Other	various	NA	96	99
Total Braves Group			96	99
Formula One Group				
Live Nation (a)			NA	746
Other	various	NA	33	136
Total Formula One Group			33	882
Consolidated Liberty			\$ 1,274	1,625

- (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 as of June 30, 2020 pursuant to the Live Nation Margin Loan.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Continued)
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The following table presents the Company's share of earnings (losses) of affiliates:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Liberty SiriusXM Group				
Live Nation (a)	\$ (144)	NA	(144)	NA
Sirius XM Canada	4	(1)	8	2
Other	(6)	(6)	(12)	(13)
Total Liberty SiriusXM Group	(146)	(7)	(148)	(11)
Braves Group				
Other	(1)	7	3	9
Total Braves Group	(1)	7	3	9
Formula One Group				
Live Nation (a)	(46)	30	(112)	7
Other	—	4	2	9
Total Formula One Group	(46)	34	(110)	16
Consolidated Liberty	\$ (193)	34	(255)	14

(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 June 30, 2020, Sirius XM Holdings holds a 70% equity interest and 33% voting interest in Sirius XM Canada Holdings Inc. ("Sirius XM Canada"), with the remainder of Sirius XM Canada's voting and equity interests held by two shareholders. 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 \$122 million as of June 30, 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.

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 has approximately \$11 million in related party current assets as of June 30, 2020. At June 30, 2020, Sirius XM Holdings has approximately \$2 million in current related party liabilities which are recorded in other current liabilities in the Company's condensed consolidated balance sheet. Sirius XM Holdings recorded approximately \$23 million and \$24 million in revenue for the three months ended June 30, 2020 and 2019, respectively, and \$48 million in revenue for both of the six months ended June 30, 2020 and 2019, associated with these various agreements. Sirius XM Canada paid gross dividends to Sirius XM Holdings of less than \$1 million during both of the three months ended June 30, 2020 and 2019, and \$1 million during both of the six months ended June 20, 2020 and 2019.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES
Notes to Condensed 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 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 \$10 million and \$9 million during the three months ended June 30, 2020 and 2019, respectively, and \$22 million and \$12 million during the six months ended June 30, 2020 and 2019, respectively. Sirius XM Holdings also had related party liabilities of \$14 million as of June 30, 2020 related to this agreement.

(8) Intangible Assets

Goodwill

Changes in the carrying amount of goodwill are as follows:

	Sirius XM Holdings	Formula 1 amounts in millions	Other	Total
Balance at January 1, 2020	\$ 15,803	3,956	180	19,939
Acquisition (a)	17	—	—	17
Balance at June 30, 2020	<u>\$ 15,820</u>	<u>3,956</u>	<u>180</u>	<u>19,956</u>

(a) See note 3 for details regarding Sirius XM Holdings’ acquisition of Simplecast.

Intangible Assets Subject to Amortization

	June 30, 2020			December 31, 2019		
	Gross carrying amount	Accumulated amortization	Net carrying amount amounts in millions	Gross carrying amount	Accumulated amortization	Net carrying amount
FIA Agreement	\$ 3,630	(643)	2,987	3,630	(543)	3,087
Customer relationships	3,086	(1,278)	1,808	3,086	(1,123)	1,963
Licensing agreements	315	(195)	120	316	(185)	131
Other	1,727	(989)	738	1,636	(877)	759
Total	<u>\$ 8,758</u>	<u>(3,105)</u>	<u>5,653</u>	<u>8,668</u>	<u>(2,728)</u>	<u>5,940</u>

Amortization expense for intangible assets with finite useful lives was \$197 million and \$207 million for the three months ended June 30, 2020 and 2019, respectively, and \$395 million and \$389 million for the six months ended June 30,

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

2020 and 2019, respectively. Based on its amortizable intangible assets as of June 30, 2020, Liberty expects that amortization expense will be as follows for the next five years (amounts in millions):

Remainder of 2020	\$	407
2021	\$	760
2022	\$	642
2023	\$	521
2024	\$	402

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Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

(9) Long-Term Debt

Debt is summarized as follows:

	Outstanding Principal June 30, 2020	Carrying value	
		June 30, 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	1,043	NA
2.125% Exchangeable Senior Debentures due 2048 (1)	400	387	423
2.25% Exchangeable Senior Debentures due 2048 (1)	385	394	NA
2.75% Exchangeable Senior Debentures due 2049 (1)	604	564	632
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	996	995
Sirius XM 4.625% Senior Notes due 2023	500	498	498
Sirius XM 4.625% Senior Notes due 2024	1,500	1,486	1,485
Sirius XM 5.375% Senior Notes due 2025	1,000	994	993
Sirius XM 5.375% Senior Notes due 2026	1,000	993	992
Sirius XM 5.0% Senior Notes due 2027	1,500	1,489	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	1,483	—
Pandora 1.75% Convertible Senior Notes due 2020	1	1	1
Pandora 1.75% Convertible Senior Notes due 2023	193	166	163
Sirius XM Senior Secured Revolving Credit Facility	—	—	—
Deferred financing costs	—	(13)	(11)
Total Liberty SiriusXM Group	<u>12,583</u>	<u>12,468</u>	<u>9,245</u>
Braves Group			
Subsidiary notes and loans:			
Notes and loans	718	718	559
Deferred financing costs	—	(4)	(5)
Total Braves Group	<u>718</u>	<u>714</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	489	585
2.25% Exchangeable Senior Debentures due 2046 (1)	206	214	257
2.25% Exchangeable Senior Debentures due 2048 (1)	NA	NA	459
Live Nation Margin Loan	NA	NA	130
Other	77	77	32
Subsidiary notes and loans:			
Senior Loan Facility	2,902	2,905	2,907
Deferred financing costs	—	(13)	(15)
Total Formula One Group	<u>3,635</u>	<u>3,672</u>	<u>5,677</u>
Total debt	<u>\$ 16,936</u>	<u>16,854</u>	<u>15,476</u>
Debt classified as current	—	(1,874)	(60)
Total long-term debt	—	<u>\$ 14,980</u>	<u>15,416</u>

(1) Measured at fair value

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

1.375% Cash Convertible Notes due 2023

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

The Convertible Notes are convertible into cash based on the product of the conversion rate specified in the related indenture and the Securities Basket. A supplemental indenture entered into on April 15, 2016 amends the conversion, adjustment and other provisions of the indenture and provides that the conversion consideration due upon conversion of any Convertible Note shall be determined as if references in the indenture to one share of Series A Liberty Media Corporation common stock were instead a reference to the Securities Basket, initially consisting of 0.10 of a share of Series A Liberty Braves common stock, 1.0 share of Series A Liberty SiriusXM common stock and 0.25 of a share of Series A Liberty Formula One common stock. The Series A Liberty Braves common stock component of the Securities Basket was adjusted to 0.1087 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. In May 2020, the Series A Liberty SiriusXM common stock component of the Securities Basket was adjusted to 1.0163 pursuant to anti-dilution adjustments arising out of the distribution of subscription rights to purchase shares of Series C Liberty SiriusXM common stock made to all holders of Liberty SiriusXM common stock.

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 June 30, 2020, the Convertible Notes are classified as a long term liability in the condensed consolidated balance sheet, as the conversion conditions have not been met as of such date.

Additionally, contemporaneously with the issuance of the Convertible Notes, Liberty entered into privately negotiated cash convertible note hedges and purchased call options (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 Series A Liberty Media Corporation common stock, 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 Series A Liberty Media Corporation common stock, which corresponded to the conversion price of the Convertible Notes. On April 15, 2016, Liberty entered into amendments to the Bond Hedge Transaction. As of such date, the Bond Hedge Transaction covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,085,900 shares of Series A Liberty SiriusXM common stock and 2,108,590 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments pertaining to the Convertible Notes, which was equal to the aggregate number of shares comprising the Securities Basket underlying the Convertible Notes at that time. The aggregate number of shares of Series A Liberty Braves common stock relating to the Bond Hedge Transaction was increased to 2,292,037 pursuant to anti-dilution adjustments arising out of the 2016 distribution of subscription rights to purchase shares of Series C Liberty Braves common stock made to all holders of Liberty Braves common stock. The aggregate number of shares of Series A Liberty Sirius XM common stock relating to the Bond Hedge Transaction was increased to 21,429,600 pursuant to anti-dilution adjustments arising out of the LSXMK rights offering. As of June 30, 2020, the basket price of the securities underlying the Bond Hedge Transaction was \$44.56 per share. The expiration of these instruments is October 15, 2023. The fair value of these instruments is included in Other assets as of June 30, 2020 and December 31, 2019 in the accompanying condensed consolidated balance sheets, with changes in the fair value recorded as unrealized gains (losses) on financial instruments in the accompanying condensed consolidated statements of operations.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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 number of shares of common stock as underlie the Bond Hedge Transaction, subject to anti-dilution adjustments (“Warrant Transactions”). The first expiration date of the warrants is January 16, 2024 and the remainder expire over a period covering 81 days thereafter. Liberty may elect to settle its delivery obligation under the Warrant Transactions with cash. Liberty entered into amendments to the Warrant Transactions with each of the option counterparties (“Amended Warrant Transactions”). As of April 15, 2016, the Amended Warrant Transactions covered, in the aggregate, 5,271,475 shares of Series A Liberty Formula One common stock, 21,085,900 shares of Series A Liberty SiriusXM common stock and 2,108,590 shares of Series A Liberty Braves common stock, subject to anti-dilution adjustments. The aggregate number of shares of Series A Liberty Braves common stock relating to the Amended Warrant Transactions was increased to 2,292,037 pursuant to anti-dilution adjustments arising out of the 2016 distribution of subscription rights to purchase shares of Series C Liberty Braves common stock made to all holders of Liberty Braves common stock. The strike price of the warrants was adjusted to \$61.16 per share. The aggregate number of shares of Series A Liberty Sirius XM common stock relating to the Amended Warrant Transactions was increased to 21,429,600 pursuant to anti-dilution adjustments arising out of the LSXMK rights offering. As of June 30, 2020, the basket price of the securities underlying the Amended Warrant Transactions was \$44.56 per share. The Amended Warrant Transactions 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 Warrant Transactions were reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020.

1% Cash Convertible Notes due 2023

In connection with the acquisition of Delta Topco on January 23, 2017, Liberty issued \$450 million aggregate principal amount of 1% Cash Convertible Senior Notes due 2023 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% Cash Convertible Notes due 2023”). The initial conversion rate for the notes will be approximately 27.11 shares of Series C Liberty Formula One common stock per \$1,000 principal amount of notes, equivalent to an initial conversion price of approximately \$36.89 per share of Series C Liberty Formula One common stock. The conversion of the 1% Cash Convertible Notes due 2023 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.

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

(unaudited)

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. 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 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, 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 Sirius XM 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. 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

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Notes to Condensed Consolidated Financial Statements (Continued)

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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.

Margin Loans

Sirius XM Holdings Margin Loan

In March 2020, Liberty extended its margin loan agreement comprised of a \$250 million term loan, a \$500 million revolving line of credit and a \$600 million delayed draw term loan, which mature during March 2022. The term loan, delayed draw term loan and any drawn portion of the revolver carries 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. Borrowings outstanding under this margin loan bore interest at a rate of 2.36% per annum at June 30, 2020. As of June 30, 2020, availability under the Sirius XM Holdings Margin Loan was \$600 million. 1,000.0 million shares of Sirius XM Holdings common stock held by Liberty with a value of \$5,870 million were pledged as collateral to the Sirius XM Holdings Margin Loan as of June 30, 2020. The margin loan contains various affirmative and negative covenants that restrict the activities of the borrower. The margin loan does not include any financial covenants.

Live Nation Margin Loan

On December 10, 2018, the Live Nation Margin Loan agreement was amended, increasing the borrowing capacity to \$600 million, extending the maturity date to December 10, 2020, 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 December 10, 2019, the margin loan agreement was amended, extending the maturity date to December 10, 2021. 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. Interest on the margin loan is payable on the last business day of each calendar quarter. As of June 30, 2020, availability under the Live Nation Margin Loan was \$270 million. As discussed in note 7, 53.7 million shares of the Company's Live Nation common stock with a value of \$2,383 million were pledged as collateral to the loan as of June 30, 2020. 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. The margin loan was reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020.

Sirius XM 4.125% Senior Notes Due 2030

In June 2020, Sirius XM 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 a rate of 4.125% per annum. The 4.125% Notes will mature on July 1, 2030. 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.

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Notes to Condensed Consolidated Financial Statements (Continued)

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Sirius XM Holdings 4.625% Senior Notes Due 2023 and 5.375% Senior Notes Due 2025

In June 2020, Sirius XM issued a redemption notice pursuant to the indentures governing its 4.625% Senior Notes due 2023 (the "4.625% Notes") and 5.375% Senior Notes due 2025 (the "5.375% Notes") to redeem all of the \$500 million aggregate principal amount of outstanding 4.625% Notes and all of the \$1.0 billion aggregate principal amount of outstanding 5.375% Notes. As of June 30, 2020, the 4.625% Notes and 5.375% Notes are classified as a current portion of debt in the condensed consolidated balance sheet. The 4.625% Notes and 5.375% Notes were redeemed on July 9, 2020 at a redemption price of 100.8% and 102.7% of the principal amount thereof, respectively, plus accrued and unpaid interest thereon to, but excluding, the date of redemption. This redemption will result in a loss on extinguishment of debt of approximately \$40 million in the third quarter of 2020.

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. The proceeds of loans under the Credit Facility are used for working capital and other general corporate purposes, including financing acquisitions, share repurchases and dividends. Interest on borrowings is payable on a monthly basis and accrues at a rate based on LIBOR plus an applicable rate. Sirius XM Holdings is also required to pay a variable fee on the average daily unused portion of the Credit Facility which as of June 30, 2020 was 0.25% per annum and is payable on a quarterly basis. As the amount available for future borrowings is reduced by \$1 million related to Pandora letters of credit, availability under the Credit Facility was \$1,749 million as of June 30, 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 June 30, 2020		Maturity Date
	June 30, 2020	December 31, 2019	Borrowing Capacity	Weighted avg interest rate	
	amounts in millions				
Operating credit facilities	\$ 185	45	185	1.30%	various
Ballpark funding					
Term loan	48	49	NA	1.55%	August 2021
Senior secured note	186	190	NA	3.77%	September 2041
Floating rate notes	63	65	NA	3.15%	September 2029
Mixed-use credit facilities and loans	206	180	307	3.57%	various
Spring training credit facility	30	30	NA	3.65%	December 2030
Total Braves Holdings	\$ 718	559			

In August 2020, Braves Holdings amended the terms of one of its operating credit facilities, extending the maturity to December 2022. Accordingly, \$100 million of borrowings outstanding under this credit facility are classified as long-term

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debt as of June 30, 2020. All remaining amounts outstanding under Braves Holdings operating credit facilities and all debt related to ballpark funding is classified as current debt in the condensed consolidated balance sheet based on expected covenant violations. Braves Holdings is in ongoing discussions with counterparties to its operating credit facilities and debt related to ballpark funding to obtain waivers and covenant modifications.

Formula 1 Loans

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.

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. On May 23, 2019, Formula 1 refinanced the revolving credit facility, reducing the pricing grid by 25 basis points, and in combination with leverage reduction, the applicable interest rate is LIBOR plus 2.0% 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 June 30, 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 June 30, 2020. The Senior Loan Facility is secured by share pledges, accounts and floating charges over Formula 1's primary operating companies with certain cross guarantees. Additionally, as of June 30, 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 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 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's Credit Facility, Braves Holdings' debt, Formula 1 debt and other borrowings contain certain non-financial covenants. The Company, Sirius XM Holdings and Formula 1 are in compliance with all debt covenants as of June 30, 2020. As previously disclosed, Braves Holdings is expected to be out of compliance with certain debt covenants as of June 30, 2020. Braves Holdings is in ongoing discussions with counterparties to its operating credit facilities and debt related to ballpark funding to obtain waivers and covenant modifications. 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.

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Fair Value of Debt

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

	<u>June 30, 2020</u>
Sirius XM 3.875% Senior Notes due 2022	\$ 1,001
Sirius XM 4.625% Senior Notes due 2023	\$ 504
Sirius XM 4.625% Senior Notes due 2024	\$ 1,536
Sirius XM 5.375% Senior Notes due 2025	\$ 1,027
Sirius XM 5.375% Senior Notes due 2026	\$ 1,031
Sirius XM 5.0% Senior Notes due 2027	\$ 1,538
Sirius XM 5.50% Senior Notes due 2029	\$ 1,320
Sirius XM 4.125% Senior Notes due 2030	\$ 1,479
Pandora 1.75% Senior Notes due 2020	\$ 1
Pandora 1.75% Senior Notes due 2023	\$ 217

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 June 30, 2020.

(10) Commitments and Contingencies

Guarantees

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

Employment Contracts

The Atlanta Braves and certain of their players (current and former), coaches and executives have entered into long-term employment contracts whereby such individuals' compensation is guaranteed. Amounts due under guaranteed contracts as of June 30, 2020 aggregated \$329 million, which is payable as follows: \$69 million in 2020, \$97 million in 2021, \$42 million in 2022, \$33 million in 2023 and \$88 million thereafter. The guaranteed amounts in 2020 have been reduced to reflect a shortened 2020 season due to the COVID-19 pandemic. 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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Notes to Condensed Consolidated Financial Statements (Continued)

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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. The current year regular baseball season is scheduled for 60 games. Formula 1 has scheduled 13 Events in 2020, with a potential for additional Events. In addition, these businesses may 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. Although it is reasonably possible the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

Pre-1972 Sound Recording Litigation. On October 2, 2014, Flo & Eddie Inc. filed a class action suit against Pandora in the federal district court for the Central District of California. The complaint alleges a violation of California Civil Code Section 980, unfair competition, misappropriation and conversion in connection with the public performance of sound recordings recorded prior to February 15, 1972 (“pre-1972 recordings”). On December 19, 2014, Pandora filed a motion to strike the complaint pursuant to California’s Anti-Strategic Lawsuit Against Public Participation 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.

After Flo & Eddie filed its action in 2014 against Pandora, several other plaintiffs commenced separate actions, both on an individual and class action basis, alleging a variety of violations of common law and state copyright and other statutes arising from allegations that Pandora owed royalties for the public performance of pre-1972 recordings. Many of these separate actions have been dismissed or are in the process of being dismissed. Sirius XM Holdings believes that none of the remaining pending actions is likely to have a material adverse effect on Pandora’s business, financial condition or results of operations.

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Notes to Condensed Consolidated Financial Statements (Continued)

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Sirius XM Holdings believes it has substantial defenses to the claims asserted in these actions, and 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 September 2019, the participants filed written direct statements, including proposed rates and terms for the 2021-2025 period. Sirius XM Holdings and other webcaster participants proposed rates below the existing statutory rates, which for commercial webcasters are currently set at \$0.0018 per performance for non-subscription transmissions (such as offered by our Pandora ad-supported business) and \$0.0024 per performance for subscription transmissions (such as offered by our Sirius XM internet radio service). SoundExchange has proposed increasing the commercial webcasting rates to \$0.0028 per performance for non-subscription transmissions and \$0.0031 per performance for subscription transmissions.

In January 2020, the participants filed written rebuttal statements, responding to each other’s proposals. A multi-week hearing was scheduled to begin before the CRB in March 2020, but has been delayed as a result of the COVID-19 pandemic. Sirius XM Holdings expects the hearing to begin before the CRB this summer.

(11) Information About Liberty's Operating Segments

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

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 the six months ended June 30, 2020, 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 as well as infotainment services, in the United States on a subscription fee basis

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

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Performance Measures

The following table disaggregates revenue by segment and by source:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
amounts in millions				
Liberty SiriusXM Group				
Sirius XM Holdings:				
Subscriber	\$ 1,578	1,537	3,163	2,995
Advertising	236	358	521	567
Equipment	25	41	66	82
Other	35	41	76	77
Total Liberty SiriusXM Group	1,874	1,977	3,826	3,721
Braves Group				
Corporate and other:				
Baseball	5	198	17	212
Development	6	10	16	18
Total Braves Group	11	208	33	230
Formula One Group				
Formula 1:				
Primary	12	531	25	729
Other	12	89	38	137
Total Formula One Group	24	620	63	866
Consolidated Liberty	\$ 1,909	2,805	3,922	4,817

Our subsidiaries' customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in our unaudited condensed consolidated statement of operations as the services are provided. Changes in the contract liability balance for Sirius XM Holdings during the six months ended June 30, 2020 were not materially impacted by other factors. The opening and closing balances for our deferred revenue related to Formula 1 and Braves Holdings for the six months ended June 30, 2020 were approximately \$184 million and \$806 million, respectively. The primary cause for the increase related to the receipt of cash from our customers in advance of satisfying our performance obligations.

Significant portions of the transaction prices for Formula 1 and Braves Holdings are related to undelivered performance obligations that are under contractual arrangements that extend beyond one year. The Company anticipates recognizing revenue from the delivery of such performance obligations of approximately \$1,292 million for the remainder of 2020, \$1,884 million in 2021, \$1,672 million in 2022, \$3,201 million in 2023 through 2028, and \$211 million thereafter, primarily recognized through 2035. These amounts have been adjusted to reflect known reductions in estimated revenue due to decreases in the number of games anticipated for the 2020 baseball season and Events for the 2020 World Championship due to the COVID-19 pandemic and may further decrease or shift to future periods due to the final number and timing of games and races or through negotiations with counterparties. 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.

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

Adjusted OIBDA is summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Liberty SiriusXM Group				
Sirius XM Holdings	\$ 615	622	1,254	1,212
Corporate and other	(12)	(4)	(19)	(6)
Total Liberty SiriusXM Group	603	618	1,235	1,206
Braves Group				
Corporate and other	(28)	61	(54)	28
Total Braves Group	(28)	61	(54)	28
Formula One Group				
Formula 1	(16)	145	(48)	210
Corporate and other	(10)	(9)	(20)	(15)
Total Formula One Group	(26)	136	(68)	195
Consolidated Liberty	\$ 549	815	1,113	1,429

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Other Information

	Total assets	June 30, 2020	
		Investments in affiliates	Capital expenditures
amounts in millions			
Liberty SiriusXM Group			
Sirius XM Holdings	\$ 32,253	692	149
Corporate and other	1,246	453	—
Total Liberty SiriusXM Group	33,499	1,145	149
Braves Group			
Corporate and other	1,702	96	43
Total Braves Group	1,702	96	43
Formula One Group			
Formula 1	9,256	—	4
Corporate and other	2,327	33	10
Total Formula One Group	11,583	33	14
Elimination (1)	(576)	—	—
Consolidated Liberty	\$ 46,208	1,274	206

- (1) This is primarily 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.

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
amounts in millions				
Adjusted OIBDA	\$ 549	815	1,113	1,429
Legal settlements and reserves	—	—	16	(25)
Stock-based compensation	(45)	(76)	(112)	(141)
Acquisition and restructuring (note 3)	(24)	(7)	(24)	(83)
Depreciation and amortization	(266)	(271)	(533)	(519)
Operating income (loss)	214	461	460	661
Interest expense	(163)	(167)	(327)	(326)
Share of earnings (losses) of affiliates, net	(193)	34	(255)	14
Realized and unrealized gains (losses) on financial instruments, net	(180)	(87)	(179)	(185)
Other, net	14	21	31	29
Earnings (loss) before income taxes	\$ (308)	262	(270)	193

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

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

- the impact of the novel coronavirus ("COVID-19") pandemic and local, state and federal governmental responses to the pandemic on the economy, our customers, our vendors and our businesses generally;
- consumer demand for our products and services and our ability to adapt to changes in demand;
- competitor responses to our businesses' products and services;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for satellite radio and telecommunications technologies;
- our businesses' significant dependence upon automakers;
- our businesses' ability to attract and retain subscribers in the future;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- interruption or failure of our information technology and communication systems, including the failure of Sirius XM Holdings' satellites, could negatively impact our results and brand;
- royalties for music rights have increased and may continue to do so in the future;
- the outcome of any pending or threatened litigation or investigation;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission and consumer protection laws, and adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners, vendors and joint venturers;
- general economic and business conditions and industry trends;
- consumer spending levels, including the availability and amount of individual consumer debt;
- rapid technological and industry changes;
- impairments of third-party intellectual property rights;
- our indebtedness could adversely affect operations and could limit the ability of our subsidiaries to react to changes in the economy or our industry;
- failure to protect the security of personal information about our businesses' customers, subjecting our businesses to potentially costly government enforcement actions or private litigation and reputational damage;
- the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate; and
- threatened terrorist attacks, political unrest in international markets and ongoing military action around the world.

For additional risk factors, please see Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2019, Part II, Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. Any forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2019.

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

Overview

We own controlling and non-controlling interests in a broad range of media, communications and entertainment companies. Our largest operating subsidiary, which is also a reportable segment, is Sirius XM Holdings. Sirius XM Holdings provides a subscription based satellite radio service through its Sirius XM business and operates a music discovery platform through its Pandora business, which was acquired by Sirius XM Holdings on February 1, 2019. Sirius XM features music, sports, entertainment, comedy, talk, news, traffic and weather channels as well as infotainment services in the United States on a subscription fee basis through its two proprietary satellite radio systems and through the internet via applications for mobile devices, home devices and other consumer electronic equipment. The Pandora business 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 in the home. 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.

Our "Corporate and Other" category includes our consolidated subsidiary, Braves Holdings, LLC ("Braves Holdings") and corporate expenses. Braves Holdings owns the Atlanta Braves Major League Baseball Club ("ANLBC"), certain of the Atlanta Braves' minor league clubs and certain assets and liabilities associated with ANLBC's stadium and mixed use development project (the "Development Project").

In addition to the foregoing businesses, we hold ownership interests in Live Nation Entertainment, Inc. ("Live Nation") and through Sirius XM Holdings, Sirius XM Canada Holdings, Inc. ("Sirius XM Canada") and SoundCloud Holdings, LLC ("SoundCloud"), which we account for as equity method investments; and we hold investments and related financial instruments in public companies such as AT&T, which are accounted for at their respective fair market values and are included in the "Corporate and other" category.

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 public company, such as Sirius XM Holdings or Live Nation, in which Liberty holds an interest and 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.

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 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 June 30, 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 and margin loan obligations incurred by wholly-owned special purpose subsidiaries of Liberty. As of June 30, 2020, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$1,924 million, which includes approximately \$1,770 million of subsidiary cash. Additionally, the Liberty SiriusXM Group retains an approximate 3.8% intergroup interest in the Braves Group and an approximate 2.2% intergroup interest in the Formula One Group as of June 30, 2020.

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. See note 3 to the accompanying condensed consolidated financial statements for more information regarding the acquisition of Pandora.

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 June 30, 2020, the Braves Group is primarily comprised of Braves Holdings, which indirectly owns ANLBC and certain assets and liabilities associated with ANLBC's stadium and the Development Project, and corporate cash. As of June 30, 2020, the Braves Group has cash and cash equivalents of approximately \$308 million. Additionally, the Liberty SiriusXM Group and the Formula One 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 June 30, 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, an approximate 11.3% intergroup interest in the Braves Group, Liberty's 1% Cash Convertible Notes due 2023 and Liberty's 2.25% Exchangeable Senior Debentures due 2046. The Formula One Group has cash and cash equivalents of approximately \$1,767 million as of June 30, 2020, which includes \$324 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 has since spread internationally. On March 11, 2020, the World Health Organization ("WHO") 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 three and six months ended June 30, 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 have a negative impact on our results of operations and financial condition in future periods. See Part II, Item 1A. Risk Factors.

Results of Operations—Consolidated

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

Consolidated Operating Results

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenue				
Liberty SiriusXM Group				
Sirius XM Holdings	\$ 1,874	1,977	3,826	3,721
Total Liberty SiriusXM Group	1,874	1,977	3,826	3,721
Braves Group				
Corporate and other	11	208	33	230
Total Braves Group	11	208	33	230
Formula One Group				
Formula 1	24	620	63	866
Total Formula One Group	24	620	63	866
Consolidated Liberty	\$ 1,909	2,805	3,922	4,817
Operating Income (Loss)				
Liberty SiriusXM Group				
Sirius XM Holdings	\$ 398	421	849	737
Corporate and other	(15)	(8)	(24)	(17)
Total Liberty SiriusXM Group	383	413	825	720
Braves Group				
Corporate and other	(33)	34	(77)	(15)
Total Braves Group	(33)	34	(77)	(15)
Formula One Group				
Formula 1	(122)	26	(259)	(21)
Corporate and other	(14)	(12)	(29)	(23)
Total Formula One Group	(136)	14	(288)	(44)
Consolidated Liberty	\$ 214	461	460	661
Adjusted OIBDA				
Liberty SiriusXM Group				
Sirius XM Holdings	\$ 615	622	1,254	1,212
Corporate and other	(12)	(4)	(19)	(6)
Total Liberty SiriusXM Group	603	618	1,235	1,206
Braves Group				
Corporate and other	(28)	61	(54)	28
Total Braves Group	(28)	61	(54)	28
Formula One Group				
Formula 1	(16)	145	(48)	210
Corporate and other	(10)	(9)	(20)	(15)
Total Formula One Group	(26)	136	(68)	195
Consolidated Liberty	\$ 549	815	1,113	1,429

Revenue. Our consolidated revenue decreased \$896 million and \$895 million for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were driven by decreases in revenue for Formula 1, Braves Holdings and Sirius XM Holdings. See "Results of Operations—Businesses" below for a more complete discussion of the results of operations of Sirius XM Holdings, Formula 1 and Braves Holdings.

Operating income (loss). Our consolidated operating income decreased \$247 million and \$201 million for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three months ended June 30, 2020 was primarily driven by decreases of \$148 million, \$66 million and \$23 million in Formula 1, Braves Holdings and Sirius XM Holdings operating results, respectively. The decrease for the six months ended June 30, 2020 was primarily driven by decreases of \$238 million and \$62 million in Formula 1 and Braves Holdings operating results, respectively, partially offset by a \$112 million improvement in Sirius XM Holdings operating results. 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) options, restricted stock awards, restricted stock units and other stock-based awards granted to officers, employees and certain third parties of our subsidiaries, Sirius XM Holdings and Formula 1, (3) phantom stock appreciation rights granted to officers and employees of our subsidiary, Braves Holdings, pursuant to private equity plans and (4) amortization of restricted stock and performance-based restricted stock unit grants.

We recorded \$112 million and \$141 million of stock-based compensation expense for the six months ended June 30, 2020 and 2019, respectively. The decrease in stock compensation expense is primarily due to a decrease at Braves Holdings. As of June 30, 2020, the total unrecognized compensation cost related to unvested Liberty equity awards was approximately \$35 million. Such amount will be recognized in our condensed consolidated statements of operations over a weighted average period of approximately 2.1 years. Additionally, as of June 30, 2020, the total unrecognized compensation cost related to unvested Sirius XM Holdings stock options and restricted stock units was \$342 million. The Sirius XM Holdings unrecognized compensation cost will be recognized in our condensed consolidated statements of operations over a weighted average period of approximately 2.2 years.

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

by operating activities and other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles. The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Operating income (loss)	\$ 214	461	460	661
Depreciation and amortization	266	271	533	519
Stock-based compensation	45	76	112	141
Legal settlements and reserves	—	—	(16)	25
Acquisition and restructuring	24	7	24	83
Adjusted OIBDA	<u>\$ 549</u>	<u>815</u>	<u>1,113</u>	<u>1,429</u>

Consolidated Adjusted OIBDA decreased \$266 million and \$316 million for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease in Adjusted OIBDA for the three months ended June 30, 2020 was primarily due to decreases of \$161 million, \$88 million and \$7 million in Formula 1, Braves Holdings and Sirius XM Holdings Adjusted OIBDA, respectively. The decrease in Adjusted OIBDA for the six months ended June 30, 2020 was primarily due to decreases of \$258 million and \$82 million in Formula 1 and Braves Holdings Adjusted OIBDA, respectively, partially offset by a \$42 million increase in Sirius XM 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.

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
<i>amounts in millions</i>				
<i>Interest expense</i>				
Liberty SiriusXM Group	\$ (120)	(109)	(231)	(211)
Braves Group	(6)	(7)	(13)	(14)
Formula One Group	(37)	(51)	(83)	(101)
Consolidated Liberty	\$ (163)	(167)	(327)	(326)
<i>Share of earnings (losses) of affiliates, net</i>				
Liberty SiriusXM Group	\$ (146)	(7)	(148)	(11)
Braves Group	(1)	7	3	9
Formula One Group	(46)	34	(110)	16
Consolidated Liberty	\$ (193)	34	(255)	14
<i>Realized and unrealized gains (losses) on financial instruments, net</i>				
Liberty SiriusXM Group	\$ (184)	15	(189)	16
Braves Group	(1)	(2)	(10)	(4)
Formula One Group	5	(100)	20	(197)
Consolidated Liberty	\$ (180)	(87)	(179)	(185)
<i>Other, net</i>				
Liberty SiriusXM Group	\$ 4	6	17	9
Braves Group	1	1	—	1
Formula One Group	9	14	14	19
Consolidated Liberty	\$ 14	21	31	29
	\$ (522)	(199)	(730)	(468)

Interest expense. Consolidated interest expense decreased \$4 million and increased \$1 million for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. Interest expense for the Liberty SiriusXM Group increased during the three and six months ended June 30, 2020 due to an increase in the average amount of corporate and subsidiary debt outstanding. Interest expense for the Formula One Group decreased during the three and six months ended June 30, 2020 due to a decrease 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.

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Liberty SiriusXM Group				
Live Nation (a)	\$ (144)	NA	(144)	NA
Sirius XM Canada	4	(1)	8	2
Other	(6)	(6)	(12)	(13)
Total Liberty SiriusXM Group	(146)	(7)	(148)	(11)
Braves Group				
Other	(1)	7	3	9
Total Braves Group	(1)	7	3	9
Formula One Group				
Live Nation (a)	(46)	30	(112)	7
Other	—	4	2	9
Total Formula One Group	(46)	34	(110)	16
Consolidated Liberty	\$ (193)	34	(255)	14

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

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

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Debt and equity securities	\$ 22	40	(113)	71
Debt measured at fair value	(262)	(71)	282	(233)
Change in fair value of bond hedges	73	(12)	(250)	39
Other derivatives	(13)	(44)	(98)	(62)
	\$ (180)	(87)	(179)	(185)

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

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

Liberty issued \$1 billion of cash convertible notes and entered into a bond hedge transaction on the same amount of underlying shares in October 2013. These derivatives are marked to fair value on a recurring basis. Changes in the fair value are included in the Realized and unrealized gains (losses) on financial instruments, net line item. The primary driver of the change in the current period is the change in the fair value of the underlying stock.

The unrealized losses on other derivatives for the three and six months ended June 30, 2020 are primarily due to changes in the fair value of Formula 1's interest rate swaps.

Other, net. Other, net income decreased \$7 million and increased \$2 million for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three months ended

was primarily driven by a decrease in gains on dilution of our investment in Live Nation. The increase for the six months ended June 30, 2020 was primarily driven by a one-time lawsuit settlement of \$7 million recorded by Sirius XM Holdings during the six months ended June 30, 2020, partially offset by a decrease in gains on dilution of our investment in Live Nation. 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.

Income taxes. During the three and six months ended June 30, 2020, we had losses before income taxes of \$308 million and \$270 million, respectively, and income tax benefits of \$46 million and \$10 million, respectively. During the three and six months ended June 30, 2019, we had earnings before income taxes of \$262 million and \$193 million, respectively, and income tax expense of \$70 million and \$128 million, respectively. For the three months ended June 30, 2020, the Company recognized additional tax expense for changes to our valuation allowance. For the six months ended June 30, 2020, the Company recognized additional tax expense due to the effect of state income taxes and changes to our valuation allowance, partially offset by tax benefits from the utilization of federal tax credits. For the three months ended June 30, 2019, the Company recognized additional tax expense due to the effect of state income taxes and changes in our valuation allowance, partially offset by federal income tax credits and the effect of foreign income taxed at rates lower than the U.S. income tax rate of 21%. For the six months ended June 30, 2019, the Company recognized additional tax expense due to a change in the effective state tax rate used to measure deferred taxes and changes in our valuation allowance, primarily as a result of the acquisition of Pandora discussed in note 3 of the accompanying condensed consolidated financial statements.

Net earnings. We had net losses of \$262 million and \$260 million for the three and six months ended June 30, 2020, respectively, and net earnings of \$192 million and \$65 million for the three and six months ended June 30, 2019, respectively. The changes in net earnings and losses were the result of the above-described fluctuations in our revenue, expenses and other gains and losses.

Material Changes in Financial Condition

As of June 30, 2020, substantially all of our cash and cash equivalents were invested in U.S. Treasury securities, securities of other government agencies, AAA rated money market funds and other highly rated financial and corporate debt instruments.

The following are potential sources of liquidity: available cash balances, cash generated by the operating activities of our subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), proceeds from asset sales, monetization of our public investment portfolio (including derivatives), debt borrowings and equity issuances, and dividend and interest receipts. As of June 30, 2020, Liberty had \$242 million of unencumbered marketable equity securities.

Liberty does not have a debt rating.

As of June 30, 2020 Liberty's cash and cash equivalents were as follows:

	Cash and Cash Equivalents
	amounts in millions
Liberty SiriusXM Group	
Sirius XM Holdings	\$ 1,770
Corporate and other	154
Total Liberty SiriusXM Group	\$ 1,924
Braves Group	
Corporate and other	\$ 308
Total Braves Group	\$ 308
Formula One Group	
Formula 1	\$ 324
Corporate and other	1,443
Total Formula One Group	\$ 1,767

To the extent Liberty 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. Liberty has a controlling interest in Sirius XM Holdings, which has significant cash and cash provided by operating activities, although due to Sirius XM Holdings being a separate public company and the significant noncontrolling interest, we do not have ready access to their 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. Pursuant to the RP test, Liberty does not have access to Formula 1's cash when the leverage ratio (defined as net debt divided by covenant earnings before interest, tax, depreciation and amortization for the trailing twelve months) exceeds a certain threshold. The RP test has not been met as of June 30, 2020. As of June 30, 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. 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 of June 30, 2020, Liberty had \$600 million available under Liberty's margin loan secured by shares of Sirius XM Holdings and \$270 million available under Liberty's margin loan secured by shares of Live Nation.

As stated in note 9 to the accompanying condensed consolidated financial statements, the Company, Sirius XM Holdings and Formula 1 are in compliance with all debt covenants as of June 30, 2020. As disclosed above, Braves Holdings is expected to be out of compliance with certain debt covenants as of June 30, 2020. Braves Holdings is in ongoing discussions with counterparties to its operating credit facilities and debt related to ballpark funding to obtain waivers and covenant modifications. Pursuant to an amendment to Formula 1's 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.

See Item 3. Quantitative and Qualitative Disclosures about Market Risk for disclosures related to the anticipated effects of the transition away from London Inter-bank Offered Rate ("LIBOR") as a benchmark for establishing the rate of interest on Liberty's margin loans, Sirius XM Holdings' borrowings under its Credit Facility and Formula 1's borrowings under its Senior Loan Facility.

Cash Flow Information	Six months ended June 30,	
	2020	2019
	amounts in millions	
Liberty SiriusXM Group cash provided (used) by operating activities	\$ 967	909
Braves Group cash provided (used) by operating activities	1	64
Formula One Group cash provided (used) by operating activities	(99)	199
Net cash provided (used) by operating activities	\$ 869	1,172
Liberty SiriusXM Group cash provided (used) by investing activities	\$ (265)	588
Braves Group cash provided (used) by investing activities	(39)	(55)
Formula One Group cash provided (used) by investing activities	101	(21)
Net cash provided (used) by investing activities	\$ (203)	512
Liberty SiriusXM Group cash provided (used) by financing activities	\$ 726	(1,351)
Braves Group cash provided (used) by financing activities	155	(30)
Formula One Group cash provided (used) by financing activities	1,188	(4)
Net cash provided (used) by financing activities	\$ 2,069	(1,385)

Liberty's primary uses of cash during the six months ended June 30, 2020 (excluding cash used by Sirius XM Holdings, Formula 1 and Braves Holdings) were \$138 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 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 were the repurchase and retirement of outstanding Sirius XM Holdings common stock, investments in equity method investments, additions to property and equipment 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 six months ended June 30, 2020, Sirius XM Holdings declared a cash dividend each quarter, and paid in cash an aggregate amount of \$117 million, of which Liberty received \$84 million. On July 14, 2020, Sirius XM Holdings' board of directors declared a quarterly dividend on its common stock in the amount of \$0.01331 per share of common stock payable on August 31, 2020 to stockholders of record as of the close of business on August 7, 2020.

During the six months ended June 30, 2020, Formula 1 borrowed against its revolving credit facility and then repaid the outstanding balance in full.

Braves Holdings' primary use of cash was capital expenditures for continued expansion of the mixed-use development, funded primarily by net borrowings of debt.

The projected uses of Liberty's cash (excluding Sirius XM Holdings', Formula 1's and Braves Holdings' uses of cash) are primarily the investment in existing or new businesses, debt service, including further repayment of the margin 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. Liberty may be required to make net payments of income tax liabilities to settle items under discussion with tax authorities.

Sirius XM Holdings' uses of cash are expected to be redemption of its 5.375% Senior Notes due 2025 and 4.625% Senior Notes due 2023, capital expenditures, including the construction of replacement satellites, working capital requirements, interest payments, taxes and scheduled maturities of outstanding debt. Liberty expects Sirius XM Holdings to fund its projected uses of cash with cash provided by operations, cash on hand and borrowings under its existing credit facility.

Sirius XM Holdings does not expect the COVID-19 pandemic and its related economic impact to affect its capital and financial resources, including its liquidity position. The COVID-19 pandemic has not impacted Sirius XM Holdings'

ability to access its traditional funding sources. The pandemic has not increased Sirius XM Holdings' costs of, or reduced its access to, capital under its revolving credit facility or the debt capital markets, and Sirius XM Holdings does not believe it is reasonably likely to do so in the near-term. 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.

Formula 1's uses of cash are expected to be debt service payments and operating expenses. Although Formula 1's operating cash flows are expected to decrease as a result of COVID-19, Liberty expects Formula 1 to fund its projected uses of cash with cash provided by operations, cash on hand and 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. Although Braves Holdings' operating cash flows are expected to decrease as a result of COVID-19, Liberty expects Braves Holdings to fund its projected uses of cash with cash on hand, cash provided by operations and through the issuance of new construction loans.

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

Results of Operations—Businesses

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

Sirius XM features music, sports, entertainment, comedy, talk, news, traffic and weather channels as well as infotainment services, in the United States on a subscription fee basis through its two proprietary satellite radio systems and through the internet via applications for mobile devices, home devices and other consumer electronic equipment. Sirius XM's satellite radios are primarily distributed through automakers, retailers, and its website. The Sirius XM service is also available through its user interface, called "360L," which combines Sirius XM's satellite and streaming services into a single, cohesive in-vehicle entertainment experience. The primary source of revenue for the Sirius XM business is subscription fees, with most of its customers subscribing to monthly, quarterly, semi-annual or annual plans. The Sirius XM business also derives revenue from advertising on select non-music channels, direct sales of its satellite radios and accessories, and other ancillary services. As of June 30, 2020, the Sirius XM business had approximately 34.3 million subscribers.

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

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 many older vehicles into connected vehicles. During the three and six months ended June 30, 2020 Sirius XM Holdings recorded \$24 million of restructuring expenses related to the termination of the service.

The Pandora business 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 an ad-supported radio service, a radio subscription service, called Pandora Plus, and an on-demand subscription service, called Pandora Premium. As of June 30, 2020, Pandora had approximately 6.3 million subscribers. The majority of revenue from the Pandora business is generated from advertising on its ad-supported radio service. In addition, Pandora has an arrangement with SoundCloud to be its exclusive U.S. ad sales representative. Through this arrangement, Pandora is able to offer advertisers the ability to execute campaigns in the U.S. across the Pandora and SoundCloud listening platforms. In addition, as a result of the May 2018 acquisition of AdsWizz Inc. by Pandora, Pandora

provides a comprehensive digital audio advertising technology platform, which connects audio publishers and advertisers. As of June 30, 2020, the Pandora business had approximately 59.6 million monthly active users.

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

Results of Operations

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

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 three and six months ended June 30, 2019. 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, 2019. The pro forma results primarily include adjustments related to one additional month of Pandora's operations, amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs and associated tax impacts. 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, 2019, or to project the results of operations of Sirius XM Holdings or Liberty for any future periods.

As of June 30, 2020, there is an approximate 27% noncontrolling interest in Sirius XM Holdings, and the net earnings (loss) of Sirius XM Holdings attributable to such noncontrolling interest is eliminated through the noncontrolling interest line item in the accompanying condensed consolidated statement of operations.

Sirius XM Holdings' operating results were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020 (actual)	2019 (pro forma)	2020 (actual)	2019 (pro forma)
amounts in millions				
Sirius XM:				
Subscriber revenue	\$ 1,453	1,402	2,910	2,772
Advertising revenue	25	52	69	98
Equipment revenue	25	41	66	82
Other revenue	35	43	76	81
Total Sirius XM revenue	1,538	1,538	3,121	3,033
Pandora:				
Subscriber revenue	125	135	253	269
Advertising revenue	211	306	452	537
Total Pandora revenue	336	441	705	806
Total revenue	1,874	1,979	3,826	3,839
Operating expenses (excluding stock-based compensation included below):				
Sirius XM cost of services	(592)	(593)	(1,185)	(1,162)
Pandora cost of services (excluding legal reserve)	(264)	(285)	(526)	(540)
Subscriber acquisition costs	(48)	(104)	(147)	(212)
Selling, general and administrative expenses (excluding legal settlement)	(303)	(318)	(602)	(625)
Other operating expenses	(52)	(61)	(112)	(116)
Adjusted OIBDA	615	618	1,254	1,184
Legal settlements and reserves	—	—	16	(25)
Acquisition and restructuring	(24)	—	(24)	—
Stock-based compensation	(52)	(57)	(107)	(117)
Depreciation and amortization	(141)	(137)	(290)	(276)
Operating income	\$ 398	424	849	766

Sirius XM Subscriber revenue includes self-pay and paid promotional subscriptions, U.S. Music Royalty Fees and other ancillary fees. Subscriber revenue increased approximately 4% and 5% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases were primarily attributable to 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.

Sirius XM Advertising revenue includes the sale of advertising on Sirius XM's non-music channels. Advertising revenue decreased approximately 52% and 30% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to lower advertising spend as a result of the impact of the COVID-19 pandemic, primarily on news and sports channels due to the cancellation of live sporting events.

Sirius XM Equipment revenue includes revenue and royalties from the sale of satellite radios, components and accessories. Equipment revenue decreased approximately 39% and 20% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were driven by lower royalty revenue as new vehicle production decreased due to the impact of COVID-19 and by lower direct sales to customers.

Sirius XM Other revenue includes service and advisory revenue from Sirius XM Canada, connected vehicle services, and ancillary revenue. Other revenue decreased approximately 19% and 6% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three month period was primarily driven by lower revenue generated by connected vehicle services, lower revenue from Sirius XM Canada and lower revenue from rental car arrangements. The decrease for the six month period was driven by lower revenue from

Sirius XM Canada and lower revenue from rental car arrangements, partially offset by higher revenue generated from connected vehicle services.

Pandora subscriber revenue includes fees charged for Pandora Plus and Pandora Premium subscriptions. Pandora subscriber revenue decreased 7% and 6% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to the expiration of the one-year promotional subscriptions generated through an expired agreement with T-Mobile.

Pandora advertising revenue is generated primarily from audio, display and video advertising. Pandora advertising revenue decreased 31% and 16% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to lower advertising spend as a result of the impact of the COVID-19 pandemic.

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

- *Revenue Share and Royalties* include royalties for transmitting content, including streaming royalties, as well as automaker, content provider and advertising revenue share. Revenue share and royalties increased 1% and 3% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases were due to overall greater revenue subject to music royalties and revenue share.
- *Programming and Content* includes costs to acquire, create, promote and produce content. Programming and content costs decreased 8% and were flat for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three month period was driven by one-time benefits for reduced sports programming as a result of shortened sports seasons and lower live event programming costs due to COVID-19. During the six months ended June 30, 2020, higher content licensing costs and higher personnel costs were offset by one-time benefits for reduced sports programming as a result of shortened sports seasons due to COVID-19.
- *Customer Service and Billing* includes costs associated with the operation and management of Sirius XM's internal and third party customer service centers and Sirius XM's subscriber management systems as well as billing and collection costs, bad debt expense and transaction fees. Customer service and billing costs were relatively flat and decreased 3% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the six month period was driven by reduced staffing resulting from stay at home orders issued in countries in which Sirius XM or its vendors operate call centers and lower transaction costs from a one-time recovery of fees, partially offset by 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 service and connected vehicle services as well as costs from the sale of satellite radios, components and accessories and provisions for inventory allowance attributable to products purchased for resale in Sirius XM's direct to consumer distribution channels. Other costs of services increased 14% and 7% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases were primarily driven by higher cloud hosting and wireless costs associated with Sirius XM's streaming services, partially offset by lower direct sales to consumers and lower inventory reserves.

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. Pandora costs of services decreased 7% and 3% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year.

- *Revenue share and royalties* include licensing fees paid for streaming music or other content to Pandora's subscribers and listeners as well as revenue share paid to third party ad servers. Pandora makes payments

to third party ad servers for the period the advertising impressions are delivered or click-through actions occur, and accordingly, Pandora records this as a cost of service in the related period. Revenue share and royalties decreased 10% and 5% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year due to lower listening hours, lower subscriber revenue and lower costs resulting from the presence of minimum guarantees associated with direct license agreements with major record labels in the prior year.

- *Programming and content* includes costs to produce live listener events and promote content. Programming and content increased 100% and 57% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year primarily due to increases in personnel related costs.
- *Customer service and billing* includes transaction fees on subscription purchases through mobile app stores and bad debt expense. Customer service and billing costs and increased 10% and 9% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year driven by higher bad debt expense.
- *Other* includes costs associated with content streaming, maintaining Pandora's streaming radio and on-demand subscription services and creating and serving advertisements through third party ad servers. Other costs decreased 13% and 4% during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year due to decreases in streaming and personnel related costs.

Subscriber acquisition costs are costs only associated with Sirius XM's satellite radio and connected vehicle services and include hardware subsidies paid to radio manufacturers, distributors and automakers; subsidies paid for chipsets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; product warranty obligations; and freight. The majority of subscriber acquisition costs are incurred and expensed in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising costs, marketing, loyalty payments to distributors and dealers of satellite radios or revenue share payments to automakers and retailers of satellite radios. For the three and six months ended June 30, 2020, subscriber acquisition costs decreased approximately 54% and 31%, respectively, as compared to the corresponding periods in the prior year. The decreases were driven by a decline in OEM installations as a result of the COVID-19 pandemic as well as lower hardware subsidies, as certain subsidy rates decreased.

Selling, general and administrative expenses (excluding legal settlement) includes costs of marketing, advertising, media and production, including promotional events and sponsorships; cooperative and artist marketing; personnel costs; facilities costs, finance, legal, human resources and information technology costs. For the three and six months ended June 30, 2020, selling, general and administrative expense decreased 5% and 4%, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to lower personnel costs, lower travel and entertainment costs and the resolution of a sales and use tax audit during the second quarter of 2020, partially offset by additional subscriber communications, retention programs and acquisition campaigns and higher legal costs.

Other operating expenses include engineering, design and development costs consisting primarily of compensation and related costs to develop chipsets and new products and services, including streaming and connected vehicle services, research and development for broadcast information systems and costs associated with the incorporation of Sirius XM's radios into new vehicles manufactured by automakers. For the three and six months ended June 30, 2020 other operating expenses decreased approximately 15% and 3%, respectively, as compared to the corresponding periods in the prior year, driven by lower personnel costs, partially offset by higher data costs.

Legal settlements and reserves for the six months ended June 30, 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 condensed consolidated financial statements for the six months ended June 30, 2020. Legal settlements and reserves for the six months ended June 30, 2019 relates to a one-time \$25 million legal settlement reserve for Do-Not-Call litigation. This charge is included in the selling, general and administrative expense line item in the accompanying condensed consolidated financial statements for the six months ended June 30, 2019. The aforementioned reserve and legal

settlement 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.

Acquisition and restructuring costs for the three and six months ended June 30, 2020 relate to costs associated with the termination of the Automatic service and the acquisition of Simplecast.

Stock-based compensation decreased 9% during the three and six months ended June 30, 2020, as compared to the corresponding periods in the prior year. The decreases are primarily due to decreases in Pandora's stock-based compensation.

Depreciation and amortization expense increased 3% and 5% for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increase is primarily due to higher depreciation and amortization expense related to additional assets placed in-service.

Formula 1. Formula 1 is a global motorsports business that holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship. The World Championship takes place on various circuits with various Events. The 2020 World Championship calendar was originally scheduled to have 22 Events in 2020. However, due to the COVID-19 pandemic, the start of the 2020 Event season was postponed until early July, with certain Events being cancelled and others potentially to be rescheduled at later dates. Formula 1 has scheduled 13 Events in 2020, with a potential for additional Events. The 2019 World Championship calendar consisted of 21 Events. Formula 1 is responsible for the commercial exploitation and development of the World Championship as well as various aspects of its management and administration. Formula 1 derives its primary revenue from the commercial exploitation and development of the World Championship through a combination of entering into race promotion, broadcasting and advertising and sponsorship arrangements. A significant majority of the race promotion, 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:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Primary Formula 1 revenue	\$ 12	531	25	729
Other Formula 1 revenue	12	89	38	137
Total Formula 1 revenue	24	620	63	866
Operating expenses (excluding stock-based compensation included below):				
Cost of Formula 1 revenue	(16)	(441)	(59)	(589)
Selling, general and administrative expenses	(24)	(34)	(52)	(67)
Adjusted OIBDA	(16)	145	(48)	210
Stock-based compensation	(4)	(6)	(8)	(10)
Depreciation and amortization	(102)	(113)	(203)	(221)
Operating income (loss)	\$ (122)	26	(259)	(21)
Number of Events	—	7	—	9

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 \$519 million and \$704 million during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. Since there were no Events during the three and six months ended June 30, 2020, only the elements of sponsorship contracts that relate to non-race related rights were recognized during the three and six months ended June 30, 2020, and no race promotion fees nor broadcasting fees were recognized. During the three and six months ended June 30, 2019, race specific promotion revenue and sponsorship revenue from seven and nine Events, respectively, were recognized, together with a proportion of season-based broadcasting and sponsorship revenue.

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 Formula 2 and Formula 3 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. The \$77 million and \$99 million decreases in Other Formula 1 revenue during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year were attributable to the lack of any Events in the current periods due to COVID-19, resulting in zero revenue from the Paddock Club, other Event-based activities and television production activities. Other Formula 1 revenue during the three and six months ended June 30, 2019 was driven by revenue from seven and nine Events, respectively, and from the sale of the new Formula 3 chassis and other components to the series' competing teams at the start of the first season of the expected three year vehicle cycle which commenced in 2019.

Cost of Formula 1 revenue

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Team payments	\$ —	(335)	—	(431)
Other costs of Formula 1 revenue	(16)	(106)	(59)	(158)
Cost of Formula 1 revenue	\$ (16)	(441)	(59)	(589)

Cost of Formula 1 revenue decreased \$425 million and \$530 million during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year.

Team payments are recognized on a pro-rata basis across the Events of the World Championship calendar. Since there were no Events during the three and six months ended June 30, 2020, no team payments expense was recognized during the periods.

Other costs of Formula 1 revenue include hospitality costs, which are principally related to catering and other aspects of the production and delivery of the Paddock Club, and circuit rights' fees payable under various agreements with race promoters to acquire certain commercial rights at Events, including the right to sell advertising, hospitality and support race opportunities. Other costs include annual Federation Internationale de l'Automobile regulatory fees, advertising and sponsorship commissions and those incurred in the provision and sale of freight, travel and logistical services, Formula 2 and Formula 3 cars, parts and maintenance services, television production and post-production services, advertising production services and digital and social media activities. These costs are largely variable in nature and relate directly to revenue opportunities. Other costs decreased \$90 million and \$99 million during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year primarily due to no Events taking place and the deferral of expenses that are not critical to Formula 1's business. Certain costs were incurred during the six months ended June 30, 2020 in anticipation of the start of the 2020 race season. These included freight, travel and technical costs relating to both the Australian Grand Prix, which was cancelled on the eve of the Event, and other postponed Events originally scheduled for the start of the season.

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 \$10 million and \$15 million during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year driven by lower personnel costs and lower discretionary marketing expenditures, partially offset by the effects of foreign exchange related losses during the six months ended June 30, 2020. With the World Championship having resumed in July, and assuming Events are able to be staged as planned for the remainder of the year, personnel costs are expected to return to levels closer to normal in the third quarter.

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 \$2 million during both the three and six months ended June 30, 2020, as compared to the corresponding periods in the prior year due to the vesting of outstanding awards and a decrease in the fair value of the underlying awards.

Depreciation and amortization includes depreciation of fixed assets and amortization of intangible assets. Depreciation and amortization decreased \$11 million and \$18 million during the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year due to a decrease in amortization expense related to certain intangible assets acquired in the acquisition of Formula 1 by Liberty.

Braves Holdings. Braves Holdings is our wholly-owned subsidiary that indirectly owns and operates ANLBC and six Minor League Baseball Clubs (the Gwinnett Stripers, the Mississippi Braves, the Rome Braves, the Danville Braves, 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, 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 are participating in the construction of an 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. The current year regular season is scheduled for 60 games and attendance of fans is currently uncertain.

Operating results attributable to Braves Holdings were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
	amounts in millions			
Baseball revenue	\$ 5	198	17	212
Development revenue	6	10	16	18
Total Braves Holdings revenue	11	208	33	230
Operating expenses (excluding stock-based compensation included below):				
Other operating expenses	(24)	(129)	(53)	(160)
Selling, general and administrative expenses	(13)	(17)	(31)	(39)
Adjusted OIBDA	(26)	62	(51)	31
Stock-based compensation	16	(5)	13	(8)
Depreciation and amortization	(20)	(21)	(35)	(34)
Operating income	\$ (30)	36	(73)	(11)
Home Games	—	41	—	41

Revenue includes amounts generated from Braves Holdings' baseball and development operations. Baseball revenue is derived from three primary sources: ballpark operations (ticket sales, concessions, corporate sales, suites and premium seat fees), local broadcast rights and national broadcast, licensing and other shared Major League Baseball revenue streams. Development revenue is derived from the mixed-use facilities and primarily includes rental income. Braves Holdings' revenue is seasonal, with the majority of revenue recognized during the second and third quarters which aligns with the baseball season. The decreases in baseball revenue in the current year periods were primarily driven by the postponement

of the 2020 season and a corresponding reduction to all primary sources of revenue. The decreases in development revenue in the current year periods were primarily driven by the deferral of rental income from the mixed-use facilities.

Other operating expenses primarily include costs associated with baseball and stadium operations. For the three and six months ended June 30, 2020, other operating expenses decreased \$105 million and \$107 million, respectively, as compared to the corresponding periods in the prior year. The decreases in the current year periods were primarily due to the postponement of the 2020 season and the subsequent delay in the recognition of player salaries and reductions in other facility and game day expenses.

Selling, general and administrative expense includes costs of marketing, advertising, finance and related personnel costs. Selling, general and administrative expense decreased \$4 million and \$8 million for the three and six months ended June 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases during the three and six months ended June 30, 2020 were primarily driven by the postponement of the 2020 season and the subsequent deferral of certain marketing initiatives.

Stock-based compensation decreased \$21 million during the three and six months ended June 30, 2020, as compared to the corresponding periods in the prior year, driven by a decrease in the valuation of outstanding Braves Holdings awards.

Depreciation and amortization was relatively flat for the three and six months ended June 30, 2020, as compared to the corresponding periods in the prior year.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We have achieved this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate. As of June 30, 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	\$ 750	2.4 %	\$ 11,833	4.0 %
Braves Group	\$ 375	2.0 %	\$ 343	3.7 %
Formula One Group	\$ 832	3.5 %	\$ 2,803	4.6 %

Liberty's borrowings under margin loans, Sirius XM Holdings' borrowings under its Credit Facility and Formula 1's borrowings under its Senior Loan Facility 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. On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. It is unclear if at that time LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. 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, SiriusXM Holdings and Formula 1 expect to incorporate alternative reference rates when amending these facilities, as applicable.

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

At June 30, 2020, the fair value of our marketable debt and equity securities was \$242 million. Had the market price of such securities been 10% lower at June 30, 2020, the aggregate value of such securities would have been approximately \$24 million lower. Additionally, our stock in Live Nation (one of our equity method affiliates), a publicly traded security, is not reflected at fair value in our balance sheet. This security is also subject to market risk that is not directly reflected in our statement of operations, and had the market price of such security been 10% lower at June 30, 2020 the aggregate value of such security would have been \$309 million lower.

Item 4. Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of June 30, 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.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended June 30, 2020 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Our Annual Report on Form 10-K for the year ended December 31, 2019 includes "Legal Proceedings" under Item 3 of Part I. Other than as described in Part II, Item 1. "Legal Proceedings" of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, there have been no material changes from the legal proceedings described in our Form 10-K.

Item 1A. Risk Factors

Except as discussed below, there have been no material changes in Liberty's risk factors from those disclosed in Part I, Item 1A of its Annual Report for the year ended December 31, 2019 or Part II, Item 1A. Risk Factors of its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

Formula 1, the Atlanta Braves and Live Nation have been, and will continue to be, materially impacted by COVID-19 and local, state and federal government actions taken in response, which will have a negative impact on our results of operations and financial condition.

The global spread of COVID-19 has prompted most local, state, federal and foreign governmental agencies to impose travel restrictions and local quarantines or stay at home restrictions to contain the spread. Although those restrictions have recently lifted or been loosened, as a result, 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. The first ten races of the 2020 Formula 1 season were either cancelled or postponed, and prior to late-July, all Major League Baseball games were postponed, with a portion of spring training for teams also having been cancelled. The Battery has also been impacted due to the impacts of these restrictions on retail as well as restaurants, which had initially been limited to take-out and/or delivery service. Live Nation events have been severely impacted by COVID-19, with the vast majority of shows being postponed and the remainder cancelled with refunds issued. However, beginning in July, both Formula 1 and Major League Baseball resumed races and games, respectively, although with no fan attendance. The Battery has also seen the vast majority of businesses reopen as local quarantines and stay at home restrictions have lifted. No revenue will be recognized from events that were not held and furthermore, if any events currently scheduled to be held are cancelled or postponed due to restrictions being re-implemented, no revenue will be recognized from those events, and it is unclear whether and to what extent certain of those events will be rescheduled.

Although many of these restrictions have been, or are in the process of being, lifted or loosened, there can be no assurance as to when the operations of Formula 1, the Atlanta Braves and Live Nation will resume as normal. There also cannot be any assurance as to when operations will resume or when they will resume in full or in a limited capacity due to continuing restrictions, including how long fans will be barred from attending events or whether they will be permitted to attend only in limited numbers. For example, it is possible that continuing concerns could cause professional sports teams in the U.S. to continue to play games without a live audience, as is currently the case with Major League Baseball. Even if these restrictions are loosened or lifted in the near future, concerns about COVID-19 could deter fans from attending events or employees, vendors and other third parties from providing services for these events. In addition, even if these restrictions are loosened or lifted, there is no assurance that they will not be re-implemented as COVID-19 continues to spread.

As a result of the government mandates and possibility of continued concerns, these businesses are facing a potentially lengthy period of time in which they are unable to hold the same number of events, or hold events in the same manner, as they did in prior years due to the uncertainty around COVID-19. 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 addition, these businesses may be precluded from holding events with fans in attendance for an undetermined period of time, thereby reducing any additional 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. In many cases, we will not be able to reduce our expenses, to the same degree as our decline in revenue, which will adversely affect our results of operations and cash flow.

In addition, our businesses are particularly sensitive to reductions in travel and discretionary consumer spending. We cannot predict the time period over which our businesses will be impacted by COVID-19. Over the long-term, COVID-19 could impede economic activity in impacted regions or globally, causing a global recession, leading to a further decline in discretionary spending on sports and entertainment events and other leisure activities, which could result in long-term effects on our businesses.

Even after our businesses resume operations as normal there can be no assurances that fans attending events or vendors and employees working at our events will not contract COVID-19 in the course of attending or providing services. Any such occurrence could result in litigation, legal and other costs and reputational risk that could materially and adversely impact our businesses and results of operations.

For the reasons set forth above and other reasons that may come to light as the coronavirus outbreak and protective measures evolve, we cannot reasonably estimate the impact to our future revenue, results of operations, cash flows or financial condition, but such impacts have been and will continue to be significant and could have a material adverse effect on our business, revenue, results of operations, cash flows and financial condition.

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

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. As of June 30, 2020, \$1.23 billion was available for future share repurchases.

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 SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock during the three months ended June 30, 2020.

During the three months ended June 30, 2020, no shares of Liberty Formula One common stock, Liberty SiriusXM common stock or Liberty Braves common stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock and restricted stock units.

Item 6. Exhibits

(a) Exhibits

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

<u>Exhibit No.</u>	<u>Name</u>
10.1	Time-Based Restricted Stock Units Agreement between the Registrant and Gregory B. Maffei under the Liberty Media Corporation 2017 Omnibus Incentive Plan.*
31.1	Rule 13a-14(a)/15d-14(a) Certification*
31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
99.1	Unaudited Attributed Financial Information for Tracking Stock Groups*
101.INS	Inline XBRL Instance Document* - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Definition Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

SIGNATURES

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

LIBERTY MEDIA CORPORATION

Date: August 10, 2020

By: /s/ GREGORY B. MAFFEI
Gregory B. Maffei
President and Chief Executive Officer

Date: August 10, 2020

By: /s/ BRIAN J. WENDLING
Brian J. Wendling
Chief Accounting Officer and Principal Financial Officer

LIBERTY MEDIA CORPORATION
2017 OMNIBUS INCENTIVE PLAN
(As Established as of May 24, 2017)

TIME-BASED RESTRICTED STOCK UNITS AGREEMENT

THIS TIME-BASED RESTRICTED STOCK UNITS AGREEMENT (this “Agreement”) is entered into effective as of April 14, 2020 by and between LIBERTY MEDIA CORPORATION, a Delaware corporation (the “Company”), and Gregory B. Maffei (the “Grantee”).

The Grantee is employed as of the Grant Date as the President and Chief Executive Officer of the Company pursuant to the terms of an employment agreement between the Company and the Grantee dated effective as of December 13, 2019 (as amended and/or amended and restated from time to time, the “Employment Agreement”). The Company has adopted the Liberty Media Corporation 2017 Omnibus Incentive Plan (as may be amended prior to or after the Grant Date, the “Plan”), a copy of which as in effect on the Grant Date is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible employees and independent contractors of the Company and its Subsidiaries. Capitalized terms used and not otherwise defined herein or in the Employment Agreement will have the meaning given thereto in the Plan.

The Company and the Grantee therefore agree as follows:

1. Definitions. All capitalized terms not defined in this Agreement that are defined in the Employment Agreement will have the meanings ascribed to them in the Employment Agreement. The following terms, when used in this Agreement, have the following meanings:

“BATRK Common Stock” means the Company’s Series C Liberty Braves Common Stock, \$0.01 par value.

“BATRK Restricted Stock Units” means Restricted Stock Units that represent the right to receive shares of BATRK Common Stock.

“Cause” has the meaning specified in the Employment Agreement.

“Close of Business” means, on any day, 5:00 p.m., Denver, Colorado time.

“Committee” means the Compensation Committee of the Board of Directors of the Company.

“Common Stock” means the Company’s BATRK Common Stock, FWONK Common Stock and/or LSXMK Common Stock, as the context requires.

“Company” has the meaning specified in the preamble to this Agreement.

“Disability” has the meaning specified in the Employment Agreement.

“Dividend Equivalents” has the meaning specified in the Plan.

“Employment Agreement” has the meaning specified in the recitals to this Agreement.

“FWONK Common Stock” means the Company’s Series C Liberty Formula One Common Stock, \$0.01 par value.

“FWONK Restricted Stock Units” means Restricted Stock Units that represent the right to receive shares of FWONK Common Stock.

“Good Reason” has the meaning specified in the Employment Agreement.

“Grant Date” means April 14, 2020.

“Granted RSUs” has the meaning specified in Section 2.

“Grantee” has the meaning specified in the preamble to this Agreement.

“LSXMK Common Stock” means the Company’s Series C Liberty SiriusXM Common Stock, \$0.01 par value.

“LSXMK Restricted Stock Units” means Restricted Stock Units that represent the right to receive shares of LSXMK Common Stock.

“Plan” has the meaning specified in the recitals of this Agreement.

“Required Withholding Amount” has the meaning specified in Section 5.

“Restricted Stock Units” has the meaning specified in the Plan, and can refer to the BATRK Restricted Stock Units, the FWONK Restricted Stock Units and/or the LSXMK Restricted Stock Units, as the context requires.

“Separation” means the date as of which the Grantee is no longer employed by the Company or any of its Subsidiaries.

“Unpaid Dividend Equivalents” has the meaning specified in Section 3(c).

“Vested Dividend Equivalents” has the meaning specified in Section 10.

“Vesting Date” means each date on which any Restricted Stock Units cease to be subject to a risk of forfeiture, as determined in accordance with Section 3 or 7 of this Agreement.

2. Grant of Restricted Stock Units. Subject to the terms and conditions herein and in the Plan, the Company hereby awards to the Grantee as of the Grant Date, an Award of 3,057 BATRK Restricted Stock Units, 6,959 FWONK Restricted Stock Units and 8,571 LSXMK Restricted Stock Units (collectively, the “Granted RSUs”), each representing the right to receive one share of the applicable class of Common Stock, subject to the conditions and restrictions set forth below in this Agreement and in the Plan. Regarding the last sentence of Section 8.5 of the

Plan, the Company acknowledges and agrees that there are no restrictions, terms or conditions that will cause a forfeiture of the Granted RSUs or any Dividend Equivalents with respect thereto that are not set forth in this Agreement.

3. Conditions of Vesting. Unless otherwise determined by the Committee in its sole discretion (provided that such determination is not adverse to the Grantee), the Restricted Stock Units will vest only in accordance with the conditions stated in this Section 3. Upon vesting, Restricted Stock Units and the related Dividend Equivalents shall not be subject to forfeiture other than as provided in Section 9 hereof.

(a) Except as otherwise provided in this Agreement or the Employment Agreement, subject to the Grantee's continued employment with or service to the Company or any Subsidiary on such date, all of the Granted RSUs will become vested on December 10, 2020.

(b) Notwithstanding the foregoing, Granted RSUs that have not theretofore become vested and exercisable will become vested and exercisable, to the extent provided in Section 7 of this Agreement, on the date of the Grantee's Separation.

(c) Any Dividend Equivalents with respect to the Granted RSUs that have not theretofore become Vested Dividend Equivalents ("Unpaid Dividend Equivalents") will become vested and payable to the extent that the Restricted Stock Units related thereto shall have become vested in accordance with this Agreement. Notwithstanding the foregoing, but subject to Section 7, the Grantee will not vest, pursuant to this Section 3, in Granted RSUs or related Unpaid Dividend Equivalents in which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by the Company from the Grant Date through such date (the vesting or forfeiture of such Restricted Stock Units and related Unpaid Dividend Equivalents to be governed instead by Section 7).

4. Settlement of Restricted Stock Units. Settlement of Restricted Stock Units (and related Unpaid Dividend Equivalents) that vest in accordance with Section 3 or 7 shall be made as soon as administratively practicable after the Vesting Date, but in no event later than March 15, 2021. Settlement of vested Restricted Stock Units shall be made in payment of shares of Common Stock, together with any related Dividend Equivalents, in accordance with Section 6. Any shares of Common Stock so received shall be fully vested.

5. Mandatory Withholding for Taxes. To the extent that the Company is subject to withholding tax requirements under any national, state, local or other governmental law with respect to the award of the Restricted Stock Units to the Grantee or the vesting or settlement thereof, or the designation of any Dividend Equivalents as payable or distributable or the payment or distribution thereof, the Grantee must make arrangements satisfactory to the Company to make payment to the Company or its designee of the amount required to be withheld under such tax laws, as determined by the Company (collectively, the "Required Withholding Amount"). To the extent such withholding is required, the Company shall withhold (a) from the shares of such class of Common Stock represented by such vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of such class of Common Stock and/or (b) from any related

Dividend Equivalents otherwise deliverable to the Grantee an amount of such Dividend Equivalents, which collectively have a value (or, in the case of securities withheld, a Fair Market Value) as of the date the obligation to withhold arises equal to the Required Withholding Amount, unless the Grantee remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require or other provisions for withholding such amount satisfactory to the Company have been made. Notwithstanding any other provisions of this Agreement, the delivery of any shares of Common Stock represented by vested Restricted Stock Units and any related Dividend Equivalents may be postponed until any required withholding taxes have been satisfied. Notwithstanding the foregoing or anything contained herein to the contrary, (i) the Grantee may, in his sole discretion, direct the Company to deduct from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of the class of Common Stock represented by such Restricted Stock Units having a Fair Market Value on the date the obligation to withhold arises equal to the Required Withholding Amount and (ii) the Company will not withhold any shares of Common Stock to pay the Required Withholding Amount if the Grantee has remitted cash to the Company or a Subsidiary or designee thereof in an amount equal to the Required Withholding Amount by such time as the Company may require.

6. Delivery by the Company. As soon as practicable after the vesting of Restricted Stock Units, and any related Unpaid Dividend Equivalents, pursuant to Section 3 or 7 (but in no event later than March 15, 2021), and subject to the withholding referred to in Section 5, the Company will (a) register in a book entry account in the name of the Grantee, or cause to be issued and delivered to the Grantee (in certificate or electronic form), that number and class of shares of Common Stock represented by such vested Restricted Stock Units and any securities representing related vested Unpaid Dividend Equivalents, and (b) cause to be delivered to the Grantee any cash payment representing related vested Unpaid Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when a certificate representing, or statement of holdings reflecting, such securities and, in the case of any Unpaid Dividend Equivalents, any other documents necessary to reflect ownership thereof by the Grantee, have been delivered personally to the Grantee or, if delivery is by mail, when the Grantee has received such certificates or other documents. Any cash payment will be deemed effected when a check from the Company, payable to the Grantee and in the amount equal to the amount of the cash owed, has been delivered personally to the Grantee or, if delivery is by mail, upon receipt by the Grantee.

7. Termination of Restricted Stock Units. The Restricted Stock Units will be forfeited and terminate at the time specified below:

- (a) Any Restricted Stock Units that do not become vested in accordance with Section 3 of this Agreement or Section 7(b) of this Agreement, and any related Unpaid Dividend Equivalents, will automatically be forfeited as of the Close of Business on the date of Separation.
- (b) Notwithstanding the provisions of Section 3, if the Grantee's Separation occurs prior to the Close of Business on December 10, 2020 for any reason, including, without limitation, as a result of death, Disability, termination by the Company with or without Cause or termination by the Grantee with or without Good Reason, a pro rata portion of the Granted RSUs and any related Unpaid Dividend Equivalents will vest as of the date of

Separation, such pro rata portion to be equal to the product of the number of Granted RSUs, multiplied by a fraction, the numerator of which is the number of calendar days that have elapsed since April 4, 2020, through the date of Separation, and the denominator of which is 251 days. Upon forfeiture of any unvested Restricted Stock Units, and any related Unpaid Dividend Equivalents, such Restricted Stock Units and any related Unpaid Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

8. Nontransferability of Restricted Stock Units. Restricted Stock Units and any related Unpaid Dividend Equivalents, are not transferable (either voluntarily or involuntarily) before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a Domestic Relations Order issued by a court of competent jurisdiction that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Committee; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Restricted Stock Units are transferred in accordance with the provisions of the preceding sentence shall take such Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions of this Agreement will continue to be applied with respect to the Grantee. Certificates representing Restricted Stock Units that have vested may be delivered (or, in the case of book entry registration, registered) only to the Grantee (or during the Grantee's lifetime, to the Grantee's court appointed legal representative) or to a person to whom the Restricted Stock Units have been transferred in accordance with this Section.

9. Forfeiture for Misconduct and Repayment of Certain Amounts. If (i) a material restatement of any financial statement of the Company (including any consolidated financial statement of the Company and its consolidated subsidiaries) is required and (ii) in the reasonable judgment of the 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 Grantee, the Grantee will repay to the Company Forfeitable Benefits received by the Grantee during the Misstatement Period in such amount as the Committee may reasonably determine, taking into account, in addition to any other factors deemed relevant by the Committee, the extent to which the market value of Common Stock during the Misstatement Period was affected by the error(s) giving rise to the need for such restatement. "Forfeitable Benefits" means (i) any and all cash and/or shares of Common Stock received by the Grantee (A) upon the exercise during the Misstatement Period of any SARs held by the Grantee or (B) upon the payment during the Misstatement Period of any Cash Award or Performance Award held by the Grantee, the value of which is determined in whole or in part with reference to the value of Common Stock, and (ii) any proceeds received by the Grantee from the sale, exchange, transfer or other disposition during the Misstatement Period of any shares of Common Stock received by the Grantee upon the exercise, vesting or payment during the Misstatement Period of any Award held by the Grantee. By way of clarification, "Forfeitable Benefits" will not include any shares of Common Stock delivered in respect of the vesting of any Restricted Stock Units during the Misstatement Period or any securities received as Dividend Equivalents in respect thereof, in each case that are not sold, exchanged, transferred or otherwise disposed of during the Misstatement Period. "Misstatement Period" means the 12-month period beginning on the date of the first public issuance or the filing with the Securities and Exchange Commission, whichever occurs earlier, of the financial statement requiring restatement.

10. No Stockholder Rights; Dividend Equivalents. The Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock represented by any Restricted Stock Units unless and until such time as shares of Common Stock represented by vested Restricted Stock Units have been delivered to the Grantee in accordance with Section 6, nor will the existence of this Agreement affect in any way the right or power of the Company or any stockholder of the Company to accomplish any corporate act, including, without limitation, any reclassification, reorganization or other change of or to its capital or business structure, merger, consolidation, liquidation or sale or other disposition of all or any part of its business or assets. The Grantee will have no right to receive, or otherwise with respect to, any Dividend Equivalents until such time, if ever, as (a) the Restricted Stock Units with respect to which such Dividend Equivalents relate shall have become vested, or (b) such Dividend Equivalents shall have become vested in accordance with the third to last sentence of this Section, and, if vesting does not occur, the related Dividend Equivalents will be forfeited. Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Committee may, in its sole discretion, accelerate the vesting of any portion of the Dividend Equivalents (the "Vested Dividend Equivalents"). The settlement of any Vested Dividend Equivalents shall be made as soon as administratively practicable after the accelerated vesting date, but in no event later than March 15, 2021. With respect to any Restricted Stock Units and Dividend Equivalents, the Grantee is a general unsecured creditor of the Company.

11. Adjustments. If the outstanding shares of Common Stock are subdivided into a greater number of shares (by stock dividend, stock split, reclassification or otherwise) or are combined into a smaller number of shares (by reverse stock split, reclassification or otherwise), or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase any shares of Common Stock or other similar corporate event (including mergers or consolidations) affects shares of Common Stock such that an adjustment is required to preserve the benefits or potential benefits intended to be made available under this Agreement, then the applicable Restricted Stock Units will be subject to adjustment in such manner as the Committee, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in this Section 11 following the Grant Date.

12. Restrictions Imposed by Law. Without limiting the generality of Section 10.8 of the Plan, the Company will not be obligated to deliver any shares of Common Stock represented by vested Restricted Stock Units or securities constituting any Unpaid Dividend Equivalents if counsel to the Company determines that the issuance or delivery thereof would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock or such other securities are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock represented by vested Restricted Stock Units or securities constituting or cash payment related to any Unpaid Dividend Equivalents to comply with any such law, rule, regulation, or agreement.

13. Notice. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this

Agreement will be in writing and will be delivered personally or sent by United States first class mail, postage prepaid and addressed as follows:

Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112
Attn: Chief Legal Officer

Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by United States first class mail, postage prepaid, to the Grantee's address as listed in the records of the Company on the date of this Agreement, unless the Company has received written notification from the Grantee of a change of address.

14. Amendment. Notwithstanding any other provision hereof, this Agreement may be amended from time to time as approved by the Committee as contemplated in the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee,

(a) this Agreement may be amended from time to time as approved by the Committee (i) to cure any ambiguity or to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby, or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board or the stockholders of the Company, the Restricted Stock Units granted under this Agreement may be canceled by the Company and a new Award made in substitution therefor, provided, that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Restricted Stock Units (after taking into account any related Unpaid Dividend Equivalents).

15. Grantee Employment. Nothing contained in this Agreement, and no action of the Company or the Committee with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or interfere in any way with the right of the Company to terminate the Grantee's employment at any time, with or without Cause, subject to the provisions of the Employment Agreement.

16. Nonalienation of Benefits. Except as provided in Section 8, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell,

assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

17. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Colorado. Any dispute with respect to the enforcement or interpretation of this Agreement shall be subject to the arbitration provisions set forth in Section 9.12 of the Employment Agreement, whether or not the “Employment Period” under such agreement has ended.

18. Construction. References in this Agreement to “this Agreement” and the words “herein,” “hereof,” “hereunder” and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to “Sections” in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word “include” and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Committee upon questions regarding this Agreement or the Plan will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

19. Rules by Committee. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Committee may adopt from time to time.

20. Entire Agreement. This Agreement, together with the applicable provisions of the Employment Agreement, is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the Award. The Grantee and the Company hereby declare and represent that no promise or agreement not expressed herein or in the Employment Agreement has been made regarding the Award and that this Agreement, together with the Employment Agreement, contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 16, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

21. Grantee Acceptance. The Grantee will signify acceptance of the terms and conditions of this Agreement by acknowledging the acceptance of this Agreement via the procedures described in the online grant and administration program utilized by the Company or by such other method as may be agreed by the Grantee and the Company.

22. Code Section 409A Compliance. To the extent that the provisions of Section 409A of the Code or any U.S. Department of the Treasury regulations promulgated thereunder are applicable to any Restricted Stock Unit or Dividend Equivalent, the parties intend that this Agreement will meet the requirements of such Code section and regulations and that the provisions hereof will be interpreted in a manner that is consistent with such intent. The Grantee will cooperate with the Company in taking such actions as the Company may reasonably request to

assure that this Agreement will meet the requirements of Section 409A of the Code and any U.S. Department of the Treasury regulations promulgated thereunder and to limit the amount of any additional payments required by Section 9.7 of the Employment Agreement to be made to the Grantee.

CERTIFICATION

I, Gregory B. Maffei, certify that:

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

Date: August 10, 2020

/s/ GREGORY B. MAFFEI

Gregory B. Maffei

President and Chief Executive Officer

CERTIFICATION

I, Brian J. Wendling, certify that:

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

Date: August 10, 2020

/s/ BRIAN J. WENDLING

Brian J. Wendling

Chief Accounting Officer and Principal Financial Officer

Certification

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Media Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended June 30, 2020 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 10, 2020

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

Dated: August 10, 2020

/s/ BRIAN J. WENDLING

Brian J. Wendling
Chief Accounting Officer and Principal Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

Unaudited Attributed Financial Information for Tracking Stock Groups

The following tables present our assets and liabilities as of June 30, 2020 and revenue and expenses for the three and six months ended June 30, 2020 and 2019 and cash flows for the six months ended June 30, 2020 and 2019. The tables further present our assets, liabilities, revenue, expenses and cash flows that are intended to be attributed to the Liberty SiriusXM Group, Liberty Braves Group (“Braves Group”) and the Liberty Formula One Group (“Formula One Group”), respectively. The reattribution, as described in note 1, is reflected in the attributed financial statements on a prospective basis from April 22, 2020. The financial information should be read in conjunction with our condensed consolidated financial statements for the six months ended June 30, 2020 included in this Quarterly Report on Form 10-Q.

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

SUMMARY ATTRIBUTED FINANCIAL DATA

Liberty SiriusXM Group

Summary Balance Sheet Data:

	June 30,		December 31,	
	2020		2019	
	amounts in millions			
Cash and cash equivalents	\$	1,924		493
Investments in affiliates, accounted for using the equity method	\$	1,145		644
Intangible assets not subject to amortization	\$	25,682		25,665
Intangible assets subject to amortization, net	\$	1,520		1,603
Total assets	\$	33,499		31,421
Deferred revenue	\$	1,833		1,930
Long-term debt, including current portion	\$	12,468		9,245
Deferred tax liabilities	\$	1,992		1,890
Attributed net assets	\$	9,630		10,678
Noncontrolling interest	\$	5,475		5,628

Summary Statement of Operations Data:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Revenue	\$ 1,874	1,977	3,826	3,721
Cost of services (1)	\$ (866)	(882)	(1,716)	(1,630)
Other operating expenses (1)	\$ (61)	(74)	(132)	(128)
Selling, general and administrative expense (1)	\$ (350)	(361)	(692)	(687)
Operating income (loss)	\$ 383	413	825	720
Interest expense	\$ (120)	(109)	(231)	(211)
Income tax (expense) benefit	\$ 10	(75)	(66)	(188)
Net earnings (loss) attributable to noncontrolling interests	\$ 64	76	142	107
Earnings (loss) attributable to Liberty stockholders	\$ (88)	167	126	228

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Cost of services	\$ 10	10	21	19
Other operating expenses	\$ 9	13	20	22
Selling, general and administrative expense	\$ 35	39	71	76
	<u>\$ 54</u>	<u>62</u>	<u>112</u>	<u>117</u>

Braves Group*Summary Balance Sheet Data:*

	June 30, 2020	December 31, 2019
	amounts in millions	
Cash and cash equivalents	\$ 308	142
Property and equipment, net	\$ 817	795
Investments in affiliates, accounted for using the equity method	\$ 96	99
Intangible assets not subject to amortization	\$ 323	323
Intangible assets subject to amortization, net	\$ 30	34
Total assets	\$ 1,702	1,593
Deferred revenue	\$ 121	70
Long-term debt, including current portion	\$ 714	554
Deferred tax liabilities	\$ 44	61
Attributed net assets	\$ 367	378

Summary Statement of Operations Data:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Revenue	\$ 11	208	33	230
Selling, general and administrative expense (1)	\$ —	(24)	(22)	(51)
Operating income (loss)	\$ (33)	34	(77)	(15)
Share of earnings (losses) of affiliates, net	\$ (1)	7	3	9
Unrealized gains (losses) on intergroup interest	\$ (7)	(2)	88	(28)
Income tax (expense) benefit	\$ 9	(5)	24	6
Earnings (loss) attributable to Liberty stockholders	\$ (38)	26	15	(45)

(1) Includes stock-based compensation benefit of \$15 million and \$12 million for the three and six months ended June 30, 2020, respectively, and stock-based compensation expense of \$6 million and \$9 million for the three and six months ended June 30, 2019, respectively.

Formula One Group

Summary Balance Sheet Data:

	June 30, 2020	December 31, 2019
	amounts in millions	
Cash and cash equivalents	\$ 1,767	587
Investments in affiliates, accounted for using the equity method	\$ 33	882
Intangible assets not subject to amortization	\$ 3,956	3,956
Intangible assets subject to amortization, net	\$ 4,103	4,303
Total assets	\$ 11,583	11,505
Long-term debt, including current portion	\$ 3,672	5,677
Attributed net assets	\$ 6,613	5,239

Summary Statement of Operations Data:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
	amounts in millions			
Revenue	\$ 24	620	63	866
Cost of Formula 1 revenue	\$ (16)	(441)	(59)	(589)
Selling, general and administrative expense (1)	\$ (40)	(51)	(84)	(97)
Operating income (loss)	\$ (136)	14	(288)	(44)
Interest expense	\$ (37)	(51)	(83)	(101)
Share of earnings (losses) of affiliates, net	\$ (46)	34	(110)	16
Realized and unrealized gains (losses) on financial instruments, net	\$ 5	(100)	20	(197)
Unrealized gains (losses) on intergroup interest	\$ (29)	2	(155)	28
Income tax (expense) benefit	\$ 27	10	52	54
Earnings (loss) attributable to Liberty stockholders	\$ (200)	(77)	(543)	(225)

(1) Includes stock-based compensation of \$6 million and \$8 million for the three months ended June 30, 2020 and 2019, respectively, and \$12 million and \$15 million for the six months ended June 30, 2020 and 2019, respectively.

BALANCE SHEET INFORMATION
June 30, 2020
(unaudited)

	Attributed (note 1)				Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	Inter-Group Eliminations	
	amounts in millions				
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,924	308	1,767	—	3,999
Trade and other receivables, net	497	29	147	—	673
Other current assets	227	29	663	(210)	709
Total current assets	<u>2,648</u>	<u>366</u>	<u>2,577</u>	<u>(210)</u>	<u>5,381</u>
Intergroup interests (note 1)	200	—	134	(334)	—
Investments in affiliates, accounted for using the equity method (note 1)	1,145	96	33	—	1,274
Property and equipment, at cost	2,689	972	188	—	3,849
Accumulated depreciation	(1,388)	(155)	(61)	—	(1,604)
	<u>1,301</u>	<u>817</u>	<u>127</u>	<u>—</u>	<u>2,245</u>
Intangible assets not subject to amortization					
Goodwill	15,820	180	3,956	—	19,956
FCC licenses	8,600	—	—	—	8,600
Other	1,262	143	—	—	1,405
	<u>25,682</u>	<u>323</u>	<u>3,956</u>	<u>—</u>	<u>29,961</u>
Intangible assets subject to amortization, net	1,520	30	4,103	—	5,653
Other assets	1,003	70	653	(32)	1,694
Total assets	<u>\$ 33,499</u>	<u>1,702</u>	<u>11,583</u>	<u>(576)</u>	<u>46,208</u>
Liabilities and Equity					
Current liabilities:					
Intergroup payable (receivable) (note 3)	\$ (19)	(19)	38	—	—
Accounts payable and accrued liabilities	1,160	70	171	—	1,401
Current portion of debt	1,492	382	—	—	1,874
Deferred revenue	1,833	121	684	—	2,638
Other current liabilities	289	4	19	(210)	102
Total current liabilities	<u>4,755</u>	<u>558</u>	<u>912</u>	<u>(210)</u>	<u>6,015</u>
Long-term debt (note 1)	10,976	332	3,672	—	14,980
Deferred income tax liabilities	1,992	44	—	(32)	2,004
Redeemable intergroup interests (note 1)	—	180	154	(334)	—
Other liabilities	671	221	229	—	1,121
Total liabilities	<u>18,394</u>	<u>1,335</u>	<u>4,967</u>	<u>(576)</u>	<u>24,120</u>
Equity / Attributed net assets	9,630	367	6,613	—	16,610
Noncontrolling interests in equity of subsidiaries	5,475	—	3	—	5,478
Total liabilities and equity	<u>\$ 33,499</u>	<u>1,702</u>	<u>11,583</u>	<u>(576)</u>	<u>46,208</u>

STATEMENT OF OPERATIONS INFORMATION
Three months ended June 30, 2020
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 1,874	—	—	1,874
Formula 1 revenue	—	—	24	24
Other revenue	—	11	—	11
Total revenue	1,874	11	24	1,909
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	587	—	—	587
Programming and content	110	—	—	110
Customer service and billing	122	—	—	122
Other	47	—	—	47
Cost of Formula 1 revenue	—	—	16	16
Subscriber acquisition costs	48	—	—	48
Other operating expenses	61	24	—	85
Selling, general and administrative	350	—	40	390
Acquisition and restructuring	24	—	—	24
Depreciation and amortization	142	20	104	266
	<u>1,491</u>	<u>44</u>	<u>160</u>	<u>1,695</u>
Operating income (loss)	383	(33)	(136)	214
Other income (expense):				
Interest expense	(120)	(6)	(37)	(163)
Intergroup interest (expense) income	(7)	—	7	—
Share of earnings (losses) of affiliates, net	(146)	(1)	(46)	(193)
Realized and unrealized gains (losses) on financial instruments, net	(184)	(1)	5	(180)
Unrealized gains (losses) on intergroup interests (note 1)	36	(7)	(29)	—
Other, net	4	1	9	14
	<u>(417)</u>	<u>(14)</u>	<u>(91)</u>	<u>(522)</u>
Earnings (loss) before income taxes	(34)	(47)	(227)	(308)
Income tax (expense) benefit	10	9	27	46
Net earnings (loss)	(24)	(38)	(200)	(262)
Less net earnings (loss) attributable to the noncontrolling interests	64	—	—	64
Net earnings (loss) attributable to Liberty stockholders	<u>\$ (88)</u>	<u>(38)</u>	<u>(200)</u>	<u>(326)</u>

STATEMENT OF OPERATIONS INFORMATION
Three months ended June 30, 2019
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 1,977	—	—	1,977
Formula 1 revenue	—	—	620	620
Other revenue	—	208	—	208
Total revenue	1,977	208	620	2,805
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	600	—	—	600
Programming and content	116	—	—	116
Customer service and billing	119	—	—	119
Other	47	—	—	47
Cost of Formula 1 revenue	—	—	441	441
Subscriber acquisition costs	104	—	—	104
Other operating expenses	74	129	—	203
Selling, general and administrative	361	24	51	436
Acquisition and restructuring	7	—	—	7
Depreciation and amortization	136	21	114	271
	1,564	174	606	2,344
Operating income (loss)	413	34	14	461
Other income (expense):				
Interest expense	(109)	(7)	(51)	(167)
Share of earnings (losses) of affiliates, net	(7)	7	34	34
Realized and unrealized gains (losses) on financial instruments, net	15	(2)	(100)	(87)
Unrealized gains (losses) on intergroup interests (note 1)	—	(2)	2	—
Other, net	6	1	14	21
	(95)	(3)	(101)	(199)
Earnings (loss) before income taxes	318	31	(87)	262
Income tax (expense) benefit	(75)	(5)	10	(70)
Net earnings (loss)	243	26	(77)	192
Less net earnings (loss) attributable to the noncontrolling interests	76	—	—	76
Net earnings (loss) attributable to Liberty stockholders	<u>\$ 167</u>	<u>26</u>	<u>(77)</u>	<u>116</u>

STATEMENT OF OPERATIONS INFORMATION
Six months ended June 30, 2020
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 3,826	—	—	3,826
Formula 1 revenue	—	—	63	63
Other revenue	—	33	—	33
Total revenue	3,826	33	63	3,922
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of subscriber services (exclusive of depreciation shown separately below):				
Revenue share and royalties	1,157	—	—	1,157
Programming and content	228	—	—	228
Customer service and billing	240	—	—	240
Other	91	—	—	91
Cost of Formula 1 revenue	—	—	59	59
Subscriber acquisition costs	147	—	—	147
Other operating expenses	132	53	—	185
Selling, general and administrative	692	22	84	798
Acquisition and restructuring	24	—	—	24
Depreciation and amortization	290	35	208	533
	3,001	110	351	3,462
Operating income (loss)	825	(77)	(288)	460
Other income (expense):				
Interest expense	(231)	(13)	(83)	(327)
Intergroup interest (expense) income	(7)	—	7	—
Share of earnings (losses) of affiliates, net	(148)	3	(110)	(255)
Realized and unrealized gains (losses) on financial instruments, net	(189)	(10)	20	(179)
Unrealized gains (losses) on intergroup interest (note 1)	67	88	(155)	—
Other, net	17	—	14	31
	(491)	68	(307)	(730)
Earnings (loss) before income taxes	334	(9)	(595)	(270)
Income tax (expense) benefit	(66)	24	52	10
Net earnings (loss)	268	15	(543)	(260)
Less net earnings (loss) attributable to the noncontrolling interests	142	—	—	142
Net earnings (loss) attributable to Liberty stockholders	\$ 126	15	(543)	(402)

STATEMENT OF OPERATIONS INFORMATION
Six months ended June 30, 2019
(unaudited)

	Attributed (note 1)			Consolidated Liberty
	Liberty			
	SiriusXM Group	Braves Group	Formula One Group	
	amounts in millions			
Revenue:				
Sirius XM Holdings revenue	\$ 3,721	—	—	3,721
Formula 1 revenue	—	—	866	866
Other revenue	—	230	—	230
Total revenue	3,721	230	866	4,817
Operating costs and expenses, including stock-based compensation (note 2):				
Cost of services (exclusive of depreciation shown separately below):				
Revenue share and royalties	1,092	—	—	1,092
Programming and content	222	—	—	222
Customer service and billing	232	—	—	232
Other	84	—	—	84
Cost of Formula 1 revenue	—	—	589	589
Subscriber acquisition costs	212	—	—	212
Other operating expenses	128	160	—	288
Selling, general and administrative	687	51	97	835
Acquisition and restructuring	83	—	—	83
Depreciation and amortization	261	34	224	519
	<u>3,001</u>	<u>245</u>	<u>910</u>	<u>4,156</u>
Operating income (loss)	720	(15)	(44)	661
Other income (expense):				
Interest expense	(211)	(14)	(101)	(326)
Share of earnings (losses) of affiliates, net	(11)	9	16	14
Realized and unrealized gains (losses) on financial instruments, net	16	(4)	(197)	(185)
Unrealized gains (losses) on intergroup interests (note 1)	—	(28)	28	—
Other, net	9	1	19	29
	<u>(197)</u>	<u>(36)</u>	<u>(235)</u>	<u>(468)</u>
Earnings (loss) before income taxes	523	(51)	(279)	193
Income tax (expense) benefit	(188)	6	54	(128)
Net earnings (loss)	335	(45)	(225)	65
Less net earnings (loss) attributable to the noncontrolling interests	107	—	—	107
Net earnings (loss) attributable to Liberty stockholders	\$ 228	(45)	(225)	(42)

STATEMENT OF CASH FLOWS INFORMATION
Six months ended June 30, 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)	\$ 268	15	(543)	(260)
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	290	35	208	533
Stock-based compensation	112	(12)	12	112
Share of (earnings) loss of affiliates, net	148	(3)	110	255
Unrealized (gains) losses on intergroup interests, net	(67)	(88)	155	—
Realized and unrealized (gains) losses on financial instruments, net	189	10	(20)	179
Deferred income tax expense (benefit)	29	(16)	(47)	(34)
Intergroup tax allocation	(1)	(8)	9	—
Other charges (credits), net	31	3	—	34
Changes in operating assets and liabilities				
Current and other assets	204	6	(450)	(240)
Payables and other liabilities	(236)	59	467	290
Net cash provided (used) by operating activities	<u>967</u>	<u>1</u>	<u>(99)</u>	<u>869</u>
Cash flows from investing activities:				
Investments in equity method affiliates and debt and equity securities	(86)	—	(1)	(87)
Return of investment in equity method affiliates	—	—	105	105
Cash proceeds from sale of investments	—	—	13	13
Cash (paid) received for acquisitions, net of cash acquired	(28)	—	—	(28)
Capital expended for property and equipment, including internal-use software and website development				
Other investing activities, net	(149)	(43)	(14)	(206)
Net cash provided (used) by investing activities	<u>(265)</u>	<u>(39)</u>	<u>101</u>	<u>(203)</u>
Cash flows from financing activities:				
Borrowings of debt	2,117	196	522	2,835
Repayments of debt	(238)	(37)	(609)	(884)
Intergroup Loan (repayment) borrowing	(750)	—	750	—
Liberty SiriusXM stock repurchases	(69)	—	(69)	(138)
Subsidiary shares repurchased by subsidiary	(399)	—	—	(399)
Reattribution between Liberty SiriusXM Group and Liberty Formula One Group				
Proceeds from Liberty SiriusXM common stock rights offering	(608)	—	608	—
Proceeds from Liberty SiriusXM common stock rights offering	754	—	—	754
Cash dividends paid by subsidiary	(33)	—	—	(33)
Taxes paid in lieu of shares issued for stock-based compensation	(44)	—	(2)	(46)
Other financing activities, net	(4)	(4)	(12)	(20)
Net cash provided (used) by financing activities	<u>726</u>	<u>155</u>	<u>1,188</u>	<u>2,069</u>
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash				
Net increase (decrease) in cash, cash equivalents and restricted cash	—	—	(10)	(10)
Cash, cash equivalents and restricted cash at beginning of period	1,428	117	1,180	2,725
Cash, cash equivalents and restricted cash at end of period	<u>\$ 507</u>	<u>212</u>	<u>587</u>	<u>1,306</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,935</u>	<u>329</u>	<u>1,767</u>	<u>4,031</u>

STATEMENT OF CASH FLOWS INFORMATION
Six months ended June 30, 2019
(unaudited)

	Attributed (note 1)			
	Liberty			
	SiriusXM	Braves	Formula One	Consolidated
	Group	Group	Group	Liberty
	amounts in millions			
Cash flows from operating activities:				
Net earnings (loss)	\$ 335	(45)	(225)	65
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	261	34	224	519
Stock-based compensation	138	9	15	162
Share of (earnings) loss of affiliates, net	11	(9)	(16)	(14)
Unrealized (gains) losses on intergroup interests, net	—	28	(28)	—
Realized and unrealized (gains) losses on financial instruments, net	(16)	4	197	185
Deferred income tax expense (benefit)	178	—	(63)	115
Intergroup tax allocation	(1)	(6)	7	—
Intergroup tax (payments) receipts	(2)	22	(20)	—
Other charges (credits), net	4	5	(6)	3
Changes in operating assets and liabilities				
Current and other assets	(14)	(34)	(35)	(83)
Payables and other liabilities	15	56	149	220
Net cash provided (used) by operating activities	909	64	199	1,172
Cash flows from investing activities:				
Investments in equity method affiliates and debt and equity securities	(9)	(5)	(6)	(20)
Cash proceeds from sale of investments	373	—	—	373
Cash (paid) received for acquisitions, net of cash acquired	313	—	—	313
Capital expended for property and equipment, including internal-use software and website development	(160)	(50)	(11)	(221)
Sales of short term investments and other marketable securities	72	—	—	72
Other investing activities, net	(1)	—	(4)	(5)
Net cash provided (used) by investing activities	588	(55)	(21)	512
Cash flows from financing activities:				
Borrowings of debt	2,878	1	—	2,879
Repayments of debt	(2,360)	(24)	(3)	(2,387)
Liberty SiriusXM stock repurchases	(306)	—	—	(306)
Subsidiary shares repurchased by subsidiary	(1,474)	—	—	(1,474)
Cash dividends paid by subsidiary	(36)	—	—	(36)
Taxes paid in lieu of shares issued for stock-based compensation	(50)	—	(7)	(57)
Other financing activities, net	(3)	(7)	6	(4)
Net cash provided (used) by financing activities	(1,351)	(30)	(4)	(1,385)
Net increase (decrease) in cash, cash equivalents and restricted cash				
	146	(21)	174	299
Cash, cash equivalents and restricted cash at beginning of period				
	102	190	160	452
Cash, cash equivalents and restricted cash at end of period	\$ 248	169	334	751

Notes to Attributed Financial Information (Continued)
(unaudited)

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

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 rights offering described below (the "Intergroup Loan").

Notes to Attributed Financial Information (Continued)
(unaudited)

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

The Liberty SiriusXM Group is comprised of Liberty's interests in Sirius XM Holdings and Live Nation, corporate cash, Liberty's 1.375% Cash Convertible 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 and margin loan obligations incurred by wholly-owned special purpose subsidiaries of Liberty. The Liberty SiriusXM Group holds intergroup interests in the Formula One Group and the Braves Group as of June 30, 2020. As of June 30, 2020, the Liberty SiriusXM Group has cash and cash equivalents of approximately \$1,924 million, which includes \$1,770 million of subsidiary cash.

The Braves Group is 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 and cash. As of June 30, 2020, the Braves Group has cash and cash equivalents of approximately \$308 million, which includes \$230 million of subsidiary cash.

The Formula One Group is 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, a minority equity investment in AT&T Inc., 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 June 30, 2020, the Formula One Group has cash and cash equivalents of approximately \$1,767 million, which includes \$324 million of cash held by Formula 1.

The number of notional shares representing the intergroup interest in the Braves Group held by the Formula One Group is 6,792,903, representing an 11.3% intergroup interest at June 30, 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 3.8% intergroup interest at June 30, 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 June 30, 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 condensed consolidated statements of operations.

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

As the notional shares underlying the intergroup interests are not represented by outstanding shares of common stock, such shares have not been officially designated Series A, B or C Liberty Braves common stock and Series A, B or C Liberty Formula One common stock, respectively. However, Liberty has assumed that the notional shares (if and when issued) related to the Formula One Group interest in the Braves Group would be comprised of Series C Liberty Braves common stock in order to not dilute voting percentages and the notional shares (if and when issued) related to the Liberty SiriusXM Group interest in the Braves Group would be comprised of Series A Liberty Braves common stock since Series A Liberty Braves common stock underlies the 1.375% convertible bonds. Therefore, the market prices of Series C Liberty Braves and Series A Liberty Braves

Notes to Attributed Financial Information (Continued)
(unaudited)

common stock are used for the quarterly mark-to-market adjustment for the intergroup interests held by Formula One Group and Liberty SiriusXM Group, respectively, through the unaudited attributed condensed consolidated statements of operations. Liberty has assumed that the notional shares (if and when issued) related to the Liberty SiriusXM Group interest in the Formula One Group would be comprised of Series A Liberty Formula One common stock since Series A Formula One common stock underly the 1.375% convertible bonds. Therefore, the market price of Series A Liberty Formula One common stock is used for the quarterly mark-to-market adjustment through the unaudited attributed condensed consolidated statements of operations.

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

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 condensed consolidated financial statements.

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

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

- (3) The intergroup balance at June 30, 2020 and December 31, 2019 is primarily a result of timing of tax benefits.
- (4) The Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have voting and conversion rights under our restated charter. Following is a summary of those rights. Holders of Series A common stock of each group are entitled to one vote per share, and holders of Series B common stock of each group are entitled to ten votes per share. Holders of Series C common stock of each group are entitled to 1/100th of a vote per share in certain limited cases and will otherwise not be entitled to vote. In general, holders of Series A and Series B common stock vote as a single class. In certain limited circumstances,

Notes to Attributed Financial Information (Continued)
(unaudited)

the board may elect to seek the approval of the holders of only Series A and Series B Liberty SiriusXM common stock, only Series A and Series B Liberty Braves common stock, or only Series A and Series B Liberty Formula One common stock.

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