

[Table of Contents](#)

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

**FORM 10-K**

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

For the fiscal year ended December 31, 2021

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)


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**PART I.**

**Item 1. Business.**

*General Development of Business*

Liberty Media Corporation (“Liberty”, the “Company”, “we”, “us” and “our”) owns interests in subsidiaries and other companies which are engaged in the media and entertainment industries primarily in North America and the United Kingdom. Our principal businesses and assets include our consolidated subsidiaries Sirius XM Holdings Inc. (“Sirius XM Holdings”), Formula 1, Braves Holdings, LLC (“Braves Holdings”) and our equipment.

[Table of Contents](#)

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 was reattributed from the Liberty Braves

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[Table of Contents](#)

one redeemable warrant of LMAC. Each whole warrant entitles the holder thereof to purchase one share of Series A common stock for \$11.50 per share, subject to adjustment, following the later of 30 days after the completion of LMAC's initial business combination and 12 months from the closing of the IPO ("Public Warrants"). The Units were sold at a price of \$10.00 per Unit, generating gross proceeds to LMAC of \$575 million, which were placed in a U.S.-based trust account. Substantially concurrent with the IPO, LMAC completed the private placement of 10 million warrants to its sponsor, Liberty Media Acquisition Sponsor LLC (the "Sponsor"), a wholly-owned subsidiary of the Company, generating gross proceeds of \$15 million ("Private Placement Warrants"). Each Private Placement Warrant entitles the holder thereof to purchase one share of LMAC's Series A common stock for \$11.50 per share%]r

[Table of Contents](#)

the impact of weak economic conditions on consumer demand for products, services and events offered by our businesses attributed to each of our tracking stock groups;

the outcome of pending or future litigation;

the operational risks of our subsidiaries and business affiliates with operations outside of the United States;

our ability to use net operating loss, disallowed business interest and tax credit carryforwards to reduce future tax payments;

the ability of our subsidiaries and business affiliates to comply with government regulations, including, without limitation, Federal Communications Commission (“FCC”) requirements, consumer protection laws and competition laws, and adverse outcomes from regulatory proceedings;

the regulatory and competitive environment of the industries in which we, and the entities in which we have interests, operate;

changes in the nature of key strategic relationships with partners, vendors and joint venturers;

competition faced by Sirius XM Holdings;

the ability of Sirius XM Holdings to attract and retain subscribers and listeners;

the ability of Sirius XM Holdings to market its services and sell advertising;

the ability of Sirius XM Holdings to maintain revenue growth from its advertising products;

the ability of Sirius XM Holdings to protect the security of personal information about its customers;

the interruption or failure of Sirius XM Holdings’ information technology and communication systems;

the impact of the market for music rights on Sirius XM Holdings and the rates Sirius XM Holdings must pay for rights to use musical works;

the impact of the global semiconductor supply shortage on Sirius XM Holdings’ supply chain and the auto industry that it relies on;

the impact of our equity method investment in Live Nation on our net earnings and the net earnings of the Liberty SiriusXM Group;

challenges by tax authorities in the jurisdictions where Formula 1 operates;

changes in tax laws that affect Formula 1 and the Formula One Group;

the ability of Formula 1 to expand into new markets;

the relationship between the U.K. and the E.U. following Brexit;

the establishment of rival motorsports events or other circumstances that impact the competitive position of Formula 1;

changes in consumer viewing habits and the emergence of new content distribution platforms;

the impact of organized labor on the Braves Group;

the impact of an expansion of Major League Baseball;

the level of broadcasting revenue that Braves Holdings receives;

the impact of the Development Project on the Braves Group and its ability to manage the project;

the risks associated with the Company as a whole, even if a holder does not own shares of common stock of all of our groups;

market confusion that results from misunderstandings about our capital structure;







[Table of Contents](#)

a wide range of national, international and financial news; and  
exclusive limited run channels.

Sirius XM believes that its broad and diverse programming, including its lineup of exclusive content, is a significant differentiator from terrestrial radio and other audio entertainment providers. Sirius XM makes changes to its programming lineup from time to time as it strives to attrj

*Distribution of Radios*

*New Vehicles.* Sirius XM distributes satellite radios through the sale and lease of new vehicles. Sirius XM has agreements with major automakers to offer satellite radios in their vehicles. Satellite radios are available as a factory -installed feature in substantially all vehicle makes sold in the United States. Most automakers include a subscription to Sirius XM's service in the sale or lease of their new vehicles. In certain cases, Sirius XM receives subscription payments from automakers in advance of the activation of its service. Sirius XM shares with certain automakers a portion of the revenue it derives from subscribers using vehicles equipped to receive its service. Sirius XM also reimburses various automakers for certain costs associated with the satellite radios installed in new vehicles, including in certain cases hardware costs, engineering expenses and promotional and advertising expenses.

*Previously Owned Vehicles.* Sirius XM also acquires subscribers through the sale and lease of previously owned vehicles with factory-installed satellite radios. Sirius XM has entered into agreements with many automakers to include a subscription to Sirius XM's service in the sale or lease of vehicles which include satellite radios sold through their certified pre-owned programs. Sirius XM also works directly with franchise and independent dealers on programs for non-certified used vehicles. Sirius XM has developed systems and methods to identify purchasers and lessees of previously owned vehicles which include satellite radios and has established marketing plans to promote its services to these potential subscribers.

*Retail.* Sirius XM distributes satellite radios through the sale and lease of new vehicles through its retail network of dealers.

[Table of Contents](#)

policies it purchased with respect to SXM-7. Sirius XM does not have insurance policies covering its other in-orbit satellites, as Sirius XM considers the premium costs to be uneconomical relative to the risk of satellite failure.

*Terrestrial Repeaters.* In some areas with high concentrations of tall buildings, such as urban centers, signals from Sirius XM's satellites may be blocked and reception of satellite signals can be adversely affected. In other areas with a high density of next generation wireless systems, Sirius XM's service may experience interference. In many of these areas, Sirius XM has deployed terrestrial repeaters to supplement and enhance its signal coverage and, in other areas, Sirius XM may deploy additional repeaters to mitigate interference. Sirius XM operates over 1,000 terrestrial repeaters across the United States as part of its systems.

*Other Satellite Facilities.* Sirius XM controls and communicates with its satellites from facilities in North America. Its satellites are monitored, tracked and controlled by a third party satellite operator.

*Studios*

Sirius XM's programming originates from studios in New York City, Los Angeles and Washington, D.C., and, to a lesser extent, from smaller studios in Nashville and a variety of venues across the country. Sirius XM Holdings' corporate headquarters is in New York City. Sirius XM provides equipment to artists and hosts to enable remote creation and transmission of programming.

*Radios*

Sirius XM does not manufacture radios. Sirius XM has authorized manufacturers and distributors to produce and distribute radios, and has licensed its technology to various electronics manufacturers to develop, manufacture and distribute radios under certain brands. Sirius XM manages various aspects of the radio business, including the design, development, testing, production, distribution, and support of radios.

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[Table of Contents](#)

Commercial subscribers are included in Sirius XM's subscriber count. Subscribers to the DISH Ne

[Table of Contents](#)

listener of Pandora Plus is more tailored when the listener interacts more with the platform. Premium Access is also available to Pandora Plus listeners.

*On-Demand Subscription Service (Pandora Premium)*

Pandora offers Pandora Premium - an on-demand subscription service that combines the radio features of Pandora Plus with an on-demand experience. The on-demand experience provides listeners with the ability to search, play and collect songs and albums, download content for offline listening, build playlists, listen to curated playlists and share playlists on social networks. Listeners can also create partial playlists that Pandora can complete based on the listener's activity. Listeners through mobile devices have access to customized profiles which identify information specific to each listener such as recent favorites, playlists and thumbs.

Pandora Premium incorporates social networking features including a centralized stream where listeners can view the music that their social connections are experiencing and provide and receive recommendations for songs, albums and playlists. Pandora Premium also includes a "share" feature where consumers can share their stations, songs, albums, podcasts or playlists through social media, messaging applications and email.

*Advertising Revenue*

Pandora's primary source of revenue is the sale of audio, display and video advertising for its connected device platforms, including computers and mobile devices. Pandora maintains a portfolio of proprietary advertising technologies which include order management, advertising serving and timing, native advertising formats, targeting and reporting. Pandora provides advertisers with the ability to target and connect with listeners based on various criteria including age, gender, geographic location and content preferences. Pandora also has agreements to sell the available advertising inventory in the United States for SoundCloud, one of the world's largest open audio platforms, and other third parties.

*Stitcher*

Stitcher licenses, distributes and develops original podcasts and operates content networks. Stitcher also provides podcast advertising services that generate advertising revenue primarily from its mobile app listening platform where consumers can stream the latest in news, sports, talk, and entertainment on demand.

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*Sound Recordings*

Operators of a non-interactive satellite radio or streaming service are entitled to license sound recordings under the statutory license contained in Section 114 of the Copyright Act (the “statutory license”). Under the statutory license, Sirius XM Holdings may negotiate royalty arrangements with the owners of sound



[Table of Contents](#)

approximate 17% increase in the rates for non-subscription transmissions and an approximate 8% increase in the rates for subscription transmissions, in each case over the rates in effect during 2020. Rates for the remainder of the five-year period are subject to adjustment each year by the CRB to reflect any changes occurring in the cost of living as determined by the most recent Consumer Price Index for All Urban Consumers.

Prior to the enactment of the Orrin G. Hatch-Bob Goodlatte Music Modernization Act in October 2018~~a~~ b

[Table of Contents](#)

Formula 1 also generates revenue from a variety of other sources, including the operation of the Formula 1 Paddock Club hospitality program (the “Paddock Club”), freight, logistical and travel related services for the Teams and other third parties across the us and th

[Table of Contents](#)

(a) free-to-air television broadcasts, which are received by the end user without charge (other than any television license fee), and non-premium cable, satellite and other broadcasts, which are received as part of a subscriber's basic package (together, "free-to-air television"); (b) premium and pay-per-view cable and satellite broadcasts, where the subscriber pays a premium fee to receive programming on a package or per-event basis ("pay television") and (c) subscription revenue from Formula 1's own direct-to-consumer over-the-top broadcast product F1TV. In 2021, Formula 1 had 11 free-to-air television agreements, 13 pay television agreements and 31 agreements, including multi-territory agreements, covering both free-to-air and pay television. Formula 1's key broadcasters include Sky (pay television) in the United Kingdom, Sky Deutschland (pay television) in Germany, Sky I

team payments from a Formula 1 prize fund (the "Prize Fund") based primarily on their results in prior years' Constructors' Championships. Formula 1 has no direct or indirect ownership interest in any Team, nor does it have any contractual arrangements with the Teams. Drivers are employed or contracted directly by the Teams. Each Team is responsible for securing its own drivers.

[Table of Contents](#)

In August 2020, Formula 1, the FIA and the Teams entered into the 2021 Concorde Agreement, securing the commitment of the Teams to continue qFnuFniif

[Table of Contents](#)

subject to limited exceptions, to use each Team's intellectual property rights (including image rights) to portray the World Championship and/or any Ev

[Table of Contents](#)

only 60 games, without fans in attendance. The 2020 minor league season was cancelled. In 2021, the timing of baseball season and the number of regular season games played returned to normal, and limitations on fan attendance were lifted in May. The

[Table of Contents](#)

Due to the shortened 2020 season, each team was allowed to keep at least 30 players on its active roster through August 6. During the remainder 6.



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[Table of Contents](#)

*Sponsorship & Advertising.* Live Nation's Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors through a combination of strategic, international, national an

[Table of Contents](#)

preventing interference with or to other users of radio frequencies; and  
compliance with FCC rules established specifically for U.S. satellites and satellite radio service; or to the

[Table of Contents](#)

than the cost of a satellite radio subscription. Certain of these services include advanced functionality, such as personalization and customization, and allow the user to access large libraries of content. These services, in some instances, are also offered through devices sold by the service providers including Apple, Google and Amazon. For some consumers, these services compete with Sirius XM Holdings' services, at home, in vehicles, and wherever audio entertainment is consumed. In addition, neb

[Table of Contents](#)

office channels. Competition in the live entertainment industry is intense. Live Nation believes that it competes primarily on the basis of its ability to deliver quality music events, sell tickets and provide enhanced fan and artist experiences. It believes that its primary strengths include the quality of service delivered to its artists, fan



**Item 1A. Risk Factors.**

*An investment in our common stock involves risk. Before*

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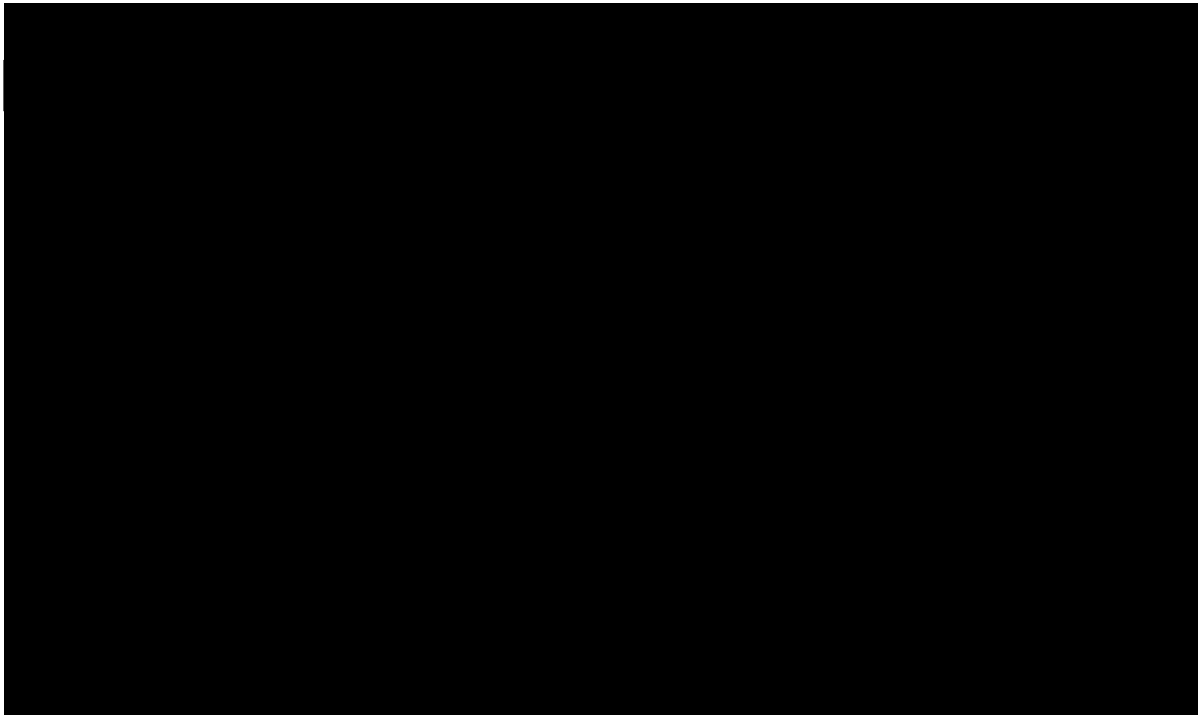
***Our businesses attributed to the Liberty SiriusXM Group and the Formula One Group, such as Sirius XM Holdings, Formula 1 and Live Nation, may not realize the benefits of acquisitions or other strategic investments and initiatives.***

Our business strategy and that of our subsidiaries and business affiliates, including Sirius XM Holdings, Formula 1 and Live Nation, may include selective acquisitions, other strategic investments and initiatives that allow them to expand their business. The success of any acquisition depends upon effective integration and management of acquired businesses and assets into the acquirer's operations, which is subject to risks and uncertainties, including the realization of the growth potential, any anticipated synergies and cost savings, the ability to retain an

[Table of Contents](#)

In addition, our Company has adopted a policy pursuant to which any business combination opportunity that is a corporate opportunity of our Company that may also be a business combination opportunity for LMAC will first be presented to a standing committee of our board of directors for consideration as to whether our Company desires to pursue such business combination opportunity as a direct investment or to present such opportunity to LMAC for consideration. John C. Malone, Chairman of the Board of our Company, is the sole member of that committee and does not serve in any fiduciary capacity at LMAC.

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[Table of Contents](#)

Holdings' business, including possible changes to its sales and marketing practices as it reacts to shifts in the volume and mix of auto sales and the potential loss of sales and orders in its advertising business. The extent to which the COVID

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[Table of Contents](#)

*Sirius XM Holdings relies*

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[Table of Contents](#)

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[Table of Contents](#)

Pandora's advertising business and for Pandora's consumer marketing purposes. These common device identifiers enable Sirius XM Holdings to match audiences, including with second- and third-party data providers and measurement vendors and enhance Pandora's advertising targeting segments with additional data. In its programmatic advertising

[Table of Contents](#)

legislative and regulatory bodies as well as fore

[Table of Contents](#)

systems and those of third-party vendors, are vulnerable to computer malware and attacks, as well as to catastrophic events (such as fires, floods, hurricanes or tornados), any of which could lead to system interruptions, delays, or shutdowns, causing loss of critical data or the unauthorized access to personally identifiable information.

For many companies, remote and/or hybrid in-office work arrangements resulting from the COVID-19 pandemic have made their network and communication systems more vulnerable to cyberattacks and incursions, and there has been an overall increase in both the frequency and severity of cyber incidents as such vulnerabilities have been exploited. Continued implementation of a full or partial remote work environment may subject Sirius XM Holdings to a heightened and ongoing risk of cyberattacks, unauthorized access or other privacy or data security incidents, both directly as well as indirectly through third-party intermediaries, service providers and vendors that have access or other connections to Sirius XM Holdings' systems.

If Sirius XM Holdings fails to protect the security of personal information about its customers or if an actual or perceived breach of security occurs on its systems or a vendor's systems, Sirius XM Holdings could be exposed to costly government enforcement actions and private litigation and its reputation could suffer. Sirius XM Holdings may also be required to expend significant resources to address these problems, including notification under various data privacy regulations, and its reputation and operating results could suffer. In addition, Sirius XM Holdings' subscribers and listeners, as well as potential customers, could lose confidence in its ability to protect their

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[Table of Contents](#)





*Failure to protect Sirius XM Holdings' intellectual property or actions by third-parties t*

borrow additional funds; and may limit its flexibility in planning for, or reacting to, changes in its business and the audio entertainment industry.

***If Sirius XM Holdings is unable to attract and retain qualified personnel, its business could be harmed.***

Sirius XM Holdings believes that its success depends on its continued ability to attract and retain qualified management, sales, technical and other personnel. During 2021, Sirius XM Holdings experienced a significant amount of employee turnover. All of Sirius XM Holdings' employees, including its executive officers, are free to terminate their employment with Sirius XM Holdings at any time, and their knowledge of its business may be difficult to replace.

Qualified individuals are in high demand, particularly in the media and technology industries, and Sirius XM Holdings may incur significant costs to attract and retain employees. If Sirius XM Holdings is unable to attract and retain its key employees, it may not be able to achieve its objectives, and its business could be harmed.

***Sirius XM Holdings' facilities could be damaged by natural catastrophes or terrorist activities.***

An earthquake, hurricane, tornado, flood, cyber-attack, terrorist attack, civil unrest or other catastrophic event could damage Sirius XM Holdings' data centers, studios, terrestrial repeater networks or satellite uplink facilities, interrupt its services and harm its business. Sirius XM Holdings also has significant operations in the San Francisco Bay Area, a region known for seismic activity. Natural disasters and adverse weather conditions can be caused or exacerbated by climate change.

Any damage to the satellites that transmit to Sirius XM Holdings' terrestrial repeater networks would likely result in degradation of the affected service for some Sirius XM subscribers and could result in complete loss of Sirius XM satellite service in certain or all areas. Damage to Sirius XM Holdings' satellite uplink facilities could result in a complete loss of its Sirius XM satellite service until it could transfer operations to suitable back-up facilities.

***The unfavorable outcome of pending or future litigation could have an adverse impact on Sirius XM Holdings' operations and financial condition.***

Sirius XM Holdings is a



***Other Risks Relating to the Liberty SiriusXM Group***

***We do not have the right to manage our business affiliate, Live Nation, which means we are not able to cause it to operate in a manner that is favorable to us.***

We do not have the right to manage the businesses or affairs of our business affiliate Live Nation, which is attribut

entertainment which challenge Formula 1's position and reputation as the pinnacle of world motor sport, the continued participation of the leading Teams, the perceived entertainment value of the World Championship, changes in societal views on automobiles more generally and an unfavorable economic climate which may discourage fans from attending Events or make it more difficult to expand into new markets, all of which could change rapidly and cannot be predicted. See "*Rival motor sport events could be established involving existing Teams or different teams, or existing Teams may divert their resources to participate in another motor sport event, which could lead to fewer Teams and race circuits being involved in Formula 1, or a Team's primary engagement in motor sport being in another motor sport event, either of which could diminish the competitive position of Formula 1.*" Formula 1 also faces stiff competition from other live sporting events, and with sporting events delivered over television networks, radio, the Internet and online services, mobile applications and other alternative sources, as well as from the availability of alternative forms of entertainment and leisure activities. Formula 1 competes for attendance, viewership and advertising with a wide range of alternatives, such as top flight soccer leagues in many of its non-U.S. markets. As a result of the large number of options available, Formula 1 faces strong competition for the attention of sports fans.

Further, a scandal which undermines the credibility of the sport, such as a race fixing scandal, or accident could also impact the popularity of Formula 1. In particular regions, the popularity of the World Championship varies depending upon the participation and performance of drivers and Teams from that region. There is no assurance that Formula 1 will be able to compete effectively with other forms of sports or entertainment or that the World Championship will maintain its popularity either globally or in any particular country or region. Any decrease in the continued popularity of the World Championship may affect Formula 1's popularity.

[Table of Contents](#)

Even if a Team has committed to participate in the World Championship it may be able to exercise termination rights under the 2021 Concorde Agreement in certain circumstances and withdraw. For additional information regarding the 2021 Concorde Agreement, see *Item 1. Business—Formula 1—Key*



[Table of Contents](#)

if Formula 1 loses a material tax dispute in any jurisdiction, then Formula 1 may be exposed to additional tax liabilities and penalties, which may adversely affect its financial condition, results of operations and prospects, and in turn may materially adversely impact the Formula One Group.

***Changes in tax laws could adversely affect Formula 1 and the Formula One Group.***

Formula 1 operates in various jurisdictions and is subject to changes in appen

***Formula 1's business is subject to laws and regulations including with respect to advertising, broadcasting and the environment, and changes in and judicial interpretations of such laws and regulations could have a material adverse effect on Formula 1 and the Formula One Group.***

Formula 1's business is subject to laws and regulations including advertising, broadcasting, environmental and health and safety laws and regulations. Such regimes are subject to periodic governmental review, legislative initiatives and judicial interpretations, any of which could adversely affect Formula 1's business and its profitability. A substantial part of Formula 1's business is derived from the Formula 1 racing series.

[Table of Contents](#)

factor beyond the control of Formula 1 depends on the terms and provisions of the applicable promoter agreement. In addition, Formula 1's broadcast contracts include a provision to reduce the fee payable to Formula 1 if there are fewer than a specified number of Events in a season for reasons other than a force majeure event. The minimum number of Events varies by broadcast contract but is typically between 14 and 16 Events. However, if an Event were to be cancelled due to the race promoter failing to meet its obligations, the fee payable to Formula 1 would be reduced.

[Table of Contents](#)

of Formula 1's cp



distribution of televised sporting events easier and faster and enforcement of intellectual property rights more challenging. The increased use of intellectual property in the entertainment industry generally continues to be a significant challenge for intellectual property rights holders. If Formula 1 is unsuccessful in preventing widespread piracy and illegal live streaming of Events in the future, these activities could result in lost revenue and a reduction in the value of Formula 1's broadcasting rights which may materially and adversely affect Formula 1's business, results of operation, financial condition and prospects, and in turn may materially adversely affect the Formula One Group.

**Formula 1's indebtedness may limit its financial and operating flexibility.**

Covenants contained in the agreements governing Formula 1's credit facilities will restrict the ability of its subsidiaries to, among other things:

- a) incur or guarantee any indebtedness or be a creditor in respect of financial indebtedness;
- b) pay dividends, redeem their share capital, purchase capital stock, make investments or other restricted payments;
- c) make any payment in respect, or on account, of indebtedness, including the redemption of debt securities.

***Fluctuations in the value of the US dollar against the functional currencies of Formula 1's business and Formula 1's counterparties' business could adversely affect Formula 1's profitability and the Formula One Group.***

In 2021, a significant proportion of Formula 1's revenue and costs were denominated in U.S. dollars. Formula 1 also operates in a number of other currencies, most notably the pound sterling and Euro. There may be a mismatch between the amount of a local currency Formula 1 generates in revenue and incurs in expenses. Our financial statements translate local currency transactions into U.S. dollars. Formula 1 occasionally uses derivatives to hedge its exposure to more significant foreign currency risk. There is no assurance that such measures will be successful and fluctuations in the value of the U.S. dollar against Formula 1's functional currencies could affect its profitability. Additionally, most payments Formula 1 receives from Formula 1's counterparties under Formula 1's commercial contracts are denominated in U.S. dollars while their revenue is typically denominated in other currencies, most notably the Euro or the local currency in the country where the relevant Event is held. An appreciation of the U.S. dollar, against the functional currencies of Formula 1's counterparties whose revenue is denominated in a currency other than U.S. dollars, increases the cost of their payments to Formula 1 in their functional currencies and the risk that they will not make their payments to Formula 1 or cause them to request Formula 1 to enter into a new contract with such counterparty, which could affect Formula 1's profitability and financial position, and in turn could impact the Formula One Group. See "*—Formula 1 is exposed to credit-related losses in the event of non-performance by counterparties to Formula 1's key commercial contracts.*"

***Formula 1 is reliant upon the retention of certain key personnel and the hiring of strategically valuable personnel, and Formula 1 may lose or be unable to hire one or more of such personnel.***

Formula 1's commercial success is dependent to a considerable extent on the abilities and reputation of Formula 1's management. Formula 1's senior management team has a wealth of experience both in Formula 1 and in the media sector more widely. Chase Carey, Formula 1's former Chairman and Chief Executive Officer and current non-Executive Chairman, is a well-known and respected senior figure in the media industry and led Formula 1 in its growth and expansion from Liberty's acquisition of the business in 2017 through the end of 2020. In January 2021, Mr. Carey was succeeded as Chief Executive Officer by Stefano Domenicali, who brings his history of success in Formula 1 racing at Ferrari and the broader auto industry at Audi and Lamborghini. Formula 1's Chief Financial Officer, Duncan Llowarch, and the General Counsel, Sacha Woodward Hill, have 25 years and 26 years of experience in Formula 1, respectively, and Ross Brawn, Managing Director of Motor Sports, has over 40 years of experience in motor racing, holding senior positions in several leading Formula 1 teams including his own, BrawnBwnw Bw e ian us s, eapct l

[Table of Contents](#)

**Risks Relating]**

***The organizational structure of MLB and its rules and regulations impose substantial restrictions on the operations of Braves Holdings and its subsidiaries.***

As a condition to maintaining its MLB franchise, each MLB club must comply with MLB Rules and Regulations. For example, each MLB club is subject to the Major League Constitution, the Major League Rules and the CBA. In addition, each club is required to appoint one “Control Person” who is acceptable to MLB and the other clubs and who t

***Broadcasting rights, both national and local, present an important source of revenue for Braves Holdings, and decreases in this broadcasting revenue could have an adverse effect on the Braves Group's financial results.***

Braves Holdings derives revenue directly from the sale of their local broadcasting rights through an individually negotiated carriage agreement. The sale of their national broadcasting rights, together with those of all other MLB teams, is organized through MLB with all such revenue running through MLB's Central Fund and allocated consistent with the governing documents. A majority of this revenue is reliant on a limited number of broadcasting partners. Solvency and business disruptions impacting our broadcasting partners, as well as any decline in television ratings, popularity of the Braves specifically, or even MLB as a whole, could adversely affect the revenue that can be derived from the sale of these broadcasting rights. In addition, from time to time, litigation may arise challenging the commercial terms on which this programming is distributed.

***Braves Holdings' need for capital to fund its operations and recent borrowings used or to be used to finance construction and development of the Braves' stadium, the Development Project and a spring training facility could negatively impact the Braves Group's financial condition.***

Braves Holdings generally funds its operating activities through cash flow from operations and two credit facilities, with a combined borrowing capacity of \$185 million. If cash flows become insufficient to cover capital needs, Braves Holdings may be required to take on additional indebtedness, but applicable MLB rules limit the aggregate amount of indebtedness that Braves Holdings may incur. As of December 31, 2021, Braves Holdings had \$120 million outstanding under its operating credit facilities.

Braves Holdings has, directly or indirectly through subsidiaries, taken on a significant level of debt and increased expenses related to the development of the Braves' stadium, the Development Project and a new spring training facility. As of December 31, 2021, Braves Holdings had approximately \$279 million outstanding under various debt instruments for construction and other stadium-related costs, \$271 million outstanding under various credit facilities and loans for the Development Project and \$30 million outstanding under a credit facility for the spring training facility. As of December 31, 2021, approximately \$101 million of capacity remained available under the credit facilities and loans.

These expenditures have increased, and will continue to increase the Braves Group's costs and indebtedness in the near term, which could have a negative impact on Braves Holdings' credit worthiness and the value of the Liberty Braves common stock.

***The financial performance of the Braves Group may be materially adversely affected if it does not experience the anticipated benefits of the Development Project in the near term or at all.***

The Braves Group is in a significant amount of debt

[Table of Contents](#)

other factors which are beyond the control of the developer and may make the underlying investments economically unattractive. Development activities also involve the risk that construction may not be completed within budget or on schedule because of cost overruns, work ,

[Table of Contents](#)

*We may split off, spin off or reattribute assets, liabilities and businesses attributed to our tracking stock groups in a manner that may disparately impact some of our stockholders if our board of directors deta*

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***We may not pay dividends equally or at all on Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock.***

We do not presently intend to pay cash dividends on Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock for the foreseeable future. However, we have the right to pay dividends on the shares of common stock related to each group in equal or unequal amounts, and we may pay dividends on the shares of common stock related to one group and not pay dividends on shares of common stock related to another group. In addition, any dividends or distributions on, or repurchases of, shares relating to a group will reduce our assets legally available to be paid as dividends on the shares relating to another group.

***Our tracking stock capital structure could create conflicts of interest, and our board of directors may make decisions that could adversely affect only some holders of our common stock.***

Our tracking stock capital structure could give rise to occasions when the interests of holders of stock related to one group might diverge or appear to diverge from the interests of holders of stock related to one or both of the other groups. In addition, given the nature of their businesses, there may be inherent conflicts of interests between the Liberty SiriusXM Group, the Braves Group and the Formula One Group. Our tracking stock groups are not separate entities and thus holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock do not have the right to elect separate boards of directors. As a result, our Company's officers and directors owe fiduciary duties to our Company as a whole and all of our stockholders as opposed to only holders of a particular group. Decisions deemed to be in the best interest of our Company and all of our stockholders may not be in the best interest of a particular group or groups when considered independently. Examples include:

decisions made in the context of any business relationships that may be created between groups, such as between the Liberty SiriusXM Group and the Braves Group or between the Liberty SiriusXM Group and the Formula One Group;

the terms of any reattributions of assets between one or more groups;

decisions made in the context of any business relationships that may be created between groups, such as between the Liberty SiriusXM Group and the Braves Group or between the Liberty SiriusXM Group and the Formula One Group;

***Other than pursuant to our management and allocation policies, we have not adopted any specific procedures for consideration of matters involving a divergence of interests among holders of shares of stock relating to our three groups, or among holders of different series of stock relating to a specific group.***

Rather than develop additional specific procedures in advance, our board of directors intends to exercise its judgment from time to time, depending on the circumstances, as to how best to:

- obtain information regarding the divergence (or potential divergence) of interests;
- determine under what circumstances to seek the assistance of outside advisers;
- determine whether a committee of our board of directors should be appointed to address a specific matter and the appropriate members of that committee; and
- assess what is in our best interests and the best interests of all of our stockholders.

Our board of directors believes the advantage of retaining flexibility in determining how to fulfill its responsibilities in any such circumstances as they may arise outweighs any perceived advantages of adopting additional specific procedures in advance.

***Our board of directors may change the management and allocation policies to the detriment of one or more groups without stockholder approval.***

Our board of directors has adopted certain management and allocation policies to serve as guidelines in making decisions regarding the relationships among the Liberty SiriusXM Group, the Braves Group and the Formula One Group with respect to matters such as tax liabilities and benefits, inter-group loans, inter-group interests, attribution of assets, financing alternatives, corporate opportunities and similar items. These policies also set forth the initial focuses and strategies of these groups and the initial attribution of our businesses, assets and liabilities among them. These policies are not included in the current charter. Our board of directors may at any time change or make exceptions to these policies. Because these policies relate to matters concerning the day-to-day management of our Company as opposed to significant corporate actions, such as a merger involving our Company or a sale of substantially all of our assets, no stockholder approval is required with respect to their adoption or amendment. A decision to change, or make exceptions to, these policies or adopt additional policies could disadvantage one or more groups while advantaging the other(s).

***Holders of shares of stock relating to a particular group may not have any remedies if any action by our directors or officers has an adverse effect on only that stock, or on a particular series of that stock.***

Principles of Delaware law and the provisions of our current charter may protect decisions of our board of directors that have a disparate impact upon holders of shares of stock relating to a particular group, or upon holders of any series of stock relating to a particular group. Under Delaware law, the board of directors has a duty to act with due care and in the best interests of all of our stockholders, regardless of the stock, or series, they hold. Principles of Delaware law established in cases involving differing treatment of multiple classes or series of stock provide that a board of directors owes an equal duty to all stockholders and does not have separate or additional duties to any subset of stockholders. Judicial opinions in Delaware involving tracking stocks have established that decisions by directors or officers involving differing treatment of holders of tracking stocks may be judged under the business judgment rule. In some circumstances, our directors or officers may be required to make a decision that is viewed as adverse to the holders of shares relating to a particular group or to the holders of a particular series of that stock. Under the principles of Delaware law and the business judgment rule referred to above, a stockholder may not be able to successfully challenge decisions that they believe have a disparate impact upon the stockholders of one of the

***Stockholders will not vote on how to attribute consideration received in connection with a merger involving our Company among holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock.***

Our current charter does not contain any provisions governing how consideration received in connection with a merger or consolidation involving our Company is to be attributed to the holders of Liberty SiriusXM common stock, holders of Liberty Braves common stock and holders of Liberty Formula One common stock or to the holders of different series of stock, and none of the holders of Liberty SiriusXM common stock, Liberty Braves common stock or Liberty Formula One common stock will have a separate class vote in the event of such a merger or consolidation. Consistent with applicable principles of Delaware law, our board of directors will seek to divide the type and amount of consideration received in a merger or consolidation involving our Company among holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock in a fair manner. As the different ways the board of directors may divide the consideration between holders of stock relating to the different groups, and among holders of different series of a particular stock, might have materially different results, the consideration to be received by holders of Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock in any such merger or consolidation may be materially less valuable than the consideration they would have received if they had a separate class vote on such merger or consolidation.

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[Table of Contents](#)

that adverse events or trends have occurred or may be occur



**Item 4. Mine Safety Disclosures**

Not applicable.

**PART II.**

**It**







*Securities Authorized for Issuance Under Equity Compensation Plans*

Information required by this item is incorporated by referencer

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**Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto. See note 3 in the accompanying consolidated financial statements for an overview of accounting standards that we have adopted or that we plan to adopt that have had or may have an impact on our financial statements.

**Overview**

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

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

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

Our “Corporate and Other” category includes a consolidated subsidiary, Braves Holdings, LLC (“Braves Holdings”) and corporate expenses. We also maintain minority positions in other public companies.

As discussed in note 2 of the accompanying consolidated financial statements, on April 15, 2016, Liberty completed the Recapitalization, which created three new tracking stock groups. A tracking stock is a type of common stock that the issuing company intends to reflect or “track” the economic performance of a particular business or “group,” rather than the economic performance of the company as a whole. While the Liberty SiriusXM Group, Liberty Braves Group (the “Braves Group”) and Formula One Group have separate collections of businesses, assets and liabilities attributed to them, no group is a separate legal entity and therefore cannot own assets, issue securities or enter into legally binding agreements. Therefore, the Liberty SiriusXM Group, Braves Group and Formula One Group do not represent separate legal entities, but rather represent those businesses, assets and liabilities that have been attributed to each respective group. Holders of tracking stock have no direct claim to the group’s stock or assets and therefore, do not own, by virtue of their ownership of a Liberty tracking stock, any equity or voting interest in a company, such as Sirius XM Holdings or Live Nation, in which Liberty holds an interest that is attributed to a Liberty tracking stock group, such as the Liberty SiriusXM Group. Holders of tracking stock are also not represented by separate boards of directors. Instead, holders of tracking stock are stockholders of the parent corporation, with a single board of directors and subject to all of the risks and liabilities of the parent corporation.

[Table of Contents](#)

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



demand for the entertainment, events and services provided by these businesses and demand for sponsorship and advertising assets. If these businesses continue to face cancelled events, closed venues and reduced attendance, the impact may substantially decrease our revenue. Due to the revenue reductions caused by COVID-19 to date, these businesses have looked to reduce expenses, but should such impacts continue, the businesses may not be able to reduce expenses to the same degree as any decline in revenue, which may adversely affect our results of operations and cash flow.

***Strategies and Challenges of Business Units***

***Sirius XM Holdings.*** Sirius XM Holdings is focused on several initiatives to increase its revenue. Sirius XM Holdings regula



**Revenue.** Our consolidated revenue increased \$2,037 million and decreased \$929 million for the years ended December 31, 2021 and 2020, respectively, as compared to the corresponding prior year periods. The 2021 increase was driven by increases at Formula 1, Sirius XM Holdings and Braves Holdings of \$991 million, \$656 million and \$390 million, respectively. The 2020 decrease was driven by decreases at Formula 1 and Braves Holdings of \$877 million and \$298 million, respectively, partially offset by revenue growth at Sirius XM Holdings of \$246 million. See “Results of Operations—Businesses” below for a more complete discussion of the results of operations of Sirius XM Holdings, Formula 1 and Braves Holdings.

**Operating income.** Our consolidated operating income increased \$1,800 million and decreased \$1,293 million for the years ended December 31, 2021 and 2020, respectively, as compared to the corresponding prior year periods. The 2021 increase was driven by increases in Sirius XM Holdings, Formula 1 and Braves Holdings of \$478 million, \$152 million and \$152 million, respectively. The 2020 decrease was driven by \$788 million, \$403 million and \$89 million decreases in Sirius XM Holdings, Formula 1 and Braves Holdings, respectively. See “Results of Operations—Businesses” below for a more complete discussion of the results of operations of Sirius XM Holdings, Formula 1 and Braves Holdings.

**Stock-based compensation.** Stock-based compensation includes compensation related to (1) options granted to and



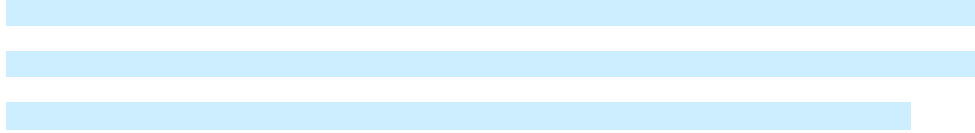
[Table of Contents](#)

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

	Years ended December 31,		
	2021	2020	2019
	amounts in millions		
Operating income (loss)	\$ 1,977	177	1,470
Depreciation and amortization	1,072	1,083	1,061
Stock-based compensation	1,072	1,083	1,061
Litigation settlements and reserves	—	(16)	25
Impairment, restructuring and acquisition costs, net of recoveries	20	1,004	84
Adjusted OIBDA	<u>\$ 3,325</u>	<u>2,509</u>	<u>2,931</u>

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

During the year ended December 31, 2020, Sirius XM Decrease since end of 2019 financial



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

	<u>Years ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	amounts in millions		
<b>Liberty SiriusXM Group</b>			
Live Nation	\$ (235)	(465)	NA
Sirius XM Canada	4	5	(3)
Other	(22)	(24)	(21)
<b>Total Liberty SiriusXM Group</b>	<u>(253)</u>	<u>(484)</u>	<u>(24)</u>
<b>Braves Group</b>			
Other	30	6	18
<b>Total Braves Group</b>	<u>30</u>	<u>6</u>	<u>18</u>
<b>Formula One Group</b>			
Live Nation	NA	(12)	4
Other	23	4	8
<b>Total Formula One Group</b>	<u>23</u>	<u>(108)</u>	<u>12</u>
	<u>\$ (200)</u>	<u>(586)</u>	<u>6</u>

Liberty's interest in Live Nation was reattributed <sup>eee</sup>

	<u>          </u>	<u>          </u>	<u>          </u>
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common stock offering of approximately 5.2 million shares by Live Nation during September 2021. 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.

**Other, net.** The increase in other, net expense in 2021, as compared to the corresponding prior year period, was primarily driven by an increase in losses on extinguishment of debt related to Sirius XM Holdings. The decrease in other, net expense in 2020, as compared to the corresponding prior year period, was primarily driven by a decrease in losses on extinguishment of debt related to Sirius XM Holdings.

**Income taxes.** The Company had income tax expense of \$45 million, income tax benefit of \$44 million and income tax expense of \$166 million for the years ended December 31, 2021, 2020 and 2019, respectively. Our effective tax rate for the years ended December 31, 2021, 2020 and 2019 was 6%, 3% and 32%, respectively. Our effective tax rate for all three years was impacted for the following reasons:

During 2021, our effective tax rate was lower than the 21% U.S. federal tax rate due to federal income tax credits, the settlement of state income tax audits at Sirius XM Holdings and a change in the Company's foreign effective tax rate, partially offset by an increase in the Company's valuation allowance, the effect of state income taxes and certain losses that are not deductible for income tax purposes.

During 2020, our effective tax rate was lower than the 21% U.S. federal tax rate due to additional tax expense related to an impairment loss on goodwill that is not deductible for tax purposes and an increase in the Coe



[Table of Contents](#)

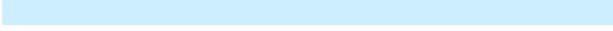
\$200 million and certain restrictions on dividends, other payments and the incurrence of additional debt. On January 29, 2021, Braves Holdings amended one of the debt agreements of the mixed-use loans, modifying the calculation of the debt yield from June 30, 2021 through the quarter ending December 31, 2021, subject to certain other conditions.

See Item 7A. Quantitative and Qualitative Disclosures about Market Risk for disclosures related to the anticipated effects of the transition away from London Inter-bank Offered Rate (“LIBOR”) as a benchmark for establishing the rate of interest on Liberty’s margin loans, Sirius XM Holdings’ borrowings under its credit facility, Formula 1’s borrowings under its loan facility and Braves Holdings’ borrowings under its operating credit facilities.

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

	<b>Years ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Cash Flow Information</b>	<b>amounts in millions</b>		
Liberty SiriusXM Group cash provided (used) by operating activities	\$ 1,894	1,924	1,944
Braves Group cash provided (used) by operating activities	62	(55)	75
Formula One Group cash provided (used) by operating activities	481	(139)	294
Net cash provided (used) by operating activities	<u>\$ 2,437</u>	<u>1,730</u>	<u>2,313</u>
Liberty SiriusXM Group cash provided (used) by investing activities			

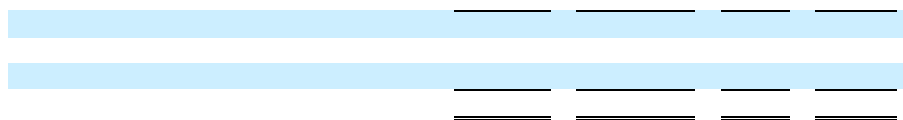






[Table of Contents](#)

If the carrying value of our long-lived assets exceeds their estimated fair value, we are required to write the carrying value down to fair value. Any such writedown is included in impairment of long-lived assets in our consolidated statement of operations. A high degree of judgment is required to estimate the fair value of our long-lived assets. We may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. We may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to the high degree of judgment involved in our estimation techniques, any value ultimately derived from our long-lived assets may differ from our estimate of fair value. As each of

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[Table of Contents](#)

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

***Income Taxes.*** We are required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflect~ye

[Table of Contents](#)

expert-curated playlists, podcasts and select Sirius XM content as well as search and play songs and albums on-demand. Pandora is available as (1) an ad-supported radio service, (2) a radio subscription service (Pandora Plus) and (3) an on-demand subscription service (Pandora Premium). As of December 31, 2021, Pandora had approximately 6.4 million subscribers.

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

Pandora also sells advertising on audio platforms and in podcasts unaffiliated with Sirius XM Holdings. Pandora is the exclusive U.S. ad sales representative for SoundCloud Holdings, LLC ("SoundCloud"). Through this arrangement, Pandora offers advertisers the ability to execute campaigns in the U.S. across the Pandora and SoundCloud listening platforms. Sirius XM Holdings also has arrangements to serve as the ad sales representative for certain podcasts. In addition, through AdsWizz, Inc. ("AdsWizz"), Pandora provides a comprehensive digital audio advertising technology platform, which connects audio publishers and advertisers with a variety of ad insertion, campaign trafficking, yield optimization, programmatic buying, marketplace and podcast monetization solutions. As of December 31, 2021, Pandora had approximately 52.3 million monthly active users.

In February 2020, Sirius XM Holdings completed a \$75 million investment in SoundCloud. SoundCloud is a next-generation music entertainment company, powered by an ecosystem of artists, listeners, and curators on the pulse of what's new, now and next in music culture. SoundCloud's platform enables its users to upload, promote, share and create audio entertainment. The minority investment complements the existing ad sales relationship between SoundCloud and Pandora.

In June 2020, Sirius XM Holdings acquired Simplecast for \$28 million in cash. Simplecast is a podcast management and analytics platform.

In October 2020, Sirius XM Holdings acquired the assets of Stitcher from The E.W. Scripps Company and certain of its subsidiaries ("Scripps") for a total consideration of \$302 million, which included \$266 million in cash and \$36 million related to contingent consideration. During the year ended December 31, 2021, Stitcher did not achieve certain financial metrics, as a result of which, Sirius XM Holdings does not expect to pay for Scripps' 2021 portion of the contingent consideration associated with the transaction. During the year ended December 31, 2021, Sirius XM Holdings recognized a \$17 million benefit related to the change in fair value of the 2021 portion of the contingent consideration. The acquisition of Stitcher, in conjunction with Simplecast, creates a full-service



[Table of Contents](#)

by growth in Sirius XM's average monthly revenue per subscriber of 5% and in Sirius XM's self-pay subscriber base of 4%, driving higher self-pay revenue and U.S. Music Royalty Fees, partially offset by revenue generated from automakers offering paid promotional subscriptions. The increase for the year ended December 31, 2020 was primarily driven by higher self-pay revenue as a result of increases in certain subscription plans and higher U.S. Music Royalty Fees due to a higher music royalty rate, partially offset by lower paid promotional revenue.

*Sirius XM Advertisi*

*Programming and*

[Table of Contents](#)

compared to the corresponding periods in the prior year. The 2021 increase was primarily driven by higher streaming costs. The 2020 decrease was primarily driven by lower streaming costs due to lower listener hours and lower personnel related costs.

*Subscriber acquisition costs* are costs associated with Sirius XM's satellite radio and include hardware subsidies paid to radio manufacturers, distributors and automakers, subsidies paid for chipsets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; product warranty obligations; and freight. The majority of subscriber acquisition

[Table of Contents](#)

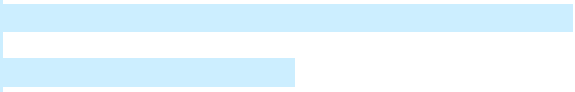
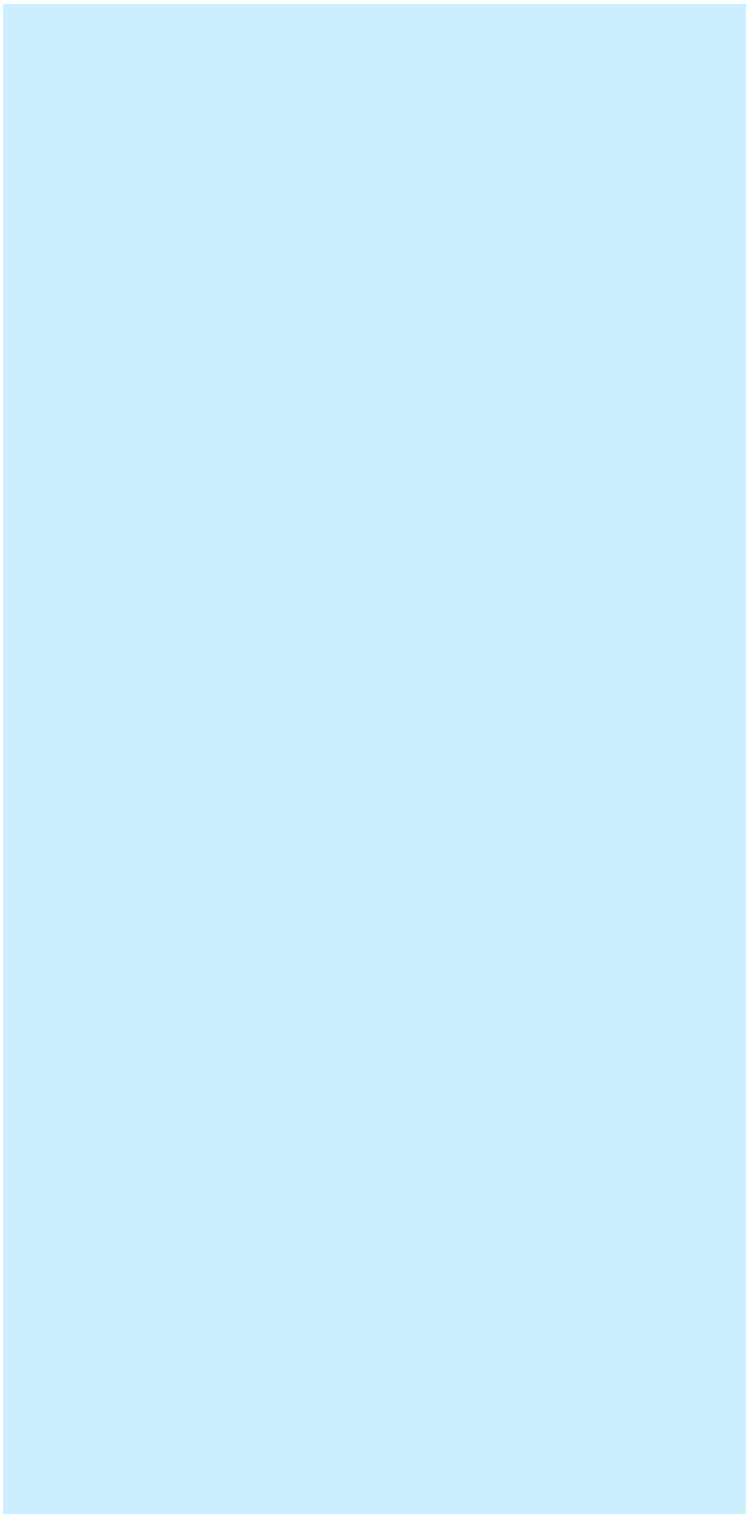
*Depreciation and amortization* increased 5% and 4% during the years ended December 31, 2021 and 2020, respectively, as compared to the corresponding periods in the prior year. The increases were due to higher depi



[Table of Contents](#)

origination of program footage, footage from Formula 1's archives and the licensing of radio broadcast and other ancillary media rights) and sponsorship fees (earned from the sale of World Championship and Event-related sponsorship rights and the servicing of such rights, rights to advertise on Formula 1's digital platforms and at non-Championship related events).

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[Table of Contents](#)

As of December 31, 2021, 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	\$ 875	2.2%	\$ 12,252	3.5%
Braves Group	\$ 261	1.6%	\$ 439	3.8%
Formula One Group	\$ 832	3.5%	\$ 2,525	4.9%

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

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

At December 31, 2021, the fair value of our marketable equity securities was \$217 million. Had the market price of such securities

**Item 9A. Controls and Procedures.**

In accordance with Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and

## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2021, using the criteria in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation the Company's management believes that, as of December 31, 2021, its internal control over financial reporting is effective.

The Company's independent registered public accounting firm audited the consolidated financial statements and related notes in the Annual Report on Form 10-K and has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report appears on page II-33 of this Annual Report on Form 10-K.

**Report of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors  
Liberty Media Corporation:

*Opinion on Internal Control Over Financial Reporting*

We have audited Liberty Media Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective



**Report of Independent Registered Public Accounting Firm**

To the Stockholders and Board of Directors  
Liberty Media Corporation:

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Liberty Media Corporation and subsidiarie

[Table of Contents](#)

We identified the evaluation of the sufficiency of audit evidence related to Sirius XM subscriber revenue and Pandora advertising revenue as a critical audit matter. Evaluating the sufficiency of audit evidence obtained required auditor judgment due principally to the number of IT applications used by the Company that involved IT professionals with specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over Sirius XM subscriber revenue and Pandora advertising revenue. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Sirius XM subscriber revenue and Pandora advertising revenue recognition process. We involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT application controls and general IT controls used by the Company in its revenue recognition and P&E.



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets (Continued)**

**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
	amounts in millions	
Redeemable noncontrolling interests in equity of subsidiary (note 11)	\$ 575	—
Stockholders' equity (notes 13,15 and 17):		
Preferred stock, \$.01 par value. Authorized 50,000,000 shares; no shares issued	—	—
Series A Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares at December 31, 2021; issued and outstanding 101,623,360 shares at December 31, 2021 and 99,383,666 shares at December 31, 2020 (note 2)	1	1
Series A Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2021; issued and outstanding 10,313,703 shares at December 31, 2021 and 10,312,670 shares at December 31, 2020 (note 2)	—	—
Series A Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2021; issued and outstanding 24,638,242 shares at December 31, 2021 and 25,835,838 shares at December 31, 2020 (note 2)	—	—
Series B Liberty SiriusXM common stock, \$.01 par value. Authorized 75,000,000 shares at December 31, 2021; issued and outstanding 9,802,232 shares at December 31, 2021 and 9,802,237 shares at December 31, 2020 (note 2)	—	—
Series B Liberty Braves common stock, \$.01 par value. Authorized 7,500,000 shares at December 31, 2021; issued and outstanding 1,011,018 shares at December 31, 2021 and 981,778 shares at December 31, 2020 (note 2)	—	—
Series B Liberty Formula One common stock, \$.01 par value. Authorized 18,750,000 shares at December 31, 2021; issued and outstanding 2,445,995 shares at December 31, 2021 and 2,446,606 shares at December 31, 2020 (note 2)	—	—
Series C Liberty SiriusXM common stock, \$.01 par value. Authorized 2,000,000,000 shares at December 31, 2021; issued and outstanding 222,874,721 shares at December 31, 2021 and 229,575,090 shares at December 31, 2020 (note 2)	2	2
Series C Liberty Braves common stock, \$.01 par value. Authorized 200,000,000 shares at December 31, 2021; issued and outstanding 41,494,524 shares at December 31, 2021 and 40,958,175 shares at December 31, 2020 (note 2)	—	—
Series C Liberty Formula One common stock, \$.01 par value. Authorized 500,000,000 shares at December 31, 2021; issued and outstanding 205,107,088 shares at December 31, 2021 and 203,538,477 shares at December 31, 2020 (note 2)	2	2
Additional paid-in capital	1,954	2,688
Accumulated other comprehensive earnings (loss), net of taxes	(5)	
	_____	_____
	_____	_____
	_____	_____
	_____	_____

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements Of Operations**

**Years ended December 31, 2021, 2020 and 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
	amounts in millions		
	en¥9		
Revenue			
Sirius XM Holdings revenue	\$ 8,696	8,040	7,794
Formula 1 revenue	2,136	1,145	2,022
Other revenue	568	178	476
Total revenue	<u>11,400</u>	<u>9,363</u>	<u>10,292</u>
Operating costs and expenses, including stock-based compensation (note 3):			
Cost of Sirius XM Holdings services (exclusive of depreciation shown separately below):			
Revenue share and royalties	2,670	2,362	2,189
Programming and content	552	501	476
Customer service and billing	501	476	476
Other	236	236	236
Cost of Formula 1 revenue	1,489	1,489	1,489
Subscriber acquisition costs	325	325	325
	<u>5,773</u>	<u>5,395</u>	<u>5,191</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>
	<u>5,627</u>	<u>3,968</u>	<u>5,101</u>

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements Of Operations (Continued)**

**Years ended December 31, 2021, 2020 and 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Basic net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty SiriusXM common stock	1.79	(2.24)	1.50
Series A, B and C Liberty Braves common stock	(0.21)	(1.53)	(1.51)
Series A, B and C Liberty Formula One common stock	(0.82)	(2.57)	(1.35)
Diluted net earnings (loss) attributable to Liberty stockholders per common share (notes 2 and 3)			
Series A, B and C Liberty SiriusXM common stock	1.78	(2.33)	1.48
Series A, B and C Liberty Braves common stock	(0.21)	(2.00)	(1.51)
Series A, B and C Liberty Formula One common stock	(0.82)	(2.57)	(1.35)

See accompanying notes to consolidated financial statements.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements Of Comprehensive Earnings (Loss)**

**Years ended December 31, 2021, 2020 and 2019**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
	amounts in millions		
Net earnings (loss)	\$ 744	(1,391)	347
Other comprehensive earnings (loss), net of taxes:			
Foreign currency translation adjustments	(4)	12	20
Unrealized holding gains (losses) arising during the period	(1)	(7)	3
Credit risk on fair value debt instruments gains (losses)	(83)	117	(13)
Share of other comprehensive earnings (loss) of equity affiliates	7	(9)	1
Recognition of previously unrealized (gains) losses on debt	(2)	—	—
Other comprehensive earnings (loss)	(83)	113	11
Comprehensive earnings (loss)	661	(1,278)	358
Less comprehensive earnings (loss) attributable to the noncontrolling interfM			









**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

Broadband in December 2020, GCI Liberty no longer participates in the Services Agreement arrangement due to the termination of its Services Agreement with Liberty.

In December 2020, in conjunction with the merger, GCI Liberty made an executive termination payment to Liberty of approximately \$6 million. See note 14 for additional information related to termination payments.

**(2) Tracking Stocks**

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

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

The assets reattributed from the Formula One Group to the Liberty SiriusXM Group, valued at \$2.8 billionio

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

the Braves Group as of December 31, 2021. As of December 31, 2021, the Braves Group has cash and cash equivalents of approximately \$142 million, which includes \$58 million of subsidiary cash.

The Liberty Formula One common stock is intended to track and reflect the separate economic performance of the businesses, assets and liabilities attributed to the Formula One Group, which, as of December 31, 2021, include all of the businesses, assets and liabilities of Liberty other than those specifically attributed to the Braves Group or the Liberty SiriusXM Group, including Liberty's interests in Formula 1 and Liberty Media Acquisition Corporation, cash, an intergroup interest in the Braves Group and Liberty's 1% Cash Convertible Notes due 2023. As of December 31, 2021, the Formula One Group has cash and cash equivalents of approximately \$2,074 million, which includes \$709 million of subsidiary cash.

The number of notional shares representing the intergroup interest in the Braves Group held by the Formula One Group is 6,792,903, representing an 11.0% intergroup interest at December 31, 2021. The number of notional shares representing the intergroup interest in the Braves Group held by the Liberty SiriusXM Group is 2,292,037, representing a 3.7% intergroup interest at December 31, 2021. The number of notional shares representing the intergroup interest in the Formula One Group held by the Liberty SiriusXM Group is 5,271,475, representing a 2.2% intergroup interest at December 31, 2021. 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 "Subscription Rights") to purchase shares of Series C Liberty SiriusXM common stock, par value \$1.01, to be distributed to holders of Series A Liberty SiriusXM common stock, par value per share, Series B Liberty SiriusXM liability

[Table of Contents](#)

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Intent**



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

for a recovery in fair value. If the decline in fair value is deemed to be other than temporary, the carrying value of the equity method investment is written down to fair value. In situations where the fair value of an investment is not evident due to a lack of a public market price or other factors, the Company uses its best estimates and assumptions to arrive at the estimated fair value of such investment. The Company's assessment of the foregoing factors involves a high degree of judgment and accordingly, actual results may differ materially from the Company's estimates and judgments. Writedowns for equity method investments are included in share of earnings (losses) of affiliates.

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




**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

Sirius XM Holdings capitalizes a portion of the interest on funds borrowed to finance the construction and launch of its satellites. Capitalized interest is recorded as part of the asset's cost and depreciated over the asset's useful life. Capitalized interest costs for the years ended December 31, 2021 and 2020 were approximately \$7 million and \$19 million, respectively.

***Intangible Assets***

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



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

***Impairment of Long-lived Assets***

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

***Noncontrolling Interests***

The Company reports noncontrolling interests of subsidiaries within equity in the balance sheet and the amount of consolidated net income attributable to the parent and to the noncontrolling interest is presented

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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ended December 31, 2021 were not materially impacted by other factors. The opening and closing balances for our deferred revenue related to Formula 1 and Braves Holdings was approximately \$349 million and \$347 million, respectively.

As the majority of Sirius XM Holdings contracts are one year or less, Sirius XM Holdings utilized the optional exemption under ASC 606 and does not disclose information about the remaining performance obligations for contracts which have original expected durations of one year or less. As of December 31, 2021, less than seven percent of the Sirius XM Holdings total deferred revenue balance related to contracts that extended beyond one year. These contracts primarily include prepaid data trials which are typically provided for three to five years as well as for self-pay customers who prepay for their audio subscriptions for up to 9 months. These amounts will be recognized on a straight-line basis as Siri t<sup>CO</sup>




**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

life. Revenue share and loyalty fees paid to an automaker offering a paid trial are accounted for as a reduction of revenue as the payment does not provide a distinct good or service.

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

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

**Equipment revenue.** Equipment revenue and royalties from the sale of satellite radios, components and accessories are recognized upon shipment, net of discounts and rebates. Shipping and handling costs billed to customers are recorded as revenue. Shipping and handling costs associated with shipping goods to customers are reported as a component of cost of services.

**Other revenue.** Other revenue primarily includes revenue recognized from royalties received from Sirius XM Canada, Sirius XM Canada Inc., Sirius XM Canada Inc. and Sirius XM Canada Inc.




**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**  
**December 31, 2021, 2020 and 2019**

**Primary revenue.** Formula 1 holds exclusive commercial rights with respect to the World Championship, an annual, approximately nine-month long, motor race-based competition in which teams compete for the Constructors' Championship and drivers compete for the Drivers' Championship.


[Table of Contents](#)

**LIBERTY MEDIA COR**



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

from copyright owners and exclude from its revenue certain other items)

LIBERTY MEDIA CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2021, 2020 and 2019

*Advertising Costs*

Advertising expense aggregated \$532 million, \$452 million and \$415 million for the years ended December 31, 2021, 2020 and 2019, respectively. Advertising costs are primarily attributable to costs incurred by Sirius XM Holdings. Media-related advertising costs are expensed when advertisements air, and advertising production costs are expensed as incurred. Advertising production costs include expenses related to marketing and retention activities, including expenses related to direct mail, outbound telemarketing and email communications. Sirius XM Holdings also incurs advertising production costs related to cooperclacemarketi

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

*Earnings Attributable to Liberty Stockholders Per Common Share*

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares 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.

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

The basic and diluted EPS calculations are based on the following weighted average shares outstanding. Excluded from diluted EPS for the years ended December 31, 2021, 2020 and 2019 are 19 million, 25 million and 22 million potentially dilutive shares of Liberty SiriusXM common stock, respectively, because their inclusion would be antidilutive.

	<u>Years ended December 31</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>



[Table of Contents](#)

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes**



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

interests held by Formula One Group and Liberty SiriusXM Group, respectively, through the unaudited attributed consolidated statements of operations. The notional shares representing the intergroup interests have no impact on the basic WASO. However, the notional shares representing the intergroup interests are included in the diluted WASO as if the shares had been issued and outstanding during the period. An adjustment was also made to the numerator in the diluted earnings per share calculation for the unrealized gain or loss incurred from marking the intergroup interests to fair value during the period as follows:

	<u>December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	amounts in millions		
Basic earnings (loss) attributable to Liberty Braves shareholders	\$ (11)	(78)	(77)
Unrealized (gain) loss on the intergroup interest	31	(42)	42
Diluted earnings (loss) attributable to Liberty Braves shareholders	<u>\$ 20</u>	<u>(110)</u>	<u>(35)</u>

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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

	Years ended December 31,		
	2021	2020	2019
	amounts in millions		
Basic earnings (loss) attributable to Liberty Formula One shareholders	\$ (190)	(596)	(311)
Unrealized (gain) loss on the intergroup interest	112	75	NA
Diluted earnings (loss) attributable to Liberty Formula One shareholders	\$ (78)	(521)	(311)

***Reclasses and Adjustments***

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

***Estimates***

The preparation of financial statements in conformity with GAAP requires the use of estimates.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

	<u>Years ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
	<u>amounts in millions</u>		
Cash paid for acquisitions:			
Fair value of assets acquired	\$ (1)	62	90
Intangibles not subject to amortization	30	235	1,884
Intangibles subject to amortization	—	50	800
Net liabilities assumed	(11)	(46)	
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>
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	<u>          </u>	<u>          </u>	<u>          </u>



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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

***Sirius XM Holdings acquisition of Simplecast***

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

***Sirius XM Holdings restructuring of Automatic Labs***

In May 2020, Sirius XM Holdings terminated the Automatic Labs Inc. ("Automatic") service, which was part of its connected services business. During the year ended December 31, -nded


**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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

	<b>Year ended December 31,</b>	
	<b>2019</b>	
	<b>amounts in millions</b>	
Revenue	\$	10,419
Net earnings (loss)	\$	371
Net earnings (loss) attributable to Liberty stockholders	\$	S

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

based on quoted market prices but not considered to be traded on “active markets,” as defined by GAAP. Accordingly, those debt and equity securities, financial instruments and debt or debt related instruments are reported in the foregoing table as Level 2 fair value. Short-term marketable securities in the table above are included in the Other current assets line item in the consolidated balance sheets. Investments in the trust account and debt and equity securities and financial instrument assets included in the table above are included in the Other assets line item in the consolidated balance sheets. As of December 31, 2021, \$527 million and \$113 million of financial instrument assets included in the table above are included in the Other current assets and Other assets line items, respectively, in the consolidated balance sheet. As of December 31, 2020, financial instrument assets included in the table above are included in the Other assets line item in the consolidated balance sheets

***Realized and Unrealized Gains (Losses) on Financial Instruments***

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

	<u>Years ended December 31,</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt and equity securities	\$ 204	(74)	110
Debt measured at fair value (a)	(886)	(114)	(584)
Change in fair value of bond hedges (b)	193	(127)	215
Other	38	(87)	(56)
	<u>\$ (451)</u>	<u>(402)</u>	<u>(315)</u>

- (a) The Company elected to account for its exchangeable senior debentures and cash convertible notes using the fair value option. Changes in the fair value of the exchangeable senior debentures and cash convertible notes recognized in the consolidated statements of operations are primarily due to market factors primarily driven by changes in the fair value of the underlying shares into which the debentures are exchangeable. The Company also recognizes its portion of the unrealized gain (loss) on these securities.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

**(7) Investments in Affiliates Accounted for Using the Equity Method**

Liberty has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership and market value (Level 1) of the more significant investments in affiliates at December 31, 2021, and the carrying amount at December 31, 2020:

	Percentage ownership	December 31, 2021		December 31, 2020	
		Fair Value (Level 1)	Carrying amount	Carrying amount	
dollar amounts in millions					
Liberty SiriusXM Group					
Live Nation	31%	\$ 8,336	\$ 89	163	
Sirius XM Canada	70%	NA	642	643	
Other			74	80	
Total Liberty SiriusXM Group			805	886	
Braves Group					
Other	NA	NA	110	94	
Total Braves Group			110	94	
Formula One Group					
Other	various	NA	30	38	
Total Formula One Group			30	38	
Consolidated Liberty			\$ 945	1,018	

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

	Years ended December 31,		
	2021	2020	2019
amounts in millions			
Liberty SiriusXM Group			
Live Nation	\$ (235)	(465)	NA
Sirius XM Canada	4	5	(3)
Other	(22)	(24)	(21)
Total Liberty SiriusXM Group	(253)	(484)	(24)
Braves Group			
Other	30	6	18
Total Braves Group	30	6	18
Formula One Group			
Live Nation	NA	(112)	4
Other	23	4	8
Total Formula One Group	23	(108)	12
Consolidated Liberty	\$ (200)	(586)	6



[Table of Contents](#)

**LIBERTY MEDÊ**



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES****Notes to Consolidated Financial Statements (Continued)****December 31, 2021, 2020 and 2019***Consolidated Statements of Operations*

	Years ended December 31,		
	2021	2020	2019
	amounts in millions		
Revenue	\$ 6,268	1,861	11,548
Operating expenses:			
Direct operating expenses	4,356	1,402	8,467
Selling, general and administrative expenses	1,755	1,524	2,145
Depreciation and amortization	416	485	444
Other operating expenses	159	103	167
	<u>6,686</u>	<u>3,514</u>	<u>11,223</u>
Operating income (loss)	(418)	(1,653)	325
Interest expense	(282)	(227)	(158)
Other income (expense), net	89	23	18
Earnings (loss) before income taxes	(611)	(1,857)	185
Income tax (expense) benefit	2	29	(67)
Net earnings (loss)	<u>(609)</u>	<u>(1,828)</u>	<u>118</u>
Less net earnings (loss) attributable to noncontrolling interests	42	(103)	48
Net earnings (loss) attributable to Live Nation stockholders	<u>\$ (651)</u>	<u>(1,725)</u>	<u>70</u>

*Sirius XM Canada*

As of December 31, 2021, Sirius XM Holdings holds a 70% equity interest and 33% voting interest in Sirius XM Canada Holdings, Inc. ("Sirius XM Canada"). Sirius XM Canada is accounted for as an equity method investment as Sirius XM Holdings does not have the ability to direct the most significant activities that impact Sirius XM Canada's economic performance.

Sirius XM Holdings has a loan to Sirius XM Canada in the aggregate amount of \$

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

*Intangible Assets Subject to Amortization*

Intangible assets subject to amortization are comprised of the following:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>			
	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Gross carrying amount</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>
FIA Agreement	\$ 3,630	(936)	2,694			

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

The Convertible Notes, Bond Hedge Transaction and warrants were reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020.

***1% Cash Convertible Notes due 2023***

On January 23, 2017, Liberty issued \$450 million cash convertible notes at an interest rate of 1% per

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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.

In accordance with the terms of



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

***0.5% Exchangeable Senior Debentures due 2050***

In November 2020, Liberty closed a private offering of approximately \$920 million aggregate principal amount of its 0.5% exchangeable senior debentures due 2050 (the "0.5% Exchangeable Senior Debentures due 2050"). Upon an exchange of debentures, Liberty, at its option, may deliver Live Nation common stock, cash or a combination of Live Nation common stock and/or cash. The number of shares of Live Nation common stock attributable to a debenture represents an initial exchange price of approximately \$90.10 per share. A total of approximately 10 million shares of Live Nation common stock are attributable to the debentures. Interest is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2021. The debentures may be redeemed by Liberty, in whole or in part.



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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

***Braves Holdings Notes and Loans***

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

	Carrying value		As of December 31, 2021		Maturity Date
	December 31, 2021	December 31, 2020	Borrowing Capacity	Weighted avg interest rate	
	amounts in millions				
Operating credit facilities	\$ 120	115	185	1.31%	various
Ballpark funding					
Senior secured note	178	184	NA	3.77%	September 2041
Floating rate notes	55	60	NA	1.83%	September 2029
Stadium credit facility	46	—	46		

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

In addition, the Company elected the practical expedient to account for the lease and non-lease components as a single component and will not recognize right-of-use assets or lease liabilities.

The table is redacted with light blue bars. It has four rows and three columns. The first row has a single horizontal line above it. The second and third rows have horizontal lines above and below them. The fourth row has horizontal lines above and below it, with a double horizontal line at the bottom of the column.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

The remaining weighted-average lease terms and the weighted average discount rates were as follows:

	2021	2020	2019
Weighted-average remaining lease term (years):			
Finance leases	27.7	28.3	29.7
Operating leases	8.4	9.2	9.2
Weighted-average discount rate:			
Finance leases	4.7%	4.6%	4.6%
Operating leases	5.2%	5.2%	5.2%

The following table presents supplemental balance sheet information related to leases:

	December 31,	
	2021	2020
	amounts in millions	
<b>Operating leases:</b>		
Operating lease right-of-use assets (1)	\$ 403	465
Current operating lease liabilities (2)	\$ 54	54
Operating lease liabilities (3)	405	453
Total operating lease liabilities	\$ 459	507
<b>Finance Leases:</b>		
Property and equipment, at cost	\$ 477	477
Accumulated depreciation	(150)	(118)
Property and equipment, net	327	359

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

Supplemental cash flow information related to leases was as follows:

	Years ended December 31,	
	2021	2020
amounts in millions		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 89	87
Financing cash flows for finance leases	\$ 5	6
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 11	8

Future minimum payments under noncancelable operating leases and finance leases with initial terms of one year or more at December 31, 2021 consisted of the following:

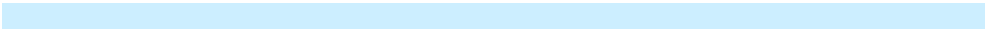
	Finance leases	Operating leases
	amounts in millions	
2022	\$ 10	75
2023	9	77
2024	9	67
2025	9	65
2026	9	63
Thereafter	144	221
Total lease payments	190	568
Less: implied interest	74	109
Present value of lease liabilities	\$ 116	459

**(11) Liberty Media Acquisition Corporation**

In November



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (Continued)**  
**December 31, 2021, 2020 and 2019**





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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	<b>December 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>amounts in millions</b>	
<b>Deferred tax assets:</b>		
Tax loss and credit carryforwards	\$ 1,475	1,436
Accrued stock compensation	84	107
Other accrued liabilities	232	217
Deferred revenue	41	55
Discount on debt	207	25
Investments	83	107
Other future deductible amounts	19	24
Deferred tax assets	<u>2,141</u>	<u>1,971</u>
Valuation allowance	(424)	(293)
Net deferred tax assets	<u>1,717</u>	<u>1,678</u>
<b>Deferred tax liabilities:</b>		
Fixed assets	478	448
Intangible assets	2,767	2,830
Deferred tax liabilities	<u>3,245</u>	<u>3,278</u>
Net deferred tax liabilities	<u>\$ 1,528</u>	<u>1,600</u>

During the year ended December 31, 2021, there was a \$135 million increase in the Company's valuation allowance that affected tax expense and a \$4 million decrease that affected equity.

At December 31, 2021, the Company had a deferred tax asset of \$1,475 million for federal, state and foreign net operating losses ("NOLs"), interest expense carryforwards and tax credit carryforwards. Of this amount, the Company has \$170 million of federal NOLs, \$243 million of state NOLs, \$54 million of federal interest expense carryforwards, \$234 million of federal tax credit carryforwards, \$100 million of state tax credit carryforwards, \$350 million of foreign NOLs and \$320 million of foreign interest expense carryforwards that may be carried forward indefinitely. The remaining \$4 million of carryforwards expire at certain future dates. These carryforwards are expected to be utilized in future periods, except for \$424 million of NOLs, interest expense carryforwards and tax credit carryforwards which, based on current projections, will not be utilized in the future and are subject to a valuation allowance.

A reconciliation of unrecognized tax benefits is as follows:

	<b>December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>amounts in millions</b>		
Balance at beginning of year	\$ 432	405	387
Decrease for tax positions of prior years	(2)	(7)	(13)
Increase (decrease) in tax positions for current year	(10)	20	12
Increase in tax positions from prior years	9	14	1
Settlements with tax authorities	(250)	—	—
Increase in tax positions from acquisition	—	—	18
Balance at end of year	<u>\$ 179</u>	<u>432</u>	<u>405</u>

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

As of December 31, 2021, the Company had unrecognized tax benefits and uncertain tax positions of \$179 mil

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

***Common Stock***

Series A Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have one vote per share, Series B Liberty SiriusXM, Liberty Braves and Liberty Formula One common stock have ten votes per share and Series C Liberty SiriusXM, Liberty ? Ls

[Table of Contents](#)

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Conso`**



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

Vesting of any of these annual performance-based restricted stock units will be subject to the achievement of one or more performance metrics to be approved by the Compensation Committee of the applicable company with respect to its respective allocable portion of the annual performance-based restricted stock units. At Liberty, the CEO's annual equity awards were issued with respect to LSXMK, BTRK and FWONK.

The CEO will be entitled to payments and benefits if his employment is terminated, subject to the execution of releases. Such payments and benefits generally will take the form of cash payments, issuance of fully vested shares and the acceleration of unvested equity awards, depending on the type of termination. In the event that the CEO's services to a Service Company are discontinued and he remains employed by Liberty following such discontinuation (unless such discontinuation is for cause (as defined in his employment agreement)), the Service Company will be required to make a termination payment to Liberty, as well as provide the CEO with certain payments and benefits upon termination under certain circumstances.

***Exchange Agreement with Chairman***

On July 28, 2021, the Company entered into an exchange agreement, among the Company, John C. Malone (the Chairman of the Board of the Company), and a revocable trust of which Mr. Malone is the sole trustee and beneficiary.

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**LIBERTY**

**Notes**

exchange with Mr. Malone and the JM Trust common stock of the same Group, with the Trust equal to the number of Exchanged aggregate voting power in the Company of Agreement.

As of December 31, 2021, there has been no purchase of shares pursuant to the

***Chairman's Employment Agreement***

On December 12, 2008, the Company terminated Mr. Malone's employment. Mr. Malone to begin receiving payments in 2009. In satisfaction of Liberty's obligations to him under the deferred compensation plans (the "8% Plan"), the rate of 8% per annum compounded annually. Compensation was deferred by Mr. Malone from the applicable date of approximately \$2.4 million.

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

***Liberty—Grants of Stock Options***

Awards granted in 2021, 2020 and 2019 are summarized as follows:

	Years ended December 31,					
	2021		2020		2019	
	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV	Options granted (000's)	Weighted average GDFV
Series C Liberty SiriusXM common stock, Liberty employees and directors (1)	66	\$ 14.54	372	\$ 12.12	179	\$ 11.62
Series C Liberty SiriusXM common stock, Liberty CEO (2)	257	\$ 13.73	1,053	\$ 11.03	1,419	\$ 11.23
Series C Liberty Formula One common stock, Liberty employees and directors (1)	55	\$ 18.79	669	\$ 12.31	139	\$ 12.70
Series C Liberty Formula One common stock, Liberty CEO (2)	—	\$ —	791	\$ 12.42	815	\$ 11.67
Series C Liberty Formula One common stock, Formula 1 employees (3)	718	\$ 15.96	1,435	\$ 7.55	2,005	\$ 9.79
Series C Liberty Braves common stock, Liberty employees and directors (1)	23	\$ 10.83	146	\$ 7.79	62	\$ 7.33
Series C Liberty Braves common stock, Liberty CEO (2)	—	\$ —	489	\$ 7.26	320	\$ 7.36
Series C Liberty Braves common stock, Braves employees (4)	—	\$ —	—	\$ —	—	\$ —

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

one year from the month of grant, subject to the satisfaction of certain performance objectives ass

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

As of December 31, 2021, 7.4 million, 9.1 million and 3.1 million shares of Series A and Series C Liberty SiriusXM, Liberty Formula One and Liberty Braves common stock, respectively, were reserved for issuance under exercise privileges of outstanding stock Awards.

***Liberty—Exercises***

The aggregate intrinsic value of all options exercised during the years ended December 31, 2021, 2020 and 2019 was \$144 million, \$8 million and \$163 million, respectively.

***Liberty—Restricted Stock and Restricted Stock Units***

The Company had approximately 73 thousand, 138 thousand and 219 thousand unvested RSAs and RSUs of Liberty SiriusXM, Liberty Formula One and Liberty Braves common stock, respectively, held by certain directors, officers and employees of the Company as of December 31, 2021. These Series A and Series C unvested RSAs and RSUs of Liberty SiriusXM common stock, Liberty Formula One common stock

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

retirement fund. The Liberty 401(k) Plan provides for employees to make contributions to a trust for investment in Liberty common stock, as well as several mutual funds. The Company and its subsidiaries make matching contributions to the Liberty 401(k) Plan based on a percentage of the amount contributed by employees. In addition, certain of the Company's subsidiaries have similar employee benefit plans. Employer cash contributions to all plans aggregated \$35 million, \$30 million and \$19 million for each of the years ended December 31, 2021, 2020 and 2019, respectively.

**(17) Other Comprehensive Earnings (Loss)**

Accumulated other comprehensive earnings (loss) included in Liberty's consolidated balance sheets and consolidated statements of equity reflect the aggregate of foreign currency translation adjustments, unrealized holding gains and losses on debt and equity securities and Liberty's share of accumulated other comprehensive earnings of affiliates.



Table of





**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

The SXM-8 satellite was successfully launched into a geostationary orbit on June 6, 2021 and was placed into service on September 8, 2021 following the completion of in-orbit testing. The SXM-8 satellite replaced the XM-3 satellite, which remains available as an in-orbit spare along with XM-5.

***Potential Impact of COVID-19***

In December 2019, Chinese officials reported a novel coronavirus outbreak (“COVID-19”). COVID-19 has since spread internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices. The business operations of Formula 1, the Atlanta Braves and Live Nation ~~including NASCAR~~ did not completely, suspended at the outset of COVID-19. In 2020, the regular baseball season was comprised of 60 games and Formula 1 had 17 events. The 2021 regular baseball season was comprised of 160 games. ~~Cl~~

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

violation of the TCPA and a permanent injunction prohibiting Sirius XM Holdings from making, or having made, any calls to land lines that are listed on the National Do-Not-Call registry or Sirius XM Holdings' internal Do-Not-Call registry.

Following a mediation, in April 2019, Sirius XM Holdings entered into an agreement to settle this purported class action suit. The settlement provides for the payment of \$25 million to class members for the period October 2013 through January 2019. As part of the settlement, Sirius XM Holdings paid \$25 million into a non-reversionary settlement fund from which cash to class members, not ar

[Table of Contents](#)

**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2019**



**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

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 reportable segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, differing revenue sources and marketing strategies. The significant accounting policies of the segments that are also consolidated subsidiaries are the same as those described in the Company's summary of significant policies.

As of December 31, 2021, Live Nation met the Company's reportable segment threshold for equity method affiliates due to significant losses driven by COVID-19. Although the Company owns less than 100% of the outstanding shares of Live Nation, 100% of the Live Nation amount are included in the tables below and are subsequently eliminated in order to reconcile the account totals to the Company's consolidated financial statements. As disclosed in note 2, the Company's investment in Live Nation was reattributed from the Formula One Group to the Liberty SiriusXM Group effective April 22, 2020. Live Nation's revenue and Adjusted OIBDA are reflected with the Formula One Group prior to the reattribution and with the Liberty SiriusXM Group following the reattribution.

**Performance Measures**

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**LIBERTY MEDIA CORPORATION AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements (Continued)**

**December 31, 2021, 2020 and 2019**

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
	amounts in millions	
United States	\$ 1,984	2,221
United Kingdom	26	18
	<u>\$ 2,010</u>	<u>2,239</u>

**PART III.**

The following required information is incorporated by reference to our definitive proxy statement for our 2022 Annual Meeting of Stockholders presently scheduled to be held in the second quarter of 2022:

<u>Item 10.</u>	Directors, Executive Officers and Corporate Governance
<u>Item 1 i.</u>	



**PART IV.**

**Item 15. Exhibits and Financial Statement Schedules.**

(a)(1) *Financial Statements*

Included in Part II of this Report:

Liberty Media Corporation:

Page No.  
91 231676

One common stock, par value \$0.01 per share  
for the year ended December 31, 2016  
One common stock, par value \$0.01 per share  
as issuer, and U.S. Bank National Association, as trustee  
of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30,  
2016, among Liberty Media Corporation, as issuer, and U.S. Bank National  
Association, as trustee, reference to Exhibit 4.1 to Amendment No. 1 to the Registrant's Form 8-K filed on  
September 30, 2016 (File No. 001-35707).  
of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated  
by reference to Exhibit 4.12 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed on  
February 11, 2021 (File No. 001-35707) (the "2020 10-K")  
of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020 filed on  
February 11, 2021 (File No. 001-35707) (the "2020 10-K")

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[Table of Contents](#)

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.

\*\*\* Pursuant to the Commission's Orders Granting Confidential Treatment under Rule 406 of the Securities Act of 1933, as amended, or Rule 24(b)-2 under the Securities Exchange Act of 1934, as amended, certain confidential portions of this Exhibit were omitted by means of redacting a portion of the text.

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Consent of Independent Registered Public Accounting Firm

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Exhibit 32

Certification

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**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:

14

The Annual Report on Form 10-K for the period ended December 31, 2021 (the "Form 10-K") 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-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 25, 2022

/s/

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**Unaudited Attributed Financial Information for Tracking Stock Groups**

The following tables present Liberty M

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**Formula One Group**

*Summary Balance Sheet Data:*

	December 31, 2021	December 31, 2020
	amounts in millions	
Cash and cash equivalents	\$ 2,074	1,684
Investments in affiliates, accounted for using the equity method	\$ 30	38
Intangible assets not subject to amortization	\$ 3,957	3,956
Intangible assets subject to amortization, net	\$ 3,507	3,883
Total assets	\$ 11,664	11,191
Long-term debt, including current portion	\$ 3,631	3,759
Redeemable noncontrolling interests in equity of subsidiary	\$ 575	—
Adjusted net assets	\$ 6,340	6,550

*Summary Statement of Operations Data:*

	Years ended December 31,		
	2021	2020	2019
	amounts in millions		
Revenue	\$ 2,136	1,145	2,022
Cost of Formula 1 revenue	\$ (1,489)	(974)	(1,394)
Selling, general and administrative expense (1)	\$ (210)	(174)	(210)
Operating income (loss)	\$ 40	(444)	(35)
Interest expense	\$ (123)	(146)	(195)
Share of earnings (losses) of affiliates, net	\$ 23	(108)	12
Unrealized gains (losses) on intergroup (los			



















**Notes to Attributed Financial Information**  
**(unaudited)**

- (1) On April 15, 2016, Liberty completed a reclassification of its common stock into three new tracking stock groups, one designated as the Liberty Braves common stock, one designated as the Liberty Media common stock and one designated as the Liberty SiriusXM common stock (the "Recapitalization"). In January 2017, the Liberty Media Group was renamed the Liberty Formula One Group (the "Formula One Group").

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

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

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

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

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

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

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

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

No



**Notes to Attributed Financial Information (Continued)**  
**(unaudited)**

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

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









**Notes to Attributed Financial Information (Continued)**  
**(unaudited)**

**Liberty Formula One Group**

Income tax benefit (expense) consists of:

	Years ended December 31(		
	_____	_____	_____

	_____		
	_____	_____	_____

**Notes to Attributed Financial Information (Continued)**  
**(unaudited)**

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2021	2020
	amounts in millions	
<b>Deferred tax assets:</b>		
Tax loss and credit carryforwards	\$ 725	652
Accrued stock compensation	13	11
Other accrued liabilities	9	10
Discount on debt	5	—
Deferred tax assets	752	673
Valuation allowance	(341)	(240)
Net deferred tax assets	411	433
<b>Deferred tax liabilities:</b>		
Investments	19	36
Fixed assets	7	9
Intangible Assets	60	88
Discount on debt	—	19
Deferred tax liabilities	86	152
Net deferred tax (assets) liabilities	\$ (325)	(281)

- (4) The intergroup balances as December 31, 2021 and December 31, 2020 also include the impact of the timing of certain tax benefits. Per the tracking stock tax sharing policies, consolidated income taxes arising from the Liberty SiriusXM Group in periods prior to the Recapitalization were not subject to tax sharing and were allocated to the Formula One Group. As such, the balance of the Intergroup tax payable between the Liberty SiriusXM Group and the Formula One Group was zero at the effective date of the Recapitalization and is accounted for going forward beginning on such date.
- (5) The Liberty SiriusXM common stock, Liberty Braves common stock and Liberty Formula One common stock have voting and conversion rights under our restated charter. Following is a summary of those rights. Holders of Series A common stock of each group are entitled to one vote per share, and holders of Series B common stock of each group are entitled to ten votes per share. Holders of Series C common stock of each group are entitled to 1/100th of a vote per share in certain limited cases and will otherwise not be entitled to vote. In general, holders of Series A and Series B common stock vote as a single class. In certain limited circumstances, the board may elect to seek the approval of the holders of only Series A and Series B Liberty SiriusXM common stock, only Series A and Series B Liberty Braves common stock, or only Series A and Series B Liberty Formula One common stock.

At the option of the holder, each share of Series A common stock