

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2022

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission File Number: 1-35106

AMC Networks Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11 Penn Plaza,
New York, NY
(Address of principal executive offices)

27-5403694
(I.R.S. Employer
Identification No.)

10001
(Zip Code)

(212) 324-8500

(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01 per share	AMCX	The NASDAQ Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company (as defined in Exchange Act Rule 12b-2).

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

The number of shares of common stock outstanding as of October 28, 2022:

Class A Common Stock par value \$0.01 per share	31,495,577
Class B Common Stock par value \$0.01 per share	11,484,408

AMC NETWORKS INC. AND SUBSIDIARIES
FORM 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

ASSETS	September 30, 2022	December 31, 2021
Current Assets:		
Cash and cash equivalents	\$ 790,930	\$ 892,221
Accounts receivable, trade (less allowance for doubtful accounts of \$8,549 and \$8,030)	696,143	815,444
Current portion of program rights, net	13,325	10,068
Prepaid expenses and other current assets	414,640	282,453
Total current assets	1,915,038	2,000,186
Property and equipment, net of accumulated depreciation of \$328,638 and \$286,133	204,689	225,791
Program rights, net	2,109,542	1,731,838
Intangible assets, net	360,184	399,434
Goodwill	666,619	709,344
Deferred tax assets, net	12,661	11,334
Operating lease right-of-use assets	109,301	125,866
Other assets	435,464	545,153
Total assets	<u>\$ 5,813,498</u>	<u>\$ 5,748,946</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 129,493	\$ 173,207
Accrued liabilities	309,144	340,407
Current portion of program rights obligations	309,958	307,054
Deferred revenue	265,071	167,071
Current portion of long-term debt	33,750	33,750
Current portion of lease obligations	35,726	36,596
Total current liabilities	1,083,142	1,058,085
Program rights obligations	170,900	218,321
Long-term debt, net	2,785,184	2,804,720
Lease obligations	128,832	151,839
Deferred tax liabilities, net	210,811	163,600
Other liabilities	112,652	165,860
Total liabilities	<u>4,491,521</u>	<u>4,562,425</u>
Commitments and contingencies		
Redeemable noncontrolling interests	272,483	283,849
Stockholders' equity:		
Class A Common Stock, \$0.01 par value, 360,000 shares authorized, 66,077 and 65,485 shares issued and 31,484 and 30,892 shares outstanding, respectively	661	655
Class B Common Stock, \$0.01 par value, 90,000 shares authorized, 11,484 shares issued and outstanding	115	115
Preferred stock, \$0.01 par value, 45,000 shares authorized; none issued	—	—
Paid-in capital	347,204	347,971
Accumulated earnings	2,370,330	2,098,047
Treasury stock, at cost (34,593 and 34,593 shares Class A Common Stock, respectively)	(1,419,882)	(1,419,882)
Accumulated other comprehensive loss	(295,998)	(175,818)
Total AMC Networks stockholders' equity	1,002,430	851,088
Non-redeemable noncontrolling interests	47,064	51,584
Total stockholders' equity	1,049,494	902,672
Total liabilities and stockholders' equity	<u>\$ 5,813,498</u>	<u>\$ 5,748,946</u>

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues, net	\$ 681,843	\$ 810,766	\$ 2,132,025	\$ 2,273,899
Operating expenses:				
Technical and operating (excluding depreciation and amortization)	293,459	378,264	903,468	997,677
Selling, general and administrative	207,972	220,011	670,444	610,164
Depreciation and amortization	29,735	23,411	79,556	71,261
Impairment and other charges	—	—	—	158,973
Restructuring and other related charges	—	754	—	9,534
Total operating expenses	531,166	622,440	1,653,468	1,847,609
Operating income	150,677	188,326	478,557	426,290
Other income (expense):				
Interest expense	(34,308)	(31,413)	(97,085)	(97,674)
Interest income	3,625	2,264	8,552	7,614
Loss on extinguishment of debt	—	—	—	(22,074)
Miscellaneous, net	(1,546)	54	3,540	19,634
Total other expense	(32,229)	(29,095)	(84,993)	(92,500)
Income from operations before income taxes	118,448	159,231	393,564	333,790
Income tax expense	(28,456)	(40,744)	(103,118)	(77,980)
Net income including noncontrolling interests	89,992	118,487	290,446	255,810
Net income attributable to noncontrolling interests	(5,326)	(7,836)	(18,163)	(22,253)
Net income attributable to AMC Networks' stockholders	\$ 84,666	\$ 110,651	\$ 272,283	\$ 233,557
Net income per share attributable to AMC Networks' stockholders:				
Basic	\$ 1.96	\$ 2.60	\$ 6.32	\$ 5.52
Diluted	\$ 1.94	\$ 2.55	\$ 6.23	\$ 5.39
Weighted average common shares:				
Basic	43,238	42,506	43,070	42,308
Diluted	43,732	43,440	43,707	43,332

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net income including noncontrolling interests	\$ 89,992	\$ 118,487	\$ 290,446	\$ 255,810
Other comprehensive income (loss):				
Foreign currency translation adjustment	(54,896)	(17,933)	(125,229)	(32,282)
Unrealized gain on interest rate swaps	—	620	—	1,828
Other comprehensive income (loss), before income taxes	(54,896)	(17,313)	(125,229)	(30,454)
Income tax expense	—	(146)	—	(430)
Other comprehensive income (loss), net of income taxes	(54,896)	(17,459)	(125,229)	(30,884)
Comprehensive income	35,096	101,028	165,217	224,926
Comprehensive income attributable to noncontrolling interests	(3,136)	(7,109)	(13,114)	(21,318)
Comprehensive income attributable to AMC Networks' stockholders	<u>\$ 31,960</u>	<u>\$ 93,919</u>	<u>\$ 152,103</u>	<u>\$ 203,608</u>

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2022	\$ 660	\$ 115	\$ 341,403	\$ 2,285,664	\$ (1,419,882)	\$ (243,292)	\$ 964,668	\$ 48,778	\$ 1,013,446
Net income attributable to AMC Networks' stockholders	—	—	—	84,666	—	—	84,666	—	84,666
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	883	883
Distribution to noncontrolling member	—	—	—	—	—	—	—	(407)	(407)
Other comprehensive income	—	—	—	—	—	(52,706)	(52,706)	(2,190)	(54,896)
Share-based compensation expenses	—	—	7,050	—	—	—	7,050	—	7,050
Net share issuances under employee stock plans	1	—	(1,249)	—	—	—	(1,248)	—	(1,248)
Balance, September 30, 2022	\$ 661	\$ 115	\$ 347,204	\$ 2,370,330	\$ (1,419,882)	\$ (295,998)	\$ 1,002,430	\$ 47,064	\$ 1,049,494

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2021	\$ 653	\$ 115	\$ 330,593	\$ 1,970,357	\$ (1,419,882)	\$ (148,167)	\$ 733,669	\$ 49,873	\$ 783,542
Net income attributable to AMC Networks' stockholders	—	—	—	110,651	—	—	110,651	—	110,651
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	2,856	2,856
Distributions to noncontrolling member	—	—	—	—	—	—	—	(431)	(431)
Other comprehensive income	—	—	—	—	—	(16,732)	(16,732)	(727)	(17,459)
Share-based compensation expenses	—	—	9,455	—	—	—	9,455	—	9,455
Net share issuances under employee stock plans	—	—	(15)	—	—	—	(15)	—	(15)
Balance, September 30, 2021	\$ 653	\$ 115	\$ 340,033	\$ 2,081,008	\$ (1,419,882)	\$ (164,899)	\$ 837,028	\$ 51,571	\$ 888,599

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2021	\$ 655	\$ 115	\$ 347,971	\$ 2,098,047	\$ (1,419,882)	\$ (175,818)	\$ 851,088	\$ 51,584	\$ 902,672
Net income attributable to AMC Networks' stockholders	—	—	—	272,283	—	—	272,283	—	272,283
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	5,192	5,192
Purchase of noncontrolling interests, net of tax	—	—	(3,066)	—	—	—	(3,066)	(1,297)	(4,363)
Distributions to noncontrolling member	—	—	—	—	—	—	—	(3,366)	(3,366)
Other comprehensive income (loss)	—	—	—	—	—	(120,180)	(120,180)	(5,049)	(125,229)
Share-based compensation expenses	—	—	23,862	—	—	—	23,862	—	23,862
Net share issuances under employee stock plans	6	—	(21,563)	—	—	—	(21,557)	—	(21,557)
Balance, September 30, 2022	\$ 661	\$ 115	\$ 347,204	\$ 2,370,330	\$ (1,419,882)	\$ (295,998)	\$ 1,002,430	\$ 47,064	\$ 1,049,494

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2020	\$ 646	\$ 115	\$ 323,425	\$ 1,847,451	\$ (1,419,882)	\$ (134,950)	\$ 616,805	\$ 26,296	\$ 643,101
Net income attributable to AMC Networks' stockholders	—	—	—	233,557	—	—	233,557	—	233,557
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	7,134	7,134
Contributions from noncontrolling member	—	—	—	—	—	—	—	709	709
Transfer from redeemable noncontrolling interest	—	—	—	—	—	—	—	18,367	18,367
Other comprehensive income (loss)	—	—	—	—	—	(29,949)	(29,949)	(935)	(30,884)
Share-based compensation expenses	—	—	39,163	—	—	—	39,163	—	39,163
Proceeds from the exercise of stock options	—	—	9,795	—	—	—	9,795	—	9,795
Net share issuances under employee stock plans	7	—	(32,350)	—	—	—	(32,343)	—	(32,343)
Balance, September 30, 2021	\$ 653	\$ 115	\$ 340,033	\$ 2,081,008	\$ (1,419,882)	\$ (164,899)	\$ 837,028	\$ 51,571	\$ 888,599

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands) / (unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income including noncontrolling interests	\$ 290,446	\$ 255,810
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	79,556	71,261
Impairment and other charges	—	16,055
Share-based compensation expenses related to equity classified awards	23,862	39,163
Non-cash restructuring and other related charges	—	4,329
Amortization of program rights	610,099	601,640
Amortization of deferred carriage fees	24,747	16,138
Unrealized foreign currency transaction gain	(1,098)	(10,025)
Amortization of deferred financing costs and discounts on indebtedness	5,778	5,820
Loss on extinguishment of debt	—	22,074
Bad debt expense	2,035	4,900
Deferred income taxes	46,292	31,765
Gain on investments	(4,084)	(4,554)
Other, net	(7,854)	(3,429)
Changes in assets and liabilities:		
Accounts receivable, trade (including amounts due from related parties, net)	99,711	38,514
Prepaid expenses and other assets	(18,174)	(62,799)
Program rights and obligations, net	(1,065,937)	(967,172)
Income taxes payable	13,181	(5,235)
Deferred revenue	66,822	6,837
Deferred carriage fees, net	(22,285)	(29,207)
Accounts payable, accrued liabilities and other liabilities	(106,506)	12,099
Net cash provided by operating activities	<u>36,591</u>	<u>43,984</u>
Cash flows from investing activities:		
Capital expenditures	(33,510)	(29,969)
Return of capital from investees	1,771	—
Payments for acquisition of a business, net of cash acquired	—	(19,072)
Acquisition of investments	(5,002)	(28,397)
Cash paid on distribution of business	—	(7,052)
Loans to investees	(2,456)	—
Principal payment received on loan to investee	720	20,000
Proceeds from sale of investments	9,854	95,370
Net cash provided by (used in) investing activities	<u>(28,623)</u>	<u>30,880</u>
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	—	986,000
Principal payments on long-term debt	(25,313)	(1,015,000)
Deemed repurchases of restricted stock units	(21,557)	(32,343)
Proceeds from stock option exercises	—	9,795
Principal payments on finance lease obligations	(2,606)	(2,866)
Contributions from noncontrolling interests	—	2,701
Distributions to noncontrolling interests	(28,232)	(14,906)
Purchase of noncontrolling interests	(2,500)	—
Net cash used in financing activities	<u>(80,208)</u>	<u>(66,619)</u>
Net increase (decrease) in cash and cash equivalents from operations	(72,240)	8,245
Effect of exchange rate changes on cash and cash equivalents	(29,051)	(25,804)
Cash and cash equivalents at beginning of period	892,221	888,526
Cash and cash equivalents at end of period	<u>\$ 790,930</u>	<u>\$ 870,967</u>

See accompanying notes to condensed consolidated financial statements.

Note 1. Description of Business and Basis of Presentation

Description of Business

AMC Networks Inc. ("AMC Networks") and its subsidiaries (collectively referred to as the "Company," "we," "us," or "our") own and operate entertainment businesses and assets. The Company is comprised of two operating segments:

- *Domestic Operations:* Includes our programming services and AMC Broadcasting & Technology. Our programming services consist of our five national programming networks, our streaming services, our AMC Studios operation and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our streaming services consist of our global targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, ALLBLK, and HIDIVE), AMC+ and other streaming initiatives. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide and IFC Films is our film distribution business. AMC Networks Broadcasting & Technology, our technical services business, primarily services most of the national programming networks.
- *International and Other:* Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels around the world, and 25/7 Media, our production services business.

Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of AMC Networks and its subsidiaries in which a controlling financial interest is maintained or variable interest entities ("VIEs") in which the Company has determined it is the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

Investments in business entities in which the Company lacks control but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method of accounting.

Unaudited Interim Financial Statements

These condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2021 contained in the Company's Annual Report on Form 10-K ("2021 Form 10-K") filed with the SEC. The condensed consolidated financial statements presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management, such financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2022.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates and judgments inherent in the preparation of the consolidated financial statements include the useful lives and methodologies used to amortize and assess recoverability of program rights, the estimated useful lives of intangible assets and the valuation and recoverability of goodwill and intangible assets.

Reclassifications

Certain reclassifications were made to the prior period amounts to conform to the current period presentation.

Note 2. Revenue Recognition

Transaction Price Allocated to Future Performance Obligations

As of September 30, 2022, other than contracts for which the Company has applied the practical expedients, the aggregate amount of transaction price allocated to future performance obligations was not material to our consolidated revenues.

Contract Balances from Contracts with Customers

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers.

(In thousands)	September 30, 2022	December 31, 2021
Balances from contracts with customers:		
Accounts receivable (including long-term receivables within Other assets)	\$ 925,137	\$ 1,106,225
Contract assets, short-term (included in Prepaid expenses and other current assets)	179,443	69,351
Contract assets, long-term (included in Other assets)	3,414	29,323
Contract liabilities, short-term (Deferred revenue)	265,071	167,071
Contract liabilities, long-term (Deferred revenue included in Other liabilities)	673	31,832

Revenue recognized for the nine months ended September 30, 2022 and 2021 relating to the contract liability at December 31, 2021 and 2020 was \$63.1 million and \$24.4 million, respectively.

Note 3. Net Income per Share

The following is a reconciliation between basic and diluted weighted average common shares outstanding:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Basic weighted average common shares outstanding	43,238	42,506	43,070	42,308
Effect of dilution:				
Stock options	—	—	—	4
Restricted stock units	494	934	637	1,020
Diluted weighted average common shares outstanding	<u>43,732</u>	<u>43,440</u>	<u>43,707</u>	<u>43,332</u>

As of September 30, 2022 and September 30, 2021, 0.9 million and 0.3 million, respectively, of restricted stock units have been excluded from diluted weighted average common shares outstanding, as their impact would have been anti-dilutive.

Stock Repurchase Program

The Company's Board of Directors previously authorized a program to repurchase up to \$1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the three and nine months ended September 30, 2022 and 2021, the Company did not repurchase any shares of its Class A Common Stock. As of September 30, 2022, the Company had \$135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Note 4. Impairment and Other Charges

There were no impairment and other charges for the three and nine months ended September 30, 2022 or the three months ended September 30, 2021.

Impairment and other charges for the nine months ended September 30, 2021 were \$159.0 million.

On July 16, 2021, the Company entered into a settlement agreement (the "Settlement Agreement") with Frank Darabont, Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "Plaintiffs") in actions brought in connection with Frank Darabont's rendering services as a writer, director and producer of the television series entitled *The Walking Dead*. The Settlement Agreement provided for a cash payment of \$200 million (the "Settlement Payment") to the Plaintiffs and future revenue sharing related to certain future streaming exhibition of *The Walking Dead* and *Fear The Walking Dead*. With regard to the Settlement Payment, the Company recorded a charge of \$143.0 million during the second quarter of 2021, included in Impairment and other charges in consideration for the extinguishment of Plaintiffs' rights to any compensation in connection with *The Walking Dead* and any related programs and the dismissal of the actions with prejudice, which amount was net of \$57.0 million of ordinary course accrued participations.

In March 2021, the Company completed a spin-off of the live comedy venue and talent management businesses ("LiveCo") of Levity Entertainment Group, LLC. In connection with the transaction, the Company effectively exchanged all of its rights and interests in LiveCo for the release of the Company's obligations, principally related to leases. As a result of this divestiture, the Company recognized a loss on the disposal of \$16.1 million reflecting the net assets transferred (consisting of property and equipment, lease right-of-use assets and intangibles, partially offset by lease and other obligations), which is included in Impairment and other charges. The Company retained its interest in the production services business of Levity Entertainment Group, LLC, which was renamed 25/7 Media Holdings, LLC ("25/7 Media") following the spin-off.

Note 5. Restructuring and Other Related Charges

There were no restructuring and other related charges for the three and nine months ended September 30, 2022.

Restructuring and other related charges of \$0.8 million and \$9.5 million for the three and nine months ended September 30, 2021, respectively, consisted of \$0.8 million and \$5.2 million at AMCNI related to severance costs and the termination of distribution in certain international territories for three and nine months ended September 30, 2021, respectively, and \$4.3 million of severance costs associated with the restructuring plan announced in November 2020 for the nine months ended September 30, 2021.

The following table summarizes the restructuring and other related charges recognized by operating segment:

(In thousands)	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Domestic Operations	\$ (135)	\$ 2,508
International and Other	800	5,273
Corporate / Inter-segment eliminations	89	1,753
Total restructuring and other related charges	<u>\$ 754</u>	<u>\$ 9,534</u>

Note 6. Program Rights

Total capitalized produced and licensed content by predominant monetization strategy is as follows:

September 30, 2022			
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	\$ 299,048	\$ 431,416	\$ 730,464
In-production and in-development	62,711	349,453	412,164
Total owned original program rights, net	<u>\$ 361,759</u>	<u>\$ 780,869</u>	<u>\$ 1,142,628</u>
Licensed program rights, net:			
Licensed film and acquired series	\$ 3,646	\$ 573,355	\$ 577,001
Licensed originals	77,466	207,016	284,482
Advances and content versioning costs	—	118,756	118,756
Total licensed program rights, net	<u>81,112</u>	<u>899,127</u>	<u>980,239</u>
Program rights, net	<u>\$ 442,871</u>	<u>\$ 1,679,996</u>	<u>\$ 2,122,867</u>
Current portion of program rights, net			\$ 13,325
Program rights, net (long-term)			2,109,542
			<u>\$ 2,122,867</u>

December 31, 2021			
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	\$ 185,228	\$ 127,470	\$ 312,698
In-production and in-development	161,881	264,927	426,808
Total owned original program rights, net	<u>\$ 347,109</u>	<u>\$ 392,397</u>	<u>\$ 739,506</u>
Licensed program rights, net:			
Licensed film and acquired series	\$ 7,005	\$ 620,935	\$ 627,940
Licensed originals	61,923	148,063	209,986
Advances and content versioning costs	57,278	107,196	164,474
Total licensed program rights, net	<u>126,206</u>	<u>876,194</u>	<u>1,002,400</u>
Program rights, net	<u>\$ 473,315</u>	<u>\$ 1,268,591</u>	<u>\$ 1,741,906</u>
Current portion of program rights, net			\$ 10,068
Program rights, net (long-term)			1,731,838
			<u>\$ 1,741,906</u>

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Amortization of owned and licensed program rights, included in Technical and operating expenses in the condensed consolidated statements of income, is as follows:

(In thousands)	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	\$ 33,728	\$ 35,534	\$ 69,262	\$ 128,072	\$ 82,850	\$ 210,922
Licensed program rights	12,597	131,350	143,947	29,838	369,339	399,177
Program rights amortization	\$ 46,325	\$ 166,884	\$ 213,209	\$ 157,910	\$ 452,189	\$ 610,099

(In thousands)	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	\$ 112,620	\$ 12,912	\$ 125,532	\$ 197,447	\$ 25,049	\$ 222,496
Licensed program rights	19,579	123,181	142,760	65,464	313,680	379,144
Program rights amortization	\$ 132,199	\$ 136,093	\$ 268,292	\$ 262,911	\$ 338,729	\$ 601,640

For programming rights predominantly monetized individually or as a group, the Company periodically reviews the programming usefulness of licensed and owned original program rights based on several factors, including expected future revenue generation from airings on the Company's networks and streaming services and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If events or changes in circumstances indicate that the fair value of a film predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost. There were no significant program rights write-offs included in technical and operating expense for the three and nine months ended September 30, 2022 or 2021.

Note 7. Investments

The Company holds several investments in and loans to non-consolidated entities which are included in Other assets in the condensed consolidated balance sheet. Equity method investments were \$79.0 million and \$93.7 million at September 30, 2022 and December 31, 2021, respectively.

Marketable Equity Securities

The Company classifies publicly traded investments with readily determinable fair values that are not accounted for under the equity method as marketable equity securities. Marketable equity securities are recorded at cost and adjusted to fair value at each reporting period. The changes in fair value between measurement dates are recorded in miscellaneous, net in the condensed consolidated statement of income.

In April 2022, the Company sold its interest in a marketable equity security for \$9.9 million. No gains or losses were recorded on marketable equity securities for the three months ended September 30, 2022 and \$4.1 million of gains were recorded for the nine months ended September 30, 2022. There were losses of \$0.8 million and \$8.6 million on marketable equity securities for the three and nine months ended September 30, 2021, respectively. There were no investments in marketable equity securities at September 30, 2022 and \$5.8 million of investments in marketable equity securities at December 31, 2021.

Non-marketable Equity Securities

The Company classifies investments without readily determinable fair values that are not accounted for under the equity method as non-marketable equity securities. During the third quarter of 2022, the Company made a \$5.0 million investment in a targeted streaming service. Investments in non-marketable equity securities were \$42.7 million and \$37.7 million at September 30, 2022 and December 31, 2021, respectively. The changes in value as a result of observable price changes, if any, are recorded in miscellaneous, net in the condensed consolidated statement of income.

Note 8. Goodwill and Other Intangible Assets

The carrying amount of goodwill, by operating segment is as follows:

(In thousands)	Domestic Operations	International and Other	Total
December 31, 2021	\$ 353,470	\$ 355,874	\$ 709,344
Purchase accounting adjustments	(1,086)	—	(1,086)
Amortization of "second component" goodwill	(1,008)	—	(1,008)
Foreign currency translation	—	(40,631)	(40,631)
September 30, 2022	<u>\$ 351,376</u>	<u>\$ 315,243</u>	<u>\$ 666,619</u>

As of September 30, 2022 and December 31, 2021, accumulated impairment charges in the International and Other segment totaled \$123.1 million.

The purchase accounting adjustments of \$1.1 million to the carrying amount of goodwill in Domestic Operations relate to the acquisition of Sentai Holdings, a global supplier of anime content, including its anime-focused HIDIVE subscription streaming service, for which the allocation of goodwill is preliminary and is based on current estimates and currently available information, and is subject to revision based on final allocation of the purchase price to identifiable assets and liabilities acquired.

The reduction of \$1.0 million in the carrying amount of goodwill for Domestic Operations is due to the realization of a tax benefit for the amortization of "second component" goodwill at SundanceTV. Second component goodwill is the amount of tax deductible goodwill in excess of goodwill for financial reporting purposes. In accordance with the authoritative guidance at the time of the SundanceTV acquisition, the tax benefits associated with this excess are applied to first reduce the amount of goodwill, and then other intangible assets for financial reporting purposes, if and when such tax benefits are realized in the Company's tax returns.

The following tables summarize information relating to the Company's identifiable intangible assets:

(In thousands)	September 30, 2022			Estimated Useful Lives
	Gross	Accumulated Amortization	Net	
Amortizable intangible assets:				
Affiliate and customer relationships	\$ 622,495	\$ (357,809)	\$ 264,686	6 to 25 years
Advertiser relationships	46,282	(33,391)	12,891	11 years
Trade names and other amortizable intangible assets	105,652	(42,945)	62,707	3 to 20 years
Total amortizable intangible assets	<u>774,429</u>	<u>(434,145)</u>	<u>340,284</u>	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	<u>\$ 794,329</u>	<u>\$ (434,145)</u>	<u>\$ 360,184</u>	

(In thousands)	December 31, 2021		
	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliate and customer relationships	\$ 649,543	\$ (354,673)	\$ 294,870
Advertiser relationships	46,282	(30,235)	16,047
Trade names and other amortizable intangible assets	111,151	(42,534)	68,617
Total amortizable intangible assets	<u>806,976</u>	<u>(427,442)</u>	<u>379,534</u>
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	<u>\$ 826,876</u>	<u>\$ (427,442)</u>	<u>\$ 399,434</u>

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Aggregate amortization expense for amortizable intangible assets for the three months ended September 30, 2022 and 2021 was \$10.2 million and \$10.2 million, respectively, and for the nine months ended September 30, 2022 and 2021 was \$31.2 million and \$29.1 million, respectively. Estimated aggregate amortization expense for intangible assets subject to amortization for each of the following five years is:

(In thousands)

Years Ending December 31,

2022	\$	41,093
2023		40,743
2024		40,659
2025		39,026
2026		34,603

Note 9. Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)

	September 30, 2022	December 31, 2021
Employee related costs	\$ 104,410	\$ 128,388
Participations and residuals	137,626	133,988
Interest	21,851	36,922
Other accrued expenses	45,257	41,109
Total accrued liabilities	\$ 309,144	\$ 340,407

Note 10. Long-term Debt

The Company's long-term debt consists of the following:

(In thousands)

	September 30, 2022	December 31, 2021
Senior Secured Credit Facility: ^(a)		
Term Loan A Facility	\$ 649,688	\$ 675,000
Senior Notes:		
5.00% Notes due April 2024	400,000	400,000
4.75% Notes due August 2025	800,000	800,000
4.25% Notes due February 2029	1,000,000	1,000,000
Total long-term debt	2,849,688	2,875,000
Unamortized discount	(19,853)	(23,167)
Unamortized deferred financing costs	(10,901)	(13,363)
Long-term debt, net	2,818,934	2,838,470
Current portion of long-term debt	33,750	33,750
Noncurrent portion of long-term debt	\$ 2,785,184	\$ 2,804,720

- (a) The Company's \$500 million revolving credit facility remains undrawn at September 30, 2022. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

During the nine months ended September 30, 2022, the Company repaid a total of \$25.3 million of the principal amount of the Term Loan A Facility in accordance with the terms of the agreement.

Note 11. Leases

The following table summarizes the leases included in the condensed consolidated balance sheets as follows:

(In thousands)	Balance Sheet Location	September 30, 2022	December 31, 2021
Assets			
Operating	Operating lease right-of-use assets	\$ 109,301	\$ 125,866
Finance	Property and equipment, net	11,257	12,080
Total lease assets		<u>\$ 120,558</u>	<u>\$ 137,946</u>
Liabilities			
Current:			
Operating	Current portion of lease obligations	\$ 31,736	\$ 32,929
Finance	Current portion of lease obligations	3,990	3,667
		<u>\$ 35,726</u>	<u>\$ 36,596</u>
Noncurrent:			
Operating	Lease obligations	\$ 109,015	\$ 128,319
Finance	Lease obligations	19,817	23,520
		<u>\$ 128,832</u>	<u>\$ 151,839</u>
Total lease liabilities		<u>\$ 164,558</u>	<u>\$ 188,435</u>

Note 12. Fair Value Measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

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The following table presents for each of these hierarchy levels, the Company's financial assets and liabilities that are measured at fair value on a recurring basis at September 30, 2022 and December 31, 2021:

(In thousands)	Level I	Level II	Level III	Total
At September 30, 2022:				
Assets				
Cash equivalents	\$ 10,045	\$ —	\$ —	\$ 10,045
Foreign currency derivatives	—	509	—	509
Liabilities				
Foreign currency derivatives	—	10,041	—	10,041
At December 31, 2021:				
Assets				
Marketable securities	\$ 5,771	\$ —	\$ —	\$ 5,771
Foreign currency derivatives	—	196	—	196
Liabilities				
Foreign currency derivatives	—	5,911	—	5,911

The Company's cash equivalents (comprised of money market funds) and marketable securities are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

The Company's foreign currency derivatives are classified within Level II of the fair value hierarchy as their fair values are determined based on a market approach valuation technique that uses readily observable market parameters and the consideration of counterparty risk.

At September 30, 2022 and December 31, 2021, the Company did not have any material assets or liabilities measured at fair value on a recurring basis that would be considered Level III.

Fair value measurements are also used in nonrecurring valuations performed in connection with acquisition accounting and impairment testing. These nonrecurring valuations primarily include the valuation of program rights, goodwill, intangible assets and property and equipment. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level III of the fair value hierarchy.

Credit Facility Debt and Senior Notes

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities.

The carrying values and estimated fair values of the Company's financial instruments, excluding those that are carried at fair value in the condensed consolidated balance sheets, are summarized as follows:

(In thousands)	September 30, 2022	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Term loan A facility	\$ 641,260	\$ 623,700
5.00% Notes due April 2024	398,429	380,000
4.75% Notes due August 2025	793,645	714,000
4.25% Notes due February 2029	985,600	745,000
	<u>\$ 2,818,934</u>	<u>\$ 2,462,700</u>

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(In thousands)	December 31, 2021	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Term loan A facility	\$ 664,581	\$ 670,781
5.00% Notes due April 2024	397,693	403,500
4.75% Notes due August 2025	792,098	818,000
4.25% Notes due February 2029	984,098	997,500
	\$ 2,838,470	\$ 2,889,781

Fair value estimates related to the Company's debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 13. Derivative Financial Instruments

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than one of our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain accounts payable and trade receivables (including intercompany amounts) that are denominated in a currency other than the applicable functional currency.

The fair values of the Company's derivative financial instruments included in the condensed consolidated balance sheets are as follows:

(In thousands)	Balance Sheet Location	September 30, 2022	December 31, 2021
Derivatives not designated as hedging instruments:			
Assets:			
Foreign currency derivatives	Prepaid expenses and other current assets	\$ 379	\$ 180
Foreign currency derivatives	Other assets	130	16
Liabilities:			
Foreign currency derivatives	Accrued liabilities	\$ 4,130	\$ 1,686
Foreign currency derivatives	Current portion of program rights obligations	389	—
Foreign currency derivatives	Other liabilities	5,522	4,225

The amounts of gains and losses related to the Company's derivative financial instruments not designated as hedging instruments are as follows:

(In thousands)	Location of Gain or (Loss) Recognized in Earnings on Derivatives	Amount of Gain or (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2022	2021	2022	2021
Foreign currency derivatives	Miscellaneous, net	\$ (2,947)	\$ (1,072)	\$ (6,708)	\$ (1,167)

Note 14. Income Taxes

For the three and nine months ended September 30, 2022, income tax expense was \$28.5 million and \$103.1 million, respectively, representing an effective tax rate of 24% and 26%, respectively. The items resulting in variances from the federal statutory rate of 21% for the three and nine months ended September 30, 2022 primarily consist of state and local income tax

expense, tax expense for an increase in the valuation allowance for foreign taxes and tax expense related to non-deductible compensation.

For the three and nine months ended September 30, 2021, income tax expense was \$40.7 million and \$78.0 million, respectively, representing an effective tax rate of 26% and 23%, respectively, as compared to the federal statutory rate of 21%. For the three and nine months ended September 30, 2021, the effective tax rate differs from the federal statutory rate due primarily to state and local income tax expense, tax expense related to non-deductible compensation and tax expense for an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, partially offset by a discrete tax benefit for excess tax benefits related to stock compensation and a tax benefit from foreign operations.

At September 30, 2022, the Company had foreign tax credit carry forwards of approximately \$44.7 million, expiring on various dates from 2022 through 2032. These carryforwards have been reduced by a valuation allowance of \$44.7 million as it is more likely than not that these carry forwards will not be realized. For the nine months ended September 30, 2022, \$1.0 million relating to amortization of tax deductible second component goodwill was realized as a reduction in tax liability (as determined on a 'with-and-without' approach).

Note 15. Commitments and Contingencies

Commitments

As of September 30, 2022, the Company's contractual obligations not reflected on the Company's condensed consolidated balance sheet decreased \$93.2 million, as compared to December 31, 2021, to \$970.2 million. The decrease primarily relates to payments for program rights.

Legal Matters

On August 14, 2017, Robert Kirkman, Robert Kirkman, LLC, Glen Mazzara, 44 Strong Productions, Inc., David Alpert, Circle of Confusion Productions, LLC, New Circle of Confusion Productions, Inc., Gale Anne Hurd, and Valhalla Entertainment, Inc. f/k/a Valhalla Motion Pictures, Inc. (together, the "Plaintiffs") filed a complaint in California Superior Court in connection with Plaintiffs' rendering of services as writers and producers of the television series entitled The Walking Dead, as well as Fear the Walking Dead and/or Talking Dead, and the agreements between the parties related thereto (the "Walking Dead Litigation"). The Plaintiffs asserted that the Company had been improperly underpaying the Plaintiffs under their contracts with the Company and they asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and liability for violation of Cal. Bus. & Prof. Code § 17200. The Plaintiffs sought compensatory and punitive damages and restitution. On August 8, 2019, the judge in the Walking Dead Litigation ordered a trial to resolve certain issues of contract interpretation only. Following eight days of trial in February and March 2020, on July 22, 2020, the judge issued a Statement of Decision finding in the Company's favor on all seven matters of contract interpretation before the court in this first phase trial. On January 20, 2021, the Plaintiffs filed a second amended complaint, eliminating eight named defendants and their claims under Cal. Bus. & Prof. Code § 17200. On May 5, 2021, the Plaintiffs filed a third amended complaint, repleading in part their claims for alleged breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and certain breach of contract claims. On June 2, 2021, the Company filed a demurrer and motion to strike seeking to dismiss the claim for breach of the implied covenant of good faith and fair dealing and certain tort and breach of contract claims asserted in the third amended complaint. On July 27, 2021, the court granted in part and denied in part the Company's motion. On January 12, 2022, the Company filed a motion for summary adjudication of many of the remaining claims. On April 6, 2022, the court granted the Company's summary adjudication motion in part, dismissing the Plaintiffs' claims for breach of the implied covenant of good faith and fair dealing and inducing breach of contract. A trial of the two remaining claims is currently scheduled for February 2023. The Company believes the two remaining claims in the case for breach of contract are without merit and is continuing to defend against them. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

The Company is party to various lawsuits and claims in the ordinary course of business, including the matters described above. Although the outcome of these matters cannot be predicted with certainty and while the impact of these matters on the Company's results of operations in any particular subsequent reporting period could be material, management does not believe that the resolution of these matters will have a material adverse effect on the financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

Note 16. Equity Plans

In August 2022, AMC Networks granted 193,237 restricted stock units ("RSUs") under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan to an executive officer. The RSUs vest ratably over a three-year period.

In June 2022, AMC Networks granted 47,398 RSUs under the 2011 Stock Plan for Non-Employee Directors to non-employee directors that vested on the date of grant.

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In March 2022, AMC Networks granted 628,508 RSUs to certain executive officers and employees under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan. The RSUs vest ratably over a three-year period.

During the three months ended September 30, 2022, 102,145 RSUs of AMC Networks Class A Common Stock previously issued to an executive officer vested. On the vesting date, 52,145 RSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 50,000 RSU new shares of AMC Networks Class A Common Stock were issued. During the nine months ended September 30, 2022, 718,236 RSUs and 344,157 performance restricted stock units ("PRSUs") of AMC Networks Class A Common Stock previously issued to employees of the Company vested. On the vesting date, 314,531 RSUs and 155,103 PRSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 403,705 RSU and 189,054 PRSU new shares of AMC Networks Class A Common Stock were issued. Units are surrendered to satisfy the employees' statutory minimum tax withholding obligations for the applicable income and other employment tax. All units surrendered during the nine months ended September 30, 2022 had an aggregate value of \$21.6 million, which has been reflected as a financing activity in the condensed consolidated statement of cash flows for the nine months ended September 30, 2022.

Share-based compensation expenses included in selling, general and administrative expenses were \$7.1 million and \$23.9 million for the three and nine months ended September 30, 2022, respectively and \$9.5 million and \$39.2 million for the three and nine months ended September 30, 2021, respectively.

As of September 30, 2022, there was \$34.9 million of total unrecognized share-based compensation cost related to outstanding unvested share-based awards. The unrecognized compensation cost is expected to be recognized over a weighted-average remaining period of approximately 2.2 years.

Note 17. Noncontrolling Interests

Redeemable Noncontrolling Interests

The following table summarizes activity related to redeemable noncontrolling interest for the nine months ended September 30, 2022 and 2021:

(In thousands)	Nine Months Ended September 30, 2022
December 31, 2021	\$ 283,849
Net earnings	12,971
Distributions	(24,866)
Other	529
September 30, 2022	<u>\$ 272,483</u>

(In thousands)	Nine Months Ended September 30, 2021
December 31, 2020	\$ 315,649
Net earnings	15,119
Distributions	(12,914)
Distribution related to spin-off transaction	(8,040)
Transfer to noncontrolling interest	(18,367)
September 30, 2021	<u>\$ 291,447</u>

In connection with the spin-off of the live comedy venue and talent management businesses of Levity Entertainment Group, LLC (see Note 4), \$8.0 million of redeemable noncontrolling interests was distributed to the noncontrolling partners. In addition, as part of the transaction, the preexisting put rights of the noncontrolling interest holders were terminated. Accordingly, the remaining \$18.4 million of noncontrolling interests was transferred from Redeemable noncontrolling interests to Noncontrolling interests in the condensed consolidated balance sheet.

Non-redeemable Noncontrolling Interests

In April 2022, 25/7 Media entered into a purchase agreement to acquire the remaining 50% interest of a consolidated subsidiary. Under the terms of the agreement, 25/7 Media agreed to pay up to \$7.1 million, of which \$2.5 million was paid in cash upon closing and an additional \$4.6 million represents an earn-out that is contingent on the subsidiary exceeding specified profitability targets. Upon the effective date of the transaction, the estimated fair value of the purchase price, based on the weighted average probability of such profitability targets being met, was \$4.4 million (net of tax of \$0.9 million). The carrying amount of the noncontrolling interest was eliminated and the excess of consideration transferred was recorded as additional-paid-in capital in the condensed consolidated statement of stockholders' equity.

Note 18. Related Party Transactions

The Company and its related parties enter into transactions with each other in the ordinary course of business. Revenues, net from related parties amounted to \$1.3 million and \$1.2 million for the three months ended September 30, 2022 and 2021, respectively, and \$3.8 million and \$3.7 million for the nine months ended September 30, 2022 and 2021, respectively. Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to transactions with its related parties amounted to \$3.3 million and \$0.5 million for the three months ended September 30, 2022 and 2021, respectively, and \$4.6 million and \$1.5 million for the nine months ended September 30, 2022 and 2021, respectively.

As disclosed in Note 20 of the Company's 2021 Annual Report on Form 10-K, from time to time the Company enters into arrangements with 605, LLC. James L. Dolan, the Non-Executive Chairman and a director of the Company, and his spouse, Kristin A. Dolan, a director of the Company, own 50% of 605, LLC. Kristin A. Dolan is also the founder and Chief Executive Officer of 605, LLC. 605, LLC provides audience measurement and data analytics services to the Company and its subsidiaries pursuant to a Master Services Agreement dated February 8, 2019 (the "Master Services Agreement").

On August 1, 2022, the Audit Committee authorized the Company to enter into a Statement of Work for Strategic Analytic Services (the "Statement of Work") with 605, LLC under the Master Services Agreement. The fees payable to 605, LLC by the Company for these services are \$10.5 million payable in five installments with the first payment made upon execution of the agreement. The initial term of the Statement of Work is August 1, 2022 to December 31, 2022, which term is automatically extended to June 30, 2023 unless terminated by either party on 30 days' notice prior to December 31, 2022.

Under the Statement of Work, 605, LLC will engage in a strategic, research, market, business and financial assessment of the Company and its business partnering with the Company's management team. 605, LLC will utilize their expertise, including assessment of extensive real-time business intelligence and consumer research, to enable potential further acceleration of the Company's long-term growth and value creation. Among the analytic services to be provided by 605, LLC are situation analysis, customer experience, data utilization, addressing the market, content strategy and overview, sales strategy, pricing analysis, customer profiles, content (by offering), marketing strategy and financial analysis.

Note 19. Cash Flows

The Company's non-cash investing and financing activities and other supplemental data are as follows:

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Non-Cash Investing and Financing Activities:		
Operating lease additions	\$ 7,527	\$ 29,078
Capital expenditures incurred but not yet paid	5,481	1,471
Contingent consideration for purchase of noncontrolling interests	2,806	—
Supplemental Data:		
Cash interest paid	\$ 105,827	\$ 99,890
Income taxes paid, net	39,322	48,941

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Note 20. Segment Information

The Company classifies its operations into two operating segments: Domestic Operations and International and Other. These operating segments represent strategic business units that are managed separately.

The Company evaluates segment performance based on several factors, of which the primary financial measure is operating segment adjusted operating income ("AOI"). The Company defines AOI as operating income (loss) before depreciation and amortization, cloud computing amortization, share-based compensation expenses or benefit, impairment and other charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges and including the Company's proportionate share of adjusted operating income (loss) from majority-owned equity method investees. The Company has presented the components that reconcile adjusted operating income to operating income, and other information as to the continuing operations of the Company's operating segments below.

Three Months Ended September 30, 2022				
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	\$ 349,338	\$ 52,765	\$ —	\$ 402,103
Content licensing and other	57,793	29,124	(4,816)	82,101
Distribution and other	407,131	81,889	(4,816)	484,204
Advertising	180,258	17,381	—	197,639
Consolidated revenues, net	<u>\$ 587,389</u>	<u>\$ 99,270</u>	<u>\$ (4,816)</u>	<u>\$ 681,843</u>
Operating income (loss)	\$ 186,609	\$ 8,291	\$ (44,223)	\$ 150,677
Share-based compensation expenses	3,155	537	3,358	7,050
Depreciation and amortization	12,141	4,482	13,112	29,735
Cloud computing amortization	5	—	2,047	2,052
Majority-owned equity investees AOI	4,791	—	—	4,791
Adjusted operating income (loss)	<u>\$ 206,701</u>	<u>\$ 13,310</u>	<u>\$ (25,706)</u>	<u>\$ 194,305</u>

Three Months Ended September 30, 2021				
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	\$ 324,644	\$ 62,848	\$ —	\$ 387,492
Content licensing and other	158,120	41,738	(1,920)	197,938
Distribution and other	482,764	104,586	(1,920)	585,430
Advertising	199,982	25,354	—	225,336
Consolidated revenues, net	<u>\$ 682,746</u>	<u>\$ 129,940</u>	<u>\$ (1,920)</u>	<u>\$ 810,766</u>
Operating income (loss)	\$ 213,299	\$ 15,564	\$ (40,537)	\$ 188,326
Share-based compensation expenses	4,174	545	4,736	9,455
Depreciation and amortization	11,589	5,200	6,622	23,411
Restructuring and other related charges	(135)	800	89	754
Cloud computing amortization	—	—	596	596
Majority-owned equity investees AOI	2,149	—	—	2,149
Adjusted operating income (loss)	<u>\$ 231,076</u>	<u>\$ 22,109</u>	<u>\$ (28,494)</u>	<u>\$ 224,691</u>

AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(unaudited)

Nine Months Ended September 30, 2022				
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	\$ 1,040,110	\$ 169,879	\$ —	\$ 1,209,989
Content licensing and other	191,473	103,513	(16,901)	278,085
Distribution and other	1,231,583	273,392	(16,901)	1,488,074
Advertising	582,451	61,500	—	643,951
Consolidated revenues, net	<u>\$ 1,814,034</u>	<u>\$ 334,892</u>	<u>\$ (16,901)</u>	<u>\$ 2,132,025</u>
Operating income (loss)	\$ 573,943	\$ 39,733	\$ (135,119)	\$ 478,557
Share-based compensation expenses	10,000	1,758	12,104	23,862
Depreciation and amortization	37,716	14,018	27,822	79,556
Cloud computing amortization	17	—	5,306	5,323
Majority-owned equity investees AOI	13,733	—	—	13,733
Adjusted operating income (loss)	<u>\$ 635,409</u>	<u>\$ 55,509</u>	<u>\$ (89,887)</u>	<u>\$ 601,031</u>

Nine Months Ended September 30, 2021				
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	\$ 986,532	\$ 188,800	\$ —	\$ 1,175,332
Content licensing and other	297,792	127,692	(11,215)	414,269
Distribution and other	1,284,324	316,492	(11,215)	1,589,601
Advertising	611,406	72,892	—	684,298
Consolidated revenues, net	<u>\$ 1,895,730</u>	<u>\$ 389,384</u>	<u>\$ (11,215)</u>	<u>\$ 2,273,899</u>
Operating income (loss)	\$ 517,874	\$ 32,365	\$ (123,949)	\$ 426,290
Share-based compensation expenses	17,105	2,689	19,369	39,163
Depreciation and amortization	36,678	14,477	20,106	71,261
Impairment and other charges	143,000	15,973	—	158,973
Restructuring and other related charges	2,508	5,273	1,753	9,534
Cloud computing amortization	—	—	1,502	1,502
Majority-owned equity investees AOI	6,584	—	—	6,584
Adjusted operating income (loss)	<u>\$ 723,749</u>	<u>\$ 70,777</u>	<u>\$ (81,219)</u>	<u>\$ 713,307</u>

Corporate overhead costs not allocated to the segments include such costs as executive salaries and benefits, costs of maintaining corporate headquarters, facilities and common support functions (such as human resources, legal, finance, strategic planning and information technology).

Inter-segment eliminations are primarily licensing revenues recognized between the Domestic Operations and International and Other segments.

AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(unaudited)

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Inter-segment revenues				
Domestic Operations	\$ (3,864)	\$ (1,641)	\$ (14,308)	\$ (8,567)
International and Other	(952)	(279)	(2,593)	(2,648)
	<u>\$ (4,816)</u>	<u>\$ (1,920)</u>	<u>\$ (16,901)</u>	<u>\$ (11,215)</u>

The table below summarizes revenues based on customer location:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues				
United States	\$ 569,996	\$ 655,427	\$ 1,761,430	\$ 1,844,901
Europe	70,041	93,869	250,112	295,460
Other	41,806	61,470	120,483	133,538
	<u>\$ 681,843</u>	<u>\$ 810,766</u>	<u>\$ 2,132,025</u>	<u>\$ 2,273,899</u>

One distributor within the Domestic Operations segment accounted for approximately 10% of consolidated revenues, net for the nine months ended September 30, 2022.

The table below summarizes property and equipment based on asset location:

(In thousands)	September 30, 2022	December 31, 2021
Property and equipment, net		
United States	\$ 192,503	\$ 210,252
Europe	10,946	14,510
Other	1,240	1,029
	<u>\$ 204,689</u>	<u>\$ 225,791</u>

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. In this Management's Discussion and Analysis of Financial Condition and Results of Operations there are statements concerning our future operating results and future financial performance. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans" and similar words and terms used in the discussion of future operating results and future financial performance identify forward-looking statements. You are cautioned that any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the level of our revenues;
- market demand, including changes in viewer consumption patterns, for our programming networks, our subscription streaming services, our programming, and our production services;
- demand for advertising inventory and our ability to deliver guaranteed viewer ratings;
- the highly competitive nature of the cable, telecommunications, streaming and programming industries;
- the cost of, and our ability to obtain or produce, desirable content for our programming services, other forms of distribution, including digital and licensing in international markets, as well as our film distribution businesses;
- market demand for our owned original programming and our film content;
- our ability to successfully launch our streaming services in countries outside of the United States;
- the loss of any of our key personnel and artistic talent;
- the security of our program rights and other electronic data;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- economic and business conditions and industry trends in the countries in which we operate, including increases in inflation rates and recession risk;
- fluctuations in currency exchange rates and interest rates;
- changes in domestic and foreign laws or regulations under which we operate;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the United States or in the countries in which we operate;
- the impact of existing and proposed federal, state and international laws and regulations relating to data protection, privacy and security, including the European Union's General Data Protection Regulation ("GDPR");
- our substantial debt and high leverage;
- reduced access to capital markets or significant increases in costs to borrow;
- the level of our expenses;
- future acquisitions and dispositions of assets;
- our ability to successfully acquire new businesses and, if acquired, to integrate, and implement our plan with respect to businesses we acquire;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- uncertainties regarding the financial results of equity method investees, issuers of our investments in marketable equity securities and non-marketable equity securities and changes in the nature of key strategic relationships with partners and joint ventures;
- the outcome of litigation and other proceedings;
- whether pending uncompleted transactions, if any, are completed on the terms and at the times set forth (if at all);
- other risks and uncertainties inherent in our programming and streaming businesses;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate;
- the impact of COVID-19 on the economy and our business, including the measures taken by governmental authorities to address the pandemic, which may precipitate or exacerbate other risks and/or uncertainties;
- events that are outside our control, such as political unrest in international markets, terrorist attacks, natural disasters and other similar events;
- and

- the factors described under Item 1A, "Risk Factors" in our 2021 Annual Report on Form 10-K (the "2021 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC").

We disclaim any obligation to update or revise the forward-looking statements contained herein, except as otherwise required by applicable federal securities laws.

Introduction

Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is a supplement to and should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere herein and our 2021 Form 10-K to enhance the understanding of our financial condition, changes in financial condition and results of our operations. Unless the context otherwise requires, all references to "we," "us," "our," "AMC Networks" or the "Company" refer to AMC Networks Inc., together with its subsidiaries. The MD&A is organized as follows:

Business Overview. This section provides a general description of our business and our operating segments, as well as other matters that we believe are important in understanding our results of operations and financial condition and in anticipating future trends.

Consolidated Results of Operations. This section provides an analysis of our results of operations for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021. Our discussion is presented on both a consolidated and segment basis. Our two segments are: (i) Domestic Operations and (ii) International and Other.

Liquidity and Capital Resources. This section provides a discussion of our financial condition as of September 30, 2022, as well as an analysis of our cash flows for the nine months ended September 30, 2022 and 2021. The discussion of our financial condition and liquidity includes summaries of (i) our primary sources of liquidity and (ii) our contractual obligations that existed at September 30, 2022 as compared to December 31, 2021.

Critical Accounting Policies and Estimates. This section provides an update, if any, to our significant accounting policies or critical accounting estimates since December 31, 2021.

Business Overview

Financial Highlights

The tables presented below set forth our consolidated revenues, net, operating income (loss) and adjusted operating income (loss) ("AOI")¹, for the periods indicated.

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues, net				
Domestic Operations	\$ 587,389	\$ 682,746	\$ 1,814,034	\$ 1,895,730
International and Other	99,270	129,940	334,892	389,384
Inter-segment Eliminations	(4,816)	(1,920)	(16,901)	(11,215)
	<u>\$ 681,843</u>	<u>\$ 810,766</u>	<u>\$ 2,132,025</u>	<u>\$ 2,273,899</u>
Operating Income (Loss)				
Domestic Operations	\$ 186,609	\$ 213,299	\$ 573,943	\$ 517,874
International and Other	8,291	15,564	39,733	32,365
Corporate / Inter-segment Eliminations	(44,223)	(40,537)	(135,119)	(123,949)
	<u>\$ 150,677</u>	<u>\$ 188,326</u>	<u>\$ 478,557</u>	<u>\$ 426,290</u>
Adjusted Operating Income (Loss)				
Domestic Operations	\$ 206,701	\$ 231,076	\$ 635,409	\$ 723,749
International and Other	13,310	22,109	55,509	70,777
Corporate / Inter-segment Eliminations	(25,706)	(28,494)	(89,887)	(81,219)
	<u>\$ 194,305</u>	<u>\$ 224,691</u>	<u>\$ 601,031</u>	<u>\$ 713,307</u>

¹ Adjusted Operating Income (Loss), is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section on page 34 for additional information, including our definition and our use of this non-GAAP financial measure, and for a reconciliation to its most comparable GAAP financial measure.

Segment Reporting

We manage our business through the following two operating segments:

- *Domestic Operations*: Includes our programming services and AMC Broadcasting & Technology. Our programming services consist of our five national programming networks, our streaming services, our AMC Studios operation and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our streaming services consist of our global targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, ALLBLK, and HIDIVE), AMC+ and other streaming initiatives. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide and IFC Films is our film distribution business. AMC Networks Broadcasting & Technology, our technical services business, primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels around the world, and 25/7 Media, our production services business.

Domestic Operations

In our Domestic Operations segment, we earn revenue principally from: (i) the distribution of our programming through our programming networks and streaming services, (ii) the sale of advertising, and (iii) the licensing of our original programming to distributors, including the distribution of programming of IFC Films. Subscription revenue includes fees paid by distributors and consumers for our programming networks and streaming services. Subscription fees paid by distributors represent the largest component of distribution revenue. Our subscription fee revenues for our programming networks are based on a per subscriber fee, and, to a lesser extent, fixed fees under multi-year contracts, commonly referred to as "affiliation agreements," which generally provide for annual rate increases. The specific subscription fee revenues we earn vary from period to period, distributor to distributor and also vary among our programming services, but are generally based upon the number of each distributor's subscribers who receive our programming, referred to as viewing subscribers. Subscription fees for our streaming services are typically based on a per subscriber fee and are generally paid by distributors and consumers on a monthly basis. Content licensing revenue is earned from the licensing of original programming for digital, foreign and home video distribution and is recognized upon availability or distribution by the licensee.

Under affiliation agreements with our distributors, we have the right to sell a specified amount of national advertising time on our programming networks. Our advertising revenues are more variable than subscription fee revenues because the majority of our advertising is sold on a short-term basis, not under long-term contracts. Our arrangements with advertisers provide for a set number of advertising units to air over a specific period of time at a negotiated price per unit. Additionally, in these advertising sales arrangements, our programming networks generally guarantee specified viewer ratings for their programming.

Programming expenses, included in technical and operating expenses, represent the largest expenses of the Domestic Operations segment and primarily consists of amortization of programming rights, such as those for original programming, feature films and licensed series, as well as participation and residual costs. The other components of technical and operating expenses primarily include distribution and production related costs and program operating costs including cost of delivery, such as origination, transmission, uplinking and encryption.

The success of our business depends on original programming, both scripted and unscripted, across all of our programming services. These original series generally result in higher ratings for our networks and higher viewership on our streaming services. Among other things, higher audience ratings drive increased revenues through higher advertising revenues. The timing of exhibition and distribution of original programming varies from period to period, which results in greater variability in our revenues, earnings and cash flows from operating activities. We expect a continued increase in our investment in original programming. There may be significant changes in the level of our technical and operating expenses due to the level of our content investment spend and the related amortization of content acquisition and/or original programming costs. Program rights that are monetized as a group are amortized based on projected usage, typically resulting in an accelerated amortization pattern and, to a lesser extent, program rights that are monetized individually are amortized based on the individual-film-forecast-computation method.

Most original series require us to make up-front investments, which are often significant amounts. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If events or changes in circumstances indicate that the fair value of a film predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost.

International and Other

Our International and Other segment primarily includes the operations of AMCNI and 25/7 Media.

In our International and Other segment, we earn revenue principally from the international distribution of programming and, to a lesser extent, the sale of advertising from our AMCNI programming networks. We also earn revenue through production services from 25/7 Media. For the nine months ended September 30, 2022, distribution revenues represented 82% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors to carry our programming networks and production services revenue generated from 25/7 Media. Our subscription revenues are generally based on either a per-subscriber fee or a fixed contractual annual fee, under multi-year affiliation agreements, which may provide for annual rate increases. Our production services revenues are based on master production agreements whereby a third-party engages us to produce content on its behalf. Production services revenues are recognized based on the percentage of cost incurred to total estimated cost of the contract. Distribution revenues are derived from the distribution of our programming networks primarily in Europe and to a lesser extent, Latin America.

Programming expenses, program operating costs and production costs incurred to produce content for third parties are included in technical and operating expenses, and represent the largest expense of the International and Other segment. Programming expenses primarily consist of amortization of acquired content, costs of dubbing and sub-titling of programs, production costs, and participation and residual costs. Program operating costs include costs such as origination, transmission, uplinking and encryption of our linear AMCNI channels as well as content hosting and delivery costs at our various on-line content distribution initiatives. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If events or changes in circumstances indicate that the fair value of a film predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost.

Corporate / Inter-segment Eliminations

Corporate operations primarily consist of executive management and administrative support services, such as executive salaries and benefits costs, costs of maintaining corporate headquarters, facilities and common support functions (such as human resources, legal, finance, strategic planning and information technology). The segment financial information set forth below, including the discussion related to individual line items, does not reflect inter-segment eliminations unless specifically indicated.

Impact of Economic Conditions

Our future performance is dependent, to a large extent, on general economic conditions including the impact of direct competition, our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers.

Capital and credit market disruptions, as well as other events such as the COVID-19 pandemic, inflation, international conflict and recession, could cause economic downturns, which may lead to lower demand for our products, such as lower demand for television advertising and a decrease in the number of subscribers receiving our programming services. Events such as these may adversely impact our results of operations, cash flows and financial position.

Impact of COVID-19 on Our Business

The Company continues to monitor the ongoing impact of the COVID-19 pandemic on all aspects of its business. The Company cannot reasonably predict the continuing impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, whether there is a resurgence in cases, the impact of governmental regulations that have been, and may in the future be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate outbreaks, the acceptance, safety and efficacy of vaccines, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

Consolidated Results of Operations

The amounts presented and discussed below represent 100% of each operating segment's revenues, net and expenses. Where we have management control of an entity, we consolidate 100% of such entity in our consolidated statements of operations notwithstanding that a third-party owns an interest, which may be significant, in such entity. The noncontrolling owner's interest in the operating results of consolidated subsidiaries are reflected in net income attributable to noncontrolling interests in our consolidated statements of operations.

Three and Nine Months Ended September 30, 2022 and 2021

The following table sets forth our consolidated results of operations for the periods indicated.

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues, net:						
Subscription	\$ 402,103	\$ 387,492	3.8 %	\$ 1,209,989	\$ 1,175,332	2.9 %
Content licensing and other	82,101	197,938	(58.5)%	278,085	414,269	(32.9)%
Distribution and other	484,204	585,430	(17.3)%	1,488,074	1,589,601	(6.4)%
Advertising	197,639	225,336	(12.3)%	643,951	684,298	(5.9)%
Total revenues, net	681,843	810,766	(15.9)%	2,132,025	2,273,899	(6.2)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	293,459	378,264	(22.4)%	903,468	997,677	(9.4)%
Selling, general and administrative	207,972	220,011	(5.5)%	670,444	610,164	9.9 %
Depreciation and amortization	29,735	23,411	27.0 %	79,556	71,261	11.6 %
Impairment and other charges	—	—	—	—	158,973	(100.0)%
Restructuring and other related charges	—	754	(100.0)%	—	9,534	(100.0)%
Total operating expenses	531,166	622,440	(14.7)%	1,653,468	1,847,609	(10.5)%
Operating income	150,677	188,326	(20.0)%	478,557	426,290	12.3 %
Other income (expense):						
Interest expense, net	(30,683)	(29,149)	5.3 %	(88,533)	(90,060)	(1.7)%
Loss on extinguishment of debt	—	—	—	—	(22,074)	(100.0)%
Miscellaneous, net	(1,546)	54	n/m	3,540	19,634	(82.0)%
Total other expense	(32,229)	(29,095)	10.8 %	(84,993)	(92,500)	(8.1)%
Income from operations before income taxes	118,448	159,231	(25.6)%	393,564	333,790	17.9 %
Income tax expense	(28,456)	(40,744)	(30.2)%	(103,118)	(77,980)	32.2 %
Net income including noncontrolling interests	89,992	118,487	(24.0)%	290,446	255,810	13.5 %
Net income attributable to noncontrolling interests	(5,326)	(7,836)	(32.0)%	(18,163)	(22,253)	(18.4)%
Net income attributable to AMC Networks' stockholders	\$ 84,666	\$ 110,651	(23.5)%	\$ 272,283	\$ 233,557	16.6 %

Revenues

Three months ended September 30, 2022 vs. 2021

Subscription revenues increased 7.6% in our Domestic Operations segment primarily due to an increase in streaming revenues, partially offset by a decline in affiliate revenue. Subscription revenues decreased 16.0% in our International and Other segment primarily due to the unfavorable impact of foreign currency translation at AMCNI. Subscription revenues may vary from quarter to quarter based on the impact of renewals of affiliation agreements and the level of subscribers to our services.

Content licensing and other revenues decreased 63.4% in our Domestic Operations segment primarily due to the timing and availability of deliveries in the quarter, including the delivery of fewer episodes of *The Walking Dead* and *Fear the Walking Dead*, both of which were strong contributors in the prior year. Content licensing and other revenues decreased 30.2%

in our International and Other segment primarily due to the timing of productions at 25/7 Media. Content licensing revenues vary from quarter to quarter based on the timing and availability of our programming to distributors.

Advertising revenues decreased 9.9% in our Domestic Operations segment primarily due to lower linear ratings, softer scatter and direct response markets and fewer original hours in the third quarter, partially offset by digital and advanced advertising revenue growth. Advertising revenues decreased 31.4% in our International and Other segment primarily due to the impact of the planned wind-down of two channels in the U.K., the unfavorable impact of foreign currency translation, and softer ratings in the U.K. Most of our advertising revenues vary based on the timing of our original programming series and the popularity of our programming as measured by Nielsen.

Nine months ended September 30, 2022 vs. 2021

Subscription revenues increased 5.4% in our Domestic Operations segment primarily due to an increase in streaming revenues, partially offset by a decline in affiliate revenue. Excluding the one-time beneficial impact of a distribution agreement renewal in the prior year, subscription revenues increased 6.9% in our Domestic Operations segment. Subscription revenues decreased 10.0% in our International and Other segment primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased 35.7% in our Domestic Operations segment primarily due to the timing and availability of deliveries in the period, including the delivery of fewer episodes of *The Walking Dead* and *Fear the Walking Dead*, both of which were strong contributors in the prior year. Content licensing and other revenues decreased 18.9% in our International and Other segment primarily due to the timing of productions at 25/7 Media.

Advertising revenues decreased 4.7% in our Domestic Operations segment primarily due to lower linear ratings, partially offset by continued digital and advanced advertising revenue growth and higher upfront pricing. Advertising revenues decreased 15.6% in our International and Other segment, primarily due to the unfavorable impact of foreign currency translation and the impact of the planned wind-down of two channels in the U.K.

Technical and operating expenses (excluding depreciation and amortization)

The components of technical and operating expenses primarily include the amortization of program rights, such as those for original programming, feature films and licensed series, participation and residual costs, distribution and production related costs and program delivery costs, such as transmission, encryption, hosting, and formatting.

Three months ended September 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased 21.4% in our Domestic Operations segment primarily due to a decrease in program rights amortization due to delivery of fewer episodes of *The Walking Dead* and *Fear the Walking Dead*. Technical and operating expenses (excluding depreciation and amortization) decreased 24.3% in our International and Other segment primarily due to timing of productions at 25/7 Media and the favorable impact of foreign currency translation.

There may be significant changes in the level of our technical and operating expenses from quarter to quarter and year to year due to original programming costs and/or content acquisition costs. As additional competition for programming increases, costs for content acquisition and original programming may increase.

Nine months ended September 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased 8.1% in our Domestic Operations segment primarily due to a decrease in other direct programming costs, partially offset by an increase in program rights amortization. Technical and operating expenses (excluding depreciation and amortization) decreased 14.7% in our International and Other segment primarily due to timing of productions at 25/7 Media and the favorable impact of foreign currency translation.

Selling, general and administrative expenses

The components of selling, general and administrative expenses primarily include sales, marketing and advertising expenses, administrative costs and costs of non-production facilities.

Three months ended September 30, 2022 vs. 2021

Selling, general and administrative expenses (including share-based compensation expenses) decreased 2.8% in our Domestic Operations segment primarily due to lower marketing and subscriber acquisition expenses related to our streaming services and linear networks, and decreased 9.9% in our International and other segment primarily due to the favorable impact of foreign currency translation.

Nine months ended September 30, 2022 vs. 2021

Selling, general and administrative expenses (including share-based compensation expenses) increased 17.1% in our Domestic Operations segment primarily due to higher marketing and subscriber acquisition expenses related to our streaming services and linear networks, and decreased 7.1% in our International and other segment primarily related to the favorable impact of foreign currency translation and a decrease in administrative expenses at 25/7 Media.

Depreciation and amortization

Depreciation and amortization expenses include depreciation of fixed assets and amortization of finite-lived intangible assets.

Three months ended September 30, 2022 vs. 2021

Depreciation and amortization expense increased in Corporate due to higher depreciation of equipment and in our Domestic Operations segment due to the amortization of finite-lived intangible assets acquired in connection with the acquisition of Sentai Holdings in the fourth quarter of 2021.

Nine months ended September 30, 2022 vs. 2021

Depreciation and amortization expense increased in Corporate due to higher depreciation of equipment and in our Domestic Operations segment due to the amortization of finite-lived intangible assets acquired in connection with the acquisition of Sentai Holdings in the fourth quarter of 2021.

Impairment and other charges

There were no impairment and other charges for the three and nine months ended September 30, 2022.

There were no impairment and other charges for the three months ended September 30, 2021. Impairment and other charges for the nine months ended September 30, 2021 were \$159.0 million.

On July 16, 2021, the Company entered into a settlement agreement (the "Settlement Agreement") with Frank Darabont, Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "Plaintiffs") in actions brought in connection with Frank Darabont's rendering services as a writer, director and producer of the television series entitled *The Walking Dead*. The Settlement Agreement provided for a cash payment of \$200 million (the "Settlement Payment") to the Plaintiffs and future revenue sharing related to certain future streaming exhibition of *The Walking Dead* and *Fear The Walking Dead*. With regard to the Settlement Payment, the Company recorded a charge of \$143.0 million in the second quarter of 2021, included in Impairment and other charges in consideration for the extinguishment of Plaintiffs' rights to any compensation in connection with *The Walking Dead* and any related programs and the dismissal of the actions with prejudice, which amount is net of \$57.0 million of ordinary course accrued participations.

The remaining \$16.1 million for the nine months ended September 30, 2021 related to the Company's March 2021 spin-off of the live comedy venue and talent management businesses ("LiveCo") of Levity Entertainment Group, LLC. In connection with the transaction, the Company effectively exchanged all of its rights and interests in LiveCo for the release of our obligations, principally related to leases. As a result of this divestiture, the Company recognized a loss on the disposal of \$16.1 million reflecting the net assets transferred (consisting of property and equipment, lease right-of-use assets and intangibles, partially offset by lease and other obligations), which is included in Impairment and other charges. The Company retained its interest in the production services business of Levity Entertainment Group, LLC, which was renamed 25/7 Media Holdings LLC ("25/7 Media") following the spin-off.

Restructuring and other related charges

There were no restructuring and other related charges for the three and nine months ended September 30, 2022.

Restructuring and other related charges of \$0.8 million for the three months ended September 30, 2021 are associated with severance costs at AMCNI.

Restructuring and other related charges of \$9.5 million for the nine months ended September 30, 2021 consisted of \$4.3 million of severance costs associated with the restructuring plan announced in November 2020 and \$5.2 million at AMCNI related to severance costs and the termination of distribution in certain international territories.

Operating income

Three months ended September 30, 2022 vs. 2021

The decrease in operating income was primarily attributable to a decrease in revenues, net of \$128.9 million and an increase in depreciation and amortization expenses of \$6.3 million, partially offset by decreases in technical and operating expenses of \$84.8 million and selling, general and administrative expenses of \$12.0 million.

Nine months ended September 30, 2022 vs. 2021

The increase in operating income was primarily attributable to decreases in impairment and other charges, technical and operating expenses, and restructuring and other related charges of \$159.0 million, \$94.2 million and \$9.5 million, respectively, partially offset by a decrease in revenues of \$141.9 million and increases in selling, general and administrative expenses of \$60.3 million and depreciation and amortization expenses of \$8.3 million.

Interest expense, net

Three months ended September 30, 2022 vs. 2021

The increase in interest expense, net was primarily due to higher interest rates on our Term Loan A Facility.

Nine months ended September 30, 2022 vs. 2021

The decrease in interest expense, net was primarily due to lower average daily balances and the refinancing of a portion of our outstanding Senior Notes at a lower interest rate in the first nine months of 2021, partially offset by higher interest rates on our Term Loan A Facility.

Loss on extinguishment of debt

There was no loss on extinguishment of debt for the three and nine months ended September 30, 2022.

In February 2021, we redeemed (i) the remaining \$400 million principal amount of our 4.75% senior notes due December 2022 and (ii) \$600 million principal amount of our 5.00% senior notes due April 2024. In connection with the redemptions, we incurred a loss on extinguishment of debt for the quarter ended March 31, 2021 of \$22.1 million representing a redemption premium on the 5.00% senior notes due 2024, and the write-off of a portion of the unamortized discount and deferred financing costs related to both issuances.

Miscellaneous, net

Three months ended September 30, 2022 vs. 2021

The decrease in miscellaneous, net was primarily related to increased losses on derivative financial instruments and an unfavorable variance in the foreign currency remeasurement of monetary assets and liabilities (principally intercompany loans) that are denominated in currencies other than the underlying functional currency of the applicable entity, partially offset by the impact of higher losses on certain marketable equity securities in the prior year.

Nine months ended September 30, 2022 vs. 2021

The decrease in miscellaneous, net was primarily related to the impact of a \$12.3 million gain recorded in the prior year in connection with the Company's acquisition of the remaining 50% interest in an equity method investment. The remaining decrease primarily relates to an unfavorable variance in the foreign currency remeasurement of monetary assets and liabilities (principally intercompany loans) that are denominated in currencies other than the underlying functional currency of the applicable entity and increased losses in connection with derivative financial instruments, partially offset by the impact of higher net gains from the sale of certain marketable equity securities.

Income tax expense

For the three months ended September 30, 2022, income tax expense was \$28.5 million representing an effective tax rate of 24%. The items resulting in variances from the federal statutory rate of 21% primarily consist of state and local income tax expense, tax expense for an increase in the valuation allowance for foreign taxes and tax expense related to non-deductible compensation. For the three months ended September 30, 2021, income tax expense was \$40.7 million representing an effective tax rate of 26%. The effective tax rate differs from the federal statutory rate of 21% primarily due to state and local income tax expense, tax expense related to non-deductible compensation and tax expense for an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, partially offset by a discrete tax benefit for excess tax benefits related to stock compensation and a tax benefit from foreign operations.

For the nine months ended September 30, 2022, income tax expense was \$103.1 million representing an effective tax rate of 26%. The items resulting in variances from the federal statutory rate of 21% primarily consist of state and local income tax expense, tax expense for an increase in the valuation allowance for foreign taxes and tax expense related to non-deductible compensation. For the nine months ended September 30, 2021, income tax expense was \$78.0 million representing an effective tax rate of 23%. The effective tax rate differs from the federal statutory rate of 21% primarily due to state and local income tax expense, tax expense related to non-deductible compensation and tax expense for an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, partially offset by a discrete tax benefit for excess tax benefits related to stock compensation and a tax benefit from foreign operations.

Segment Results of Operations

Our segment operating results are presented based on how we assess operating performance and internally report financial information. We use segment adjusted operating income as the measure of profit or loss for our operating segments. See Non-GAAP Financial Measures section below for our definition of Adjusted Operating Income and a reconciliation from Operating Income to Adjusted Operating Income on a segment and consolidated basis.

Domestic Operations

The following table sets forth our Domestic Operations segment results for the periods indicated.

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues, net:						
Subscription	\$ 349,338	\$ 324,644	7.6 %	\$ 1,040,110	\$ 986,532	5.4 %
Content licensing and other	57,793	158,120	(63.4)	191,473	297,792	(35.7)
Distribution and other	407,131	482,764	(15.7)	1,231,583	1,284,324	(4.1)
Advertising	180,258	199,982	(9.9)	582,451	611,406	(4.7)
Total revenues, net	587,389	682,746	(14.0)	1,814,034	1,895,730	(4.3)
Technical and operating (excluding depreciation and amortization) ^(a)	(238,752)	(303,868)	(21.4)	(720,558)	(784,228)	(8.1)
Selling, general and administrative ^(b)	(146,727)	(149,951)	(2.2)	(471,800)	(394,337)	19.6
Majority-owned equity investees AOI	4,791	2,149	122.9	13,733	6,584	108.6
Segment adjusted operating income	\$ 206,701	\$ 231,076	(10.5)%	\$ 635,409	\$ 723,749	(12.2)%
(a) Technical and operating excludes cloud computing amortization						
(b) Selling, general and administrative excludes share-based compensation expenses						

Revenues

Three months ended September 30, 2022 vs. 2021

Subscription revenues increased primarily due to a 41.0% increase in streaming revenues driven by streaming subscriber growth, partially offset by a mid single-digit decline in affiliate revenue. Affiliate revenue decreased due to declines in the linear subscriber universe, partially offset by contractual affiliate rate increases. Aggregate paid subscribers² to our streaming services increased 44% to 11.1 million at September 30, 2022 compared to September 30, 2021.

Content licensing and other revenues decreased primarily due to the timing and availability of deliveries in the quarter, including the delivery of fewer episodes of *The Walking Dead* and *Fear the Walking Dead*, both of which were strong contributors in the prior year.

Advertising revenues decreased primarily due to lower linear ratings, softer scatter and direct response markets and fewer original hours in the third quarter, partially offset by digital and advanced advertising revenue growth.

Nine months ended September 30, 2022 vs. 2021

Subscription revenues increased primarily due to a 33.5% increase in streaming revenues driven by streaming subscriber growth, partially offset by a mid single-digit decline in affiliate revenue. Affiliate revenue decreased due to declines in the linear subscriber universe, partially offset by contractual affiliate rate increases. Excluding the one-time beneficial impact of a distribution agreement renewal in the prior year, subscription revenues increased 6.9%, including an increase in streaming revenues of 39.6%.

Content licensing and other revenues decreased primarily due to the timing and availability of deliveries in the period, including the delivery of fewer episodes of *The Walking Dead* and *Fear the Walking Dead*, both of which were strong contributors in the prior year.

Advertising revenues decreased primarily due to lower linear ratings, partially offset by continued digital and advanced advertising revenue growth and higher upfront pricing.

² A paid subscription is defined as a subscription to a direct-to-consumer service or a subscription received through distributor arrangements, in which we receive a fee for the distribution of our streaming services, and includes an estimate of subscribers converting to paying status in the subsequent period based on historical conversion percentages.

Technical and operating expenses (excluding depreciation and amortization)

Three months ended September 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased primarily due to a decrease in program rights amortization due to delivery of fewer episodes of *The Walking Dead* and *Fear the Walking Dead*.

Nine months ended September 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased primarily due to a decrease in other direct programming costs, partially offset by an increase in program rights amortization.

Selling, general and administrative expenses

Three months ended September 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) decreased primarily due to lower marketing and subscriber acquisition expenses related to our streaming services and linear networks, partially offset by higher employee related costs.

Nine months ended September 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) increased primarily due to higher marketing and subscriber acquisition expenses related to our streaming services and linear networks, as well as higher employee related costs.

Segment adjusted operating income

Three months ended September 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of \$95.4 million, partially offset by decreases in technical and operating expenses of \$65.1 million and selling, general and administrative expenses of \$3.2 million.

Nine months ended September 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of \$81.7 million and an increase in selling, general and administrative expenses of \$77.5 million, partially offset by a decrease in technical and operating expenses of \$63.7 million.

International and Other

The following table sets forth our International and Other segment results for the periods indicated.

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues, net:						
Subscription	\$ 52,765	\$ 62,848	(16.0)%	\$ 169,879	\$ 188,800	(10.0)%
Content licensing and other	29,124	41,738	(30.2)	103,513	127,692	(18.9)
Distribution and other	81,889	104,586	(21.7)	273,392	316,492	(13.6)
Advertising	17,381	25,354	(31.4)	61,500	72,892	(15.6)
Total revenues, net	99,270	129,940	(23.6)	334,892	389,384	(14.0)
Technical and operating (excluding depreciation and amortization)	(58,528)	(77,333)	(24.3)	(193,924)	(227,437)	(14.7)
Selling, general and administrative ^(a)	(27,432)	(30,498)	(10.1)	(85,459)	(91,170)	(6.3)
Segment adjusted operating income	\$ 13,310	\$ 22,109	(39.8)%	\$ 55,509	\$ 70,777	(21.6)%

(a) Selling, general and administrative excludes share-based compensation expenses

Revenues

Three months ended September 30, 2022 vs. 2021

Subscription revenues decreased primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased primarily due to the timing of productions at 25/7 Media.

Advertising revenues decreased primarily due to the the impact of the planned wind-down of two channels in the U.K., the unfavorable impact of foreign currency translation at AMCNI, and softer ratings in the U.K.

Nine months ended September 30, 2022 vs. 2021

Subscription revenues decreased primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased primarily due to the timing of productions at 25/7 Media.

Advertising revenues decreased primarily due to the unfavorable impact of foreign currency translation and the impact of the planned wind-down of two channels in the U.K.

Technical and operating expenses (excluding depreciation and amortization)

Three months ended September 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased due to timing of productions at 25/7 Media and the favorable impact of foreign currency translation at AMCNI.

Nine months ended September 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased due to timing of productions at 25/7 Media and the favorable impact of foreign currency translation at AMCNI.

Selling, general and administrative expenses

Three months ended September 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) decreased primarily due to the favorable impact of foreign currency translation at AMCNI.

Nine months ended September 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) decreased primarily due to the favorable impact of foreign currency translation at AMCNI and a decrease in administrative expenses at 25/7 Media related to the March 2021 spin off of the comedy venues, partially offset by higher advertising and marketing costs.

Segment adjusted operating income

Three months ended September 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of \$30.7 million, partially offset by decreases in technical and operating expenses of \$18.8 million and selling, general and administrative expenses of \$3.1 million.

Nine months ended September 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of \$54.5 million, partially offset by decreases in technical and operating expenses of \$33.5 million and selling, general and administrative expenses of \$5.7 million.

Corporate and Inter-segment Elimination

The following table sets forth our Corporate and Inter-segment Eliminations segment results for the periods indicated.

(In thousands)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues, net:	\$ (4,816)	\$ (1,920)	150.8 %	\$ (16,901)	\$ (11,215)	50.7 %
Technical and operating (excluding depreciation and amortization) ^(a)	3,912	2,937	33.2 %	11,295	13,988	(19.3)
Selling, general and administrative ^(b)	(24,802)	(29,511)	(16.0)%	(84,281)	(83,992)	0.3
Segment adjusted operating income	\$ (25,706)	\$ (28,494)	(9.8)%	\$ (89,887)	\$ (81,219)	10.7 %

(a) Technical and operating excludes cloud computing amortization

(b) Selling, general and administrative excludes share-based compensation expenses and cloud computing amortization

Revenues, net

Revenue eliminations are primarily related to inter-segment licensing revenues recognized between the Domestic Operations and International and Other segments.

Technical and operating expenses (excluding depreciation and amortization)

Technical and operating eliminations are primarily related to inter-segment programming amortization recognized between the Domestic Operations and International and Other segments.

Selling, general and administrative expenses

Corporate overhead costs not allocated to the segments include such costs as executive salaries and benefits, costs of maintaining corporate headquarters, facilities and common support functions (such as human resources, legal, finance, strategic planning and information technology).

Selling, general and administrative expenses for the three months ended September 30, 2022 compared to 2021 decreased primarily due to lower long-term incentive compensation.

Selling, general and administrative expenses for the nine months ended September 30, 2022 compared to 2021 increased primarily due to an increase in expenses associated with technology investments.

Non-GAAP Financial Measures

We evaluate segment performance based on several factors, of which the primary financial measure is operating segment AOI. We define AOI, which is a financial measure that is not calculated in accordance with generally accepted accounting principles ("GAAP"), as operating income (loss) before share-based compensation expenses or benefit, depreciation and amortization, impairment and other charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges, cloud computing amortization and including the Company's proportionate share of adjusted operating income (loss) from majority-owned equity method investees. From time to time, we exclude the impact of certain events, gains, losses or other charges (such as significant legal settlements) from AOI that affect our operating performance.

We believe that AOI is an appropriate measure for evaluating the operating performance on both an operating segment and consolidated basis. AOI and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in the industry.

Internally, we use revenues, net and AOI measures as the most important indicators of our business performance, and evaluate management's effectiveness with specific reference to these indicators. AOI should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities and other measures of performance and/or liquidity presented in accordance with GAAP. Since AOI is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

The following is a reconciliation of operating income (loss) to AOI for the periods indicated:

(In thousands)	Three Months Ended September 30, 2022			
	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	\$ 186,609	\$ 8,291	\$ (44,223)	\$ 150,677
Share-based compensation expenses	3,155	537	3,358	7,050
Depreciation and amortization	12,141	4,482	13,112	29,735
Cloud computing amortization	5	—	2,047	2,052
Majority owned equity investees AOI	4,791	—	—	4,791
Adjusted operating income (loss)	<u>\$ 206,701</u>	<u>\$ 13,310</u>	<u>\$ (25,706)</u>	<u>\$ 194,305</u>

Three Months Ended September 30, 2021

(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	\$ 213,299	\$ 15,564	\$ (40,537)	\$ 188,326
Share-based compensation expenses	4,174	545	4,736	9,455
Depreciation and amortization	11,589	5,200	6,622	23,411
Restructuring and other related charges	(135)	800	89	754
Cloud computing amortization	—	—	596	596
Majority owned equity investees AOI	2,149	—	—	2,149
Adjusted operating income (loss)	<u>\$ 231,076</u>	<u>\$ 22,109</u>	<u>\$ (28,494)</u>	<u>\$ 224,691</u>

Nine Months Ended September 30, 2022

(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	\$ 573,943	\$ 39,733	\$ (135,119)	\$ 478,557
Share-based compensation expenses	10,000	1,758	12,104	23,862
Depreciation and amortization	37,716	14,018	27,822	79,556
Cloud computing amortization	17	—	5,306	5,323
Majority owned equity investees AOI	13,733	—	—	13,733
Adjusted operating income (loss)	<u>\$ 635,409</u>	<u>\$ 55,509</u>	<u>\$ (89,887)</u>	<u>\$ 601,031</u>

Nine Months Ended September 30, 2021

(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	\$ 517,874	\$ 32,365	\$ (123,949)	\$ 426,290
Share-based compensation expenses	17,105	2,689	19,369	39,163
Depreciation and amortization	36,678	14,477	20,106	71,261
Restructuring and other related charges	2,508	5,273	1,753	9,534
Impairment and other charges	143,000	15,973	—	158,973
Cloud computing amortization	—	—	1,502	1,502
Majority owned equity investees AOI	6,584	—	—	6,584
Adjusted operating income (loss)	<u>\$ 723,749</u>	<u>\$ 70,777</u>	<u>\$ (81,219)</u>	<u>\$ 713,307</u>

Liquidity and Capital Resources

Our operations have historically generated positive net cash flow from operating activities. However, each of our programming businesses has substantial programming acquisition and production expenditure requirements.

Our primary source of cash typically includes cash flow from operations. Sources of cash also include amounts available under our revolving credit facility and access to capital markets. Although we currently believe that amounts available under our revolving credit facility will be available when and if needed, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets. The obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. As a public company, we may have access to capital and credit markets.

Our Board of Directors previously authorized a program to repurchase up to \$1.5 billion of our outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the three and nine months ended September 30, 2022, we did not repurchase any

of our Class A common stock. As of September 30, 2022, we had \$135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Our principal uses of cash include the production, acquisition and promotion of programming, technology investments, debt service and payments for income taxes. We continue to increase our investment in original programming, the funding of which generally occurs six to nine months in advance of a program's airing.

As of September 30, 2022, our consolidated cash and cash equivalents balance of \$790.9 million includes approximately \$294.6 million held by foreign subsidiaries. Most or all of the earnings of our foreign subsidiaries will continue to be permanently reinvested in foreign operations and we do not expect to incur any significant, additional taxes related to such amounts, nor have any been provided for in the current period.

We believe that a combination of cash-on-hand, cash generated from operating activities and availability under our revolving credit facility will provide sufficient liquidity to service the principal and interest payments on our indebtedness, along with our other funding and investment requirements over the next twelve months and over the longer term. However, we do not expect to generate sufficient cash from operations to repay at maturity the entirety of the then outstanding balances of our debt. As a result, we will then be dependent upon our ability to access the capital and credit markets in order to repay or refinance the outstanding balances of our indebtedness. Failure to raise significant amounts of funding to repay these obligations at maturity would adversely affect our business. In such a circumstance, we would need to take other actions including selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash.

Our level of debt could have important consequences on our business including, but not limited to, increasing our vulnerability to general adverse economic and industry conditions, limiting the availability of our cash flow to fund future programming investments, capital expenditures, working capital, business activities and other general corporate requirements and limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate. For information relating to our outstanding debt obligations, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Debt Financing Agreements" of our 2021 Form 10-K.

In addition, economic or market disruptions could lead to lower demand for our services, such as lower levels of advertising. These events would adversely impact our results of operations, cash flows and financial position.

The revolving credit facility was not drawn upon at September 30, 2022. The total undrawn revolver commitment is available to be drawn for our general corporate purposes.

AMC Networks was in compliance with all of its debt covenants as of September 30, 2022.

Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) operating, investing and financing activities for the periods indicated:

(In thousands)	Nine Months Ended September 30,	
	2022	2021
Cash provided by operating activities	\$ 36,591	\$ 43,984
Cash (used in) provided by investing activities	(28,623)	30,880
Cash used in financing activities	(80,208)	(66,619)
Net (decrease) increase in cash and cash equivalents from operations	\$ (72,240)	\$ 8,245

Operating Activities

Net cash provided by operating activities amounted to \$36.6 million for the nine months ended September 30, 2022 and primarily resulted from net income before amortization of program rights, depreciation and amortization, and other non-cash items of \$1,069.8 million, partially offset by payments for program rights of \$1,065.9 million. Changes in all other assets and liabilities resulted in a net cash inflow of \$32.7 million.

Net cash provided by operating activities amounted to \$44.0 million for the nine months ended September 30, 2021 and primarily resulted from net income before amortization of program rights, depreciation and amortization, and other non-cash items of \$1,050.9 million, partially offset by payments for program rights of \$967.2 million. Changes in all other assets and liabilities resulted in net cash outflow of \$39.7 million.

Investing Activities

Net cash used in investing activities amounted to \$28.6 million for the nine months ended September 30, 2022, and primarily consisted of capital expenditures of \$33.5 million and an additional investment in an equity security of \$5.0 million, partially offset by proceeds from the sale of a marketable equity security of \$9.9 million.

Net cash provided by investing activities for the nine months ended September 30, 2021 was \$30.9 million and included proceeds received from the sale of an investment of \$95.4 million and the collection of a loan for \$20.0 million, partially offset by the acquisition of equity securities of \$28.4 million, payments for the acquisition of a business of \$19.1 million, and capital expenditures of \$30.0 million. All other changes in investing activities resulted in an decrease of \$7.0 million.

Financing Activities

Net cash used in financing activities amounted to \$80.2 million for the nine months ended September 30, 2022 and consisted of distributions to noncontrolling interests of \$28.2 million, principal payments on the Term Loan A Facility of \$25.3 million, taxes paid in lieu of shares issued for equity-based compensation of \$21.6 million, principal payments on finance leases of \$2.6 million, and the purchase of noncontrolling interests of \$2.5 million.

Net cash used in financing activities amounted to \$66.6 million for the nine months ended September 30, 2021 and primarily consisted of principal payments, net of proceeds, on long-term debt (including the redemption of \$400 million of 4.75% Notes due December 2022 and \$600 million of 5.00% Notes due April 2024) of \$29.0 million, taxes paid in lieu of shares issued for equity-based compensation of \$32.3 million, distributions to noncontrolling interests of \$14.9 million, and payments on finance leases of \$2.9 million, partially offset by proceeds from the exercise of stock options of \$9.8 million and contributions from noncontrolling interests of \$2.7 million.

Contractual Obligations

As of September 30, 2022, our contractual obligations not reflected on the condensed consolidated balance sheet decreased \$93.2 million, as compared to December 31, 2021, to \$970.2 million. The decrease primarily relates to payments for program rights.

Supplemental Guarantor Financial Information

The following is a description of the terms and conditions of the guarantees with respect to the outstanding notes for which AMC Networks is the issuer.

Note Guarantees

Debt of AMC Networks as of September 30, 2022 included \$400.0 million of 5.00% Notes due April 2024, \$800.0 million of 4.75% Notes due August 2025, and \$1.0 billion of 4.25% Notes due February 2029 (collectively, the “notes”). The notes were issued by AMC Networks and are unconditionally guaranteed, jointly and severally, on an unsecured basis, by each of AMC Networks’ existing and future domestic restricted subsidiaries, subject to certain exceptions (each, a “Guarantor Subsidiary,” and collectively, the “Guarantor Subsidiaries”). The obligations of each Guarantor Subsidiary under its note guarantee are limited as necessary to prevent such note guarantee from constituting a fraudulent conveyance under applicable law. A guarantee of the notes by a Guarantor Subsidiary is subject to release in the following circumstances: (i) any sale or other disposition of all of the capital stock of a Guarantor Subsidiary to a person that is not (either before or after giving effect to such transaction) a restricted subsidiary, in compliance with the terms of the applicable indenture; (ii) the designation of a restricted subsidiary as an “Unrestricted Subsidiary” under the applicable indenture; or (iii) the release or discharge of the guarantee (including the guarantee under the AMC Networks’ credit agreement) which resulted in the creation of the note guarantee (provided that such Guarantor Subsidiary does not have any preferred stock outstanding at such time that is not held by AMC Networks or another Guarantor Subsidiary).

Foreign subsidiaries of AMC Networks do not and will not guarantee the notes.

The following tables present the summarized financial information specified in Rule 1-02(bb)(1) of Regulation S-X for AMC Networks and each Guarantor Subsidiary. The summarized financial information has been prepared in accordance with Rule 13-01 of Regulation S-X.

Summarized Financial Information

Income Statement

(In thousands)	Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021	
	Parent Company	Guarantor Subsidiaries	Parent Company	Guarantor Subsidiaries
Revenues	\$ —	\$ 1,513,831	\$ —	\$ 1,572,327
Operating expenses	—	1,104,348	—	1,211,830
Operating income	\$ —	\$ 409,483	\$ —	\$ 360,497
Income before income taxes	\$ 365,942	\$ 467,752	\$ 297,357	\$ 422,489
Net income	272,283	461,433	233,557	415,950

Balance Sheet

(In thousands)	September 30, 2022		December 31, 2021	
	Parent Company	Guarantor Subsidiaries	Parent Company	Guarantor Subsidiaries
Assets				
Amounts due from subsidiaries	\$ —	\$ 124,774	\$ —	\$ —
Current assets	2,806	1,372,733	9,991	1,242,724
Non-current assets	4,297,423	3,875,345	4,010,028	3,633,383
Liabilities and equity:				
Amounts due to subsidiaries	\$ 129,127	\$ 1,656	\$ 12,797	\$ 5,324
Current liabilities	216,308	816,767	100,969	671,041
Non-current liabilities	3,081,490	267,475	3,067,962	331,860

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 2 to the Company's Consolidated Financial Statements included in our 2021 Form 10-K. There have been no significant changes in our significant accounting policies since December 31, 2021.

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2021 Form 10-K. There have been no significant changes in our critical accounting estimates since December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Fair Value of Debt

Based on the level of interest rates prevailing at September 30, 2022, the carrying value of our fixed rate debt of \$2.18 billion was more than its fair value of \$1.84 billion by approximately \$338.7 million. The fair value of these financial instruments is estimated based on reference to quoted market prices for these or comparable securities. A hypothetical 100 basis point decrease in interest rates prevailing at September 30, 2022 would increase the estimated fair value of our fixed rate debt by approximately \$63.5 million to approximately \$1.90 billion.

Managing our Interest Rate Risk

To manage interest rate risk, we enter into interest rate swap contracts from time to time to adjust the amount of total debt that is subject to variable interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to limit the exposure against the risk of rising rates. We do not enter into interest rate swap contracts for speculative or trading purposes and we only enter into interest rate swap contracts with financial institutions that we believe are credit worthy counterparties. We monitor the financial institutions that are counterparties to our interest rate swap contracts and to the extent possible diversify our swap contracts among various counterparties to mitigate exposure to any single financial institution. For the nine months ended September 30, 2022, we did not have any interest rate swap contracts outstanding.

As of September 30, 2022, we had \$2.8 billion of debt outstanding (excluding finance leases), of which \$0.6 billion is outstanding under our loan facility and is subject to variable interest rates. A hypothetical 100 basis point increase in interest rates prevailing at September 30, 2022 would increase our annual interest expense by approximately \$6.5 million. The interest rate paid on approximately 77% of our debt (excluding finance leases) as of September 30, 2022 is fixed.

Managing our Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain trade receivables and accounts payable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. The Company recognized losses of \$1.0 million and \$0.1 million for the three and nine months ended September 30, 2022, respectively, and a \$0.4 million loss and a \$6.1 million gain for the three and nine months ended September 30, 2021, respectively, related to foreign currency transactions. Such amounts are included in miscellaneous, net in the condensed consolidated statements of income.

To manage foreign currency exchange rate risk, we enter into foreign currency contracts from time to time with financial institutions to limit our exposure to fluctuations in foreign currency exchange rates. We do not enter into foreign currency contracts for speculative or trading purposes.

We also are exposed to fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our condensed consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive income (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive income (loss) and equity with respect to our holdings solely as a result of changes in foreign currency exchange rates.

Item 4. Controls and Procedures.**Disclosure Controls and Procedures**

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation as of September 30, 2022, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2022, there were no changes in the Company's internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 15, Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of our legal proceedings.

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

The Company's Board of Directors has authorized a program to repurchase up to \$1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The authorization of up to \$500 million was announced on March 7, 2016, an additional authorization of \$500 million was announced on June 7, 2017, and an additional authorization of \$500 million was announced on June 13, 2018. The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time.

For the nine months ended September 30, 2022, the Company did not repurchase any of its Class A common stock. As of September 30, 2022, the Company had \$135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Item 6. Exhibits.

(a) Index to Exhibits.

10.1	Employment Agreement, dated August 4, 2022, by and between AMC Networks Inc. and Christina Spade
10.2	Employment Agreement, dated August 4, 2022, by and between AMC Networks Inc. and Patrick O'Connell
10.3	Employment Agreement, dated October 19, 2022, by and between AMC Networks Inc. and James G. Gallagher
22	Guarantor Subsidiaries of the Registrant
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

SIGNATURES

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

AMC Networks Inc.

Date: November 4, 2022

By: /s/ Patrick O'Connell

Patrick O'Connell

Executive Vice President and Chief Financial Officer

Date: November 4, 2022

By: /s/ Michael J. Sherin III

Michael J. Sherin III

Executive Vice President and Chief Accounting Officer



August 4, 2022

Ms. Christina Spade
AMC Networks Inc.
11 Penn Plaza
New York, NY 10001

Re: Employment Agreement

Dear Christina:

This letter (the "*Agreement*"), effective as of the date hereof (the "*Effective Date*"), will confirm the terms of your continued employment by AMC Networks Inc. (the "*Company*") as an at will employee.

As of the Effective Date, you will continue to serve as the Company's Chief Operating Officer and Chief Financial Officer, and on August 8, 2022, you will cease to serve as the Company's Chief Financial Officer. Commencing on September 9, 2022, or such earlier date as the parties may agree (the "*CEO Commencement Date*") your title will be Chief Executive Officer and you shall cease to serve as the Company's Chief Operating Officer. In your capacity as the Chief Executive Officer, you shall have the powers, responsibilities, duties and authority customary for the chief executive officer of corporations of the size, type and nature of the Company, and you will report solely and directly to the Chairman of the Board of Directors of the Company (the "*Board*").

The term of this Agreement (the "*Term*") shall commence as of the Effective Date and shall automatically expire on December 31, 2025 (the "*Expiration Date*").

You agree to continue to devote substantially all of your business time and attention to the business and affairs of the Company and to perform your duties in a diligent, competent and skillful manner and in accordance with applicable law. Notwithstanding the foregoing, nothing herein shall preclude you from (i) serving as a member of the board of directors or advisory board (or their equivalents in the case of a non-corporate entity) of up to two non-competing businesses upon consent of the Board (not to be unreasonably withheld), (ii) engaging in charitable activities and community affairs, and (iii) managing your personal investments and affairs; *provided, however*, that the activities set out in clauses (i), (ii), and (iii) shall be limited by you so as not to materially interfere, individually or in the aggregate, with the

performance of your duties and responsibilities hereunder, including compliance with the covenants set forth in Annex I.

As of the Effective Date, your annual base salary will remain \$1,250,000. Beginning on the CEO Commencement Date, your annual base salary will be increased to a minimum of \$1,750,000, subject to annual review and potential increase by the Compensation Committee of the Board (the “*Compensation Committee*”), in its discretion. The Compensation Committee will review your compensation package on an annual basis. You will also continue to participate in our discretionary annual bonus program, and, effective as of the CEO Commencement Date, your annual target bonus opportunity will be increased to two hundred percent (200%) of actual salary dollars paid to you during the applicable year; *provided* that for 2022, your current target bonus opportunity of one hundred seventy-five percent (175%) will apply to the actual salary dollars paid to you during the period from January 1, 2022 through the CEO Commencement Date and your target bonus opportunity of two hundred percent (200%) will apply to the actual salary dollars paid to you during the period from the CEO Commencement Date through December 31, 2022. Bonus payments depend on a number of factors including Company, unit and individual performance. However, the decision of whether or not to pay a bonus, and the amount of that bonus, if any, will be made by the Compensation Committee in its discretion. Except as otherwise provided herein, in order to receive a bonus, you must be employed by the Company at the time bonuses are being paid. Your annual base salary and annual bonus target (as each may be increased from time to time in the Compensation Committee’s discretion) will not be reduced during the term of this Agreement. Notwithstanding the foregoing, if your employment with the Company ends on the Expiration Date, you shall be paid your bonus for the fiscal year ending December 31, 2025, if any, even if such payment is not made to you prior to the Expiration Date, which bonus shall be subject to Company and unit performance for that fiscal year as determined by the Company in its sole discretion, but without adjustment for your individual performance.

You will also continue to participate, subject to your continued employment by the Company and actual grant by the Compensation Committee in its discretion, in such long-term equity and other incentive programs as are made available in the future to similarly situated executives at the Company. For 2022, you previously received grants of restricted stock units and cash performance awards with a combined target value of \$3,750,000. Beginning with the 2023 award cycle (anticipated to commence in March 2023), it is expected that your long-term awards will continue to consist of annual grants of cash and/or equity awards with an annual aggregate target value of not less than \$3,750,000, as determined by the Compensation Committee. Any such awards would be subject to actual grant to you by the Compensation Committee in its discretion pursuant to the applicable plan documents and would be subject to terms and conditions established by the Compensation Committee in its discretion that would be detailed in separate agreements you would receive after any award is actually made; *provided, however*, that such terms and conditions shall be consistent with the terms and conditions of the grant agreements received by similarly situated executives (subject to any more favorable terms set forth in this agreement including those set forth in Annex I attached hereto).

In addition, on or as soon as reasonably practicable following the Effective Date but in no event later than thirty (30) days after the Effective Date, the Company will grant you a special award of restricted stock units with a target value of \$6,000,000 (the “*CEO Special Equity Award*”). Subject to your continued employment through the relevant vesting date, your CEO Special Equity Award will vest ratably on each of the first, second and third anniversary of the date of the grant, in each case subject to your continued employment with the Company through such date; *provided* that (A) your CEO Special Equity Award will vest on a Change of Control of the Company (as defined in your award agreement for your CEO Special Equity Award); and (B) subject to your execution and the effectiveness of the Severance Agreement (as defined below), the vesting restrictions applicable to your CEO Special Equity Award will lapse on termination of your employment with the Company (1) by the Company, (2) by you for “*Good Reason*,” or (3) due to your death or your physical or mental disability (at which time of such termination under clauses (1), (2) or (3) “*Cause*” does not exist) and your CEO Special Equity Award will be paid or delivered to you within a reasonable period of time (and no later than the seventy-fifth (75th) day) following your termination (including, for the avoidance of doubt, a termination that occurs prior to the grant of your CEO Special Equity Award). Your CEO Special Equity Award will be subject to the other terms and conditions set forth in the applicable award agreement. Notwithstanding anything else in this Employment Agreement, the vesting provisions set forth in this paragraph will apply to the CEO Special Equity Award.

In addition, following the Effective Date you will be entitled to a one-time signing bonus in the amount of \$30,000, less applicable withholdings (the “*Sign-On Bonus*”). Subject to your continued employment through the relevant payment date, your Sign-On Bonus will be payable to you in cash as soon as practical, but in no event later than sixty (60) days following the Effective Date.

You will be eligible to participate in our standard benefits program at the levels that are made available to similarly situated executives at the Company. Participation in our benefits program is subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. You will be entitled to four (4) weeks’ vacation per year, to be accrued and used in accordance with Company policy. You will also be entitled to reimbursement of business expenses upon submission of appropriate documentation in accordance with Company policy. Effective as of the CEO Commencement Date, the Company will reimburse you for reasonable car service fees incurred to commute between your home and the Company’s offices, to be paid in accordance with the Company reimbursement policy upon submission of appropriate documentation in accordance with such policy.

Effective as of the Effective Date, you and the Company agree to be bound by the additional covenants and provisions applicable to each that are set forth in *Annex I* attached hereto, which *Annex* shall be deemed to be a part of this Agreement.

If your employment with the Company is terminated after the Effective Date but prior to the Expiration Date (1) by the Company or (2) by you for Good Reason, and at the time of such termination under clauses (1) or (2) Cause does not exist, then, subject to your execution and the effectiveness of a severance agreement satisfactory to the Company, which severance

agreement shall include, without limitation, a full and complete general release in favor of the Company and its affiliates (subject to customary carve outs), and their respective directors and officers, as well as your agreement to non-competition (limited to one year), non-solicitation, non-disparagement, confidentiality and further cooperation obligations and restrictions substantially in the form set forth in *Annex I* attached hereto (the “*Severance Agreement*”), the Company will provide you with the following:

(1) Severance in an amount to be determined by the Compensation Committee (the “*Severance Amount*”), but in no event less than two (2) times the sum of your annual base salary plus your target annual bonus, each as in effect at the time your employment terminates, *provided*, that if your employment is terminated between the Effective Date and the CEO Commencement Date, such amounts will be determined based on your annual base salary and target annual bonus that would have been in effect as of the CEO Commencement Date. Sixty percent (60%) of the Severance Amount (the “*First Payment*”) will be payable to you on the six-month anniversary of the date your employment so terminates (the “*Termination Date*”) and the remaining forty percent (40%) of the Severance Amount will be payable to you on the twelve-month anniversary of the Termination Date; *provided* that the maximum portion of the First Payment that is exempt from Section 409A (as defined below) will be payable to you on or before the seventy-fifth (75) day following the date your employment so terminates;

(2) A prorated bonus based on the amount of your base salary earned by you during the fiscal year through the Termination Date, *provided*, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your then current annual target bonus as well as Company and your business unit performance as determined by the Compensation Committee in its discretion, but without adjustment for your individual performance; and any unpaid portion of the Sign-On Bonus shall be paid on the first regular Company payroll date on or after the Termination Date;

(3) If, as of the Termination Date, annual bonuses had not yet generally been paid to similarly situated employees with respect to the prior fiscal year, a bonus based on the amount of your base salary actually paid to you during such prior fiscal year, *provided*, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your annual target bonus that was in effect with respect to such prior fiscal year as well as Company and your business unit performance as determined by the Compensation Committee in its discretion, but without adjustment for your individual performance; and

(4) (i) *Time-Vested Restricted Stock and Restricted Stock Unit Awards (including restricted stock unit awards that are subject to achievement of a performance condition and restricted stock unit awards that have no performance conditions)*. Each of your outstanding restricted stock or restricted stock units awards granted to you under the plans of the Company (other than the CEO Special Equity Award which will be treated in the manner described above and the COO Special Equity Award (as defined below) which will be treated in the manner described below) shall continue to vest in accordance with their original vesting schedule irrespective of the termination of the term hereof and payments or deliveries with respect to your restricted

stock and restricted stock units shall be made on the original vesting date(s) (or, in the case of restricted stock units, on the original distribution date(s)); *provided*, however, that at the time of your termination from employment, the Company shall withhold and settle a portion of each of your outstanding restricted stock and restricted stock unit awards in an amount sufficient to fund the minimum amount of statutory tax withholding requirements (including federal, state and local income and employment tax withholding required due to such awards being “vested” for tax purposes) resulting from the recognition of income in respect of each such outstanding restricted stock or restricted stock unit award, and make a payroll tax contribution in such amount on your behalf;

(ii) *Performance-Based Restricted Stock Unit Awards*. Each of your outstanding performance-based restricted stock unit (“*PRSUs*”) awards granted under the plans of the Company shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active employees of the Company and the payment amount of such award shall be to the same extent that other similarly situated executives receive payment for such awards as determined by the Compensation Committee (subject to the satisfaction of any applicable performance objectives); *provided* that, if the applicable performance objectives are not satisfied then any such *PRSUs* will be forfeited;

(iii) Each of your outstanding long-term cash performance awards (“*CPAs*”) granted under the plans of the Company, if any, shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active employees of the Company and the payment amount of such award shall be to the same extent that other similarly situated executives receive payment for such awards as determined by the Compensation Committee (subject to the satisfaction of any applicable performance objectives); *provided* that, if the applicable performance objectives are not satisfied then any such *CPAs* will be forfeited; and

(iv) Each of your outstanding stock options and stock appreciation awards under the plans of the Company, if any, shall continue to vest in accordance with their original vesting schedule irrespective of the termination of the term hereof and you shall have the right to exercise each of those options and stock appreciation awards for the remainder of the term of such option or award.

If you die after a termination of your employment that is subject to the above, your estate or beneficiaries will be provided any remaining benefits and rights under the above sections (1) through (4).

Notwithstanding the foregoing, your RSU award granted November 19, 2021, (the “*COO Special Equity Award*”) will cliff vest on March 31, 2024; *provided* that (A) your *COO Special Equity Award* will vest on a Change of Control of the Company (as defined in the award agreement for your *COO Special Equity Award*); and (B) subject to your execution and the effectiveness of the Severance Agreement, the vesting restrictions applicable to your *COO Special Equity Award* will lapse on a termination of your employment with the Company (1) by the Company, (2) by you for Good Reason, or (3) due to your death or your physical or mental disability (at which time of such termination under clauses (1), (2) or (3) Cause does not exist)

and the COO Special Equity Award will be paid or delivered to you within a reasonable period of time (and no later than the seventy-fifth (75th) day) following your termination. Your COO Special Equity Award remains subject to the other terms and conditions set forth in the applicable award agreement. Notwithstanding anything else in this Employment Agreement, the vesting provisions set forth in this paragraph will apply to the COO Special Equity Award.

Except as otherwise set forth herein, in connection with any termination of your employment, your then outstanding equity and cash incentive awards shall be treated in accordance with their terms and, other than as provided in this Agreement, you shall not be eligible for severance benefits under any other plan, program or policy of the Company. Nothing in this Agreement is intended to limit any more favorable rights that you may be entitled to under your equity and cash incentive award agreements, including, without limitation, your rights in the event of a termination of your employment, a “Going Private Transaction” or a “Change of Control” (as those terms are defined in the applicable award agreement).

If you cease to be an employee of the Company prior to the Expiration Date as a result of your death or your physical or mental disability, and at such time Cause does not exist then, subject (other than in the case of death) to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Severance Agreement, you or your estate or beneficiary shall be provided with the benefits and rights set forth in Sections (2) and (3) above, and each of your outstanding equity, cash incentive, stock option, and stock appreciation awards granted under the plans of the Company (other than the CEO Special Equity Award and the COO Special Equity Award which will be treated in the manner described above) shall immediately vest in full, whether or not subject to performance criteria and shall be payable on the 90th day after the termination of your employment; *provided*, that if any such award is subject to any performance criteria, then (i) if the measurement period for such performance criteria has not yet been fully completed, then the payment amount shall be at the target amount for such award and (ii) if the measurement period for such performance criteria has already been fully completed, then the payment of such award shall be at the same time and to the extent that other similarly situated executives receive payment as determined by the Compensation Committee (subject to satisfaction of the applicable performance criteria).

This Agreement does not constitute a guarantee of employment or benefits for any definite period. Your employment may be terminated by you or the Company at any time, with or without notice, liability (subject to the terms of this Agreement) or Cause. With the exception of the provisions that, by their term, survive your death, this Agreement shall automatically terminate upon your death.

If and to the extent that any payment or benefit hereunder, or any plan, award or arrangement of the Company or its affiliates, is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of your termination of employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section

409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service (or your earlier death). Any amount not paid or benefit not provided in respect of the six-month period specified in the preceding sentence will be paid to you in a lump sum or provided to you as soon as practicable after the expiration of such six-month period. Each payment or benefit hereunder shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payments or benefits.

To the extent you are entitled to any expense reimbursement from the Company that is subject to Section 409A, (i) the amount of any such expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except under any lifetime limit applicable to expenses for medical care), (ii) in no event shall any such expense be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expense, and (iii) in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

The Company may withhold from any payment due to you hereunder any taxes that are required to be withheld under any law, rule or regulation. If any payment otherwise due to you hereunder would result in the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code, the Company will instead pay you either (i) such amount or (ii) the maximum amount that could be paid to you without the imposition of the excise tax, depending on whichever amount results in your receiving the greater amount of after-tax proceeds (as reasonably determined by the Company). In the event that any such payment or benefits payable to you hereunder would be reduced because of the imposition of such excise tax, then such reduction will be determined in a manner which has the least economic cost to you and, to the extent the economic cost is equivalent, such payments or benefits will be reduced in the inverse order of when the payments or benefits would have been made to you (*i.e.*, later payments will be reduced first) until the reduction specified is achieved.

The intent of the parties is that payments and benefits under this Agreement comply with Section 409A and applicable guidance issued thereunder or comply with an exemption from the application of Section 409A and, accordingly, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Neither party shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits that are subject to Section 409A in any manner that would not be in compliance with Section 409A.

The Company hereby agrees that it shall indemnify and hold you harmless to the fullest extent provided in Article VIII of the Company's By-Laws and on terms no less favorable as those applicable to other similarly situated executives of the Company. To the extent that the Company maintains officers' and directors' liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein. The provisions of this Paragraph apply to your service with the Company prior to the Effective Date and shall survive the expiration or termination of your employment and/or this Agreement as well as your execution of the Severance Agreement as provided for herein.

You hereby represent to the Company that you are not subject to any contract, arrangement, agreement, policy or understanding, including any restrictive covenants obligations owed to any third-party (other than customary confidentiality restrictions imposed by your prior employer), that would in any way prevent, restrict or limit your ability to enter into and perform your obligations under this Agreement.

This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of, and be enforceable by, your legal representatives. This Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns.

To the extent permitted by law, you hereby waive any and all rights to a jury trial with respect to any claim arising out of or in any way connected with or related to this Agreement, your employment by the Company or the termination of your employment with the Company.

This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.

You and the Company hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the State of New York solely in respect of the interpretation and enforcement of the provisions of this Agreement, and you and the Company hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate.

You and the Company hereby agree that mailing of notice, process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof if delivered to you at your address set forth above (with a copy to Hughes Hubbard & Reed LLP at One Battery Park Plaza, New York, NY 10004 Attention: Kenneth A. Lefkowitz) or to the Company at 11 Penn Plaza, New York, NY 10001, respectively, or to such other address as you or the Company may later designate in writing for the receipt of such notices.

This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision shall be deemed modified, amended and narrowed to the extent

necessary to render the same legal, valid and enforceable, and the other remaining provisions of this Agreement shall not be affected but shall remain in full force and effect.

Capitalized terms used in this Agreement, including in *Annex I* attached hereto, shall have the meanings set forth below:

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against the Company or an affiliate thereof, or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for, in each case, any crime involving moral turpitude or any felony.

“*Good Reason*” means that (1) without your consent, (A) your base salary or annual bonus target (as each may be increased from time to time in the Compensation Committee’s discretion) is reduced, (B) your title is diminished, (C)(i) prior to the CEO Commencement Date, you report to someone other than the Company’s Chief Executive Officer or the Chairman of the Board, (C)(ii) after the CEO Commencement Date, you report to someone other than the Chairman of the Board, (D)(i) prior to the CEO Commencement Date, your responsibilities as in effect immediately after the date hereof are thereafter materially diminished, , (D)(ii) after the CEO Commencement Date, your responsibilities as CEO are materially diminished, (E) the Company materially breaches its obligations to you under this Agreement or, (F) the Company requires that your principal office be located more than fifty (50) miles from Manhattan, (2) you have given the Company written notice, referring specifically to this letter and definition, that you do not consent to such action, (3) the Company has not corrected such action within 30 days of receiving such notice, and (4) you voluntarily terminate your employment with the Company within 90 days following the happening of the action described in subsection (1) above; *provided* that, notwithstanding the foregoing, any changes to your current title, duties and responsibilities as a result of the Company’s appointment of a successor Chief Financial Officer shall not constitute Good Reason under this Agreement.

It is the parties’ intention that this Agreement not be construed more strictly with regard to you or the Company. This Agreement (together with your outstanding grant agreements under the Company’s long-term equity and other incentive programs) reflects the entire understanding and agreement of you and the Company with respect to the subject matter hereof and supersedes all prior understandings and agreements, including, as of the Effective Date, the Employment Agreement dated January 12, 2021 between you and the Company and the Amendment to the Employment Agreement dated November 19, 2021 between you and the Company; provided, however, no provision in this Agreement shall be construed to adversely affect any of your rights to compensation, expense reimbursement or benefits accrued as of the Effective Date with respect to your service with the Company prior to the Effective Date.

AMC NETWORKS INC.

By: /s/ Jamie Gallagher
Name: Jamie Gallagher
Title: EVP and General Counsel

ACCEPTED AND AGREED:

/s/ Christina Spade
Name: Christina Spade

Date: August 4, 2022

ANNEX I

This Annex constitutes part of the Agreement dated August 4, 2022, by and between Christina Spade (“You”) and AMC Networks Inc. (the “Company”). Terms defined in the Agreement shall have the same meanings in this Annex.

You agree to comply with the following covenants in addition to those set forth in the Agreement.

1 Confidentiality

(a) Agreement. You agree to keep the existence and terms of this Agreement confidential (unless it is made public by the Company) *provided* that (1) you are authorized to make any disclosure required of you by any federal, state or local laws or judicial proceedings, after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), (2) you may disclose this Agreement to your attorneys and advisers, (3) you and your representatives and agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment or structure, and (4) you may disclose this Agreement in connection with any action by you to enforce or defend your rights under this Agreement.

(b) Confidential and Proprietary Information. You agree to retain in strict confidence and not use for any purpose whatsoever or divulge, disseminate, copy, disclose to any third party, or otherwise use any Confidential Information, other than for legitimate business purposes of the Company and its affiliates. As used herein, “*Confidential Information*” means any non-public information of a confidential, proprietary, commercially sensitive or personal nature of, or regarding, the Company or any of its affiliates or any director, officer or member of senior management of any of the foregoing (collectively “*Covered Parties*”). The term Confidential Information includes information in written, digital, oral or any other format and includes, but is not limited to (i) information designated or treated as confidential, (ii) budgets, plans, forecasts or other financial or accounting data; (iii) subscriber, customer, guest, fan vendor or shareholder lists or data; (iv) technical or strategic information regarding the Covered Parties’ cable, data, telephone, programming, advertising, sports, entertainment, film production, theatrical, motion picture exhibition or other businesses, (v) advertising, business, programming, sales or marketing tactics and strategies; (vi) policies, practices, procedures or techniques, (vii) trade secrets or other intellectual property; (viii) information, theories or strategies relating to litigation, arbitration, mediation, investigations or matters relating to governmental authorities; (ix) terms of agreements with third parties and third party trade secrets, (x) information regarding employees, players, coaches, agents, talent, consultants, advisors or representatives, including their compensation or other human resources policies and procedures and (xi) any other information the disclosure of which may have an adverse effect on the Covered Parties’ business reputation, operations or competitive position, reputation or standing in the community.

(c) Exception for Disclosure Pursuant to Law. Notwithstanding the foregoing, the obligations set forth in subsection (b) above, other than with respect to subscriber or customer information, shall not apply to Confidential Information that is:

- 1) already in the public domain;
- 2) disclosed to you by a third party with the right to disclose it in good faith; or
- 3) specifically exempted in writing by the applicable Covered Party from the applicability of this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, nothing shall limit your rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity.

You are hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

2 Non-Compete

You acknowledge that due to your executive position in the Company and your knowledge of Confidential Information, your employment by or affiliation with certain businesses would be detrimental to the Company or any of its direct or indirect subsidiaries. You agree that, without the prior written consent of the Company, you will not represent, become employed by, consult to, advise in any manner or have any material interest, directly or indirectly, in any Competitive Entity (as defined below). A "*Competitive Entity*" shall mean any person, entity or business that (i) competes with any of the Company's or any of its affiliate's programming or other existing businesses, nationally or regionally; or (ii) directly competes with any other business of the Company or one of its subsidiaries that produced greater than 10% of the Company's revenues in the calendar year immediately preceding the year in which the determination is made. Ownership of not more than 1% of the outstanding stock of any publicly traded company shall not, by itself, be a violation of this paragraph. This agreement not to compete will expire on the first anniversary of the date on which your employment with the Company has terminated if such termination occurs prior to the Expiration Date. For the

avoidance of doubt, this agreement not to compete will expire on the Expiration Date if the termination of your employment with

the Company occurs on the Expiration Date.

3 Additional Understandings

You agree, for yourself and others acting on your behalf, that you (and they) have not disparaged and will not disparage, make negative statements about or act in any manner which is intended to or does damage to the good will of, or the business or personal reputations of the Company, any of its affiliates or any of their respective incumbent or former officers, directors, agents, consultants, employees, successors and assigns.

This Agreement in no way restricts or prevents you from providing truthful testimony concerning the Company or its affiliates (i) as required by court order or other legal process, *provided* that you afford the Company written notice and an opportunity to respond prior to such disclosure; or (ii) in proceedings to enforce or defend your rights under this Agreement or any other written agreement between you and the Company or its affiliates.

In addition, you agree that the Company is the owner of all rights, title and interest in and to all documents, tapes, videos, designs, plans, formulas, models, processes, computer programs, inventions (whether patentable or not), schematics, music, lyrics, programming ideas and other technical, business, financial, advertising, sales, marketing, customer, programming or product development plans, forecasts, strategies, information and materials (in any medium whatsoever) developed or prepared by you or with your cooperation during the course of your employment by the Company (the "*Materials*"). The Company will have the sole and exclusive authority to use the Materials in any manner that it deems appropriate, in perpetuity, without additional payment to you.

4 Further Cooperation

Following the date of termination of your employment with the Company, you will no longer provide any regular services to the Company or represent yourself as a Company agent. If, however, the Company so requests, you agree to cooperate fully with the Company in connection with any matter with which you were involved prior to such employment termination, or in any litigation or administrative proceedings or appeals (including any preparation therefore) where the Company believes that your personal knowledge, attendance or participation could be beneficial to the Company or its affiliates. This cooperation includes, without limitation, participation on behalf of the Company and/or its affiliates in any litigation, administrative or similar proceeding, including providing truthful testimony. The Company will pay you for your services rendered under this provision at a rate of \$6,800.00 per day for each day or part thereof, within 30 days of the approval of the invoice thereof.

The Company will provide you with reasonable notice in connection with any cooperation it requires in accordance with this section and will take reasonable steps to schedule your cooperation in any such matters so as not to materially interfere with your other professional and personal commitments. The Company will reimburse you for any reasonable out-of-pocket expenses you reasonably incur in connection with the cooperation you provide hereunder as soon as practicable after you present appropriate documentation evidencing such

expenses. You agree to provide the Company with an estimate of any such expense before it is incurred.

5 No Hire or Solicit

For the term of the Agreement and until one year after the termination of your employment, you agree not to hire, seek to hire, or cause any person or entity to hire or seek to hire (without the prior written consent of the Company), directly or indirectly (whether for your own interest or any other person or entity's interest) any employee of the Company or any of its affiliates.

This restriction does not apply to any employee who was discharged by the Company or any of its affiliates. In addition, this restriction will not prevent you from providing references.

6 Acknowledgments

You acknowledge that the restrictions contained in this *Annex*, in light of the nature of the Company's business and your position and responsibilities, are reasonable and necessary to protect the legitimate interests of the Company. You acknowledge that the Company has no adequate remedy at law and would be irreparably harmed if you breach or threaten to breach any of the provisions of this *Annex*, and therefore agree that the Company shall be entitled to injunctive relief to prevent any breach or threatened breach of any of the provisions and to specific performance of the terms of each of such provisions in addition to any other legal or equitable remedy it may have. You further agree that you will not, in any equity proceeding relating to the enforcement of the provisions of this *Annex*, raise the defense that the Company has an adequate remedy at law. Nothing in this *Annex* shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have or any other rights that it may have under any other agreement. If it is determined that any of the provisions of this *Annex*, or any part thereof, is unenforceable because of the duration or scope (geographic or otherwise) of such provision, it is the intention of the parties that the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced. Notwithstanding anything to the contrary contained in this Agreement, in the event you violate the covenants and agreements set forth in this *Annex*, then, in addition to all other rights and remedies available to the Company, the Company shall have no further obligation to pay you any severance benefits or to provide you with any other rights or benefits to which you would have been entitled pursuant to this Agreement had you not breached the covenants and agreements set forth in this *Annex*.

7 Survival

The covenants and agreement set forth in this *Annex* shall survive any termination or expiration of this Agreement and any termination of your employment with the Company, in accordance with their respective terms.



August 4, 2022

Mr. Patrick O'Connell
AMC Networks Inc.
11 Penn Plaza New York, NY 10001

Re: Employment Agreement

Dear Patrick:

This letter agreement (the "*Agreement*"), effective as of the date hereof (the "*Effective Date*"), will confirm the terms of your employment by AMC Networks Inc. (the "*Company*") as an at will employee, which shall commence on August 8, 2022, or such earlier or later date as the parties may agree (the "*Commencement Date*").

Commencing on the Commencement Date your title will be Executive Vice President - Chief Financial Officer and you will report to the Chief Executive Officer of the Company (the "*CEO*") or the Chairman of the Board of Directors of the Company (the "*Board*"), except for matters requiring you to report directly to the Board or the Audit Committee of the Board, as determined in the sole discretion of the Board or its Audit Committee. This Agreement will supersede and replace any and all other discussions, understandings or arrangements regarding the subject matter herein.

The term of this Agreement (the "*Term*") shall commence as of the Effective Date and shall automatically expire on March 31, 2026 (the "*Expiration Date*").

You agree to devote substantially all of your business time and attention to the business and affairs of the Company and to perform your duties in a diligent, competent and skillful manner and in accordance with applicable law. Notwithstanding the foregoing, nothing herein shall preclude you from (i) serving as a member of the board of directors or advisory board (or their equivalents in the case of a non-corporate entity) of up to two non-competing businesses upon consent of the CEO (not to be unreasonably withheld), (ii) engaging in charitable activities and community affairs, and (iii) managing your personal investments and affairs; *provided, however*, that the activities set out in clauses (i), (ii) and (iii) shall be limited by you so as not to materially interfere, individually or in the aggregate, with the performance of your duties and responsibilities hereunder, including compliance with the covenants set forth in Annex I.

Beginning on the Commencement Date, your annual base salary will be a minimum of \$800,000, subject to annual review and potential increase by the Compensation

Committee of the Board of Directors of the Company (the “*Compensation Committee*”), in its discretion. The Compensation Committee will review your compensation package on an annual basis. You will also participate in our discretionary annual bonus program with an annual target bonus opportunity equal to one hundred percent (100%) of actual salary dollars earned during the year; *provided, however*, that your target bonus for the fiscal year ending December 31, 2022 will be \$800,000 and will not be pro-rated. Bonus payments depend on a number of factors including Company, unit and individual performance. However, the decision of whether or not to pay a bonus, and the amount of that bonus, if any, will be made by the Compensation Committee in its discretion. Except as otherwise provided herein, in order to receive a bonus, you must be employed by the Company at the time bonuses are being paid. Your annual base salary and annual bonus target (as each may be increased from time to time in the Compensation Committee’s discretion) will not be reduced during the term of this Agreement. Notwithstanding the foregoing, if your employment with the Company ends on the Expiration Date, you shall be paid your bonus for the fiscal year ending December 31, 2025, if any, and a pro-rated bonus for the fiscal year ending December 31, 2026 (based on your days of employment during the 2026 fiscal year), if any, even if such payments are not made to you prior to the Expiration Date, which bonuses shall be payable to you if and when such bonuses are generally paid to similarly situated employees and be subject to Company and unit performance for the applicable fiscal year as determined by the Company in its sole discretion, but without adjustment for your individual performance.

You will also participate, subject to your continued employment by the Company and actual grant by the Compensation Committee in its discretion, in such long-term equity and other incentive programs as are made available in the future to similarly situated executives at the Company. Beginning in 2022, it is expected that such awards will consist of annual grants of cash and/or equity awards with an annual aggregate target value of not less than \$1,200,000, as determined by the Compensation Committee. The awards granted in respect of 2022, which are expected to be granted in October 2022, will not be pro-rated based on your days of employment during the 2022 calendar year. Any such awards would be subject to actual grant to you by the Compensation Committee in its discretion pursuant to the applicable plan documents and would be subject to terms and conditions established by the Compensation Committee in its discretion that would be detailed in separate agreements you would receive after any award is actually made; *provided, however*, that such terms and conditions shall be consistent with the terms and conditions of the grant agreements received by similarly situated executives (subject to any more favorable terms set forth in this agreement including those set forth in Annex I attached hereto); *provided, further*, that for the purposes of this provision, the CEO shall not be deemed a “similarly situated executive.”

In addition, following the Effective Date you will be entitled to a one-time signing bonus in the amount of \$1,050,000, less lawful withholdings (the “*Sign-On Bonus*”). Subject to your continued employment through the relevant payment date, the Sign-On Bonus will be payable to you in cash as soon as practicable, but in no event later than 60 days following the Commencement Date. If at any time prior to the first anniversary of the Commencement Date your employment with the Company terminates as a result of (i) your voluntary resignation (other than for “Good Reason” (as defined below)), or (b) an involuntary termination by the Company for “Cause” (as defined below), then you shall immediately refund to the Company the gross amount of the Sign-On Bonus.

You will be eligible to participate in our standard benefits program at the levels that are made available to similarly situated executives at the Company. Participation in our benefits program is subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. You will be entitled to four (4) weeks' vacation per year, to be accrued and used in accordance with Company policy. You will also be entitled to reimbursement of business expenses upon submission of appropriate documentation in accordance with Company policy.

Effective as of the Effective Date, you and the Company agree to be bound by the additional covenants and provisions applicable to each that are set forth in *Annex I* attached hereto, which Annex shall be deemed to be a part of this Agreement.

If your employment with the Company is terminated after the Effective Date and prior to the expiration of the Term (1) by the Company or (2) by you for "*Good Reason*," and at the time of such termination under clauses (1) or (2) "*Cause*" does not exist, then, subject to your execution and the effectiveness of a severance agreement satisfactory to the Company, which severance agreement shall include, without limitation, a full and complete general release in favor of the Company and its affiliates (subject to customary carve-outs), and their respective directors and officers, as well as your agreement to non-competition (limited to one year), non-solicitation, non-disparagement, confidentiality and further cooperation obligations and restrictions substantially in the form set forth in *Annex I* attached hereto (the "*Severance Agreement*"), the Company will provide you with the following:

1. Severance in an amount to be determined by the Compensation Committee (the "*Severance Amount*"), but in no event less than two (2) times the sum of your annual base salary plus your target annual bonus, each as in effect at the time your employment terminates (or, if your employment terminates prior to the Commencement Date, the annual base salary and target bonus that would be in effect on the Commencement Date). Sixty percent (60%) of the Severance Amount (the "*First Payment*") will be payable to you on the six-month anniversary of the date your employment so terminates (the "*Termination Date*") and the remaining forty percent (40%) of the Severance Amount will be payable to you on the twelve-month anniversary of the Termination Date; *provided* that the maximum portion of the First Payment that is exempt from Section 409A (as defined below) will be payable to you on or before the seventy-fifth (75) day following the date your employment so terminates;
2. A prorated bonus based on the amount of your base salary earned by you during the fiscal year through the Termination Date, *provided*, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your then current annual target bonus as well as Company and your business unit performance as determined by the Compensation Committee in its discretion, but without adjustment for your individual performance; and any unpaid portion of the Sign-On Bonus which shall be paid on the first regular Company payroll date on or after the Termination Date;
3. If, as of the Termination Date, annual bonuses had not yet generally been paid to similarly situated employees with respect to the prior fiscal year, a bonus based on the amount of your base salary actually paid to you during such prior fiscal year, *provided*, that such bonus, if

any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your annual target bonus that was in effect with respect to such prior fiscal year as well as Company and your business unit performance as determined by the Compensation Committee in its discretion, but without adjustment for your individual performance; and

4. (i) *Time-Vested Restricted Stock and Restricted Stock Unit Awards (including restricted stock unit awards that are subject to achievement of a performance condition and restricted stock unit awards that have no performance conditions)*. Each of your outstanding restricted stock or restricted stock units awards granted to you under the plans of the Company shall continue to vest in accordance with their original vesting schedule irrespective of the termination of the term hereof and payments or deliveries with respect to your restricted stock and restricted stock units shall be made on the original vesting date(s) (or, in the case of restricted stock units, on the original distribution date(s)); *provided*, however, that at the time of your termination from employment, the Company shall withhold and settle a portion of each of your outstanding restricted stock and restricted stock unit awards in an amount sufficient to fund the minimum amount of statutory tax withholding requirements (including federal, state and local income and employment tax withholding required due to such awards being “vested” for tax purposes) resulting from the recognition of income in respect of each such outstanding restricted stock or restricted stock unit award, and make a payroll tax contribution in such amount on your behalf;
- (ii) *Performance-Based Restricted Stock Unit Awards*. Each of your outstanding performance-based restricted stock unit (“PRSUs”) awards granted under the plans of the Company shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active employees of the Company and the payment amount of such award shall be to the same extent that other similarly situated executives receive payment for such awards as determined by the Compensation Committee (subject to the satisfaction of any applicable performance objectives); *provided* that, if the applicable performance objectives are not satisfied then any such PRSUs will be forfeited;
- (iii) Each of your outstanding long-term cash performance awards (“CPAs”) granted under the plans of the Company, if any, shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active employees of the Company and the payment amount of such award shall be to the same extent that other similarly situated executives receive payment for such awards as determined by the Compensation Committee (subject to the satisfaction of any applicable performance objectives); *provided* that, if the applicable performance objectives are not satisfied then any such CPAs will be forfeited; and
- (iv) Each of your outstanding stock options and stock appreciation awards under the plans of the Company, if any, shall continue to vest in accordance with their original vesting schedule irrespective of the termination of the term hereof and you shall have the right to exercise each of those options and stock appreciation awards for the remainder of the term of such option or award.

If you die after a termination of your employment that is subject to the above, your estate or beneficiaries will be provided any remaining benefits and rights under the above sections (1) through (4).

Except as otherwise set forth herein, in connection with any termination of your employment, your then outstanding equity and cash incentive awards shall be treated in accordance with their terms and, other than as provided in this Agreement, you shall not be eligible for severance benefits under any other plan, program or policy of the Company. Nothing in this Agreement is intended to limit any more favorable rights that you may be entitled to under your equity and cash incentive award agreements, including, without limitation, your rights in the event of a termination of your employment, a “Going Private Transaction” or a “Change of Control” (as those terms are defined in the applicable award agreement).

If you cease to be an employee of the Company prior to the Expiration Date as a result of your death or your physical or mental disability, and at such time Cause does not exist then, subject (other than in the case of death) to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Severance Agreement, you or your estate or beneficiary shall be provided with the benefits and rights set forth in Sections (2) and (3) above, and each of your outstanding equity, cash incentive, stock option, and stock appreciation awards granted under the plans of the Company shall immediately vest in full, whether or not subject to performance criteria and shall be payable on the 90th day after the termination of your employment; *provided*, that if any such award is subject to any performance criteria, then (i) if the measurement period for such performance criteria has not yet been fully completed, then the payment amount shall be at the target amount for such award and (ii) if the measurement period for such performance criteria has already been fully completed, then the payment of such award shall be at the same time and to the extent that other similarly situated executives receive payment as determined by the Compensation Committee (subject to satisfaction of the applicable performance criteria).

This Agreement does not constitute a guarantee of employment or benefits for any definite period. Your employment may be terminated by you or the Company at any time, with or without notice, liability (subject to the terms of this Agreement) or cause. With the exception of the provisions that, by their term, survive your death, this Agreement shall automatically terminate upon your death.

If and to the extent that any payment or benefit hereunder, or any plan, award or arrangement of the Company or its affiliates, is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of your termination of employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service (or your earlier death). Any amount not paid or benefit not provided in respect of the six-month period specified in the preceding sentence will be paid to you in a lump sum or provided to you as soon as practicable after the expiration of such six-month period. Each payment or benefit hereunder shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payments or benefits.

To the extent you are entitled to any expense reimbursement from the Company that is subject to Section 409A, (i) the amount of any such expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable

year (except under any lifetime limit applicable to expenses for medical care), (ii) in no event shall any such expense be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expense, and (iii) in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

The Company may withhold from any payment due to you hereunder any taxes that are required to be withheld under any law, rule or regulation. If any payment otherwise due to you hereunder would result in the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code, the Company will instead pay you either (i) such amount or (ii) the maximum amount that could be paid to you without the imposition of the excise tax, depending on whichever amount results in your receiving the greater amount of after-tax proceeds (as reasonably determined by the Company). In the event that any such payment or benefits payable to you hereunder would be reduced because of the imposition of such excise tax, then such reduction will be determined in a manner which has the least economic cost to you and, to the extent the economic cost is equivalent, such payments or benefits will be reduced in the inverse order of when the payments or benefits would have been made to you (i.e., later payments will be reduced first) until the reduction specified is achieved.

The intent of the parties is that payments and benefits under this Agreement comply with Section 409A and applicable guidance issued thereunder or comply with an exemption from the application of Section 409A and, accordingly, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Neither party shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits that are subject to Section 409A in any manner that would not be in compliance with Section 409A.

The Company hereby agrees that it shall indemnify and hold you harmless to the fullest extent provided in Article VIII of the Company's By-Laws and on terms no less favorable as those applicable to other similarly situated executives of the Company. To the extent that the Company maintains officers' and directors' liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein. The provisions of this Paragraph shall survive the expiration or termination of your employment and/or this Agreement as well as your execution of the Severance Agreement as provided for herein.

You hereby represent to the Company that you are not subject to any contract, arrangement, agreement, policy or understanding, including any restrictive covenants obligations owed to any third-party (other than customary confidentiality restrictions imposed by your prior employer), that would in any way prevent, restrict or limit your ability to enter into and perform your obligations under this Agreement.

This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of, and be enforceable by, your legal representatives. This Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns.

To the extent permitted by law, you hereby waive any and all rights to a jury trial with respect to any claim arising out of or in any way connected with or related to this

Agreement, your employment by the Company or the termination of your employment with the Company.

This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.

You and the Company hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the State of New York solely in respect of the interpretation and enforcement of the provisions of this Agreement, and you and the Company hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate.

You and the Company hereby agree that mailing of notice, process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof if delivered to you at your address set forth above or to the Company at 11 Penn Plaza, New York, New York 10001, respectively, or to such other address as you or the Company may later designate in writing for the receipt of such notices.

This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision shall be deemed modified, amended and narrowed to the extent necessary to render the same legal, valid and enforceable, and the other remaining provisions of this Agreement shall not be affected but shall remain in full force and effect.

Capitalized terms used in this Agreement, including in *Annex I* attached hereto, shall have the meanings set forth below:

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against the Company or an affiliate thereof, or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for, in each case, any crime involving moral turpitude or any felony.

“*Good Reason*” means that (1) without your consent, (A) your base salary or annual bonus target (as each may be increased from time to time in the Compensation Committee’s discretion) is reduced, (B) your title is diminished, (C) you report to someone other than the CEO or the Chairman of the Board (except with respect to matters for which you are required to report directly to the Board or its Audit Committee), (D) your responsibilities as in effect immediately after the date hereof are thereafter materially diminished, (E) the Company materially breaches its obligations to you under this Agreement or, (F) the Company requires that

your principal office be located more than fifty (50) miles from Manhattan, (2) you have given the Company written notice, referring specifically to this letter and definition, that you do not consent to such action, (3) the Company has not corrected such action within 30 days of receiving such notice, and (4) you voluntarily terminate your employment with the Company within 90 days following the happening of the action described in subsection (1) above.

It is the parties' intention that this Agreement not be construed more strictly with regard to you or the Company. This Agreement reflects the entire understanding and agreement of you and the Company with respect to the subject matter hereof and supersedes all prior understandings and agreements.

AMC NETWORKS INC.

By: /s/ Christina Spade
Name: Christina Spade
Title: COO and CFO

ACCEPTED AND AGREED:

By: /s/ Patrick O'Connell
Name: Patrick O'Connell
Date: August 4, 2022

ANNEX I

This Annex constitutes part of the Agreement, dated August 4, 2022, by and between Patrick O'Connell ("You") and AMC Networks Inc. (the "Company"). Terms defined in the Agreement shall have the same meanings in this Annex.

You agree to comply with the following covenants in addition to those set forth in the Agreement.

1. Confidentiality

- a. Agreement. You agree to keep the existence and terms of this Agreement confidential (unless it is made public by the Company) *provided* that (1) you are authorized to make any disclosure required of you by any federal, state or local laws or judicial proceedings, after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), (2) you may disclose this Agreement to your attorneys and advisers, (3) you and your representatives and agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment or structure, and (4) you may disclose this Agreement in connection with any action by you to enforce or defend your rights under this Agreement.
- b. Confidential and Proprietary Information. You agree to retain in strict confidence and not use for any purpose whatsoever or divulge, disseminate, copy, disclose to any third party, or otherwise use any *Confidential Information*, other than for legitimate business purposes of the Company and its affiliates. As used herein, "*Confidential Information*" means any non-public information of a confidential, proprietary, commercially sensitive or personal nature of, or regarding, the Company or any of its affiliates or any director, officer or member of senior management of any of the foregoing (collectively "*Covered Parties*"). The term Confidential Information includes information in written, digital, oral or any other format and includes, but is not limited to (i) information designated or treated as confidential, (ii) budgets, plans, forecasts or other financial or accounting data; (iii) subscriber, customer, guest, fan vendor or shareholder lists or data; (iv) technical or strategic information regarding the Covered Parties' cable, data, telephone, programming, advertising, sports, entertainment, film production, theatrical, motion picture exhibition or other businesses, (v) advertising, business, programming, sales or marketing tactics and strategies; (vi) policies, practices, procedures or techniques, (vii) trade secrets or other intellectual property; (viii) information, theories or strategies relating to litigation, arbitration, mediation, investigations or matters relating to governmental authorities; (ix) terms of agreements with third parties and third party trade secrets, (x) information regarding employees, players, coaches, agents, talent, consultants, advisors or representatives, including their compensation or other human resources policies and procedures and (xi) any other information the disclosure of which may have an adverse effect on the Covered Parties' business reputation, operations or competitive position, reputation or standing in the community.

c. Exception for Disclosure Pursuant to Law. Notwithstanding the foregoing, the obligations set forth in subsection (b) above, other than with respect to subscriber or customer information, shall not apply to Confidential Information that is:

- 1) already in the public domain;
- 2) disclosed to you by a third party with the right to disclose it in good faith; or
- 3) specifically exempted in writing by the applicable Covered Party from the applicability of this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, nothing shall limit your rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity.

You are hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

2. **Non-Compete**

You acknowledge that due to your executive position in the Company and your knowledge of Confidential Information, your employment by or affiliation with certain businesses would be detrimental to the Company or any of its direct or indirect subsidiaries. You agree that, without the prior written consent of the Company, you will not represent, become employed by, consult to, advise in any manner or have any material interest, directly or indirectly, in any Competitive Entity (as defined below). A “*Competitive Entity*” shall mean any person, entity or business that (i) competes with any of the Company’s or any of its affiliate’s programming or other existing businesses, nationally or regionally; or (ii) directly competes with any other business of the Company or one of its subsidiaries that produced greater than 10% of the Company’s revenues in the calendar year immediately preceding the year in which the determination is made. Ownership of not more than 1% of the outstanding stock of any publicly traded company shall not, by itself, be a violation of this paragraph. This agreement not to compete will expire on the first anniversary of the date on which your employment with the Company has terminated if such termination occurs prior to the Expiration Date. For the avoidance of doubt, this agreement not to compete will expire on the Expiration Date if the termination of your employment with the Company occurs on the Expiration Date.

3. Additional Understandings

You agree, for yourself and others acting on your behalf, that you (and they) have not disparaged and will not disparage, make negative statements about or act in any manner which is intended to or does damage to the good will of, or the business or personal reputations of the Company, any of its affiliates or any of their respective incumbent or former officers, directors, agents, consultants, employees, successors and assigns.

This agreement in no way restricts or prevents you from providing truthful testimony concerning the Company or its affiliates (i) as required by court order or other legal process; *provided* that you afford the Company written notice and an opportunity to respond prior to such disclosure; or (ii) in proceedings to enforce or defend your rights under this agreement or any other written agreement between you and the Company or its affiliates.

In addition, you agree that the Company is the owner of all rights, title and interest in and to all documents, tapes, videos, designs, plans, formulas, models, processes, computer programs, inventions (whether patentable or not), schematics, music, lyrics, programming ideas and other technical, business, financial, advertising, sales, marketing, customer, programming or product development plans, forecasts, strategies, information and materials (in any medium whatsoever) developed or prepared by you or with your cooperation during the course of your employment by the Company (the "*Materials*"). The Company will have the sole and exclusive authority to use the Materials in any manner that it deems appropriate, in perpetuity, without additional payment to you.

4. Further Cooperation

Following the date of termination of your employment with the Company, you will no longer provide any regular services to the Company or represent yourself as a Company agent. If, however, the Company so requests, you agree to cooperate fully with the Company in connection with any matter with which you were involved prior to such employment termination, or in any litigation or administrative proceedings or appeals (including any preparation therefore) where the Company believes that your personal knowledge, attendance or participation could be beneficial to the Company or its affiliates. This cooperation includes, without limitation, participation on behalf of the Company and/or its affiliates in any litigation, administrative or similar proceeding, including providing truthful testimony. The Company will pay you for your services rendered under this provision at a rate of \$5,450.00 per day for each day or part thereof, within 30 days of the approval of the invoice thereof.

The Company will provide you with reasonable notice in connection with any cooperation it requires in accordance with this section and will take reasonable steps to schedule your cooperation in any such matters so as not to materially interfere with your other professional and personal commitments. The Company will reimburse you for any reasonable out-of-pocket expenses you reasonably incur in connection with the cooperation you provide hereunder as soon as practicable after you present appropriate documentation evidencing such expenses. You agree to provide the Company with an estimate of any such expense before it is incurred.

5. No Hire or Solicit

Throughout your employment and until one year after the termination of your employment, you agree not to hire, seek to hire, or cause any person or entity to hire or seek to hire (without the prior written consent of the Company), directly or indirectly (whether for your own interest or any other person or entity's interest) any employee of the Company or any of its affiliates.

This restriction does not apply to any employee who was discharged by the Company or any of its affiliates. In addition, this restriction will not prevent you from providing references.

6. Acknowledgments

You acknowledge that the restrictions contained in this *Annex*, in light of the nature of the Company's business and your position and responsibilities, are reasonable and necessary to protect the legitimate interests of the Company. You acknowledge that the Company has no adequate remedy at law and would be irreparably harmed if you breach or threaten to breach any of the provisions of this *Annex*, and therefore agree that the Company shall be entitled to injunctive relief to prevent any breach or threatened breach of any of the provisions and to specific performance of the terms of each of such provisions in addition to any other legal or equitable remedy it may have. You further agree that you will not, in any equity proceeding relating to the enforcement of the provisions of this *Annex*, raise the defense that the Company has an adequate remedy at law. Nothing in this *Annex* shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have or any other rights that it may have under any other agreement. If it is determined that any of the provisions of this *Annex*, or any part thereof, is unenforceable because of the duration or scope (geographic or otherwise) of such provision, it is the intention of the parties that the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced. Notwithstanding anything to the contrary contained in this Agreement, in the event you violate the covenants and agreements set forth in this *Annex*, then, in addition to all other rights and remedies available to the Company, the Company shall have no further obligation to pay you any severance benefits or to provide you with any other rights or benefits to which you would have been entitled pursuant to this Agreement had you not breached the covenants and agreements set forth in this *Annex*.

7. Survival

The covenants and agreement set forth in this *Annex* shall survive any termination or expiration of this Agreement and any termination of your employment with the Company, in accordance with their respective terms.



October 19, 2022

Mr. James G. Gallagher
AMC Networks Inc.
11 Penn Plaza
New York, NY 10001

Re: Employment Agreement

Dear Jamie:

This letter (the “*Agreement*”) will confirm the terms of your continued employment by AMC Networks Inc. (the “*Company*”) as an at will employee with the title of Executive Vice President - General Counsel. This Agreement will supersede and replace the letter agreement between you and the Company, dated October 12, 2018, and any and all other discussions, understandings or arrangements regarding the subject matter herein. This Agreement will be effective as of October 19, 2022 (the “*Effective Date*”).

The term of this Agreement (the “*Term*”) shall commence as of the Effective Date and shall automatically expire on December 31, 2025 (the “*Expiration Date*”).

You agree to devote substantially all of your business time and attention to the business and affairs of the Company and to perform your duties in a diligent, competent and skillful manner and in accordance with applicable law. Notwithstanding the foregoing, nothing herein shall preclude you from (i) serving as a member of the board of directors or advisory board (or their equivalents in the case of a non-corporate entity) of up to two non-competing businesses upon consent of the Company’s Chief Executive Officer (not to be unreasonably withheld), (ii) engaging in charitable activities and community affairs, and (iii) managing your personal investments and affairs; *provided, however*, that the activities set out in clauses (i), (ii), and (iii) shall be limited by you so as not to materially interfere, individually or in the aggregate, with the performance of your duties and responsibilities hereunder, including compliance with the covenants set forth in *Annex I*.

Beginning on the Effective Date, your annual base salary will be a minimum of \$850,000, subject to annual review and potential increase by the Compensation Committee of the Board of Directors of the Company (the “*Compensation Committee*”), in its discretion. The Compensation Committee will continue to review your compensation package on an annual basis. You will also continue to participate in our discretionary annual bonus program with an annual target bonus opportunity equal to one hundred percent (100%) of actual salary dollars

paid to you during the applicable year. However, the decision of whether or not to pay a bonus, and the amount of that bonus, if any, will be made by the Compensation Committee in its discretion. Except as otherwise provided herein, in order to receive a bonus, you must be employed by the Company at the time bonuses are being paid. Your annual base salary and annual bonus target (as each may be increased from time to time in the Compensation Committee's discretion) will not be reduced during the term of this Agreement. Notwithstanding the foregoing, if your employment with the Company ends on the Expiration Date, you shall be paid your bonus for the fiscal year ending December 31, 2025, if any, even if such payment is not made to you prior to the Expiration Date, which bonus shall be subject to Company and unit performance for that fiscal year as determined by the Company in its sole discretion, but without adjustment for your individual performance.

You will also continue, subject to your continued employment by the Company and actual grant by the Compensation Committee in its discretion, to participate in such long-term equity and other incentive programs as are made available in the future to similarly situated executives at the Company. It is expected that such awards will consist of annual grants of cash and/or equity awards with an annual aggregate target value of not less than \$2,500,000, as determined by the Compensation Committee. Any such awards would be subject to actual grant to you by the Compensation Committee in its discretion pursuant to the applicable plan documents and would be subject to terms and conditions established by the Compensation Committee in its discretion that would be detailed in separate agreements you would receive after any award is actually made; *provided, however*, that such terms and conditions shall be consistent with the terms and conditions of the grant agreements received by similarly situated executives (subject to any more favorable terms set forth in this Agreement including those set forth in *Annex I* attached hereto); *provided, further*, that for the purposes of this provision, the Company's Chief Executive Officer shall not be deemed a "similarly situated executive."

In addition, following the Effective Date you will be entitled to a one-time signing bonus in the amount of \$30,000, less applicable withholdings (the "*Sign-On Bonus*"). Subject to your continued employment through the relevant payment date, the Sign-On Bonus will be payable to you in cash as soon as practicable, but in no event later than sixty (60) days following the Effective Date.

Your RSU award granted October 10, 2018 (the "*Special Equity Award*") will cliff vest on December 31, 2022, subject to achievement of the performance metrics set forth in the applicable award agreement (the "*Performance Criteria*") and your continued employment with the Company; provided that (A) your Special Equity Award will vest on a Change of Control of the Company (as defined in the award agreement for your Special Equity Award); and (B) subject to your execution and the effectiveness of the Severance Agreement (as defined below), the time-vesting restrictions applicable to your Special Equity Award will lapse on a termination of your employment with the Company (1) by the Company, (2) by you for "*Good Reason*," or (3) due to your death or your physical or mental disability (at which time of such termination under clauses (1), (2) or (3) "*Cause*" does not exist) and the Special Equity Award will be paid or delivered to you (a) if, prior to the termination date, the Compensation Committee determined that the Performance Criteria were achieved, then within a reasonable period of time

following your termination, or (b) if the performance period applicable to the Performance Criteria ends after the termination date, then within a reasonable period of time following the end of such performance period, subject to the Compensation Committee's determination that the Performance Criteria were achieved. Your Special Equity Award remains subject to the other terms and conditions set forth in the applicable award agreement. Notwithstanding anything else in this Agreement, the vesting provisions set forth in this paragraph will apply to the Special Equity Award.

You will also continue to be offered our standard benefits program at the levels that are made available to similarly situated executives at the Company. Participation in our benefits program is subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. You will be entitled to four (4) weeks' vacation per year, to be accrued and used in accordance with Company policy. You will also be entitled to reimbursement of business expenses upon submission of appropriate documentation in accordance with Company policy. Effective as of the Effective Date, the Company will reimburse you for reasonable car service fees incurred to commute between your home and the Company's offices, to be paid in accordance with the Company reimbursement policy upon submission of appropriate documentation in accordance with such policy.

Effective immediately, you and the Company agree to continue to be bound by the additional covenants and provisions applicable to each that are set forth in *Annex I* attached hereto, which *Annex* shall be deemed to be a part of this Agreement.

If your employment with the Company is terminated after the Effective Date but prior to the Expiration Date (1) by the Company or (2) by you for "*Good Reason*," and at the time of such termination under clauses (1) or (2) "*Cause*" does not exist, then, subject to your execution and the effectiveness of a severance agreement satisfactory to the Company, which severance agreement shall include, without limitation, a full and complete general release in favor of the Company and its affiliates, and their respective directors and officers (subject to customary carve-outs), as well as your agreement to non-competition (limited to one year), non-solicitation, non-disparagement, confidentiality and further cooperation obligations and restrictions substantially in the form set forth in *Annex I* attached hereto (the "*Severance Agreement*"), the Company will provide you with the following:

- (1) Severance in an amount to be determined by the Compensation Committee (the "*Severance Amount*"), but in no event less than two (2) times the sum of your annual base salary plus your target annual bonus, each as in effect at the time your employment terminates. Sixty percent (60%) of the *Severance Amount* (the "*First Payment*") will be payable to you on the six-month anniversary of the date your employment so terminates (the "*Termination Date*") and the remaining forty percent (40%) of the *Severance Amount* will be payable to you on the twelve-month anniversary of the *Termination Date*; *provided* that the maximum portion of the *First Payment* that is exempt from Section 409A (as defined below) will be payable to you on or before the seventy-fifth (75) day following the date your employment so terminates;

- (2) A prorated bonus based on the amount of your base salary actually earned by you during the fiscal year through the Termination Date, provided, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your then current annual target bonus as well as Company and your business unit performance as determined by the Compensation Committee in its discretion, but without adjustment for your individual performance;
- (3) If, as of the Termination Date, annual bonuses had not yet generally been paid to similarly situated employees with respect to the prior fiscal year, a bonus based on the amount of your base salary actually paid to you during such prior fiscal year, provided, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your annual target bonus that was in effect with respect to such prior fiscal year as well as Company and your business unit performance as determined by the Compensation Committee in its discretion, but without adjustment for your individual performance;
- (4) (i) *Time-Vested Restricted Stock and RSU Awards (including RSU Awards that are subject to achievement of a performance condition and RSU Awards that have no performance conditions)*. Each of your outstanding restricted stock or restricted stock units awards granted to you under the plans of the Company (other than the Special Equity Award) shall continue to vest in accordance with their original vesting schedule irrespective of the termination of the term hereof and payments or deliveries with respect to your restricted stock and restricted stock units shall be made on the original vesting date(s) (or, in the case of restricted stock units, on the original distribution date(s)); *provided, however*, that at the time of your termination from employment, the Company shall withhold and settle a portion of each of your outstanding restricted stock and restricted stock unit awards in an amount sufficient to fund the minimum amount of statutory tax withholding requirements (including federal, state and local income and employment tax withholding required due to such awards being “vested” for tax purposes) resulting from the recognition of income in respect of each such outstanding restricted stock or restricted stock unit award, and make a payroll tax contribution in such amount on your behalf;
- (ii) *Performance-Based RSU Awards*. Each of your outstanding performance-based restricted stock unit (“*PRSUs*”) awards granted under the plans of the Company shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active employees of the Company and the payment amount of such award shall be to the same extent that other similarly situated executives receive payment for such awards as determined by the Compensation Committee (subject to the satisfaction of any applicable performance objectives); *provided* that, if the applicable performance objectives are not satisfied then any such *PRSUs* will be forfeited;
- (iii) Each of your outstanding long-term cash performance awards (“*CPAs*”) granted under the plans of the Company, if any, shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active employees of the Company and the payment

amount of such award shall be to the same extent that other similarly situated executives receive payment for such awards as determined by the Compensation Committee (subject to the satisfaction of any applicable performance objectives); provided that, if the applicable performance objectives are not satisfied then any such CPAs will be forfeited; and

(iv) Each of your outstanding stock options and stock appreciation awards under the plans of the Company, if any, shall continue to vest in accordance with their original vesting schedule irrespective of the termination of the term hereof and you shall have the right to exercise each of those options and stock appreciation awards for the remainder of the term of such option or award; and

(5) In addition, you will be provided, at the Company's expense, with continued coverage for yourself and your eligible dependents under the Company's group health, dental and vision plans for a period of two years following the date of termination (or until you are eligible for comparable coverage under the health, dental and vision plans of a subsequent employer), provided that, if requested by the Company, you make a timely election under COBRA to continue such coverage. If this agreement to provide benefits continuation raises any compliance issues or impositions of penalties under the Patient Protection and Affordable Care Act or other applicable law, then the parties agree to modify this Agreement so that it complies with the terms of such laws.

(6) Notwithstanding any provisions to the contrary, to the extent that (i) any awards granted prior to the date hereof that are payable under Section (4) above constitute "nonqualified deferred compensation" subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and any regulations and guidelines promulgated thereunder (collectively, "Section 409A"); and (ii) accelerated payout pursuant to the terms of this Agreement of such awards is not permitted by Section 409A, then such awards shall be payable to you at such time as is provided under the terms of such awards or otherwise in compliance with Section 409A.

If you die after a termination of your employment that is subject to the above, your estate or beneficiaries will be provided any remaining benefits and rights under the above Sections (1) through (5).

If, on or after January 1, 2024, your employment with the Company is terminated by you without Good Reason but only if you had provided the Company with at least four months advance written notice of your intent to so terminate your employment under this provision, and such written notice specifies an effective date of termination no sooner than January 1, 2024, and at the time of such termination, Cause does not exist, then, subject to your execution and delivery (without revocation) to the Company of a Severance Agreement (as defined above), you will be provided with the benefits and rights under the above Sections (2) through (5).

Except as otherwise set forth herein, in connection with any termination of your employment, your then outstanding equity and cash incentive awards shall be treated in accordance with their terms and, other than as provided in this Agreement, you shall not be

eligible for severance benefits under any other plan, program or policy of the Company. Nothing in this Agreement is intended to limit any more favorable rights that you may be entitled to under your equity and cash incentive award agreements, including, without limitation, your rights in the event of a termination of your employment, a “Going Private Transaction” or a “Change of Control” (as those terms are defined in the applicable award agreement).

If you cease to be an employee of the Company prior to the Expiration Date as a result of your death or your physical or mental disability, and at such time Cause does not exist then, subject (other than in the case of death) to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Severance Agreement, you or your estate or beneficiary shall be provided with the benefits and rights set forth in Sections (2) and (3) above, and each of your outstanding equity, cash incentive, stock option, and stock appreciation awards granted under the plans of the Company shall immediately vest in full, whether or not subject to performance criteria and shall be payable on the 90th day after the termination of your employment; *provided*, that if any such award is subject to any performance criteria, then (i) if the measurement period for such performance criteria has not yet been fully completed, then the payment amount shall be at the target amount for such award and (ii) if the measurement period for such performance criteria has already been fully completed, then the payment of such award shall be at the same time and to the extent that other similarly situated executives receive payment as determined by the Compensation Committee (subject to satisfaction of the applicable performance criteria).

This Agreement does not constitute a guarantee of employment or benefits for any definite period. Your employment may be terminated by you or the Company at any time, with or without notice, liability (subject to the terms of this Agreement) or Cause. With the exception of the provisions that, by their term, survive your death, this Agreement shall automatically terminate upon your death.

If and to the extent that any payment or benefit hereunder, or any plan, award or arrangement of the Company or its affiliates, is determined by the Company to constitute “non-qualified deferred compensation” subject to Section 409A and is payable to you by reason of your termination of employment, then (a) such payment or benefit shall be made or provided to you only upon a “separation from service” as defined for purposes of Section 409A under applicable regulations and (b) if you are a “specified employee” (within the meaning of Section 409A and as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service (or your earlier death). Any amount not paid or benefit not provided in respect of the six-month period specified in the preceding sentence will be paid to you in a lump sum or provided to you as soon as practicable after the expiration of such six-month period. Each payment or benefit hereunder shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payments or benefits.

To the extent you are entitled to any expense reimbursement from the Company that is subject to Section 409A, (i) the amount of any such expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable

year (except under any lifetime limit applicable to expenses for medical care), (ii) in no event shall any such expense be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expense, and (iii) in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

The Company may withhold from any payment due to you hereunder any taxes that are required to be withheld under any law, rule or regulation. If any payment otherwise due to you hereunder would result in the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code, the Company will instead pay you either (i) such amount or (ii) the maximum amount that could be paid to you without the imposition of the excise tax, depending on whichever amount results in your receiving the greater amount of after-tax proceeds (as reasonably determined by the Company). In the event that any such payment or benefits payable to you hereunder would be reduced because of the imposition of such excise tax, then such reduction will be determined in a manner which has the least economic cost to you and, to the extent the economic cost is equivalent, such payments or benefits will be reduced in the inverse order of when the payments or benefits would have been made to you (*i.e.*, later payments will be reduced first) until the reduction specified is achieved.

The intent of the parties is that payments and benefits under this Agreement comply with Section 409A and applicable guidance issued thereunder or comply with an exemption from the application of Section 409A and, accordingly, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Neither party shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits that are subject to Section 409A in any manner that would not be in compliance with Section 409A.

The Company hereby agrees that it shall indemnify and hold you harmless to the fullest extent provided in Article VIII of the Company's By-Laws and on terms no less favorable as those applicable to other similarly situated executives of the Company. To the extent that the Company maintains officers' and directors' liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein. The provisions of this Paragraph also apply to your service prior to the Effective Date and shall survive the expiration or termination of your employment and/or this Agreement as well as your execution of the Severance Agreement as provided for herein.

This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of, and be enforceable by, your legal representatives. This Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns.

To the extent permitted by law, you hereby waive any and all rights to a jury trial with respect to any claim arising out of or in any way connected with or related to this Agreement, your employment by the Company or the termination of your employment with the Company.

This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.

You and the Company hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the State of New York solely in respect of the interpretation and enforcement of the provisions of this Agreement, and you and the Company hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate.

You and the Company hereby agree that mailing of notice, process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof if delivered to you at your address set forth above or to the Company at 11 Penn Plaza, New York, NY 10001, respectively, or to such other address as you or the Company may later designate in writing for the receipt of such notices.

This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision shall be deemed modified, amended and narrowed to the extent necessary to render the same legal, valid and enforceable, and the other remaining provisions of this Agreement shall not be affected but shall remain in full force and effect.

Capitalized terms used in this Agreement, including in *Annex I* attached hereto, shall have the meanings set forth below:

“*Cause*” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against the Company or an affiliate thereof, or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of *nolo contendere*, or imposition of unadjudicated probation for, in each case, any crime involving moral turpitude or any felony.

“*Good Reason*” means that (1) without your consent, (A) your base salary or annual bonus target (as each may be increased from time to time in the Compensation Committee’s discretion) is reduced, (B) your title is diminished, (C) you report to someone other than the Company’s Chief Executive Officer or the Executive Chairman of the Company’s Board of Directors, (D) your responsibilities as in effect immediately after the date hereof are thereafter materially diminished, (E) the Company materially breaches its obligations to you under this Agreement or, (F) the Company requires that your principal office be located more than fifty

(50) miles from Manhattan, (2) you have given the Company written notice, referring specifically to this letter and definition, that you do not consent to such action, (3) the Company has not corrected such action within 30 days of receiving such notice, and (4) you voluntarily terminate your employment with the Company within 90 days following the happening of the action described in subsection (1) above.

It is the parties' intention that this Agreement not be construed more strictly with regard to you or the Company. This Agreement (together with your outstanding grant agreements under the Company's long-term equity and other incentive programs) reflects the entire understanding and agreement of you and the Company with respect to the subject matter hereof and supersedes all prior understandings and agreements, including, as of the Effective Date, the Employment Agreement dated October 12, 2018 between you and the Company; provided, however, no provision in this Agreement shall be construed to adversely affect any of your rights to compensation, expense reimbursement or benefits accrued as of the Effective Date with respect to your service with the Company prior to the Effective Date.

[Signature page follows.]

AMC NETWORKS INC.

By: /s/ Christina Spade
Name: Christina Spade
Title: CEO

ACCEPTED AND AGREED:

By: /s/ James Gallagher
Name: James Gallagher

Date: October 19, 2022

ANNEX I

This *Annex* constitutes part of the Agreement, dated October 19, 2022, by and between James G. Gallagher (“*You*”) and AMC Networks Inc. (the “*Company*”). Terms defined in the Agreement shall have the same meanings in this *Annex*.

You agree to comply with the following covenants in addition to those set forth in the Agreement.

1. Confidentiality

(a) Agreement. You agree to keep the existence and terms of this Agreement confidential (unless it is made public by the Company) *provided* that (1) you are authorized to make any disclosure required of you by any federal, state or local laws or judicial proceedings, after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), (2) you may disclose this Agreement to your attorneys and advisers, (3) you and your representatives and agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment or structure, and (4) you may disclose this Agreement in connection with any action by you to enforce or defend your rights under this Agreement.

(b) Confidential and Proprietary Information. You agree to retain in strict confidence and not use for any purpose whatsoever or divulge, disseminate, copy, disclose to any third party, or otherwise use any Confidential Information, other than for legitimate business purposes of the Company and its affiliates. As used herein, “*Confidential Information*” means any non-public information of a confidential, proprietary, commercially sensitive or personal nature of, or regarding, the Company or any of its affiliates or any director, officer or member of senior management of any of the foregoing (collectively “*Covered Parties*”). The term Confidential Information includes information in written, digital, oral or any other format and includes, but is not limited to (i) information designated or treated as confidential, (ii) budgets, plans, forecasts or other financial or accounting data; (iii) subscriber, customer, guest, fan vendor or shareholder lists or data; (iv) technical or strategic information regarding the Covered Parties’ cable, data, telephone, programming, advertising, sports, entertainment, film production, theatrical, motion picture exhibition or other businesses, (v) advertising, business, programming, sales or marketing tactics and strategies; (vi) policies, practices, procedures or techniques, (vii) trade secrets or other intellectual property; (viii) information, theories or strategies relating to litigation, arbitration, mediation, investigations or matters relating to governmental authorities; (ix) terms of agreements with third parties and third party trade secrets, (x) information regarding employees, players, coaches, agents, talent, consultants, advisors or representatives, including their compensation or other human resources policies and procedures and (xi) any other information the disclosure of which may have an adverse effect on the Covered Parties’ business reputation, operations or competitive position, reputation or standing in the community.

(c) Exception for Disclosure Pursuant to Law. Notwithstanding the foregoing, the obligations set forth in subsection (b) above, other than with respect to subscriber or customer information, shall not apply to Confidential Information that is:

- 1) already in the public domain;
- 2) disclosed to you by a third party with the right to disclose it in good faith; or
- 3) specifically exempted in writing by the applicable Covered Party from the applicability of this Agreement.

Notwithstanding anything to the contrary in this Agreement or otherwise, nothing shall limit your rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity.

You are hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

2. Non-Compete

You acknowledge that due to your executive position in the Company and your knowledge of Confidential Information, your employment by or affiliation with certain businesses would be detrimental to the Company or any of its direct or indirect subsidiaries. You agree that, without the prior written consent of the Company and to the extent permissible under applicable rules of professional responsibility, you will not represent, become employed by, consult to, advise in any manner or have any material interest, directly or indirectly, in any Competitive Entity (as defined below). A “*Competitive Entity*” shall mean any person, entity or business that (i) competes with any of the Company’s or any of its affiliate’s programming or other existing businesses, nationally or regionally; or (ii) directly competes with any other business of the Company or one of its subsidiaries that produced greater than 10% of the Company’s revenues in the calendar year immediately preceding the year in which the determination is made. Ownership of not more than 1% of the outstanding stock of any publicly traded company shall not, by itself, be a violation of this paragraph. This agreement not to compete will expire on the first anniversary of the date on which your employment with the Company has terminated if such termination occurs prior to the Expiration Date. For the avoidance of doubt, this agreement not to compete will expire on the Expiration Date if the termination of your employment with the Company occurs on the Expiration Date.

3. Additional Understandings

You agree, for yourself and others acting on your behalf, that you (and they) have not disparaged and will not disparage, make negative statements about or act in any manner which is intended to or does damage to the good will of, or the business or personal reputations of the Company, any of its affiliates or any of their respective incumbent or former officers, directors, agents, consultants, employees, successors and assigns.

This Agreement in no way restricts or prevents you from providing truthful testimony concerning the Company or its affiliates (i) as required by court order or other legal process; *provided* that you afford the Company written notice and an opportunity to respond prior to such disclosure; or (ii) in proceedings to enforce or defend your rights under this Agreement or any other written agreement between you and the Company or its affiliates

In addition, you agree that the Company is the owner of all rights, title and interest in and to all documents, tapes, videos, designs, plans, formulas, models, processes, computer programs, inventions (whether patentable or not), schematics, music, lyrics, programming ideas and other technical, business, financial, advertising, sales, marketing, customer, programming or product development plans, forecasts, strategies, information and materials (in any medium whatsoever) developed or prepared by you or with your cooperation during the course of your employment by the Company (the "*Materials*"). The Company will have the sole and exclusive authority to use the Materials in any manner that it deems appropriate, in perpetuity, without additional payment to you.

4. Further Cooperation

Following the date of termination of your employment with the Company, you will no longer provide any regular services to the Company or represent yourself as a Company agent. If, however, the Company so requests, you agree to cooperate fully with the Company in connection with any matter with which you were involved prior to such employment termination, or in any litigation or administrative proceedings or appeals (including any preparation therefore) where the Company believes that your personal knowledge, attendance or participation could be beneficial to the Company or its affiliates. This cooperation includes, without limitation, participation on behalf of the Company and/or its affiliates in any litigation, administrative or similar proceeding, including providing truthful testimony. The Company will pay you for your services rendered under this provision at a rate of \$6,800.00 per day for each day or part thereof, within 30 days of the approval of the invoice thereof.

The Company will provide you with reasonable notice in connection with any cooperation it requires in accordance with this section and will take reasonable steps to schedule your cooperation in any such matters so as not to materially interfere with your other professional and personal commitments. The Company will reimburse you for any reasonable out-of-pocket expenses you reasonably incur in connection with the cooperation you provide hereunder as soon as practicable after you present appropriate documentation evidencing such

expenses. You agree to provide the Company with an estimate of any such expense before it is incurred.

5. No Hire or Solicit

For the term of the Agreement and until one year after the termination of your employment, you agree not to hire, seek to hire, or cause any person or entity to hire or seek to hire (without the prior written consent of the Company), directly or indirectly (whether for your own interest or any other person or entity's interest) any employee of the Company or any of its affiliates.

This restriction does not apply to any employee who was discharged by the Company or any of its affiliates. In addition, this restriction will not prevent you from providing references.

6. Acknowledgments

You acknowledge that the restrictions contained in this *Annex*, in light of the nature of the Company's business and your position and responsibilities, are reasonable and necessary to protect the legitimate interests of the Company. You acknowledge that the Company has no adequate remedy at law and would be irreparably harmed if you breach or threaten to breach any of the provisions of this *Annex*, and therefore agree that the Company shall be entitled to injunctive relief to prevent any breach or threatened breach of any of the provisions and to specific performance of the terms of each of such provisions in addition to any other legal or equitable remedy it may have. You further agree that you will not, in any equity proceeding relating to the enforcement of the provisions of this *Annex*, raise the defense that the Company has an adequate remedy at law. Nothing in this *Annex* shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have or any other rights that it may have under any other agreement. If it is determined that any of the provisions of this *Annex*, or any part thereof, is unenforceable because of the duration or scope (geographic or otherwise) of such provision, it is the intention of the parties that the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced. Notwithstanding anything to the contrary contained in this Agreement, in the event you violate the covenants and agreements set forth in this *Annex*, then, in addition to all other rights and remedies available to the Company, the Company shall have no further obligation to pay you any severance benefits or to provide you with any other rights or benefits to which you would have been entitled pursuant to this Agreement had you not breached the covenants and agreements set forth in this *Annex*.

7. Survival

The covenants and agreement set forth in this *Annex* shall survive any termination or expiration of this Agreement and any termination of your employment with the Company, in accordance with their respective terms.

List of Guarantor Subsidiaries

As of September 30, 2022, the following subsidiaries of AMC Networks Inc. guarantee the notes issued by AMC Networks Inc.

Guarantor	Jurisdiction of Formation
2nd Party LLC	Delaware
61st Street Productions I LLC	Delaware
Across the River Productions LLC	Delaware
Aesir Media Group, LLC	Texas
AMC Film Holdings LLC	Delaware
AMC Games LLC	Delaware
AMC Network Entertainment LLC	New York
AMC Networks Broadcasting & Technology	New York
AMC Networks International LLC	Delaware
AMC Networks Productions LLC	Delaware
AMC Plus Holdings LLC	Delaware
AMC Premiere LLC	Delaware
AMC TV Studios LLC	Delaware
AMC/Sundance Channel Global Networks LLC	Delaware
AMCN Properties LLC	Delaware
American Movie Classics IV Holding Corp	Delaware
Animal Control Productions I LLC	Delaware
Anime Network LLC	Texas
Anthem Productions I LLC	Delaware
Badlands Productions I LLC	Louisiana
Badlands Productions II LLC	Delaware
Brockmire Productions I LLC	Delaware
Cobalt Productions LLC	Delaware
Comic Scribe LLC	Delaware
Crossed Pens Development LLC	Delaware
Dark Winds Productions I LLC	Delaware
Digital Store LLC	Delaware
Dispatches Productions I LLC	Delaware
Expedition Productions I LLC	Delaware
Five Families Productions I LLC	Delaware
Five Moons Productions I LLC	Delaware
Geese Productions LLC	Delaware
Ground Work Productions LLC	Delaware
Halt and Catch Fire Productions I LLC	Delaware
Halt and Catch Fire Productions II LLC	Delaware
Halt and Catch Fire Productions III LLC	Delaware
Halt and Catch Fire Productions IV LLC	Delaware
Halt and Catch Fire Productions LLC	Delaware
Hap and Leonard Productions II LLC	Delaware
Hap and Leonard Productions III LLC	Delaware
HIDIVE LLC	Delaware

Guarantor	Jurisdiction of Formation
IFC Entertainment Holdings LLC	Delaware
IFC Entertainment LLC	Delaware
IFC Films LLC	Delaware
IFC In Theaters LLC	Delaware
IFC Productions I L.L.C.	Delaware
IFC Television Holdings LLC	Delaware
IFC Theatres Concessions LLC	Delaware
IFC Theatres, LLC	Delaware
IFC TV LLC	Delaware
IFC TV Studios Holdings LLC	Delaware
IFC TV Studios LLC	Delaware
Infinite Frontiers, LLC	Texas
Japan Creative Contents Alliance LLC	Delaware
Kindred Spirit Productions LLC	Delaware
Kopus Productions II LLC	Delaware
Kopus Productions LLC	Delaware
Lodge Productions I LLC	Delaware
Lodge Productions II LLC	Delaware
Making Waves Studio Productions LLC	Delaware
Mechanical Productions I LLC	Delaware
Monument Productions I LLC	Delaware
Moonhaven Productions I LLC	Delaware
Newfound Lake Productions I LLC	Delaware
NOS4A2 Productions I LLC	Rhode Island
Peach Pit Properties LLC	Delaware
Peachwood Productions LLC	Delaware
Pens Down LLC	Delaware
Premier Quills LLC	Delaware
Rainbow Film Holdings LLC	Delaware
Rainbow Media Enterprises, Inc.	Delaware
Rainbow Media Holdings LLC	Delaware
Rectify Productions II LLC	Delaware
Rectify Productions III LLC	Delaware
Rectify Productions IV LLC	Delaware
Rectify Productions LLC	Delaware
Red Monday Programming LLC	Delaware
RNC Holding Corporation	Delaware
RNC II Holding Corporation	Delaware
Roughhouse Productions I LLC	Delaware
Selects VOD LLC	Delaware
Sentai Holdings, LLC	Texas
Sentai Filmworks, LLC	Texas
Shudder LLC	Delaware

Guarantor	Jurisdiction of Formation
Sleuth Secrets Productions LLC	Delaware
Stalwart Productions LLC	Delaware
Stan Productions I LLC	Delaware
Stan Productions II LLC	Delaware
Sundance Channel Originals LLC	Delaware
Sundance Film Holdings LLC	Delaware
SundanceTV LLC	Delaware
Sxion 23, LLC	Texas
Tales Productions I LLC	Delaware
TWD Productions IV LLC	Delaware
TWD Productions IX LLC	Delaware
TWD Productions V LLC	Delaware
TWD Productions VI LLC	Delaware
TWD Productions VII LLC	Delaware
TWD Productions VIII LLC	Delaware
TWD Productions X LLC	Delaware
TWD Productions XI LLC	Delaware
Unio Mystica Holding, LLC	Texas
Universe Productions LLC	Delaware
Vampire Chronicles Productions I LLC	Delaware
Voom HD Holdings LLC	Delaware
WE TV Holdings LLC	Delaware
WE tv LLC	Delaware
We TV Studios LLC	Delaware
Woodbury Studios LLC	Delaware

I, Christina Spade, certify that:

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

Date: November 4, 2022

By: /s/ Christina Spade

Christina Spade
Chief Executive Officer

I, Patrick O'Connell, certify that:

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

Date: November 4, 2022

By: /s/ Patrick O'Connell
Patrick O'Connell
Executive Vice President and Chief
Financial Officer

Certifications

Pursuant to 18 U.S.C. § 1350, each of the undersigned officers of AMC Networks Inc. (“AMC Networks”) hereby certifies, to such officer’s knowledge, that AMC Networks’ Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of AMC Networks.

Date: November 4, 2022

By: /s/ Christina Spade
Christina Spade
Chief Executive Officer

Date: November 4, 2022

By: /s/ Patrick O’Connell
Patrick O’Connell
Executive Vice President and Chief Financial
Officer