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, 2021

or

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

For the transition period from to

Commission File Number: 1-35106

AMC Networks Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-5403694**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11 Penn Plaza, New York, NY	**10001**
(Address of principal executive offices)	**(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	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The number of shares of common stock outstanding as of October 29, 2021:

Class A Common Stock par value $0.01 per share	30,767,784
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)

	September 30, 2021	December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 870,967	$ 888,526
Accounts receivable, trade (less allowance for doubtful accounts of $8,732 and $11,234)	771,546	813,587
Current portion of program rights, net	18,005	13,480
Prepaid expenses and other current assets	208,181	223,173
Total current assets	1,868,699	1,938,766
Property and equipment, net of accumulated depreciation of $284,351 and $261,082	218,699	256,045
Program rights, net	1,700,175	1,269,131
Intangible assets, net	391,778	410,672
Goodwill	689,639	686,407
Deferred tax asset, net	12,202	25,046
Operating lease right-of-use asset	133,044	146,522
Other assets	481,229	513,749
Total assets	$ 5,495,465	$ 5,246,338
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 123,556	$ 120,530
Accrued liabilities	269,079	320,005
Current portion of program rights obligations	297,118	259,449
Deferred revenue	81,848	71,048
Current portion of long-term debt	26,813	75,000
Current portion of lease obligations	37,383	32,435
Total current liabilities	835,797	878,467
Program rights obligations	226,941	182,511
Long-term debt	2,811,249	2,774,307
Lease obligations	159,998	194,324
Deferred tax liability, net	157,536	132,009
Other liabilities	123,898	125,970
Total liabilities	4,315,419	4,287,588
Commitments and contingencies		
Redeemable noncontrolling interests	291,447	315,649
Stockholders' equity:		
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 65,349 and 64,568 shares issued and 30,756 and 29,975 shares outstanding, respectively	653	646
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	340,033	323,425
Accumulated earnings	2,081,008	1,847,451
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	(164,899)	(134,950)
Total AMC Networks stockholders' equity	837,028	616,805
Non-redeemable noncontrolling interests	51,571	26,296
Total stockholders' equity	888,599	643,101
Total liabilities and stockholders' equity	$ 5,495,465	$ 5,246,338

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,	
	2021	2020	2021	2020
Revenues, net	$ 810,766	$ 654,015	$ 2,273,899	$ 2,034,681
Operating expenses:				
Technical and operating (excluding depreciation and amortization)	378,264	333,816	997,677	960,379
Selling, general and administrative	220,011	148,769	610,164	488,581
Depreciation and amortization	23,411	27,547	71,261	80,182
Impairment and other charges	—	—	158,973	130,411
Restructuring and other related charges	754	4,406	9,534	13,879
Total operating expenses	622,440	514,538	1,847,609	1,673,432
Operating income	188,326	139,477	426,290	361,249
Other income (expense):				
Interest expense	(31,413)	(33,418)	(97,674)	(105,283)
Interest income	2,264	2,994	7,614	11,276
Loss on extinguishment of debt	—	—	(22,074)	(2,908)
Miscellaneous, net	54	11,138	19,634	(10,088)
Total other expense	(29,095)	(19,286)	(92,500)	(107,003)
Income from operations before income taxes	159,231	120,191	333,790	254,246
Income tax expense	(40,744)	(52,195)	(77,980)	(95,490)
Net income including noncontrolling interests	118,487	67,996	255,810	158,756
Net income attributable to noncontrolling interests	(7,836)	(6,356)	(22,253)	(13,488)
Net income attributable to AMC Networks' stockholders	$ 110,651	$ 61,640	$ 233,557	$ 145,268
Net income per share attributable to AMC Networks' stockholders:				
Basic	$ 2.60	$ 1.18	$ 5.52	$ 2.72
Diluted	$ 2.55	$ 1.17	$ 5.39	$ 2.69
Weighted average common shares:				
Basic	42,506	52,346	42,308	53,374
Diluted	43,440	52,904	43,332	53,917

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Net income including noncontrolling interests	$ 118,487	$ 67,996	$ 255,810	$ 158,756
Other comprehensive income (loss):				
Foreign currency translation adjustment	(17,933)	21,475	(32,282)	7,383
Unrealized gain (loss) on interest rate swaps	620	615	1,828	(1,041)
Other comprehensive income (loss), before income taxes	(17,313)	22,090	(30,454)	6,342
Income tax (expense) benefit	(146)	(144)	(430)	242
Other comprehensive income (loss), net of income taxes	(17,459)	21,946	(30,884)	6,584
Comprehensive income	101,028	89,942	224,926	165,340
Comprehensive income attributable to noncontrolling interests	(7,109)	(6,648)	(21,318)	(12,818)
Comprehensive income attributable to AMC Networks' stockholders	$ 93,919	$ 83,294	$ 203,608	$ 152,522

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, 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
Distribution to noncontrolling member	—	—	—	—	—	—	—	(431)	(431)
Other comprehensive income	—	—	—	—	—	(16,732)	(16,732)	(727)	(17,459)
Share-based compensation expense	—	—	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

	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, 2020	$ 643	$ 115	$ 308,288	$ 1,691,100	$ (1,166,119)	$ (182,111)	$ 651,916	$ 23,229	$ 675,145
Net income attributable to AMC Networks' stockholders	—	—	—	61,640	—	—	61,640	—	61,640
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	1,785	1,785
Distributions to noncontrolling member	—	—	—	—	—	—	—	(563)	(563)
Other comprehensive income	—	—	—	—	—	21,654	21,654	292	21,946
Share-based compensation expense	—	—	12,393	—	—	—	12,393	—	12,393
Balance, September 30, 2020	$ 643	$ 115	$ 320,681	$ 1,752,740	$ (1,166,119)	$ (160,457)	$ 747,603	$ 24,743	$ 772,346

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, 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
Transfer from redeemable noncontrolling interests	—	—	—	—	—	—	—	18,367	18,367
Contribution from noncontrolling member	—	—	—	—	—	—	—	709	709
Other comprehensive income (loss)	—	—	—	—	—	(29,949)	(29,949)	(935)	(30,884)
Share-based compensation expense	—	—	39,163	—	—	—	39,163	—	39,163
Proceeds from the exercise of stock options	—	—	12,100	—	—	—	12,100	—	12,100
Net share issuances under employee stock plans	7	—	(34,655)	—	—	—	(34,648)	—	(34,648)
Balance, September 30, 2021	$ 653	$ 115	$ 340,033	$ 2,081,008	$ (1,419,882)	$ (164,899)	$ 837,028	$ 51,571	$ 888,599

	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, 2019	$ 639	$ 115	$ 286,491	$ 1,609,428	$ (1,063,181)	$ (167,711)	$ 665,781	$ 25,724	$ 691,505
Net income attributable to AMC Networks' stockholders	—	—	—	145,268	—	—	145,268	—	145,268
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	700	700
Distributions to noncontrolling member	—	—	—	—	—	—	—	(1,011)	(1,011)
Adoption of ASU 2016-13, credit losses	—	—	—	(1,956)		—	(1,956)	—	(1,956)
Other comprehensive income (loss)	—	—	—	—	—	7,254	7,254	(670)	6,584
Share-based compensation expense	—	—	43,141	—	—	—	43,141	—	43,141
Treasury stock acquired	—	—	—	—	(102,938)	—	(102,938)	—	(102,938)
Net share issuances under employee stock plans	4	—	(8,951)	—	—	—	(8,947)	—	(8,947)
Balance, September 30, 2020	$ 643	$ 115	$ 320,681	$ 1,752,740	$ (1,166,119)	$ (160,457)	$ 747,603	$ 24,743	$ 772,346

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,	
	2021	**2020**
Cash flows from operating activities:		
Net income including noncontrolling interests	$ 255,810	$ 158,756
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	71,261	80,182
Impairment and other charges	16,055	130,411
Share-based compensation expense related to equity classified awards	39,163	43,141
Non-cash restructuring and other related charges	4,329	6,126
Amortization and write-off of program rights	601,640	622,204
Amortization of deferred carriage fees	16,138	21,088
Unrealized foreign currency transaction (gain) loss	(10,025)	9,242
Amortization of deferred financing costs and discounts on indebtedness	5,820	6,039
Loss on extinguishment of debt	22,074	2,908
Bad debt expense	4,900	340
Deferred income taxes	31,765	12,403
Gain on investments	(4,554)	—
Write-down of non-marketable equity securities and note receivable	—	5,103
Other, net	(3,429)	(10,696)
Changes in assets and liabilities:		
Accounts receivable, trade (including amounts due from related parties, net)	38,514	92,328
Prepaid expenses and other assets	(62,799)	79,098
Program rights and obligations, net	(967,172)	(565,267)
Income taxes payable	(5,235)	17,265
Deferred revenue	6,837	(2,234)
Deferred carriage fees, net	(29,207)	(15,057)
Accounts payable, accrued liabilities and other liabilities	12,099	(49,293)
Net cash provided by operating activities	43,984	644,087
Cash flows from investing activities:		
Capital expenditures	(29,969)	(34,990)
Return of capital from investees	—	924
Payments for acquisition of a business, net of cash acquired	(19,072)	—
Acquisition of investment securities	(28,397)	(4,111)
Cash paid on distribution of business	(7,052)	—
Principal payment received on loan to investee	20,000	3,750
Proceeds from sale of investments	95,370	10,000
Net cash provided by (used in) investing activities	30,880	(24,427)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	986,000	6,000
Principal payments on long-term debt	(1,015,000)	(242,500)
Deemed repurchases of restricted stock units	(34,648)	(8,947)
Purchase of treasury stock	—	(102,938)
Proceeds from stock option exercises	12,100	—
Principal payments on finance lease obligations	(2,866)	(2,404)
Contributions from noncontrolling interests	2,701	—
Distributions to noncontrolling interests	(14,906)	(13,955)
Net cash used in financing activities	(66,619)	(364,744)
Net increase in cash and cash equivalents	8,245	254,916
Effect of exchange rate changes on cash and cash equivalents	(25,804)	774
Cash and cash equivalents at beginning of period	888,526	816,170
Cash and cash equivalents at end of period	$ 870,967	$ 1,071,860

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.

Segment Reporting Changes

In the first quarter of 2021, the Company changed its presentation of operating segments, reflecting a reorganized operating structure focused on a multi-platform distribution approach to content monetization. The Company's streaming services and IFC Films, previously included in the International and Other segment, are now included within Domestic Operations (formerly referred to as the National Networks segment). In addition, certain corporate overhead costs will no longer be allocated to the operating segments. Operating segment information for the prior periods has been recast to reflect these changes. The new reporting structure consists of the following two operating segments:

- *Domestic Operations:* Includes activities of our five national programming networks, our streaming services, AMC Studios operation, IFC Films and AMC Broadcasting & Technology. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our streaming services consist of our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, and ALLBLK), AMC+ and other streaming initiatives. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide. IFC Films is our film distribution business and AMC Networks Broadcasting & Technology is our technical services business, which 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 (formerly Levity), our production services business. See Note 4 relating to the spin-off of the Levity comedy venues business.

Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of AMC Networks and its subsidiaries in which a controlling voting 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, 2020 contained in the Company's Annual Report on Form 10-K ("2020 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, 2021.

Risks and Uncertainties

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 ultimate 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, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, 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.

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.

Recently Adopted Accounting Standards

Effective January 1, 2021, the Company adopted Financial Accounting Standard Board ("FASB") Accounting Standards Update ("ASU") 2019-12, *Simplifying the Accounting for Income Taxes*. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 - Income Taxes. The adoption of the standard did not have a material effect on its consolidated financial statements.

Note 2. Revenue Recognition

Transaction Price Allocated to Future Performance Obligations

As of September 30, 2021, 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, 2021	December 31, 2020
Balances from contracts with customers:		
Accounts receivable (including long-term, included in Other assets)	$ 1,039,981	$ 1,081,070
Contract assets, short-term (included in Other current assets)	7,837	9,830
Contract assets, long-term (included in Other assets)	942	942
Contract liabilities (Deferred revenue)	81,848	71,048

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

Note 3. Net Income per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2021	2020	2021	2020
Basic weighted average common shares outstanding	42,506	52,346	42,308	53,374
Effect of dilution:				
Stock options	—	—	4	—
Restricted stock units	934	558	1,020	543
Diluted weighted average common shares outstanding	43,440	52,904	43,332	53,917

Approximately 0.5 million and 1.1 million restricted stock units outstanding as of September 30, 2021 and September 30, 2020, respectively, have been excluded from diluted weighted average common shares outstanding since a performance condition for these awards had not been met in each of the respective periods. As of September 30, 2021 and September 30, 2020, 0.3 million and 0.7 million, respectively, of restricted stock units and stock options 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 has 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 nine months ended September 30, 2021, the Company did not repurchase any shares of its Class A Common Stock. As of September 30, 2021, the Company had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Note 4. Impairment and Other Charges

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 consolidated cases were initially brought in 2013 and 2018 and the trial of the consolidated cases was scheduled to commence on April 4, 2022. The Settlement Agreement provides 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 is 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 following the spin-off.

In June 2020, as a result of the impact of the COVID-19 pandemic, the Company qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. Based on our projections and updated forecasts, the Company determined that sufficient indicators of potential impairment of long-lived assets existed and, in connection with the preparation of the Company's second quarter financial information, the Company performed a recoverability test of certain long-lived asset groups within the AMCNI reporting unit. This resulted in an impairment charge of $105.3 million primarily related to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets. The Company then performed a goodwill impairment test and determined that the carrying value of the AMCNI reporting unit exceeded its fair value, resulting in an impairment charge of $25.1 million.

Note 5. Restructuring and Other Related Charges

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 (i) $0.8 million and $5.2 million at AMCNI related to severance costs and the termination of distribution in certain international territories for the three and nine months ended September 30, 2021, respectively, and (ii) $4.3 million of severance costs associated with the restructuring plan announced in November 2020 for the nine months ended September 30, 2021.

Restructuring and other related charges of $4.4 million and $13.9 million for the three and nine months ended September 30, 2020, respectively, related to restructuring costs associated with termination of distribution in certain territories as well as severance and other personnel related costs associated with previously announced restructuring activities.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2021**	**2020**	**2021**	**2020**
Domestic Operations	$ (135)	$ 4,452	$ 2,508	$ 7,138
International & Other	800	—	5,273	6,239
Corporate / Inter-segment eliminations	89	(46)	1,753	502
Total restructuring and other related charges	$ 754	$ 4,406	$ 9,534	$ 13,879

The following table summarizes the accrued restructuring costs:

(In thousands)	Severance and employee-related costs	Other exit costs	Total
December 31, 2020	$ 25,571	$ 31	$ 25,602
Charges	5,077	4,457	9,534
Cash payments	(29,496)	(128)	(29,624)
Non-cash adjustments	—	(4,329)	(4,329)
Other	64	(2)	62
Balance, September 30, 2021	$ 1,216	$ 29	$ 1,245

Accrued restructuring costs of $1.2 million are included in accrued liabilities in the condensed consolidated balance sheet at September 30, 2021.

Note 6. Program Rights

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

	September 30, 2021		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	$ 324,136	$ 31,900	$ 356,036
In-production and in-development	363,001	9,317	372,318
Total owned original program rights, net	$ 687,137	$ 41,217	$ 728,354
Licensed program rights, net:			
Licensed film and acquired series	$ 11,609	$ 603,018	$ 614,627
Licensed originals	208,867	—	208,867
Advances and content versioning costs	—	166,332	166,332
Total licensed program rights, net	220,476	769,350	989,826
Program rights, net	**$ 907,613**	**$ 810,567**	**$ 1,718,180**
Current portion of program rights, net			$ 18,005
Program rights, net (long-term)			1,700,175
			$ 1,718,180

Amortization, including write-offs, of owned and licensed program rights is as follows:

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
(In thousands)	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

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	$ 74,597	$ 11,854	$ 86,451	$ 235,868	$ 27,831	$ 263,699
Licensed program rights	20,479	100,019	120,498	61,741	296,764	358,505
Program rights amortization	$ 95,076	$ 111,873	$ 206,949	$ 297,609	$ 324,595	$ 622,204

The Company periodically reviews the programming usefulness of its licensed and owned original program rights based on several factors, including expected future revenue generation from airings on the Company's networks and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If it is determined that film or other program rights have limited, or no, future programming usefulness, the useful life is updated, which generally results in a write-off of the unamortized cost to technical and operating expense in the consolidated statements of income. There were no significant program rights write-offs included in technical and operating expense for the three and nine months ended September 30, 2021. Program rights write-offs included in technical and operating expense were $24.8 million and $36.9 million for the three and nine months ended September 30, 2020, respectively.

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 $90.8 million at September 30, 2021 and $69.5 million at December 31, 2020. In February 2021, the Company invested $27.4 million for an interest in a Toronto-based production company and studio, which is accounted for as an equity method investment. In June 2021, the Company paid $23.8 million to acquire the remaining 50% interest in an equity method investment in which it previously owned a 50% interest. In connection with the acquisition, the Company recorded a gain of $12.3 million, included in miscellaneous, net in the condensed consolidated income statement related to the step-up to fair value of its previously held interest.

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. Investments in marketable equity securities were $8.2 million at September 30, 2021 and $62.4 million at December 31, 2020. In January 2021, the Company sold the remaining portion of one of its marketable securities with a carrying value of $51.0 million as of December 31, 2020, resulting in a realized loss of $5.4 million. There were $0.8 million and $3.2 million unrealized losses on marketable equity securities for the three and nine months ended September 30, 2021, respectively, included in miscellaneous, net in the condensed consolidated statement of income. For the three and nine months ended September 30, 2020, unrealized gains and losses on marketable equity securities were a loss of $3.7 million and a gain of $10.3 million, respectively, included in miscellaneous, net in the condensed consolidated statement of income.

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. The accounting guidance requires non-marketable equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. The Company applies this measurement alternative to its non-marketable equity securities. When an observable event occurs, the Company estimates the fair values of its non-marketable equity securities based on Level 2 inputs that are derived from observable price changes of similar securities adjusted for insignificant differences in rights and obligations. The changes in value are recorded in miscellaneous, net in the condensed consolidated statement of income.

Investments in non-marketable equity securities were $36.9 million at September 30, 2021 and $35.8 million at December 31, 2020. For the nine months ended September 30, 2020, the Company recognized impairment charges of $20.0 million related to the write-down of certain non-marketable equity securities, included in miscellaneous, net in the condensed consolidated statements of income. Additionally, in September 2020, an observable price change occurred with respect to one of the Company's non-marketable equity securities, resulting in an unrealized gain of $14.9 million, included 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, 2020	$ 333,502	$ 352,905	$ 686,407
Goodwill written off related to spin-off of a business unit	—	(476)	(476)
Additions	—	11,901	11,901
Amortization of "second component" goodwill	(1,008)	—	(1,008)
Foreign currency translation	—	(7,185)	(7,185)
September 30, 2021	$ 332,494	$ 357,145	$ 689,639

As of September 30, 2021 and December 31, 2020, accumulated impairment charges in the International and Other segment totaled $123.1 million.

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 addition of $11.9 million in the carrying amount of goodwill in International and Other relates to the acquisition of the remaining 50% interest in an equity method investment in which the Company previously owned a 50% interest. The allocation of goodwill is preliminary and is based on current estimates and currently available information, and is subject to revision based final allocations of the purchase price to the identifiable assets and liabilities acquired.

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

	September 30, 2021			
(In thousands)	Gross	Accumulated Amortization	Net	Estimated Useful Lives
Amortizable intangible assets:				
Affiliate and customer relationships	$ 640,319	$ (348,061)	$ 292,258	6 to 25 years
Advertiser relationships	46,282	(29,183)	17,099	11 years
Trade names and other amortizable intangible assets	103,844	(41,323)	62,521	3 to 20 years
Total amortizable intangible assets	790,445	(418,567)	371,878	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	$ 810,345	$ (418,567)	$ 391,778	

	December 31, 2020		
(In thousands)	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliate and customer relationships	$ 624,699	$ (330,350)	$ 294,349
Advertiser relationships	46,282	(26,028)	20,254
Trade names and other amortizable intangible assets	116,526	(40,357)	76,169
Total amortizable intangible assets	787,507	(396,735)	390,772
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$ 807,407	$ (396,735)	$ 410,672

Aggregate amortization expense for amortizable intangible assets for the nine months ended September 30, 2021 and 2020 was $29.1 million and $32.6 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,	
2021	$ 39,378
2022	40,703
2023	40,618
2024	40,549
2025	38,763

Note 9. Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)	September 30, 2021	December 31, 2020
Employee related costs	98,591	$ 98,661
Participations and residuals	110,990	106,785
Interest	21,845	29,345
Other accrued expenses	37,653	85,214
Total accrued liabilities	$ 269,079	$ 320,005

Note 10. Long-term Debt

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

(In thousands)	September 30, 2021	December 31, 2020
Senior Secured Credit Facility: (a)		
Term Loan A Facility	$ 675,000	$ 675,000
Senior Notes:		
4.75% Notes due December 2022	—	400,000
5.00% Notes due April 2024	400,000	1,000,000
4.75% Notes due August 2025	800,000	800,000
4.25% Notes due February 2029	1,000,000	—
Other debt (b)	1,500	—
Total long-term debt	2,876,500	2,875,000
Unamortized discount	(24,249)	(18,337)
Unamortized deferred financing costs	(14,189)	(7,356)
Long-term debt, net	2,838,062	2,849,307
Current portion of long-term debt	26,813	75,000
Noncurrent portion of long-term debt	$ 2,811,249	$ 2,774,307

(a) The Company's $500 million revolving credit facility remains undrawn at September 30, 2021. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

(b) A majority owned subsidiary of the Company has credit facilities totaling $4.5 million, which bear interest at the greater of 3.5% or the prime rate plus 1% and mature on July 21, 2022. As of September 30, 2021, there was $1.5 million of outstanding borrowings under the credit facilities.

Amendment to Amended and Restated Credit Agreement

On February 8, 2021, AMC Networks entered into Amendment No. 1 (“Amendment No. 1”) to the Second Amended and Restated Credit Agreement, dated as of July 28, 2017 (as amended by Amendment No. 1, the "Credit Agreement"), among AMC Networks and its subsidiary, AMC Network Entertainment LLC, as the Initial Borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and L/C Issuer, Bank of America, as an L/C Issuer, and the lenders party thereto. Amendment No. 1 extends the maturity dates of the $675 million term loan A facility and $500 million revolving credit facility under the Credit Agreement to February 8, 2026, and makes certain other amendments to the covenants and other provisions of the Credit Agreement.

Senior Notes

On February 8, 2021, AMC Networks issued, and certain of AMC Networks’ subsidiaries (hereinafter, the “Guarantors”) guaranteed, $1.0 billion aggregate principal amount of 4.25% senior notes due February 15, 2029 (the “4.25% Notes due 2029”) in a registered public offering and received net proceeds of $982.3 million, after deducting underwriting discounts and commissions and expenses. The Company used such proceeds to redeem (i) the remaining $400 million principal amount of the Company’s 4.75% senior notes due 2022 and (ii) $600 million principal amount of the Company’s 5.00% senior notes due 2024 on February 26, 2021 (the "Redemption Date"). The 4.75% senior notes due 2022 were redeemed at a redemption price of 100.000% of the principal amount of such notes and the 5.00% senior notes due 2024 were redeemed at a redemption price of 102.500% of the principal amount of such notes, in each case, plus accrued and unpaid interest to, but excluding, the Redemption Date. In connection with the redemptions, the Company incurred a loss on extinguishment of debt for the quarter ended March 31, 2021 of $22.1 million representing the 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.

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, 2021	December 31, 2020
Assets			
Operating	Operating lease right-of-use asset	$ 133,044	$ 146,522
Finance	Property and equipment, net	12,355	13,179
Total lease assets		$ 145,399	$ 159,701
Liabilities			
Current:			
Operating	Current portion of lease obligations	$ 33,771	$ 28,813
Finance	Current portion of lease obligations	3,612	3,622
		$ 37,383	$ 32,435
Noncurrent:			
Operating	Lease obligations	$ 135,381	166,452
Finance	Lease obligations	24,617	27,872
		159,998	$ 194,324
Total lease liabilities		$ 197,381	$ 226,759

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.

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, 2021 and December 31, 2020:

(In thousands)	Level I	Level II	Level III	Total
At September 30, 2021:				
Assets				
Marketable securities	8,190	—	—	8,190
Foreign currency derivatives	—	300	—	300
Liabilities				
Interest rate swap contracts	$ —	$ 575	$ —	$ 575
Foreign currency derivatives	—	3,491	—	3,491
At December 31, 2020:				
Assets				
Cash equivalents	$ 107,494	$ —	$ —	$ 107,494
Marketable securities	62,442	—	—	62,442
Foreign currency derivatives	—	667	—	667
Liabilities				
Interest rate swap contracts	$ —	$ 2,403	$ —	$ 2,403
Foreign currency derivatives	—	3,515	—	3,515

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

The Company's interest rate swap contracts and 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, 2021 and December 31, 2020, the Company did not have any 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 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:

	September 30, 2021	
(In thousands)	**Carrying Amount**	**Estimated Fair Value**
Debt instruments:		
Term loan A facility	$ 663,912	$ 669,938
5.00% Notes due April 2024	397,448	406,000
4.75% Notes due August 2025	791,597	820,000
4.25% Notes due February 2029	983,605	991,800
Other debt	1,500	1,500
	$ 2,838,062	$ 2,889,238

	December 31, 2020	
(In thousands)	**Carrying Amount**	**Estimated Fair Value**
Debt instruments:		
Term loan A facility	$ 669,878	$ 665,719
4.75% Notes due December 2022	398,230	400,500
5.00% Notes due April 2024	991,074	1,015,000
4.75% Notes due August 2025	790,125	826,160
	$ 2,849,307	$ 2,907,379

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

Interest Rate Risk

To manage interest rate risk, the Company enters into interest rate swap contracts to adjust the amount of total debt that is subject to variable interest rates.

As of September 30, 2021, the Company had interest rate swap contracts outstanding with notional amounts aggregating $100.0 million that are designated as hedging instruments. The Company's outstanding interest rate swap contracts mature in December 2021.

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 or 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, 2021	December 31, 2020
Derivatives designated as hedging instruments:			
Liabilities:			
Interest rate swap contracts	Accrued liabilities	$ 575	$ 2,403
Derivatives not designated as hedging instruments:			
Assets:			
Foreign currency derivatives	Prepaid expenses and other current assets	$ 190	$ 300
Foreign currency derivatives	Other assets	110	367
Liabilities:			
Foreign currency derivatives	Accrued liabilities	$ 1,335	$ 1,084
Foreign currency derivatives	Other liabilities	2,157	2,431

The amounts of gains and losses related to the Company's derivative financial instruments designated as hedging instruments are as follows:

	Gain or (Loss) on Derivatives Recognized in OCI		Location of Gain or (Loss) in Earnings	Gain or (Loss) Reclassified from Accumulated OCI into Earnings	
	Three Months Ended September 30,			Three Months Ended September 30,	
(In thousands)	2021	2020		2021	2020
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	$ (10)	$ 9	Interest expense	$ 630	$ 606

	Gain or (Loss) on Derivatives Recognized in OCI		Location of Gain or (Loss) in Earnings	Gain or (Loss) Reclassified from Accumulated OCI into Earnings	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
(In thousands)	2021	2020		2021	2020
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	$ (27)	$ (2,401)	Interest expense	$ 1,855	$ 1,360

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

	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,	
(In thousands)		2021	2020	2021	2020
Foreign currency derivatives	Miscellaneous, net	$ (1,072)	$ (1,300)	$ (1,167)	$ (2,018)

Note 14. Income Taxes

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.

For the three and nine months ended September 30, 2020, income tax expense was $52.2 million and $95.5 million, respectively, representing an effective tax rate of 43% and 38%, respectively, as compared to the federal statutory rate of 21%. For the three and nine months ended September 30, 2020, the effective tax rate differs from the federal statutory rate due primarily to tax expense from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, tax expense from foreign operations, state and local income tax expense, tax expense related to non-deductible compensation and tax expense and tax benefit relating to uncertain tax positions (including accrued interest), respectively. The tax benefit relating to uncertain tax positions for the nine months ended September 30, 2020 is primarily due to audit settlements and the filing of state income tax returns under voluntary disclosure agreements. The increase in valuation allowance is primarily due to a change in judgement about the realizability of foreign net operating losses and other deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities (including the effect in available carryback and carryforward periods), projected taxable income, and tax-planning strategies in making this assessment.

At September 30, 2021, the Company had foreign tax credit carry forwards of approximately $35.9 million, expiring on various dates from 2022 through 2031. These carryforwards have been reduced by a valuation allowance of $35.9 million as it is more likely than not that these carry forwards will not be realized. For the nine months ended September 30, 2021, $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, 2021, the Company's contractual obligations not reflected on the Company's condensed consolidated balance sheet increased $31.1 million, as compared to December 31, 2020, to $1,043.0 million. The increase primarily relates to additional commitments for program rights.

Legal Matters

On December 17, 2013, Frank Darabont ("Darabont"), Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "Plaintiffs"), filed a complaint in New York Supreme Court in connection with Darabont's rendering services as a writer, director and producer of the television series entitled The Walking Dead and the agreement between the parties related thereto. Plaintiffs asserted claims for breach of contract, breach of the covenant of good faith and fair dealing, for an accounting and for declaratory relief.

On January 18, 2018, Plaintiffs filed a second action in New York Supreme Court in connection with Darabont’s services on The Walking Dead television series and agreements between the parties related thereto. Plaintiffs asserted claims for breach of contract, breach of the covenant of good faith and fair dealing, and declaratory relief. The two actions were consolidated for a joint trial, which was scheduled to begin on April 4, 2022.

On July 16, 2021, the parties entered into a settlement agreement (the “Settlement Agreement”) to resolve the consolidated actions. The Settlement Agreement provides for a cash payment of $200 million (the “Settlement Payment”) to 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 took a charge of approximately $143 million in the quarter ended June 30, 2021 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 approximately $57 million of ordinary course accrued participations. The Settlement Agreement also includes customary provisions included in such agreements, including providing for mutual releases, covenants not to sue, waivers, confidentiality, non-disparagement and indemnification for third party claims. On July 21, 2021, the Plaintiffs filed a stipulation to discontinue the consolidated actions, with prejudice.

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 "California Plaintiffs") filed a complaint in California Superior Court in connection with California 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 "California Action"). The California Plaintiffs asserted that the Company has been improperly underpaying the California Plaintiffs under their contracts with the Company and they assert claims for breach of contract, breach of the covenant of good faith and fair dealing, inducing breach of contract, and liability for violation of Cal. Bus. & Prof. Code § 17200. The California Plaintiffs seek compensatory and punitive damages and restitution. On August 8, 2019, the judge in the California Action 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 California Plaintiffs filed a second amended complaint, eliminating eight named defendants and their claims under Cal. Bus. & Prof. Code § 17200. On May 5, 2021, the California Plaintiffs filed a third amended complaint, repleading in part their claims for alleged breach of the 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 June 9, 2021, the judge in the California Action set a tentative trial date of November 1, 2021 with regard to claims not addressed in the first phase trial. On September 14, 2021, the judge vacated the November 1, 2021 trial date and set a new trial date of May 9, 2022. The parties have resumed discovery in preparation for the May 9, 2022 trial. The Company believes that the remaining asserted claims are without merit and will vigorously 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 September 2021, AMC Networks granted 102,145 restricted stock units ("RSUs") under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan to its interim chief executive officer. The RSUs vest over a one-year period and the vesting criteria include the achievement of certain performance targets by the Company.

In June 2021, AMC Networks granted 29,916 RSUs under the 2011 Stock Plan for Non-Employee Directors to non-employee directors that vested on the date of grant.

In March 2021, AMC Networks granted 535,278 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 and the vesting criteria for 178,764 RSUs include the achievement of certain performance targets by the Company.

During the nine months ended September 30, 2021, 617,051 RSUs and 368,296 performance restricted stock units (PRSUs) of AMC Networks Class A Common Stock previously issued to employees of the Company vested. On the vesting date, 263,671 RSUs and 168,712 PRSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 353,380 RSU and 199,584 PRSU new shares of AMC Networks Class A Common Stock were issued. The units surrendered to satisfy the employees' statutory minimum tax withholding obligations for the applicable income and other employment tax had an aggregate value of $34.6 million, which has been reflected as a financing activity in the condensed consolidated statement of cash flows for the nine months ended September 30, 2021.

Share-based compensation expense included in selling, general and administrative expense was $9.5 million and $39.2 million for the three and nine months ended September 30, 2021, respectively and $12.4 million and $43.1 million for the three and nine months ended September 30, 2020, respectively.

As of September 30, 2021, there was $39.1 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 1.8 years.

Note 17. Redeemable Noncontrolling Interests

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

(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	$ 291,447

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.

Note 18. Related Party Transactions

The Company and its related parties routinely enter into transactions with each other in the ordinary course of business. Revenues, net from related parties amounted to $1.2 million and $1.2 million for the three months ended September 30, 2021 and 2020, respectively, and $3.7 million and $3.6 million for the nine months ended September 30, 2021 and 2020, respectively. Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to transactions with its related parties amounted to $0.5 million and $0.5 million for the three months ended September 30, 2021 and 2020, respectively, and $1.5 and $0.6 million for the nine months ended September 30, 2021 and 2020, respectively.

Note 19. Cash Flows

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

	Nine Months Ended September 30,	
(In thousands)	2021	2020
Non-Cash Investing and Financing Activities:		
Finance lease additions	$ —	$ 14,260
Capital expenditures incurred but not yet paid	1,471	2,105
Supplemental Data:		
Cash interest paid	99,890	91,940
Income taxes paid, net	48,941	60,355

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"), a non-GAAP measure. The Company defines AOI as operating income (loss) before depreciation and amortization, cloud computing amortization, share-based compensation expense 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, an accepted GAAP measure, and other information as to the continuing operations of the Company's operating segments below.

	Three Months Ended September 30, 2021			
(In thousands)	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 199,982	$ 25,354	$ —	$ 225,336
Distribution and other	482,764	104,586	(1,920)	585,430
Consolidated revenues, net	$ 682,746	$ 129,940	$ (1,920)	$ 810,766
Operating income (loss)	$ 213,299	$ 15,564	$ (40,537)	$ 188,326
Share-based compensation expense	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)	$ 231,076	$ 22,109	$ (28,494)	$ 224,691

	Three Months Ended September 30, 2020			
(In thousands)	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 164,178	$ 18,924	$ —	183,102
Distribution and other	382,687	92,474	(4,248)	470,913
Consolidated revenues, net	$ 546,865	$ 111,398	$ (4,248)	$ 654,015
Operating income (loss)	$ 179,259	$ 3,061	$ (42,843)	139,477
Share-based compensation expense	4,437	919	7,038	12,394
Depreciation and amortization	15,799	4,937	6,811	27,547
Restructuring and other related charges	4,452	—	(46)	4,406
Majority-owned equity investees AOI	1,667	—	—	1,667
Adjusted operating income (loss)	$ 205,614	$ 8,917	$ (29,040)	$ 185,491

	Nine Months Ended September 30, 2021			
(In thousands)	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 611,406	$ 72,892	$ —	$ 684,298
Distribution and other	1,284,324	316,492	(11,215)	1,589,601
Consolidated revenues, net	$ 1,895,730	$ 389,384	$ (11,215)	$ 2,273,899
Operating income (loss)	$ 517,874	$ 32,365	$ (123,949)	$ 426,290
Share-based compensation expense	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)	$ 723,749	$ 70,777	$ (81,219)	$ 713,307

	Nine Months Ended September 30, 2020			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Advertising	$ 564,838	$ 53,097	$ —	$ 617,935
Distribution and other	1,156,852	273,811	(13,917)	1,416,746
Consolidated revenues, net	$ 1,721,690	$ 326,908	$ (13,917)	$ 2,034,681
Operating income (loss)	$ 621,446	$ (118,140)	$ (142,057)	$ 361,249
Share-based compensation expense	12,005	2,437	28,699	43,141
Depreciation and amortization	38,050	21,396	20,736	80,182
Restructuring and other related charges	7,138	6,239	502	13,879
Impairment charges	—	130,411	—	130,411
Majority-owned equity investees AOI	4,361	—	—	4,361
Adjusted operating income (loss)	$ 683,000	$ 42,343	$ (92,120)	$ 633,223

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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2021	2020	2021	2020
Inter-segment revenues				
Domestic Operations	$ (1,641)	$ (3,988)	$ (8,567)	$ (11,545)
International and Other	(279)	(260)	(2,648)	(2,372)
	$ (1,920)	$ (4,248)	$ (11,215)	$ (13,917)

The table below summarizes revenues based on customer location:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2021	2020	2021	2020
Revenues				
United States	$ 655,427	$ 497,677	$ 1,844,901	$ 1,646,065
Europe	93,869	110,448	295,460	274,763
Other	61,470	45,890	133,538	113,853
	$ 810,766	$ 654,015	$ 2,273,899	$ 2,034,681

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

(In thousands)	September 30, 2021	December 31, 2020
Property and equipment, net		
United States	$ 203,635	$ 239,387
Europe	14,392	15,938
Other	672	720
	$ 218,699	$ 256,045

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 programming content for our networks, 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;
- 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;
- the security of our program rights and other electronic data;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- the loss of any of our key personnel and artistic talent;
- changes in domestic and foreign laws or regulations under which we operate;
- economic and business conditions and industry trends in the countries in which we operate;
- fluctuations in currency exchange rates and interest rates;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.S. 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;
- the level of our capital expenditures;
- 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;
- 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 2020 Annual Report on Form 10-K (the "2020 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, or MD&A, of our results of operations and financial condition is provided as a supplement to, and should be read in conjunction with, the unaudited condensed consolidated financial statements and notes thereto included elsewhere herein and our 2020 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. 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, 2021 compared to the three and nine months ended September 30, 2020. Our discussion is presented on both a consolidated and operating segment basis. Our two operating 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, 2021, as well as an analysis of our cash flows for the nine months ended September 30, 2021 and 2020. 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, 2021 as compared to December 31, 2020.

Critical Accounting Policies and Estimates. This section provides an update, if any, to our significant accounting policies or critical accounting estimates since December 31, 2020.

Business Overview

Segment Reporting Changes

In the first quarter of 2021, we changed our presentation of operating segments, reflecting a reorganized operating structure focused on a multi-platform distribution approach to content monetization. Our streaming services and IFC Films, previously included in the International and Other segment, are now included within Domestic Operations (formerly referred to as the National Networks segment). In addition, certain corporate overhead costs will no longer be allocated to the operating segments. Operating segment information for the prior period has been recast to reflect these changes. The new reporting structure consists of the following two operating segments:

- *Domestic Operations:* Includes activities of our five national programming networks, our streaming services, AMC Studios operation, IFC Films and AMC Broadcasting & Technology. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our streaming services consist of our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, and ALLBLK), AMC+ and other streaming initiatives. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide. IFC Films is our film distribution business and AMC Networks Broadcasting & Technology is our technical services business, which 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 (formerly Levity), our production services business. See Note 4 to the unaudited condensed consolidated financial statements for additional information relating to the spin-off of the Levity comedy venues business.

Financial Results Overview

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2021**	**2020**	**2021**	**2020**
Revenues, net				
Domestic Operations	$ 682,746	$ 546,865	$ 1,895,730	$ 1,721,690
International and Other	129,940	111,398	389,384	326,908
Inter-segment Eliminations	(1,920)	(4,248)	(11,215)	(13,917)
Consolidated revenues, net	$ 810,766	$ 654,015	$ 2,273,899	$ 2,034,681
Operating income (loss)				
Domestic Operations	$ 213,299	$ 179,259	$ 517,874	$ 621,446
International and Other	15,564	3,061	32,365	(118,140)
Corporate / Inter-segment Eliminations	(40,537)	(42,843)	(123,949)	(142,057)
Consolidated operating income	$ 188,326	$ 139,477	$ 426,290	$ 361,249
AOI				
Domestic Operations	$ 231,076	$ 205,614	$ 723,749	$ 683,000
International and Other	22,109	8,917	70,777	42,343
Corporate / Inter-segment Eliminations	(28,494)	(29,040)	(81,219)	(92,120)
Consolidated AOI	$ 224,691	$ 185,491	$ 713,307	$ 633,223

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 depreciation and amortization, cloud computing amortization, share-based compensation expense 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. From time to time, we may 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 consolidated operating income to AOI for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2021**	**2020**	**2021**	**2020**
Operating income	$ 188,326	$ 139,477	$ 426,290	$ 361,249
Share-based compensation expense	9,455	12,394	39,163	43,141
Depreciation and amortization	23,411	27,547	71,261	80,182
Restructuring and other related charges	754	4,406	9,534	13,879
Impairment and other charges	—	—	158,973	130,411
Cloud computing amortization	596	—	1,502	—
Majority-owned equity investees AOI	2,149	1,667	6,584	4,361
AOI	$ 224,691	$ 185,491	$ 713,307	$ 633,223

Domestic Operations

In our Domestic Operations segment, we earn revenue principally from: (i) the distribution of our programming, through our programming networks and owned subscription 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. Distribution revenue primarily includes subscription fees paid by distributors to carry our programming networks and streaming services, and content licensing revenue from the licensing of original programming for digital, foreign and home video distribution. 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 paid on a monthly basis. Content licensing revenue from the licensing of original programming for digital and foreign distribution 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 expense, included in technical and operating expense, represents the largest expense of the Domestic Operations segment and primarily consists of amortization and write-offs 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 expense 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. 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 will continue to increase our investment in programming across all of our networks. There may be significant changes in the level of our technical and operating expenses due to the amortization of content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs 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 it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expense.

International and Other

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

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, 2021, distribution revenues represented 81% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors or consumers 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 expense, program operating costs and production costs incurred to produce content for third parties are included in technical and operating expense, and represent the largest expense of the International and Other segment. Programming expense primarily consist of amortization of acquired content, costs of dubbing and sub-titling of programs, production costs, 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 it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expense.

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 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 ultimate 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, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, 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.

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, 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 from our distributors. Events such as these may adversely impact our results of operations, cash flows and financial position.

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 a significant interest in such entity. The noncontrolling owner's interest in the operating results of majority-owned or controlled subsidiaries are reflected in net income attributable to noncontrolling interests in our consolidated statements of operations.

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

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

	Three Months Ended September 30,					
	2021		2020			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 810,766	100.0 %	$ 654,015	100.0 %	$ 156,751	24.0 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	378,264	46.7	333,816	51.0	44,448	13.3
Selling, general and administrative	220,011	27.1	148,769	22.7	71,242	47.9
Depreciation and amortization	23,411	2.9	27,547	4.2	(4,136)	(15.0)
Restructuring and other related charges	754	0.1	4,406	0.7	(3,652)	(82.9)
Total operating expenses	622,440	76.8	514,538	78.7	107,902	21.0
Operating income	188,326	23.2	139,477	21.3	48,849	35.0
Other income (expense):						
Interest expense, net	(29,149)	(3.6)	(30,424)	(4.7)	1,275	(4.2)
Miscellaneous, net	54	—	11,138	1.7	(11,084)	(99.5)
Total other income (expense)	(29,095)	(3.6)	(19,286)	(2.9)	(9,809)	50.9
Net income from operations before income taxes	159,231	19.6	120,191	18.4	39,040	32.5
Income tax expense	(40,744)	(5.0)	(52,195)	(8.0)	11,451	(21.9)
Net income including noncontrolling interests	118,487	14.6	67,996	10.4	50,491	74.3
Net income attributable to noncontrolling interests	(7,836)	(1.0)	(6,356)	(1.0)	(1,480)	23.3
Net income attributable to AMC Networks' stockholders	$ 110,651	13.6 %	$ 61,640	9.4 %	$ 49,011	79.5 %

Domestic Operations Segment Results

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

(In thousands)	Three Months Ended September 30, 2021 Amount	2021 % of Revenues, net	2020 Amount	2020 % of Revenues, net	$ change	% change
Revenues, net	$ 682,746	100.0 %	$ 546,865	100.0 %	$ 135,881	24.8 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	303,868	44.5	260,330	47.6	43,538	16.7
Selling, general and administrative	154,125	22.6	87,025	15.9	67,100	77.1
Depreciation and amortization	11,589	1.7	15,799	2.9	(4,210)	(26.6)
Restructuring and other related charges	(135)	—	4,452	0.8	(4,587)	(103.0)
Operating income	$ 213,299	31.2 %	$ 179,259	32.8 %	$ 34,040	19.0
Share-based compensation expense	4,174	0.6	4,437	0.8	(263)	(5.9)
Depreciation and amortization	11,589	1.7	15,799	2.9	(4,210)	(26.6)
Restructuring and other related charges	(135)	—	4,452	0.8 %	(4,587)	(103.0)
Majority-owned equity investees AOI	2,149	0.3	1,667	0.3 %	482	28.9
AOI	$ 231,076	33.8 %	$ 205,614	37.6 %	$ 25,462	12.4 %

International and Other Segment Results

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

(In thousands)	Three Months Ended September 30, 2021 Amount	2021 % of Revenues, net	2020 Amount	2020 % of Revenues, net	$ change	% change
Revenues, net	$ 129,940	100.0 %	$ 111,398	100.0 %	$ 18,542	16.6 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	77,333	59.5	77,356	69.4	(23)	—
Selling, general and administrative	31,043	23.9	26,044	23.4	4,999	19.2
Depreciation and amortization	5,200	4.0	4,937	4.4	263	5.3
Restructuring and other related charges	800	0.6	—	—	800	n/m
Operating income	$ 15,564	12.0 %	$ 3,061	2.7 %	$ 12,503	408.5
Share-based compensation expense	545	0.4	919	0.8	(374)	(40.7)
Depreciation and amortization	5,200	4.0	4,937	4.4	263	5.3
Restructuring and other related charges	800	0.6	—	—	800	n/m
AOI	$ 22,109	17.0 %	$ 8,917	8.0 %	$ 13,192	147.9 %

Revenues, net

Revenues, net increased $156.8 million to $810.8 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2021	% of total	2020	% of total	$ change	% change
Domestic Operations	$ 682,746	84.2 %	$ 546,865	83.6 %	$ 135,881	24.8 %
International and Other	129,940	16.0	111,398	17.0	18,542	16.6
Inter-segment eliminations	(1,920)	(0.2)	(4,248)	(0.6)	2,328	(54.8)
Consolidated revenues, net	$ 810,766	100.0 %	$ 654,015	100.0 %	$ 156,751	24.0 %

Domestic Operations

The increase in Domestic Operations revenues, net was attributable to the following:

(In thousands)	Three Months Ended September 30, 2021	% of total	2020	% of total	$ change	% change
Advertising	$ 199,982	29.3 %	$ 164,178	30.0 %	$ 35,804	21.8 %
Distribution and other	482,764	70.7	382,687	70.0	100,077	26.2
	$ 682,746	100.0 %	$ 546,865	100.0 %	$ 135,881	24.8 %

- The increase of $35.8 million in advertising revenues was primarily attributable to higher pricing and ad-supported streaming growth, and an increase in the number of episodes of our original programming, partially offset by lower ratings. Most of our advertising revenues vary based on the number and timing of our original programming series and the popularity of our programming as measured by Nielsen. Due to these factors, we expect advertising revenues to vary from quarter to quarter.

- The increase of $100.1 million in distribution and other revenues related to increases in both content licensing revenues and streaming services revenues, partially offset by a decrease in affiliate revenues. Content licensing revenues increased 60% due to a higher number of distributed original programs as compared to the prior comparable period as a result of earlier COVID-19 pandemic production delays. Subscription revenues increased 14% driven by an 83% increase in streaming services revenues attributable to subscriber growth. Subscription revenues vary based on the impact of renewals of affiliation agreements and streaming service subscription trends, and content licensing revenues vary based on the timing of availability of our programming to distributors. Because of these factors, we expect distribution revenues to vary from quarter to quarter.

International and Other

The increase in International and Other revenues, net was attributable to the following:

(In thousands)	Three Months Ended September 30, 2021	% of total	2020	% of total	$ change	% change
Advertising	$ 25,354	19.5 %	$ 18,924	17.0 %	$ 6,430	34.0 %
Distribution and other	104,586	80.5	92,474	83.0	12,112	13.1
	$ 129,940	100.0 %	$ 111,398	100.0 %	$ 18,542	16.6 %

The increase in advertising revenues is primarily related to higher pricing, better ratings and the favorable impact of foreign currency translation. The increase in distribution revenues related to the resumption of production activities at 25/7 Media and increased distribution at AMCNI, as well as the favorable impact of foreign currency translation.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization and impairments or write-offs 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 operating costs, such as origination, transmission, uplinking and encryption.

Technical and operating expense (excluding depreciation and amortization) increased $44.4 million to $378.3 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2021	2020	$ change	% change
Domestic Operations	$ 303,868	$ 260,330	$ 43,538	16.7 %
International and Other	77,333	77,356	(23)	—
Inter-segment eliminations	(2,937)	(3,870)	933	(24.1)
Total	$ 378,264	$ 333,816	$ 44,448	13.3 %
Percentage of revenues, net	46.7 %	51.0 %		

Domestic Operations

The increase in technical and operating expense of $43.5 million was due to an increase in program rights amortization attributable to an increase in the number of episodes of original programming as compared to the prior comparable period. There were no significant program write-offs for three months ended September 30, 2021. There was $19.7 million of program write-offs for three months ended September 30, 2020. Programming write-offs are based on management's periodic assessment of programming usefulness.

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 and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the film-forecast-computation method. As additional competition for programming increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase.

International and Other

Technical and operating expense was flat with an increase at 25/7 Media related to the resumption of production activities offset by a decrease in program rights write-offs at AMCNI as compared to the prior comparable period.

Selling, general and administrative expense

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

Selling, general and administrative expense increased $71.2 million to $220.0 million for the three months ended September 30, 2021, as compared to the three months ended September 30, 2020. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2021	2020	$ change	% change
Domestic Operations	$ 154,125	$ 87,025	$ 67,100	77.1 %
International and Other	31,043	26,044	4,999	19.2
Corporate / Inter-segment eliminations	34,843	35,700	(857)	(2.4)
Total	$ 220,011	$ 148,769	$ 71,242	47.9 %
Percentage of revenues, net	27.1 %	22.7 %		

Domestic Operations

Selling, general and administrative expense increased $67.1 million principally due to subscriber acquisition expenses related to our streaming services and higher advertising expenses.

There may be significant changes in the level of our selling, general and administrative expense from quarter to quarter and year to year due to the timing of promotions and marketing of original programming series.

International and Other

Selling, general and administrative expense increased $5.0 million, primarily related to increased selling expenses, including commissions at AMCNI.

Corporate / Inter-segment eliminations

The decrease in corporate charges is due primarily to lower administrative costs and stock-based compensation expense.

Depreciation and amortization

Depreciation and amortization expense decreased $4.1 million to $23.4 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	$ change	% change
Domestic Operations	$ 11,589	$ 15,799	$ (4,210)	(26.6)%
International and Other	5,200	4,937	263	5.3
Corporate / Inter-segment Eliminations	6,622	6,811	(189)	(2.8)
	$ 23,411	$ 27,547	$ (4,136)	(15.0)%

The decrease in depreciation and amortization expense in the Domestic Operations segment was primarily due to lower depreciation of equipment at our AMC Networks Broadcasting and Technology facilities.

Restructuring and other related charges

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 $4.4 million for the three months ended September 30, 2020 primarily related to severance associated with previously announced restructuring activities.

Operating Income (Loss)

(In thousands)	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	$ change	% change
Domestic Operations	$ 213,299	$ 179,259	$ 34,040	19.0 %
International and Other	15,564	3,061	12,503	408.5
Corporate / Inter-segment Eliminations	(40,537)	(42,843)	2,306	(5.4)
	$ 188,326	$ 139,477	$ 48,849	35.0 %

The increase in operating income at the Domestic Operations segment was primarily attributable to an increase in revenue of $135.9 million partially offset by increases in selling, general and administrative expense of $67.1 million and technical and operating expense of $43.5 million.

The increase in operating income at the International and Other segment was primarily attributable to an increase in revenues of $18.5 million, partially offset by an increases selling, general and administrative expense of $5.0 million.

AOI

The following is a reconciliation of our consolidated operating income to AOI:

(In thousands)	Three Months Ended September 30, 2021	2020	$ change	% change
Operating income	$ 188,326	$ 139,477	$ 48,849	35.0 %
Share-based compensation expense	9,455	12,394	(2,939)	(23.7)
Depreciation and amortization	23,411	27,547	(4,136)	(15.0)
Restructuring and other related charges	754	4,406	(3,652)	(82.9)
Majority-owned equity investees AOI	2,149	1,667	482	28.9
Cloud computing amortization	596	—	596	n/m
AOI	$ 224,691	$ 185,491	$ 39,200	21.1 %

AOI increased $39.2 million for the three months ended September 30, 2021 as compared to the three months ended September 30, 2020. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2021	2020	$ change	% change
Domestic Operations	$ 231,076	$ 205,614	$ 25,462	12.4 %
International and Other	22,109	8,917	13,192	147.9
Corporate / Inter-segment Eliminations	(28,494)	(29,040)	546	(1.9)
AOI	$ 224,691	$ 185,491	$ 39,200	21.1 %

The increases in AOI at the Domestic Operations and the International and Other segments were primarily due to the increase in revenues, partially offset by higher technical and operating expenses and higher selling, general, and administrative expenses.

As a result of the factors discussed above impacting the variability in revenues and operating expenses, we expect AOI to vary from quarter to quarter.

Interest expense, net

The decrease in interest expense, net of $1.3 million is primarily due to lower average interest rates on our outstanding senior notes.

Miscellaneous, net

Miscellaneous, net was income of $0.1 million for the three months ended September 30, 2021 as compared to income of $11.1 million for the three months ended September 30, 2020. The decrease in miscellaneous, net income of $11.1 million was primarily related 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 lower gains from marketable equity securities and investments.

Income tax expense

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 three months ended September 30, 2020, income tax expense was $52.2 million representing an effective tax rate of 43%. The effective tax rate differs from the federal statutory rate of 21% primarily due to tax expense resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, tax expense from foreign operations, state and local income tax expense, tax expense related to non-deductible compensation and tax expense relating to uncertain tax positions (including accrued interest). The increase in valuation allowance is primarily due to a change in judgement about the realizability of foreign net operating losses and other deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities (including the effect in available carryback and carryforward periods), projected taxable income, and tax-planning strategies in making this assessment.

Nine Months Ended September 30, 2021 Compared to Nine Months Ended September 30, 2020

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

	Nine Months Ended September 30,					
	2021		2020			
(In thousands)	**Amount**	**% of Revenues, net**	**Amount**	**% of Revenues, net**	**$ change**	**% change**
Revenues, net	$ 2,273,899	100.0 %	$ 2,034,681	100.0 %	$ 239,218	11.8 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	997,677	43.9	960,379	47.2	37,298	3.9
Selling, general and administrative	610,164	26.8	488,581	24.0	121,583	24.9
Depreciation and amortization	71,261	3.1	80,182	3.9	(8,921)	(11.1)
Impairment and other charges	158,973	7.0	130,411	6.4	28,562	21.9
Restructuring and other related charges	9,534	0.4	13,879	0.7	(4,345)	(31.3)
Total operating expenses	1,847,609	81.3	1,673,432	82.2	174,177	10.4
Operating income	426,290	18.7	361,249	17.8	65,041	18.0
Other income (expense):						
Interest expense, net	(90,060)	(4.0)	(94,007)	(4.6)	3,947	(4.2)
Loss on extinguishment of debt	(22,074)	(1.0)	(2,908)	(0.1)	(19,166)	n/m
Miscellaneous, net	19,634	0.9	(10,088)	(0.5)	29,722	(294.6)
Total other income (expense)	(92,500)	(4.1)	(107,003)	(5.3)	14,503	(13.6)
Net income from operations before income taxes	333,790	14.7	254,246	12.5	79,544	31.3
Income tax expense	(77,980)	(3.4)	(95,490)	(4.7)	17,510	(18.3)
Net income including noncontrolling interests	255,810	11.2	158,756	7.8	97,054	61.1
Net income attributable to noncontrolling interests	(22,253)	(1.0)	(13,488)	(0.7)	(8,765)	65.0
Net income attributable to AMC Networks' stockholders	$ 233,557	10.3 %	$ 145,268	7.1 %	$ 88,289	60.8 %

Domestic Operations Segment Results

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

(In thousands)	Nine Months Ended September 30, 2021 Amount	2021 % of Revenues, net	2020 Amount	2020 % of Revenues, net	$ change	% change
Revenues, net	$ 1,895,730	100.0 %	$ 1,721,690	100.0 %	$ 174,040	10.1 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	784,228	41.4	759,013	44.1	25,215	3.3
Selling, general and administrative	411,442	21.7	296,043	17.2	115,399	39.0
Depreciation and amortization	36,678	1.9	38,050	2.2	(1,372)	(3.6)
Impairment and other charges	143,000	7.5	—	—	143,000	n/m
Restructuring and other related charges	2,508	0.1	7,138	0.4	(4,630)	(64.9)
Operating income	$ 517,874	27.3 %	$ 621,446	36.1 %	$ (103,572)	(16.7)%
Share-based compensation expense	17,105	0.9	12,005	0.7	5,100	42.5
Depreciation and amortization	36,678	1.9	38,050	2.2	(1,372)	(3.6)
Impairment and other charges	143,000	7.5	—	—	143,000	n/m
Restructuring and other related charges	2,508	0.1	7,138	0.4	(4,630)	(64.9)
Majority-owned equity investees AOI	6,584	0.3	4,361	0.3	2,223	51.0
AOI	$ 723,749	38.2 %	$ 683,000	39.7 %	$ 40,749	6.0 %

International and Other Segment Results

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

(In thousands)	Nine Months Ended September 30, 2021 Amount	2021 % of Revenues, net	2020 Amount	2020 % of Revenues, net	$ change	% change
Revenues, net	$ 389,384	100.0 %	$ 326,908	100.0 %	$ 62,476	19.1 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	227,437	58.4	211,682	64.8	15,755	7.4
Selling, general and administrative	93,859	24.1	75,320	23.0	18,539	24.6
Depreciation and amortization	14,477	3.7	21,396	6.5	(6,919)	(32.3)
Impairment charges	15,973	4.1	130,411	39.9	(114,438)	(87.8)
Restructuring and other related charges	5,273	1.4	6,239	1.9	(966)	(15.5)
Operating loss	$ 32,365	8.3 %	$ (118,140)	(36.1)%	$ 150,505	(127.4)
Share-based compensation expense	2,689	0.7	2,437	0.7	252	10.3
Depreciation and amortization	14,477	3.7	21,396	6.5	(6,919)	(32.3)
Impairment and other charges	15,973	4.1	130,411	39.9	(114,438)	(87.8)
Restructuring and other related charges	5,273	1.4	6,239	1.9	(966)	(15.5)
AOI	$ 70,777	18.2 %	$ 42,343	13.0 %	$ 28,434	67.2 %

Revenues, net

Revenues, net increased $239.2 million to $2,273.9 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. The net change by segment was as follows:

	Nine Months Ended September 30,					
(In thousands)	**2021**	**% of total**	**2020**	**% of total**	**$ change**	**% change**
Domestic Operations	$ 1,895,730	83.4 %	$ 1,721,690	84.6 %	$ 174,040	10.1 %
International and Other	389,384	17.1	326,908	16.1	62,476	19.1
Inter-segment Eliminations	(11,215)	(0.5)	(13,917)	(0.7)	2,702	(19.4)
Consolidated revenues, net	$ 2,273,899	100.0 %	$ 2,034,681	100.0 %	$ 239,218	11.8 %

Domestic Operations

The increase in Domestic Operations revenues, net was attributable to the following:

	Nine Months Ended September 30,					
(In thousands)	**2021**	**% of total**	**2020**	**% of total**	**$ change**	**% change**
Advertising	$ 611,406	32.3 %	$ 564,838	32.8 %	$ 46,568	8.2 %
Distribution and other	1,284,324	67.7	1,156,852	67.2	127,472	11.0
	$ 1,895,730	100.0 %	$ 1,721,690	100.0 %	$ 174,040	10.1 %

- The increase of $46.6 million in advertising revenues was primarily attributable to higher pricing and ad-supported streaming growth, partially offset by a reduction in the number of episodes of our original programming and lower ratings. Most of our advertising revenues vary based on the number and timing of our original programming series and the popularity of our programming as measured by Nielsen. Due to these factors, we expect advertising revenues to vary from quarter to quarter.
- The increase of $127.5 million in distribution and other revenues was primarily related to a 17% increase in subscription revenues driven by an increase in subscribers to our streaming services as well as the current year beneficial impact of a distribution agreement renewal. Excluding the current year beneficial impact, subscription revenues increased 14%. The increase in subscription revenues was partially offset by a 5% decrease in content licensing revenues related to the number of distributed original programs as compared to the prior comparable period. Subscription revenues vary based on the impact of renewals of affiliation agreements and streaming service subscription trends, and content licensing revenues vary based on the timing of availability of our programming to distributors. Because of these factors, we expect distribution revenues to vary from quarter to quarter.

International and Other

The increase in International and Other revenues, net was attributable to the following:

	Nine Months Ended September 30,					
(In thousands)	**2021**	**% of total**	**2020**	**% of total**	**$ change**	**% change**
Advertising	$ 72,892	18.7 %	$ 53,097	16.2 %	$ 19,795	37.3 %
Distribution and other	316,492	81.3	273,811	83.8	42,681	15.6
	$ 389,384	100.0 %	$ 326,908	100.0 %	$ 62,476	19.1 %

The increase in advertising revenues is primarily related to higher pricing and an increase in ratings, as well as the favorable impact of foreign currency translation. The increase in distribution revenues related to the resumption of production activities at 25/7 Media and the favorable impact of foreign currency fluctuations at AMCNI.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization and write-offs 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.

Technical and operating expense (excluding depreciation and amortization) increased $37.3 million to $997.7 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. The net change by segment was as follows:

	Nine Months Ended September 30,			
(In thousands)	2021	2020	$ change	% change
Domestic Operations	$ 784,228	$ 759,013	$ 25,215	3.3 %
International and Other	227,437	211,682	15,755	7.4
Inter-segment Eliminations	(13,988)	(10,316)	(3,672)	35.6
Total	$ 997,677	$ 960,379	$ 37,298	3.9 %
Percentage of revenues, net	43.9 %	47.2 %		

Domestic Operations

The increase in technical and operating expense of $25.2 million was due to an increase in other direct program costs, partially offset by a decrease in program amortization primarily attributable to the mix of original programming as compared to the prior comparable period. There were no significant program write-offs for the nine months ended September 30, 2021. There was $31.6 million of program write-offs for nine months ended September 30, 2020. Programming write-offs are based on management's periodic assessment of programming usefulness.

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 and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the film-forecast-computation method. As additional competition for programming increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase.

International and Other

The increase in technical and operating expense of $15.8 million was primarily due to an increase at 25/7 Media related to the resumption of production activities.

Selling, general and administrative expense

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

Selling, general and administrative expense increased $121.6 million to $610.2 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. The net change by segment was as follows:

	Nine Months Ended September 30,			
(In thousands)	2021	2020	$ change	% change
Domestic Operations	$ 411,442	$ 296,043	$ 115,399	39.0 %
International and Other	93,859	75,320	18,539	24.6
Corporate / Inter-segment Eliminations	104,863	117,218	(12,355)	(10.5)
Total	$ 610,164	$ 488,581	$ 121,583	24.9 %
Percentage of revenues, net	26.8 %	24.0 %		

Domestic Operations

Selling, general and administrative expense increased $115.4 million principally due to higher advertising and subscriber acquisition expenses related to our streaming services.

There may be significant changes in the level of our selling, general and administrative expense from quarter to quarter and year to year due to the timing of promotions and marketing of original programming series.

International and Other

Selling, general and administrative expense increased $18.5 million primarily related to increased selling expenses, including commissions at AMCNI, partially offset by a decrease in administrative expense at 25/7 Media related to the temporary closure of comedy venues (until the spin-off in March 2021) as a result of the COVID-19 pandemic.

Corporate / Inter-segment eliminations

The decrease in corporate charges is due primarily to lower stock-based compensation expense and lower administrative costs.

Depreciation and amortization

Depreciation and amortization expense decreased $8.9 million to $71.3 million for the nine months ended September 30, 2021, as compared to the nine months ended September 30, 2020. The net change by segment was as follows:

	Nine Months Ended September 30,			
(In thousands)	**2021**	**2020**	**$ change**	**% change**
Domestic Operations	$ 36,678	$ 38,050	$ (1,372)	(3.6)%
International and Other	14,477	21,396	(6,919)	(32.3)
Corporate / Inter-segment Eliminations	20,106	20,736	(630)	(3.0)
	$ 71,261	$ 80,182	$ (8,921)	(11.1)%

The decrease in depreciation and amortization expense in the International and Other segment was primarily due to the lower carrying values of long-lived assets resulting from the impairment charge recognized in June 2020.

Impairment and other charges

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 consolidated cases were initially brought in 2013 and 2018 and the trial of the consolidated cases was scheduled to commence on April 4, 2022. The Settlement Agreement provides 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, 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.

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 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 following the spin-off.

In June 2020, as a result of the continuing impact of the COVID-19 pandemic, we qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. Based on our then current projections and updated forecasts, we determined that sufficient indicators of potential impairment of long-lived assets existed and, in connection with the preparation of the Company's second quarter financial information, the Company performed a recoverability test of certain long-lived asset groups within the AMCNI reporting unit. This resulted in an impairment charge of $105.3 million primarily related to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets. The Company then performed a goodwill impairment test and determined that the carrying value of the AMCNI reporting unit exceeded its fair value, resulting in an impairment charge of $25.1 million.

Restructuring and other related charges

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.

Restructuring and other related charges of $13.9 million for the nine months ended September 30, 2020 primarily consisted of charges at AMCNI of $6.2 million related to costs associated with termination of distribution in certain territories and charges of $7.6 million related to severance associated with previously announced restructuring activities.

Operating Income (Loss)

(In thousands)	Nine Months Ended September 30, 2021	2020	$ change	% change
Domestic Operations	$ 517,874	$ 621,446	$ (103,572)	(16.7)%
International and Other	32,365	(118,140)	150,505	(127.4)
Corporate / Inter-segment Eliminations	(123,949)	(142,057)	18,108	(12.7)
	$ 426,290	$ 361,249	$ 65,041	18.0 %

The decrease in operating income at the Domestic Operations segment was primarily attributable to the $143.0 million charge taken in connection with the Settlement Agreement discussed above, as well as increases in selling, general and administrative expense of $115.4 million and technical and operating expense of $25.2 million, partially offset by an increase in revenue of $174.0 million.

The increase in operating income at the International and Other segment was primarily attributable to a decreases in impairment and other charges of $114.4 million, as well as an increase in revenues of $62.5 million, partially offset by increases in technical and operating expense of $15.8 million, and selling, general and administrative expense of $18.5 million.

AOI

The following is a reconciliation of our consolidated operating income to AOI:

(In thousands)	Nine Months Ended September 30, 2021	2020	$ change	% change
Operating income	$ 426,290	$ 361,249	$ 65,041	18.0 %
Share-based compensation expense	39,163	43,141	(3,978)	(9.2)
Depreciation and amortization	71,261	80,182	(8,921)	(11.1)
Impairment and other charges	158,973	130,411	28,562	21.9
Restructuring and other related charges	9,534	13,879	(4,345)	(31.3)
Majority-owned equity investees AOI	6,584	4,361	2,223	51.0
Cloud computing amortization	1,502	—	1,502	n/m
AOI	$ 713,307	$ 633,223	$ 80,084	12.6 %

AOI increased $80.1 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020. The net change by segment was as follows:

(In thousands)	Nine Months Ended September 30, 2021	2020	$ change	% change
Domestic Operations	$ 723,749	$ 683,000	$ 40,749	6.0 %
International and Other	70,777	42,343	28,434	67.2
Corporate / Inter-segment Eliminations	(81,219)	(92,120)	10,901	(11.8)
AOI	$ 713,307	$ 633,223	$ 80,084	12.6 %

The increase in AOI at the Domestic Operations segment and the International and Other segment was primarily due to the increase in revenues partially offset by higher selling, general, and administrative expenses and higher technical and operating expenses.

As a result of the factors discussed above impacting the variability in revenues and operating expenses, we expect AOI to vary from quarter to quarter.

Interest expense, net

The decrease in interest expense, net of $3.9 million is primarily due to lower average interest rates on our outstanding senior notes.

Loss on extinguishment of debt

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.

In March 2020, we redeemed $200 million principal amount of the outstanding $600 million principal amount of our 4.75% Notes due December 2022. The loss on extinguishment of debt for the nine months ended March 31, 2020 of $2.9 million represents the redemption premium, the write-off of a portion of the unamortized discount and deferred financing costs.

Miscellaneous, net

The increase in miscellaneous income, net of $29.7 million for the nine months ended September 30, 2021 as compared to the nine months ended September 30, 2020 was primarily related to a favorable 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, as well as a net gain associated with various investments compared to the prior year.

Income tax expense

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.

For the nine months ended September 30, 2020, income tax expense was $95.5 million representing an effective tax rate of 38%. The effective tax rate differs from the federal statutory rate of 21% primarily due to tax expense resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, tax expense from foreign operations, state and local income tax expense, tax expense related to non-deductible compensation, partially offset by a tax benefit relating to uncertain tax positions (including accrued interest). The tax benefit relating to uncertain tax positions is primarily due to audit settlements and the filing of state income tax returns under voluntary disclosure agreements. The increase in valuation allowance is primarily due to a change in judgement about the realizability of foreign net operating losses and other deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities (including the effect in available carryback and carryforward periods), projected taxable income, and tax-planning strategies in making this assessment.

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.

Sources of cash primarily include cash flow from operations, 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.

On February 8, 2021, the Company issued $1.0 billion in aggregate principal amount of 4.25% senior notes due February 2029 (the “4.25% Notes due 2029”) and received net proceeds of $982.3 million, after deducting underwriting discounts and commissions and expenses. The Company used such proceeds to redeem (i) the remaining $400 million principal amount of the Company’s 4.75% senior notes due December 2022 and (ii) $600 million principal amount of the Company’s 5.00% senior notes due April 2024 on February 26, 2021 (the "Redemption Date"). The 4.75% senior notes due December 2022 were redeemed at a redemption price of 100.000% of the principal amount of such notes and the 5.00% senior notes due April 2024 were redeemed at a redemption price of 102.500% of the principal amount of such notes, in each case, plus accrued and unpaid interest to, but excluding, the Redemption Date.

On February 8, 2021, the Company entered into Amendment No. 1 (“Amendment No. 1”) to its existing credit agreement (the "Credit Agreement"). Amendment No. 1 extends the maturity dates of the $675 million term loan A facility and $500 million revolving credit facility under the Credit Agreement to February 8, 2026, and makes certain other amendments to the covenants and other provisions of the Credit Agreement.

Our Board of Directors has 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 nine months ended September 30, 2021, we did not repurchase any of our Class A common stock. As of September 30, 2021, we had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Our principal uses of cash include the acquisition and production of programming, investments and acquisitions, repurchases of outstanding debt and common stock, debt service, and payments for income taxes. Although impacted by the COVID-19 pandemic, 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, 2021, our consolidated cash and cash equivalents balance includes approximately $273.0 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 2020 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, 2021. 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, 2021.

Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) operating, investing and financing activities for the nine months ended September 30,:

	Nine Months Ended September 30,	
(In thousands)	**2021**	**2020**
Cash provided by operating activities	$ 43,984	$ 644,087
Cash provided by (used in) investing activities	30,880	(24,427)
Cash used in financing activities	(66,619)	(364,744)
Net increase in cash and cash equivalents	$ 8,245	$ 254,916

Operating Activities

Net cash provided by operating activities amounted to $44.0 million for the nine months ended September 30, 2021 as compared to $644.1 million for the nine months ended September 30, 2020. Net cash provided by operating activities for the nine months ended September 30, 2021 primarily resulted from $1,050.9 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, as well as a decrease in accounts receivable of $38.5 million and an increase in accounts payable of $12.1 million, which were partially offset by payments for program rights of $967.2 million, an increase in deferred carriage fees of $29.2 million, and an increase in prepaid expense and other assets of $62.8 million. Changes in all other assets and liabilities resulted in an increase of $1.7 million.

Net cash provided by operating activities amounted to $644.1 million for the nine months ended September 30, 2020 as compared to $400.4 million for the nine months ended September 30, 2019. Net cash provided by operating activities for the nine months ended September 30, 2020 primarily resulted from $1,087.2 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, which was partially offset by payments for program rights of $565.3 million, a decrease in accounts payable, accrued expenses and other liabilities of $49.3 million primarily related to lower employee related liabilities and an increase in deferred carriage fees payable of $15.1 million. In addition, net cash provided by operating activities increased as a result of a decrease in accounts receivable of $92.3 million, a decrease in prepaid expense and other assets of $79.1 million primarily related to a decrease in long-term receivables and an increase of $17.3 million in income taxes payable. Changes in all other assets and liabilities resulted in a decrease of $2.2 million.

Investing Activities

Net cash provided by (used in) investing activities for the nine months ended September 30, 2021 and 2020 was $30.9 million and $(24.4) million, respectively. For the nine months ended September 30, 2021, cash provided by investing activities 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. For the nine months ended September 30, 2020, cash used in investing activities included capital expenditures of $35.0 million, partially offset by partial proceeds received from the sale of an investment of $10.0 million. All other changes in investing activities resulted in an increase of $0.6 million.

Financing Activities

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 $34.6 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 $12.1 million and contributions from noncontrolling interests of $2.7 million.

Net cash used in financing activities amounted to $364.7 million for the nine months ended September 30, 2020 and primarily consisted of principal payments, net of proceeds, on long-term debt (including the redemption of $200 million of 4.75% Notes due 2022), of $236.5 million, purchases of our common stock of $102.9 million, taxes paid in lieu of shares issued for equity-based compensation of $8.9 million, distributions to noncontrolling interests of $14.0 million, and payments on finance leases of $2.4 million.

Contractual Obligations

As of September 30, 2021, our contractual obligations not reflected on the condensed consolidated balance sheet increased $31.1 million, as compared to December 31, 2020, to $1,043.0 million. The increase primarily relates to additional commitments 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, 2021 included $400 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

	Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020	
(In thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**
Revenues	$ —	$ 1,572,327	$ —	$ 1,403,731
Operating expenses	—	1,211,830	—	976,117
Operating income	$ —	$ 360,497	$ —	$ 427,614
Income before income taxes	$ 297,357	$ 422,489	$ 228,499	$ 341,365
Net income	233,556	415,950	145,268	334,838

Balance Sheet	September 30, 2021		December 31, 2020	
(In thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**
Assets				
Amounts due from subsidiaries	$ —	$ —	$ 25,749	$ 74,649
Current assets	7,412	1,151,051	35,424	1,291,630
Non-current assets	3,974,545	3,593,220	3,729,996	3,151,581
Liabilities and equity:				
Amounts due to subsidiaries	$ 1,126	$ 6,679	$ —	$ 27,091
Current liabilities	65,191	563,435	124,886	545,105
Non-current liabilities	3,079,738	330,247	3,023,726	300,449

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 2 to the Company's Consolidated Financial Statements included in our 2020 Form 10-K. There have been no significant changes in our significant accounting policies since December 31, 2020.

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2020 Form 10-K. There have been no significant changes in our critical accounting estimates since December 31, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Fair Value of Debt

Based on the level of interest rates prevailing at September 30, 2021, the carrying value of our fixed rate debt of $2.17 billion was less than its fair value of $2.22 billion by approximately $45.2 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, 2021 would increase the estimated fair value of our fixed rate debt by approximately $73.6 million to approximately $2.29 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.

As of September 30, 2021, we had $2.8 billion of debt outstanding (excluding finance leases), of which $0.7 billion is outstanding under our loan facility and is subject to variable interest rates (before consideration of the interest rate swaps contracts described below).

As of September 30, 2021, we had interest rate swap contracts outstanding with notional amounts aggregating $100 million. The aggregate fair value of interest rate swap contracts at September 30, 2021 was a net liability of $0.6 million. As a result of these transactions, the interest rate paid on approximately 80% of our debt (excluding finance leases) as of September 30, 2021 is effectively fixed (77% being fixed rate obligations and 3% effectively fixed through utilization of these interest rate swap contracts).

A hypothetical 100 basis point increase in interest rates prevailing at September 30, 2021 would not have a material impact on our annual interest expense.

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 a $0.4 million loss for the three months ended September 30, 2021 and a $6.1 million gain for the nine months ended September 30, 2021 related to foreign currency transactions. Such amounts are included in miscellaneous, net in the condensed consolidated statement of income.

To manage foreign currency exchange rate risk, we may 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, 2021, 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, 2021, 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, 2021, the Company did not repurchase any of its Class A common stock. As of September 30, 2021, 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	Amendment, dated August 23, 2021, to Amended and Restated Employment Agreement, dated December 11, 2020, by and between AMC Networks Inc. and Joshua W. Sapan
10.2	Employment Agreement, dated August 23, 2021, by and between AMC Networks Inc. and Matthew Blank
10.3	Employment Agreement, dated August 24, 2021, by and between AMC Networks Inc. and Michael J. Sherin III
10.4	Separation Agreement, dated September 28, 2021, by and between AMC Networks Inc. and Edward A. Carroll
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 5, 2021	By: /s/ Christina Spade
	Christina Spade
	Executive Vice President and Chief Financial Officer

August 23, 2021

Mr. Joshua W. Sapan
AMC Networks Inc.
Eleven Pennsylvania Plaza
New York, NY 10001

Re: AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT

Dear Josh:

This letter (the "Amendment"), effective upon the date hereof, hereby amends your amended and restated employment agreement dated December 11, 2020 (the "A&R Employment Agreement") with AMC Networks Inc. (the "Company"). Unless otherwise expressly set forth in this Amendment, capitalized terms used herein but not otherwise defined in this Amendment shall have the meanings given such terms in the A&R Employment Agreement.

1. The fifth sentence of Paragraph 1 of the A&R Employment Agreement is hereby amended and restated in its entirety as follows:

   Either you or the Company may, upon written notice to the other at any time, change your title to Executive Vice Chairman effective no earlier than September 8, 2021.

2. The last sentence of Paragraph 10 of the A&R Employment Agreement is hereby amended to delete "for the 2022 calendar year".

3. The definition of "Good Reason" in Annex A is hereby amended and restated in its entirety as follows:

Termination for "Good Reason" means that, except as otherwise provided and agreed in this Agreement, (1) without your consent, (A) your base salary or bonus target as an employee is reduced, (B) the Company requires that your principal office be located more than fifty miles from Manhattan, (C) the Company materially breaches its obligations to you under this Agreement, (D) prior to September 8, 2021, you are no longer the President and Chief Executive Officer of the Company, or beginning on September 8, 2021, your title is no longer Executive Vice Chairman, (E) you report directly to someone other than the Executive Chairman (if any) or Chairman of the Board of Directors of the Company, or (F) your responsibilities are materially diminished, (2) you have given the Company written notice, referring specifically to this definition, that you do not consent to such action, (3) the Company has not corrected such action within 15 days of receiving such notice, and (4) you voluntarily terminate your employment within 90 days following the happening of the action described in subsection (1) above.

4. Paragraph 29 is added as follows:

Subject to the terms set forth herein, in each of the 2023 and 2024 calendar years, the Company shall acquire at least three films from those submitted by you, provided that you have submitted an appropriate number of films each year (*i.e.*, at least six), with the Company receiving exclusive North American rights for all manner of exclusive exploitation, including without limitation, theatrical, linear and all currently and then existing forms of streaming. The price for each such acquired film shall be $900,000, which amount will assist you in financing and producing such films. You may submit films with a higher price, but the Company shall be under no obligation to acquire a film with a price in excess of $900,000.

You shall submit films for acceptance and approval of type and quality consistent with those historically acquired by the Company, pursuant to guidance from the Company in advance as to the type of films the Company is interested in acquiring. You shall submit in writing the proposed films (with such information regarding the films as may be reasonably requested by the Company's acquisition executives), and will work with the Company's acquisition executives to shape the film if it is acquired by the Company and initiated at the script stage. If the Company rejects a film that is submitted by you, you shall submit an alternative film of comparable or better quality. The Company shall be permitted to reject up to three proposed films for each of the 2023 and 2024 calendar years for any reason or for no reason. For the avoidance of doubt, the Company shall not be obligated to acquire films unless you comply with the submission requirements set forth herein.

5. By signing below, you hereby give written notice to the Company, in accordance with Paragraph 1 of the A&R Employment Agreement as hereby amended, of your election to change your title to Executive Vice Chairman effective September 8, 2021 (the "Effective Date"). The provisions of the A&R Employment Agreement applicable to your service as Executive Vice Chairman shall apply as of the Effective Date. For the avoidance of doubt, your transition from President and Chief Executive Officer to Executive Vice Chairman, including any change to your powers, responsibilities, duties and authority as well as compensation, shall not constitute Good Reason under the A&R Employment Agreement or any other arrangement between you and the Company.

6. Except as expressly set forth in this Amendment, the A&R Employment Agreement shall remain in full force and effect. This Amendment shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within that state. The following provisions of the A&R Employment Agreement shall be incorporated into, and be effective *mutatis mutandis* with respect to, this Amendment as if set forth herein in their entirety: Paragraphs 22, 24 and 25. This Amendment may be executed in several counterparts (including, without limitation, by facsimile, PDF or electronic transmission), each of which will be deemed an original, and such counterparts will constitute one and the same instrument.

AMC NETWORKS INC.

By:
Title:

/s/ James G. Gallagher
By: James G. Gallagher
Title: EVP & General Counsel

Accepted and Agreed:

Joshua W. Sapan

/s/ Joshua W. Sapan
Joshua W. Sapan

August 23, 2021

Mr. Matthew Blank
AMC Networks Inc.
11 Penn Plaza
New York, NY 10001

Re: <u>Employment Agreement</u>

Dear Matthew:

This letter (the "*Agreement*") will confirm the terms of your employment by AMC Networks Inc. (the "*Company*") as an at will employee with the title of Interim Chief Executive Officer, reporting to the Chairman of the Board of Directors of the Company. This Agreement will be effective as of September 8, 2021 (the "*Effective Date*").

The term of this Agreement (the "*Term*") shall commence as of the Effective Date and shall automatically expire on the first anniversary of the Effective Date (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, professional and skillful manner and in accordance with applicable law and the Company's policies and procedures. Notwithstanding the foregoing, nothing herein shall preclude you from engaging in the activities set forth in *Annex I*; *provided, however*, that the activities in connection with such service shall be limited by you so as not to materially interfere with the performance of your duties and responsibilities hereunder, including compliance with the covenants set forth in *Annex II*.

Beginning on the Effective Date, your annual base salary will be $2,000,000. You will also participate in our discretionary annual bonus program with an annual target bonus opportunity equal to two hundred percent (200%) of salary, pro rated for any partial years. Bonus payments are based on actual salary dollars earned during the year and depend on a number of factors including Company, unit and individual performance and will be subject to increase only at the discretion of the Compensation Committee of the Board of Directors of the Company (the "*Compensation Committee*"). 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 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, 2022, if any, even if you are not employed on the date of payment of such bonus and 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 the fiscal year as determined by the Company in its sole discretion.

In addition, on the Effective Date you will be granted a one-time special award of restricted stock units with an aggregate value of $5,000,000 (the "<u>*Special Equity Award*</u>"). The number of restricted stock units comprising the Special Equity Award shall be determined by dividing $5,000,000 by the average closing price of a share of Class A Common Stock of the Company for the 20 trading days prior to the date of grant. The Special Equity Award will vest upon the Expiration Date. For the avoidance of doubt, you will not be eligible to participate in the Company's long-term bonus or incentive programs.

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 II* 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 an agreement satisfactory to the Company, which 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 II* attached hereto (the "*Early Termination Agreement*"), the Company will provide you with the following:

(1) A cash payment in an amount equal to your base salary for the period from the date your employment so terminates (the "*Termination Date*") through the Expiration Date and such payment shall be payable to you in a lump sum on the 90th day after the Termination Date;
(2) A full bonus based on the amount of your base salary earned by you during the fiscal year in which your employment so terminates (including the base salary payable pursuant to section (1) above), *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;
(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) Each of your restricted stock units granted pursuant to the Special Equity Award shall immediately vest in full and shall be payable to you on the 90th day after the Termination Date.

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 awards shall be treated in accordance with their terms and, other than as provided in this Agreement, you shall not be eligible for termination 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 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 Early Termination Agreement, you or your estate or beneficiary shall be provided with the following:

(1) 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

(2) 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.

(3) Each of your restricted stock units granted pursuant to the Special Equity Award shall immediately vest in full and shall be payable to you on the 90th day after termination of your employment.

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 Early Termination 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, 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* and *Annex II* 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 is reduced, (B) the Company requires that your principal office be located more than fifty miles from Manhattan, (C) the Company materially breaches its obligations to you under this Agreement, (D) you are no longer the Chief Executive Officer of the Company (whether with or without your consent), (E) you report to someone other than the Chairman of the Company's Board of Directors, or (F) your responsibilities are materially diminished, (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, <u>and</u> (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 and replaces any and all prior discussions, understandings or arrangements regarding the subject matter herein.

AMC NETWORKS INC.

By: /s/ Jamie Gallagher
Name: Jamie Gallagher
Title: Executive Vice President &
General Counsel

ACCEPTED AND AGREED:

By: /s/ Matthew Blank
Name: Matthew Blank

Date: August 23, 2021

ANNEX I

This Annex constitutes part of the Agreement dated August 23, 2021, by and between Matthew Blank (“*You*”) and AMC Networks Inc. (the “*Company*”). Terms defined in the Agreement shall have the same meanings in this Annex.

You shall not be precluded from engaging in the following activities:

a. Serving as a member of the board of directors of Cumulus Media, Inc.
b. Serving as a member of the board of directors of CuriosityStream Inc.
c. Serving as a senior advisor to The Raine Group, LLC
d. Serving as an advisor to D&Z Media Acquisition Corp.
e. Serving as a Producer for Paradise Square (Broadway Musical)
f. Serving as Executive Producer on several sports/social justice related limited series with Disney for which work is currently in process (no confirmed pickups at this time)

ANNEX II

This Annex constitutes part of the Agreement dated August 23, 2021, by and between Matthew Blank ("*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) <u>Agreement</u>. 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) <u>Confidential and Proprietary Information</u>. 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.

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 termination 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 24, 2021

Michael J. Sherin III
c/o AMC Networks Inc.
11 Penn Plaza
New York, New York 10001

Re: Employment

Dear Mike:

I am pleased to forward this letter agreement (the “Agreement”) setting forth the terms of your continued employment with AMC Networks Inc. which, together with its subsidiaries, and affiliates, is referred to herein as the “Company.”

The term of this Agreement shall commence as of the date it is executed by you and the Company (the “Effective Date”), and shall automatically expire on the three-year anniversary of the Effective Date (the “Expiration Date”).

As of the Effective Date, you will be employed in the position of Executive Vice President and Chief Accounting Officer. You agree to devote substantially all of your business time and attention to the business and affairs of the Company and shall perform your duties in a diligent, competent and skillful manner and in accordance with applicable law.

Beginning on the Effective Date, your annual base salary will be not less than $400,000, subject to annual review and potential increase by the Compensation Committee of the Board of Directors of AMC Networks Inc. (the “Compensation Committee”), in its discretion.

You will also continue to be eligible to participate in our discretionary annual incentive bonus program (“AIP”). Beginning on the Effective Date, your annual target bonus opportunity will be equal to forty percent (40%) of salary. Bonus payments are based on actual salary dollars paid during the year and 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. Such bonus shall be earned, only if and when actually paid to, and received by, you.

You will also continue to be eligible, 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. Beginning with awards granted in 2022, it is expected that such awards will consist of annual grants of cash and/or equity awards with an annual target value of not less than $340,000, as determined by the Compensation Committee. For calendar year 2021, you have previously received grants of restricted stock units and cash performance awards with a combined target value of $225,000. In addition to said grants, in October 2021, you will be recommended to the Compensation Committee for additional grants of long-term incentive awards with a total target value of $115,000, which grants will be comprised of a one-time award of restricted stock units with a target value of $20,000 and a one-time award of cash performance awards with a target value of $95,000. 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; *provided*, *further*, that for the purposes of this provision, the Company's Chief Executive Officer shall not be deemed a "similarly situated executive."

You will also be eligible for 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. We currently offer medical, dental, vision, life, and accidental death and dismemberment insurance; short and long-term disability insurance; a savings and retirement program, and paid holidays. 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.

If, prior to the Expiration Date, your employment is involuntarily terminated by the Company for reasons other than "*Cause*," then subject to your execution and the effectiveness of a severance agreement (the "Severance Agreement") to the Company's satisfaction (to include, without limitation, non-compete (limited to one year), non-disparagement, non-solicitation, confidentiality and further cooperation obligations/restrictions on you as well as a general release by you of the Company and its affiliates), you will be paid no less than an amount (the "Severance Amount") equal to:

1) One and one-half (1.5) times the sum of your annual base salary and annual target bonus opportunity each as in effect on the effective date of your termination (the "Termination Date"). Sixty percent (60%) of the payment provided for in this paragraph (the "First Payment") will be payable to you on the six-month anniversary of the Termination Date and the remaining forty percent (40%) 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; *plus*

2) A prorated annual bonus based on the amount of your then current annual 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 Company in its discretion, but without adjustment for your individual performance; *and*

3) If, as of the Termination Date, 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 Company, but without adjustment for your individual performance.

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 (3).

In connection with any termination of your employment, your then outstanding long-term 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 long-term 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).

For purposes of this Agreement, “*Cause*” means, as determined by the Company, 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 any crime involving moral turpitude or any felony.

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

This Agreement does not constitute a guarantee of employment for any definite period or on any specific terms. Your employment is at will and may be terminated by you or the Company at any time, with or without notice or reason. The Company may withhold from any payment due to you 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, as amended (the “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.

It is intended that this Agreement will comply with Section 409A of the Code (together with the applicable regulations thereunder, “Section 409A”) and to the extent the Agreement is subject thereto, the Agreement shall be interpreted on a basis consistent with such intent. If and to the extent that any payment or benefit under this Agreement, or any plan, award or arrangement of the Company or its affiliates, constitutes “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 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) as set forth herein. 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 the manner set forth in this Agreement. Any such payment or benefit shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payments.

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.

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.

To the extent permitted by law, you hereby waive any and all rights to the jury trial with respect to any matter relating to this Agreement.

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 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 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 hereby agree that mailing of 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.

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. 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. It is the parties' intention that this Agreement not be construed more strictly with regard to you or the Company.

This Agreement sets forth the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof.

This Agreement will automatically terminate, and be of no further force or effect, on the earlier of (a) August 30, 2021 if it is not acknowledged by you below prior to such date, or (b) the Expiration Date (except as to any right that accrued prior to such date to receive the Severance Amount subject to the execution and effectiveness of the Severance Agreement); provided, however, that the confidentiality obligations set forth herein and the covenants and agreements set forth in the 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.

We continue to appreciate your ongoing services to the Company and look forward to your execution of this Agreement.

Sincerely,

/s/ Christina Spade

Christina Spade

Executive Vice President and Chief Financial Officer

AMC Networks Inc.

ACCEPTED AND AGREED TO:

/s/ Michael J. Sherin III__________

Michael J. Sherin III

8/24/2021_________________

Date

ANNEX

This Annex constitutes part of the Agreement, dated August 24, 2021, by and between Michael J. Sherin III ("*You*") and 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), and (2) you are authorized to disclose this Agreement and its terms to your legal, financial and tax advisors or to members of your immediate family so long as such advisors and family members agree to maintain the confidentiality of the 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, officers, directors, 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 anything contained elsewhere in this Agreement, you are authorized to make any disclosure required of you by any federal, state or local laws or judicial, arbitral or governmental agency proceedings, including, but not limited to, providing truthful testimony concerning the Company or its affiliates as required by court order or other legal process; after providing the Company with prior written notice and an opportunity to respond prior to such disclosure. In addition, this Agreement in no way restricts or prevents you from providing truthful testimony concerning the Company to judicial, administrative, regulatory or other governmental authorities.

By signing this Agreement, you acknowledge that you have been advised that pursuant to the federal Defend Trade Secrets Act of 2016, you may not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret: (i) in confidence, to a federal, state, or local government official, or to your attorneys, for the purpose of reporting or investigating a suspected violation of the law; or (ii) in a complaint or other court document filed in connection with a lawsuit or court proceeding, provided that said filing is made under seal. In addition, you acknowledge that you have been advised that if you file an action for retaliation against the Company for reporting a suspected violation of law, you may disclose a trade secret to your attorneys and use the trade secret in connection with the court proceeding provided that you: (i) file any document containing the trade secret under seal; and (ii) do not disclose the trade secret, 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 (1) any person, entity or business that (i) competes with any of the Company's or any of its affiliates' programming, distribution or other existing businesses, internationally, 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.

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.

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 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 agreements 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.

September 28, 2021

Mr. Edward A. Carroll

Dear Ed:

As we have discussed, AMC Networks Inc. (the “Company”) hereby waives the requirement in paragraph 12, clause (iii) (such clause, the “Termination Provision”) of your employment agreement dated October 13, 2016 (your “Employment Agreement”) that you give at least six months advance written notice of your intent to terminate your employment under such Termination Provision. By signing this Agreement (this “Agreement”), you hereby give notice of your intent to terminate your employment under the Termination Provision such that your last day of employment will be December 31, 2021.

In consideration for your signing this Agreement and the General Release attached hereto as Exhibit A (the “General Release”), and complying with their terms, the Company has agreed to: (i) continue your employment on the terms and conditions set forth herein through the earlier of: (a) December 31, 2021, or (b) the date your employment is terminated for “Cause”, and (ii) provide you with the Separation Benefits (as defined in Section 2(a), below) on the terms forth in this Agreement. The date your employment ends as set forth herein is referred to as the “Separation Date.”

To continue in your employment until the Separation Date and to be eligible to receive the Separation Benefits set forth in Section 2, below, you must: 1) digitally sign this Agreement no later than October 8, 2021; and 2) digitally sign the General Release, attached hereto as Exhibit A, no later than 21 days following the Separation Date**, but not before the Separation Date**. This Agreement shall become automatically null and void unless it is digitally signed by you and received by Jamie Gallagher on or prior to October 8, 2021, and not thereafter revoked in accordance with Section 12 of this Agreement.

You acknowledge and agree that the Separation Benefits being provided to you herein (including employment through the Separation Date) are in exchange for your promises, representations, releases, agreements and obligations contained herein and in the General Release, and are valuable and sufficient consideration. Now, therefore, you and the Company agree as follows:

1. Continued Employment/Termination of Employment/Effect on Benefits

(a) Continued Employment. Subject to the terms and conditions set forth in this Agreement, your employment will continue through December 31, 2021, unless your employment is terminated earlier for “Cause” as defined in your Employment Agreement. Effective as of October 1, 2021, you resign from the Chief Operating Officer position and, through the end of your employment, agree that you will have such roles and reporting and responsibilities as are assigned to you from time to time and you agree to perform those services reasonably requested of you by the Company, if any. As of the date of this Agreement, you will no longer be eligible for any awards or bonuses offered under any plan or program of the Company, or any predecessor plan or program except as provided herein. In the event you secure employment with a third party while you are employed by the Company following the date hereof and prior to December 31, 2021, you will promptly notify the Company of such employment if the commencement date of such employment is prior to December 31, 2021, and you will voluntarily terminate your employment with the Company prior to commencement of any work for such third party.

(b) Cause. If the Company terminates your employment for "Cause", you will not be eligible to receive the Separation Benefits set forth in Section 2 below.

(c) Termination of Employment. Your employment will terminate as of the Separation Date. As of that date, you will cease to accrue credit toward vacation, pension vesting or any other benefits.

(d) Return of Company Property. As of the Separation Date, you shall return to the Company all of the Company's property, including, without limitation, Confidential and Proprietary Information (as defined in Section 5(b) below), office keys, Company identification cards, access, press and other passes, and all documents, files, equipment, computers, laptops, printers, iPads, credit cards, computer software, access materials and other property prepared by, for or belonging to the Company (all of such property being referred to herein as "Company Property"). You acknowledge and agree that: (i) other than for authorized Company business prior to the Separation Date, you have not and will not utilize the Company Property or make or retain any copies, duplicates, reproductions or excerpts of the Company Property, and (ii) after the Separation Date you will not access or utilize in any manner any of the Company Property, including, without limitation, its electronic communications systems or any information contained therein.

(e) Health Coverage. Except as provided in Section 2 below, our Company-sponsored medical, dental and/or vision coverage will cease as of the last day of the month in which the Separation Date occurs. You, and, as applicable, your eligible dependents, may be eligible to obtain continuation coverage for a period of time thereafter pursuant to the federal COBRA statute by returning an election form and paying the required premiums on a timely basis. Further details regarding COBRA coverage and any necessary forms will be sent to you under separate cover.

(f) Life, Disability and AD&D Insurance. Your company-sponsored life, long-term disability and accidental death and dismemberment ("AD&D") insurance coverage will cease as of the Separation Date. There is a thirty-one (31) day grace period after the Separation Date during which you may convert your company-sponsored life insurance coverage to a private policy. You may continue to receive such coverage by completing the applicable notice of conversion privilege form (if requested by you) and complying with the applicable requirements. Upon request, this form will be sent to you under separate cover.

(g) Retirement Plans. Any vested benefits that you may have accrued under the AMC Networks 401(k) Savings Plan, any predecessor plan, or any other company-sponsored retirement plan (the "Retirement Plans") will be treated in accordance with the terms of those Plans, as explained in the summary plan descriptions you have previously received. Any vested benefits that you may have accrued under the AMC Networks Excess Savings Plan, any predecessor plan, or any other deferred compensation plan (the "Deferred Compensation Plans") shall be payable in accordance with the terms of those Plans, as explained in the summary plan descriptions you have previously received. As a result of the termination of your employment on the Separation Date, pursuant to the terms and conditions of the Retirement Plans and/or Deferred Compensation Plans, you will forfeit all benefits that are not vested as of the Separation Date. You may obtain additional copies of the summary plan descriptions from the Corporate Benefits Department.

(h) Outstanding Awards. Except as provided in Section 2 below, as of the Separation Date all currently outstanding awards previously granted to you under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan, AMC Networks Inc. 2016 Executive Cash Incentive Plan, an applicable award agreement or any other predecessor or similar plans or agreements (collectively, "Awards"), will be treated in accordance with their terms, the Employment Agreement and this Agreement. The Company hereby acknowledges that the performance metrics applicable to the Special Equity Award (as provided under your Employment Agreement) have been satisfied.

(i) Unemployment. You may be eligible for unemployment benefits. You should contact your local unemployment agency.

2. Separation Benefits:

(a) Description of Separation Benefits. Following the occurrence of the Separation Date, and provided that: (i) your employment has not been terminated for "Cause"; (ii) you have complied with all of the terms, conditions and obligations applicable to you under this Agreement; (iii) you return one digitally signed copy of the General Release to the Company within twenty-one (21) days following the Separation Date, **but not before the Separation Date**, and (iv) you do not revoke the General Release during the seven (7) day revocation period following your execution of it (the "General Release Revocation Period"), then, subject to the terms and conditions set forth in this Agreement, (A) the Company will provide you with the benefits and rights on the terms as set forth in Sections 9(B) through 9(F) of the Employment Agreement and, for purposes of Section 9(D) of the Employment Agreement, each of the long-term cash incentive awards that you hold as of the Separation Date that are scheduled to vest in calendar years 2023 and 2024 shall be deemed earned on the regularly scheduled vesting dates at the target performance level; and (B) subject to your timely election of benefits, the Company will arrange for continuation of your medical, dental and/or vision coverage for you, and, as applicable, your eligible dependents, at no cost to you for up to twenty-four (24) months or until such earlier date on which you become eligible for health coverage from another employer (of which eligibility you hereby agree to give prompt notice to the Company) (collectively, the "Separation Benefits"). If this agreement to provide continuation coverage raises any compliance issues or impositions of penalties under the Patient Protection and Affordable Care Act or other applicable law, then you and the Company agree to modify this Agreement so that it complies with the terms of such laws.

(b) Continued Compliance. Without waiver of the Company's remedies for any breach of this Agreement or the General Release, all amounts and other benefits due to you hereunder (including, without limitation, your continued employment described in Section 1(a) herein) are expressly conditioned on your not, at any time, being in breach of this Agreement, the Employment Agreement or the General Release.

(c) No Other Separation Benefits. The Separation Benefits represent a complete settlement, release and waiver of any claims for allegedly lost wages, benefits, bonuses, or other compensation, mental, physical or other personal injuries, pain and suffering, and costs in connection with any other relief you may seek or claim you may have against the Company. Except as expressly referenced in this Agreement, you hereby confirm that all monies due to you, including, but not limited to, all wages earned, sick pay, personal leave pay and/or vacation pay, previously have been paid. You agree that no other monies or relief are due to you, other than: i) the payments provided for in this Agreement in consideration of your general release of all claims that you have, may have or may have had against the Releasees (as defined in Section 3(a) below); and ii) any base salary that you earn and benefits that you accrue for work performed from the date of your execution of this Agreement through the Separation Date.

3. Release

(a) You, on behalf of yourself, your heirs, executors, administrators and/or assigns, do hereby release and discharge the Company, together with its direct and indirect parent corporation, subsidiaries, affiliates, joint ventures, partners, and related entities, past, present and future, and its or their predecessors, successors and assigns (collectively, the “Company”), and its or their officers, directors, employees, consultants, agents, insurers, reinsurers, shareholders, representatives and assigns, past, present and future (collectively with the Company, the “Releasees”), of and from any and all legally waivable suits, debts, complaints, claims, liabilities, demands or causes of action, or any right to any other monetary recovery or personal relief, known or unknown, of whatever nature, which you, or any of your heirs, executors, administrators, and assigns ever had or now have against each or any of the Releasees, based upon or arising from any fact or set of facts, whether known or unknown to you, from the beginning of time to the date of execution of this Agreement, including, without limitation, any and all claims arising out of or relating to your employment by the Company or the separation of your employment. Without limiting the generality of the foregoing, this Release includes any claim or right based upon or arising under any federal, state or local fair employment practices or equal opportunity laws, including, but not limited to, any and all claims under the Age Discrimination in Employment Act of 1967 (“ADEA”), the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, Section 1981 of the Civil Rights Act of 1870, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the Worker Adjustment and Retraining Notification Act, the Family Medical Leave Act, the Genetic Information Nondiscrimination Act, the New York Human Rights Law, the New York Labor Law, the New York Executive Law, the New York Wage and Hour Laws, the New York Civil Rights Law, the New York Equal Pay Law, the New York Whistleblower Statute, the New York WARN Act, the New York Constitution, the New York City Human Rights Law, each as amended, and any and all other federal, state or local statutory or common law claims, now or hereafter recognized, including but not limited to, any claims for economic loss, compensatory damages, punitive damages, liquidated damages, attorneys’ fees, expenses and costs.

(b) Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by you of: (i) any claim or right based on any facts or set of facts that may arise after your execution of this Agreement; (ii) any claim or right you may have under this Agreement; (iii) any unemployment insurance claim; (iv) any workers’ compensation insurance benefits; (v) continued participation in certain benefits under COBRA (and any state law counterpart), if applicable; (vi) any claim for medical, hospital, surgical or physician’s services benefits arising under the Company's applicable health insurance plan(s); (vii) any claims that cannot be waived as a matter of law; or (viii) any claim for indemnification and D&O insurance pursuant to the Employment Agreement, applicable laws and the corporate governance documents of the Company or otherwise.

(c) This Agreement does not prevent or prohibit you from filing a claim with a federal, state or local government agency responsible for enforcing a law on behalf of the government, such as the Equal Employment Opportunity Commission ("EEOC"), the Department of Labor ("DOL"), the National Labor Relations Board ("NLRB"), the Securities Exchange Commission ("SEC"), or their applicable state and/or local equivalent. This Agreement also does not prevent you from exercising your rights under Section 7 of the National Labor Relations Act to engage in protected, concerted activity with other employees. To the fullest extent permitted by law, you agree that if any claim, charge, complaint or action against the Company covered by the release provision of this Agreement is brought by you, for your benefit, or on your behalf, you expressly waive any claim to any form of monetary or other damages, including attorneys' fees and costs, or any other form of personal recovery or relief from the Company based upon any such claim, charge, complaint or action, except for any right you may have to receive an award from a government agency (and not the Company) for information provided to a government agency. To the extent you receive any personal or monetary relief from the Company based on any such claim, charge, complaint or action, the Company will be entitled to an offset for the payments made pursuant to this Agreement. You further agree and covenant that should any person, organization, or other entity file, charge, claim, sue, or cause or permit to be filed any civil action, suit or legal proceeding, or if any person, organization, or other entity has filed, charged, claimed, sued, or caused or permitted to be filed any civil action, suit or legal proceeding, against any of the Releasees involving any matter occurring at any time in the past, you are not entitled to and will not seek or accept personal equitable or monetary relief in such civil action, suit or legal proceeding. You further agree and covenant that you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding asserted or brought against any of the Releasees.

(d) You affirm that you have reported to the Company in writing any work-related physical or mental injury, illness or impairment which you may have experienced.

(e) You further affirm that you have not been retaliated against for reporting any allegations of wrongdoing by the Company or its officers, including any allegations of corporate fraud.

(f) You further affirm that all of the Company's decisions regarding your pay and benefits through the date of your execution of this Agreement were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

4. [RESERVED]

5. Confidentiality

(a) Agreement. Except as set forth in Section 7, you hereby agree to keep the existence and terms of this Agreement confidential and not to disclose them to any persons other than to your legal, financial and/or tax advisors or to members of your immediate family (all of whom shall also be bound by the foregoing confidentiality covenant) or as required by law, rule, regulation or judicial process.

(b) Confidential and Proprietary Information. During the course of your employment, you have had access to Confidential and Proprietary Information (as defined below). You hereby represent, warrant and agree that (i) you have not taken, nor shall you take at any time, including after the Separation Date, any Confidential and Proprietary Information, and (ii) you shall retain in strict confidence and shall not use for any purpose whatsoever or divulge, disseminate, copy, disclose to any third party, or otherwise use any Confidential and Proprietary Information. As used in this Agreement, “Confidential and Proprietary Information” means any non-public information of a confidential or proprietary nature of any of the Releasees, including, without limitation: (i) information of a commercially sensitive, proprietary or personal nature or that, if disclosed, could have an adverse effect on any of the Releasees’ standing in the community, its or their business reputations, operations or competitive positions, (ii) information and documents that have been designated or treated as confidential, (iii) financial data; customer, guest, vendor or shareholder lists or data; advertising, business, sales or marketing information, plans, tactics and strategies; projects; technical or strategic information about any of the Company's businesses (including, but not limited to, cable television, on-line data, telephone, internet service provider, programming and programming ideas (including sports programming), advertising, theatrical, motion picture exhibition, production and distribution, entertainment or other businesses); plans or strategies to market or distribute the services or products of such businesses; economic or commercially sensitive information, policies, practices, procedures or techniques; trade secrets and other intellectual property; merchandising, advertising, marketing or sales strategies or plans; litigation theories or strategies; terms of agreements with third parties and third party trade secrets; information about any of the Releasees’ (to the extent applicable) employees, guests, agents, compensation (including, but not limited to, bonuses, incentives and commissions), or other human resources policies, plans and procedures, or any other non-public material or information relating to any of the Releasees, and (iv) any information (personal, proprietary or otherwise) you learned about any officer, director or member of management of the Company, whether prior, during or subsequent to your employment by the Company.

6. Additional Understandings

(a) Non-Disparagement. 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.

(b) Physical and Intellectual Property. 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 any other technical, business, financial, advertising, sales, marketing, customer or product or programming development plans, forecasts, strategies, information and materials (in any media 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 payment to you.

7. Exception for Disclosure Pursuant to Law

Nothing in this Agreement shall prohibit or restrict you from: (i) making any disclosure of information required or expressly protected by law, including providing truthful testimony if required to do so by court order or legal or administrative process; or (ii) cooperating, participating or assisting in any investigation or proceeding brought by any federal, state or local regulatory or law enforcement agency or legislative body, or any self-regulatory organization, or the Company’s legal, compliance or human resources officers. However, to the maximum extent permitted by law, you agree that if any administrative claim is made against the Company, you shall not be entitled to recover any individual monetary relief or other individual remedies.

In addition, you are hereby advised that pursuant to the federal Defend Trade Secrets Act of 2016, you may not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret: (i) in confidence, to a federal, state, or local government official, or to your attorneys, for the purpose of reporting or investigating a suspected violation of the law; or (ii) in a complaint or other court document filed in connection with a lawsuit or court proceeding, provided that said filing is made under seal. In addition, you are further advised that if you file an action for retaliation against the Company for reporting a suspected violation of law, you may disclose a trade secret to your attorneys and use the trade secret in connection with the court proceeding provided that you: (i) file any document containing the trade secret under seal; and (ii) do not disclose the trade secret, except pursuant to court order.

8. Further Cooperation

You agree to cooperate fully with the Company in connection with any matter with which you were involved prior to the Separation Date, or in any litigation or administrative proceedings or appeals (including any preparation therefor) where the Company believes that your personal knowledge, attendance and participation could be beneficial to the Company or its affiliates. Such cooperation shall include, but is not limited to, your providing truthful testimony by affidavit, deposition, testimony or otherwise in connection with a trial, arbitration or similar proceeding, upon the Company’s request. The Company will pay you for your services rendered under this provision at a rate of $6,800.00 per day or part thereof, within 30 days after 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.

9. <u>Non-Solicitation</u>

For a period of one (1) year after the Separation Date, 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. You hereby acknowledge that this Non-Solicitation provision is reasonable and necessary for the Company's legitimate protection of its business interests.

10. <u>Non-Competition</u>

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 (1) any person, entity or business that (i) competes with any of the Company's or any of its affiliate's programming, advertising, entertainment, theatrical, film production, motion picture exhibition 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, or (2) any trade or professional association representing any of the businesses covered by this paragraph, other than the National Cable Television Association and any state cable television association. 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 your employment with the Company is terminated by the Company for "Cause", or you resign for any reason, prior to the Expiration Date (as defined in the Employment Agreement). This agreement not to compete will not apply if your employment with the Company terminates on the Expiration Date as provided for in Section 1(c), and your employment has not been terminated for "Cause".

11. <u>Right to Counsel/Voluntary Waiver</u>

The Company advises you to consult with a lawyer before executing this Agreement and the General Release and you acknowledge that you: (i) have been provided with a period of at least twenty-one (21) days to consult with a lawyer prior to executing this Agreement and the General Release; (ii) have read this Agreement (including, but not limited to, the "Release" in Section 3(a) above) and the General Release; (iii) fully understand the terms of this Agreement and the General Release; (iv) understand that any modifications, material or otherwise made to this Agreement do not restart or affect in any manner the original up to twenty-one (21) day consideration period; and (v) have executed this Agreement knowingly and voluntarily and without coercion, whether express or implied.

12. **Revocation**

(a) Right to Revoke. You may revoke this Agreement within seven (7) days after the date on which you sign it. This Agreement will not be binding or enforceable until that seven (7) day period has expired. If you decide to revoke this Agreement, you must notify us of your revocation in a letter signed by you and received by Jamie Gallagher, no later than 5:00 p.m. on the seventh (7th) day after you signed this Agreement. A letter of revocation that is not received by the seventh (7th) day after you have signed the Agreement will be invalid and will not revoke this Agreement.

(b) Effective Date of Agreement. If you have not revoked this Agreement in accordance with Paragraph 12(a), above, the eighth (8th) day after the date on which you sign the Agreement shall be the "Effective Date" of the Agreement.

13. **Choice of Law/Forum/Waiver of Jury Trial/Contract Interpretation**

(a) This Agreement and the General Release shall be deemed to be made under, and in all respects shall be interpreted, construed and governed by and in accordance with, the laws of the State of New York without reference to its conflict of law principles.

(b) You 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 with respect to the interpretation and enforcement of the provisions of this Agreement and the General Release, and you 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 hereby agree that mailing of 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.

(c) You hereby waive any right to a jury trial on any issue in any controversy relating to, arising out of, pertaining to or affecting this Agreement, your employment by the Company and/or the termination of your employment, including, but not limited, to any federal or state statutory or common law claims, including, but not limited to, any right to a jury trial provided by statute, the Seventh Amendment to the United States Constitution, or any other authority.

(d) You agree that the language of all parts of this Agreement and the General Release shall be construed as a whole, and according to their fair meaning and not strictly for or against you or the Company.

14. **Additional Provisions**

(a) Breach of Agreement. You hereby acknowledge and agree that your breach or threatened breach of Sections 5, 6, 8, 9, or 10 of this Agreement will cause irreparable harm to the Company for which monetary damages alone will not provide an adequate remedy. Accordingly, the Company, in addition to any other rights or remedies available to it under this Agreement or otherwise, will be entitled to an injunction to be issued by any court of competent jurisdiction restraining you from committing or continuing any violation of these provisions, without the necessity of showing actual damage and without any bond or other security being required.

(b) Withholdings; 409A. The Company may withhold from any payment due hereunder any taxes that are required to be withheld under any law, rule or regulation. This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (together with the applicable regulations thereunder, "Section 409A"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A or to the extent any provision in this Agreement must be modified to comply with Section 409A, such provision will be read, or will be modified (with the mutual consent of the parties, which consent will not be unreasonably withheld), as the case may be, in such a manner so that all payments due under this Agreement will comply with Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of payment. If the Separation Date is before calendar year 2022 and, as a result of the General Release, any payment could be payable in 2021 or 2022, then such payment will be made in 2022. For purposes of Section 409A, each payment made under this Agreement will be treated as a separate payment.

(c) Non-Admission of Liability. The parties agree and acknowledge that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against any of the Releasees, are not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed, contractual or otherwise, by any of the Releasees to you.

(d) Entire Agreement. This Agreement, the Employment Agreement and the General Release set forth the entire agreement of the parties concerning its subject matter, and supersedes any and all prior agreements, discussions, understandings, promises and expectations. This Agreement may be modified only by a written instrument signed by you and by the Company. In the event of any inconsistency between the provisions of this Agreement and any other plan, program, practice or agreement in which you are a participant or a party, this Agreement shall control.

(e) Successors and Assigns. The provisions of this Agreement and the General Release shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided that you may not assign this Agreement and the General Release without the express written consent of the Company.

(f) Severability. In the event any paragraph, section, sentence, provision, or clause of this Agreement or the General Release, or portion thereof, shall be determined to be illegal, invalid, or unenforceable, the remainder of this Agreement and the General Release, and the remainder of any such paragraph, section, sentence, provision, or clause shall not be affected and shall be given full effect without regard to the illegal, invalid or unenforceable portion, provided, however, if Section 3(a) above or Section 3 of the General Release is held illegal, invalid or unenforceable, the Company shall be released from any obligations under Sections 1 and 2 above.

(g) Going Private Transaction/Change of Control. For the avoidance of doubt and notwithstanding any provision of this Agreement to the contrary, in the event of a "Going Private Transaction" or a "Change of Control", as such terms are defined in the respective agreements governing the Awards, or in the event of your death, you will be entitled to receive the more favorable vesting and payment provisions (if any) provided in such Awards.

15. <u>Acknowledgments and Waivers Including Express Waiver Under the ADEA</u>

By signing below, you certify and acknowledge as follows:

(a) That you have read the terms of this Agreement, and that you understand its terms and effects, including the fact that under this Agreement you have agreed to **RELEASE AND FOREVER DISCHARGE** the Releasees from any legal action arising out of or relating to your employment by the Company, up and through the date of your execution of this Agreement, including any and all claims relating to age discrimination under the ADEA;

(b) That you have signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which you acknowledge is adequate and satisfactory to you and which you acknowledge is in addition to any other benefits to which you are otherwise entitled;

(c) That you have been and are hereby advised in writing to consult with an attorney prior to signing this Agreement, and that you have been given an adequate opportunity to do so;

(d) That under this Agreement you do not waive rights or claims that may arise after the date this Agreement is executed;

(e) That the Company has provided you with a period of at least twenty-one (21) days within which to consider this Agreement, and that you have signed on the date indicated below after concluding that this Agreement is satisfactory to you;

(f) That any modifications, material or otherwise made to this Agreement do not restart or affect in any manner the original up to twenty-one (21) day consideration period; and

(g) That this Agreement may be revoked by you within seven (7) calendar days after you execute this Agreement, in accordance with Section 12(a) above, and it shall not become effective until the expiration of such seven (7) day revocation period.

We would like to thank you for your dedicated service to the Company and we wish you luck in your future endeavors.

Sincerely yours,

/s/ Jamie Gallagher
Jamie Gallagher
Executive Vice President and General Counsel

Accepted and Agreed to:

/s/ Edward A. Carroll
Edward A. Carroll

September 28, 2021
Date

EXHIBIT A

GENERAL RELEASE
[**to be signed & provided to Company on or after the Separation Date]**

Edward A. Carroll hereby agrees as follows:

1. I signed a Separation Agreement (the "Agreement") with AMC Networks Inc. (the "Company") dated September 28, 2021 attached hereto and made a part hereof. All defined terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Agreement.

2. As stated in the Agreement, I am required to execute this General Release in exchange for the Company's continuation of my employment through my Separation Date as defined in the Agreement and in order to be eligible to receive the Separation Benefits set forth in Section 2 of the Agreement. I understand that this General Release shall not be construed to supersede the Agreement, that the Agreement remains in full force and effect, and that I am obligated to continue to comply with the terms, conditions and obligations of the Agreement. I further understand that I may not execute this General Release prior to the Separation Date.

3. In consideration for the Company's continuation of my employment through the Separation Date and in order to be eligible to receive the Separation Benefits set forth in Section 2 of the Agreement, I, on behalf of myself, my heirs, executors, administrators and/or assigns, do hereby release and discharge the Company, together with its direct and indirect parent corporation, subsidiaries, affiliates, joint ventures, partners, and related entities, past, present and future, and its or their predecessors, successors and assigns (collectively, the "Company"), and its or their officers, directors, employees, consultants, agents, insurers, reinsurers, shareholders, representatives and assigns, past, present and future (collectively with the Company, the "Releasees"), of and from any and all legally waivable suits, debts, complaints, claims, liabilities, demands or causes of action, or any right to any other monetary recovery or personal relief, known or unknown, of whatever nature, which I, or any of my heirs, executors, administrators, and assigns ever had or now have against each or any of the Releasees, based upon or arising from any fact or set of facts, whether known or unknown to me, from the beginning of time to the date of my execution of this General Release, including, without limitation, any and all claims arising out of or relating to my employment by the Company or the separation of your employment. Without limiting the generality of the foregoing, this Release includes any claim or right based upon or arising under any federal, state or local fair employment practices or equal opportunity laws, including, but not limited to, any and all claims under the Age Discrimination in Employment Act of 1967 ("ADEA"), the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, Section 1981 of the Civil Rights Act of 1870, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the Worker Adjustment and Retraining Notification Act, the Family Medical Leave Act, the Genetic Information Nondiscrimination Act, the New York Human Rights Law, the New York Labor Law, the New York Executive Law, the New York Wage and Hour Laws, the New York Civil Rights Law, the New York Equal Pay Law, the New York Whistleblower Statute, the New York WARN Act, the New York Constitution, the New York City Human Rights Law, each as amended, and any and all other federal, state or local statutory or common law claims, now or hereafter recognized,

including but not limited to, any claims for economic loss, compensatory damages, punitive damages, liquidated damages, attorneys' fees, expenses and costs.

4. Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by me of: (i) any claim or right based on any facts or set of facts that may arise after my execution of this General Release; (ii) any claim or right I may have under this Release or the Agreement; (iii) any unemployment insurance claim; (iv) any workers' compensation insurance benefits; (v) continued participation in certain benefits under COBRA (and any state law counterpart), if applicable; (vi) any claim for medical, hospital, surgical or physician's services benefits arising under the Company's applicable health insurance plan(s); (vii) any claims that cannot be waived as a matter of law; or (viii) any claim for indemnification and D&O insurance pursuant to the Employment Agreement, applicable laws and the corporate governance documents of the Company or otherwise.

5. I hereby affirm that I have been advised that this General Release does not prevent or prohibit me from filing a claim with a federal, state or local government agency responsible for enforcing a law on behalf of the government, such as the Equal Employment Opportunity Commission ("EEOC"), the Department of Labor ("DOL"), the National Labor Relations Board ("NLRB"), the Securities Exchange Commission ("SEC"), or their applicable state and/or local equivalent. This General Release also does not prevent me from exercising my rights under Section 7 of the National Labor Relations Act to engage in protected, concerted activity with other employees. To the fullest extent permitted by law, I agree that if any claim, charge, complaint or action against the Company covered by the release provision of this General Release is brought by me, for my benefit, or on my behalf, I expressly waive any claim to any form of monetary or other damages, including attorneys' fees and costs, or any other form of personal recovery or relief from the Company based upon any such claim, charge, complaint or action, except for any right I may have to receive an award from a government agency (and not the Company) for information provided to a government agency. To the extent I receive any personal or monetary relief from the Company based on any such claim, charge, complaint or action, the Company will be entitled to an offset for the payments made pursuant to this General Release. I further agree and covenant that should any person, organization, or other entity file, charge, claim, sue, or cause or permit to be filed any civil action, suit or legal proceeding, or if any person, organization, or other entity has filed, charged, claimed, sued, or caused or permitted to be filed any civil action, suit or legal proceeding, against any of the Releasees involving any matter occurring at any time in the past, I am not entitled to and will not seek or accept personal equitable or monetary relief in such civil action, suit or legal proceeding. I further agree and covenant that I waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding asserted or brought against any of the Releasees.

6. Except as expressly referenced in the Agreement, I hereby confirm that all monies due to me, including, but not limited to, all wages earned, sick pay, personal leave pay and/or vacation pay, previously have been paid. I agree that no other monies or relief are due to me, other than the payments provided for in the Agreement in consideration of my execution of the Agreement and this General Release.

7. I affirm that I have reported to the Company in writing any work-related physical or mental injury, illness or impairment which I may have experienced.

8. I further affirm that I have not been retaliated against for reporting any allegations of wrongdoing by the Company or its officers, including any allegations of corporate fraud.

9. I further affirm that all of the Company's decisions regarding my pay and benefits through the date of my execution of this General Release were not discriminatory based on age, disability, race, color, sex, religion, national origin or any other classification protected by law.

10. By signing below, I certify and acknowledge as follows:

(a) I have read the terms of this General Release, and I understand its terms and effects, including the fact that I have agreed to **RELEASE AND FOREVER DISCHARGE** the Releasees from any legal action arising out of or relating to my employment by the Company or the termination of my employment by the Company, up and through the date of my execution of this General Release, including any and all claims relating to age discrimination under the ADEA;

(b) I have signed this General Release voluntarily and knowingly in exchange for consideration which I acknowledge is adequate and satisfactory to me and which I acknowledge is in addition to any other benefits to which I am otherwise entitled;

(c) I have been and am hereby advised in writing to consult with an attorney prior to signing this General Release, and that I have been given an adequate opportunity to do so;

(d) I do not waive rights or claims that may arise after the date this General Release is executed;

(e) That the Company has provided me with a period of at least twenty-one (21) days within which to consider this General Release, and that I have signed on the date indicated below after concluding that this General Release is satisfactory to me;

(f) That any modifications, material or otherwise made to this General Release do not restart or affect in any manner the original up to twenty-one (21) day consideration period; and

(g) That this General Release may be revoked by me within seven (7) calendar days after I execute it and it shall not become effective until the expiration of such seven (7) day revocation period. I further acknowledge that I must notify the Company of my revocation of this General Release in a letter signed by me and received by Jamie Gallagher, no later than 5:00 p.m. on the seventh (7th) day after I sign this General Release and that a letter of revocation that is not received by the seventh (7th) day after I have signed this General Release will be invalid and will not revoke this General Release.

Accepted and Agreed to:

____
Edward A. Carroll

Date: ____________________

List of Guarantor Subsidiaries

As of September 30, 2021, 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
AMC Film Holdings LLC	Delaware
AMC Games LLC	Delaware
AMC Network Entertainment LLC	New York
AMC Networks Broadcasting & Technology	New York
AMC Networks International Asia-Pacific LLC	Delaware
AMC Networks International LLC	Delaware
AMC Networks Productions 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
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
IFC Entertainment Holdings LLC	Delaware
IFC Entertainment LLC	Delaware
IFC Films LLC	Delaware
IFC In Theaters LLC	Delaware

Guarantor	Jurisdiction of Formation
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
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
Moonhaven Productions I LLC	Delaware
Monument Productions I LLC	Delaware
Newfound Lake Productions I LLC	Delaware
NOS4A2 Productions I LLC	Rhode Island
Peach Pit Properties 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
Rainbow Programming 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
Shudder LLC	Delaware
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
TWD Productions IV LLC	Delaware

Guarantor	Jurisdiction of Formation
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
Universe Productions LLC	Delaware
Vampire Chronicles Productions I LLC	Delaware
Voom HD Holdings LLC	Delaware
WE tv Asia LLC	Delaware
WE TV Holdings LLC	Delaware
WE tv LLC	Delaware
We TV Studios LLC	Delaware
Woodbury Studios LLC	Delaware

Exhibit 31.1

I, Matthew Blank, certify that:

1. I have reviewed this quarterly 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.

ovember 5, 2021

By: /s/ Matthew Blank
Matthew Blank
Interim Chief Executive Officer

I, Christina Spade, certify that:

1. I have reviewed this quarterly 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.

ovember 5, 2021

By: /s/ Christina Spade
Christina Spade
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, 2021 (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 5, 2021

By: /s/ Matthew Blank
Matthew Blank
Interim Chief Executive Officer

Date: November 5, 2021

By: /s/ Christina Spade
Christina Spade
Executive Vice President and Chief Financial Officer