Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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Investing in our securities involves risk. In addition to the other information contained in this Annual Report on Form 10- K, you should consider the following risk factors before investing in our securities. Additional risks and uncertainties not presently known to us or that we currently believe not to be material may also adversely impact our business, results of operations, financial position and cash flows. Risks Related to Our Acquisition of the WarnerMedia Business We have...... of operations. Risks Related to Our Business and Industry Our businesses operate in highly competitive industries and if we are unable to compete effectively, our business, financial condition and results of operations could suffer. The media and entertainment industries in which we compete for viewers, distribution and advertising are highly competitive. We ~~compete with other media and entertainment companies to attract creative talent and produce high- quality content and to make our content available to audiences on a variety of platforms. Our traditional linear programming networks~~ face increased competitive pressure **for talent** ~~from other television networks~~, ~~subscription based streaming~~ **content, audiences, subscribers, service providers, advertising spending and production infrastructure. We compete with a broad range of companies engaged in media, entertainment and communications** services, **some** ~~including our HBO Max and discovery products, and other forms~~ of ~~news, information and~~ **whom have interests in multiple** media **and** entertainment **businesses that are often vertically** ~~, such as feature films, interactive~~ --- **integrated** ~~games and entertainment~~, ~~user- generated content, live sports and other events, social media and diverse on- line and mobile activities and other digital entertainment platforms and offerings~~ all vying for consumer time, attention and discretionary spending. ~~There~~ **In addition, the composition of our competitors** has **evolved with the entrance of new market participants, including companies in adjacent sectors with significant financial, marketing and other resources, greater efficiencies of scale, fewer regulatory burdens and more competitive pricing. Such competitors could** also ~~been~~ **have preferential access to important technologies, customer data or other competitive information. Our competitors may also consolidate or enter into business combinations or alliances that strengthen their competitive positions. Our ability to compete successfully depends on** a ~~shift in consumer behavior related~~ **number of factors, including our ability** to ~~changes in~~ **consistently acquire and produce high quality** content ~~distribution and~~ **amidst a rapidly evolving competitive landscape. In addition, new** ~~technological~~ **technology** ~~innovation~~, including ~~a preference~~ **generative artificial intelligence (" AI "), is evolving rapidly and our ability to compete could be adversely affected if our competitors gain an advantage** by **using such technologies** ~~consumers to watch content on demand and a decline in subscribers to the traditional cable bundle. The COVID- 19 pandemic appears to have accelerated some existing trends. Lockdowns during the pandemic, for example, enabled households to experiment with digital offerings including subscription video- on- demand or to stack multiple streaming subscriptions. Although we expect these trends to continue in the coming years, our viewership and the profitability of our business may be impacted in unpredictable ways as a result thereof. Moreover, there can be no assurance of the continuation of these trends. In order to respond to changing consumer behavior, increasing preferences to watch on demand, subscription declines and changes in content distribution models in our industry, we have invested in, developed and launched DTC products including our HBO Max and discovery products. We have incurred and will likely continue to incur significant costs to develop and market HBO Max and discovery, including costs related to developing and implementing a go- to- market strategy for our DTC business that aligns our HBO Max and discovery products~~. There can be no assurance **that we will be able to compete successfully in the future against existing or new competitors, or that competition in the marketplace will not have an adverse effect on our business, financial condition or results of operations. Our advertising revenues have been, and may continue to be, adversely impacted by several factors, including the changing landscape of television advertising spending and advertising market conditions. We derive substantial revenues from the sale of advertising, and a continuing decline in advertising revenues could have a material adverse effect on our business, financial condition or results of operations. Shifting consumer preferences toward streaming services and other digital products and the increasing number of entertainment choices has intensified audience fragmentation and reduced content viewership through traditional linear distribution models. This has changed the landscape of traditional television advertising spending, prompting advertisers to shift their strategies, and ultimately advertising spend, toward streaming services and other digital products to reach target audiences. In addition, a number of other streaming services with larger subscriber bases and greater household penetration have recently introduced ad- supported tiers. The increase of digital advertising available in the marketplace, due to both the introduction of ad- supported tiers in competing streaming services and the expansion of free ad- supported television (" FAST ") products, has increased the competition we face for advertising expenditures for both our traditional linear networks and the ad- supported tiers in our streaming services, and also limited our ability to demand higher rates for our linear and digital advertising inventory or even the same rates that we previously charged for our advertising inventory prior to the surge in digital advertising. There can be no assurance that we can successfully navigate the evolving streaming and digital advertising market or that the advertising revenues we generate in that market will replace the declines in advertising revenues generated from our traditional linear business. The advertising market is also sensitive to general economic conditions and consumer buying patterns. Financial instability or a general decline in economic conditions in the U. S. and other countries where our content is distributed could adversely affect the spending priorities of our advertising partners who might reduce their spending, which could result in a decrease in advertising rates and volume and in our overall advertising revenues. Natural and other disasters, pandemics, acts of terrorism, political uncertainty or hostilities could also lead to a**

reduction in domestic and international advertising expenditures, which could also have an adverse effect on our advertising revenues. Our advertising revenues are also dependent on our ability to measure viewership and audience engagement across all platforms and in all geographic regions. Although audience measurement systems have evolved and improved to capture the viewership of programming across multiple platforms, they still do not fully capture all viewership across streaming and other digital platforms and advertisers may not be willing to pay advertising rates based on the viewership that is not being measured. In certain geographic regions, our ability to fully capture viewership information may be limited by local laws and regulations. As further discussed in other parts of this Item 1a. Risk Factors, our ability to generate advertising revenue is also dependent on our ability to compete in highly competitive, rapidly evolving industries, our ability to respond to changes in consumer behavior and our ability to consistently achieve audience acceptance of our content and brands. Changes in consumer behavior, as well as evolving technologies and distribution models, may negatively affect our business, financial condition or results of operations. Our success depends on our ability to anticipate and adapt to changes in consumer behavior and shifting content consumption patterns. The ways in which viewers consume content, and technology and distribution models in the media and entertainment industries, continue to evolve, and new distribution platforms, as well as increased competition from new entrants and emerging technologies, have added to the complexity of maintaining predictable revenues. Technological advancements have empowered consumers to seek more control over how they consume content and have affected the options available to advertisers for reaching target audiences. This trend has impacted certain traditional distribution models, as demonstrated by industry- wide declines in cable ratings, declines in subscribers to the traditional cable bundle, the development of alternative distribution platforms for content, and reduced theatergoing. Declines in linear television viewership are expected to continue and possibly accelerate, which could adversely affect our advertising and distribution revenues. In order to respond to this decline, changing consumer behavior, increasing preferences to watch on demand, and changes in content distribution models in the media and entertainment industries, we have invested in, developed and launched streaming services including Max, HBO Max and discovery . We have incurred and will likely continue to incur significant costs to develop and market our streaming services, including costs related to international expansion, technological enhancements, and subscriber acquisition. There can be no assurance , however, that consumers and advertisers will embrace our offerings ~~or~~ **,** that subscribers will activate or renew a subscription, particularly given the ~~increase~~ **significant number of streaming services** in **the marketplace, or that our** DTC ~~products in the marketplace~~ **business will be as successful or as profitable as our traditional linear television business** . The ~~WarnerMedia Business~~ **film industry** has ~~in the past,~~ **also been impacted by shifting consumer preferences** and ~~we could in~~ **technological innovation. While restrictions on theatergoing from** the ~~future~~ **COVID- 19 pandemic have largely lifted** , ~~incur significant restructuring costs related~~ **in some markets, box office performance and movie theater attendance may be slower** to ~~DTC products~~ **rebound to pre- pandemic levels** due to **, among other things, consumer preferences for consuming movies at home, a vast library of which is available to** ~~the~~ **them** ~~rapidly~~ **through one or more streaming subscriptions,** and ~~continuously~~ **shorter theatrical release windows. As a response to changing consumer preferences and to return theater attendance towards pre** - **pandemic levels** ~~evolving DTC environment~~ , **film studios such as ours can seek to invest** in ~~which~~ **creating compelling films and seek to promote events in connection with feature films in order to enhance the** consumer ~~satisfaction, scale, differentiation~~ **' s movie theater experience. If the film industry** and **exhibitors** ~~capacity to invest in content~~ are ~~crucial~~ **unable** to ~~streaming success~~ **successfully create and market " event " films and ultimately evolve and enhance the movie theater experience in response to shifting consumer preferences, the profitability, financial condition and results of operations of our studios business may be negatively impacted** . Each distribution model has different risks and economic consequences for us, ~~so~~ **and** the rapid evolution of consumer preferences may have an economic impact that is not ultimately predictable. ~~Distribution windows~~ **Further, technology in the media and entertainment industries continues to evolve rapidly. For example, AI is a new technology for which the advantages and risks associated with its use in such industries** are **currently largely uncertain and unregulated** ~~also evolving, potentially affecting revenues from other windows~~ . If we are not able to access our targeted audience with appealing category- specific content and adapt to new technologies, distribution methods ~~and~~ **,** platforms and business models, we may experience a decline in viewership and ultimately a decline in the demand for our programming, which could lead to lower distribution and advertising revenues, materially and adversely affecting our business, financial condition and results of operations. The success of our business depends on the acceptance of our content and brands by our U. S. and ~~foreign~~ **international** viewers, which may be unpredictable and volatile. The production and distribution of television programs, feature films, sports and news content are inherently risky businesses because the revenue we derive and our ability to distribute our content depend primarily on consumer tastes and preferences that often change in unpredictable ways **. The appeal, success and performance of our content with consumers, as well as with third- party licensees and other distribution partners, are critical factors that can affect the revenue that we receive with respect to our content- related business** . Our success depends on our ability to consistently create and acquire content that meets the changing preferences of viewers in general, in special interest groups, in specific demographic categories and in various international marketplaces. For example, generally, feature films that perform well upon initial release also have commercial success in subsequent distribution channels. Therefore, the underperformance of a feature film, especially an " event " film, upon its public release can result in lower- than- expected revenues for our business which could limit our ability to create future content. We need to invest substantial amounts in the production or acquisition and marketing of our television programs, feature films, sports and news content before we learn whether such content will reach anticipated levels of popularity with consumers. Failing to gain the level of audience acceptance we expect for our content may negatively impact our business, financial condition and results of operations. The commercial success of our content also depends upon the quality and acceptance of competing content available in the applicable marketplace. **For example, as some foreign film and filmmaking**

industries grow and the availability of popular local content rises, the demand from foreign audiences for American films may decrease, which could negatively impact our revenue. Other factors, including the availability of alternative forms of entertainment and leisure time activities, **piracy, and** our ability to ~~maintain or~~ develop strong brand awareness ~~and target key audiences, general economic conditions, piracy, and growing competition for consumer discretionary spending, time and attention~~ may also affect the audience **demand** for our content ~~. Audience sizes for our media networks are critical factors affecting both the volume and pricing of advertising revenue that we receive with respect to advertising- supported services, and the extent of distribution and penetration and the license fees we receive under agreements with our distributors with respect to subscription- based services. The appeal, success and performance of our content with consumers, as well as with third- party licensees and other distribution partners, are also critical factors that can affect the revenue that we receive with respect to our content- related business~~ . Consequently, reduced public acceptance of our television programs, feature films, sports and news content or negative publicity regarding individuals or operations associated with our content or brands may decrease our audience share and customer / viewer reach and adversely affect our business, financial condition and results of operations. If our DTC products fail to attract and retain subscribers, our business, financial condition and results of operations may be adversely impacted. Our **Max,** HBO Max and discovery offerings are subscription- based streaming ~~products~~ **services** and are among many such services in a crowded and **highly** competitive landscape. Their success **and the success of other subscription- based streaming services we may offer in the future** will be largely dependent on our ability to initially attract, and ultimately retain, subscribers. If we are unable to effectively market our DTC products or if consumers do not perceive the pricing and related features of our DTC products to be of value versus our competitors, we may not be able to attract and retain subscribers. In particular, decreases in consumer discretionary spending **in the markets** where our DTC products are offered may reduce our ability to attract and retain subscribers to our services, which could have a negative impact on our business. Relatedly, a decrease in viewing subscribers on our advertising- supported DTC products could also have a negative impact on the rates we are able to charge advertisers for advertising- supported services. The ability to attract and retain subscribers will also depend in part on our ability to provide compelling content choices that are differentiated from that of our competitors and that are more attractive than other sources of entertainment that consumers could choose in their free time. Furthermore, our ability to provide a quality subscriber experience and our relative service levels, may also impact our ability to attract and retain subscribers. If existing subscribers, including those who receive subscriptions through wireless and broadband bundling arrangements with third parties **or through wholesale arrangements with MVPDs** , cancel or discontinue their subscriptions for any reason, including as a result of selecting an alternative wireless or broadband plan that does not bundle our products, **canceling or discontinuing their MVPD subscription,** or due to the availability of competing offerings that are perceived to offer greater value compared to our DTC products, our business may be adversely affected. We would need to add new subscribers both to replace subscribers who cancel or discontinue their subscriptions and to grow our business. If we are unable to attract and retain subscribers and offset the losses of subscribers who cancel or discontinue their subscriptions to our DTC products, our business, financial condition and results of operations could be adversely affected . Global economic conditions and other global......, financial condition and results of operations . Failure to renew, renewal with less favorable terms, or termination of our content licenses and similar distribution agreements may cause a decline in our revenue. Because our content and pay- TV networks are licensed to and distributed through third parties, such as ~~theatrical exhibitors (and in certain international territories, local theater distributors),~~ traditional television and pay- TV broadcasters (such as cable and satellite operators) and operators of digital platforms, which in turn make such content available, directly and indirectly, to consumers, we are dependent upon the maintenance of such licensing and distribution agreements with such third parties. These agreements generally provide for the scope of licensed rights, including geographic territory, exploitation rights, holdbacks and / or other restrictions, including exclusivity or non- exclusivity, window (s) of exploitation (including first and second pay- TV and free to air broadcast), for the level of carriage our networks will receive, such as channel placement and programming package inclusion (widely distributed, broader programming packages compared to lesser distributed, specialized programming packages), and for payment of a license fee to us based on a number of factors, including the scope of the rights granted, the popularity of the content (as measured in the case of films, for example, by box office performance for certain downstream exploitation) and the date of its first theatrical or pay- TV exhibition ~~. While the number of subscribers associated with our networks impacts our ability to generate advertising revenue, subscription- based revenue also represents a significant portion of our revenue~~ . Our agreements generally have a limited term which varies by territory and distributor, and there can be no assurance that these agreements will be renewed in the future or that they will be renewed on terms that are favorable to us. **Whether or not a distributor is willing to renew an agreement on terms that are favorable to us may be dependent upon our decision to make our content available on both our linear networks and our streaming platforms. Failure to renew an agreement prior to its expiration could lead to service blackout, which could in turn affect both our revenues and our reputation with viewers. While the number of subscribers associated with our networks impacts our ability to generate advertising revenue (as further described elsewhere in this Item 1A), subscription- based revenue also represents a significant portion of our revenue.** The license fees and other commercial terms that we receive are dependent, among other factors, on the acceptance and performance of our content with consumers. A reduction in the license fees that we receive or in the number of subscribers for which we are paid, including as a result of a loss or reduction in carriage for our networks or a reduction in distributor penetration, ~~including~~ **or** as a result of changes in consumer habits, could adversely affect our distribution revenue. Such a loss or reduction in carriage could also decrease the potential audience for our programs thereby adversely affecting our advertising revenue. Changes in distribution strategy and variations on traditional theatrical distribution and other licensing models, such as shortening traditional windows ~~or making simultaneous the availability of certain films theatrically and on- demand, and other hybrids~~ , may also drive changes in the ~~licensee~~ - **license** fees that ~~theatrical exhibitors and~~ distributors and other downstream licensees in the value chain may be willing to pay for content, which may in turn

negatively affect our ~~content~~ revenue. As a result of industry consolidation, our distributors have become and may continue to become larger, and as a result have gained or could gain additional market power. Such consolidation gives these distributors leverage in negotiating their distribution agreements with us which could subject our affiliate fee revenue to reduction or discounts, which could have an adverse effect on our financial condition. In addition, content distribution and license agreements are complex and individually negotiated. For example, some of our distribution agreements contain " most favored nation " clauses, which typically provide that if we enter into an agreement with another distributor which contains certain more favorable terms, we must offer some of those terms to our existing distributors. If we were to disagree with one of the counterparties on the interpretation of a content distribution and license agreement, it could ~~materially adversely impact our business, financial condition and results of operations as well as~~ damage our relationship with that counterparty **as well as materially adversely impact our business, financial condition and results of operations** . We ~~rely~~ **invest significant resources to acquire and maintain licenses to produce sports programming and there can be no assurance that we will continue to be successful in our efforts to obtain or maintain licenses to recurring sports events or recoup our investment when the content is distributed. We face significant competition to acquire and maintain licenses to sports programming, which leads to significant expenditure of funds and resources. As a result of an increasing number of market entrants in the programming space, we have seen upward pressure** on ~~platforms owned by our competitors for digital~~ **programming costs in recent years, particularly in connection with the licensing** and **acquisition** ~~linear distribution~~ of ~~our~~ **sports** content **from** ~~. We rely on platforms owned by~~ third parties **. We may also be impacted by such upward pressures driven by increasing investment in programming by competitors. In certain international markets** , ~~some of~~ **regulations concerning content quotas or content investment requirements may be a further factor driving increasing programming costs. In addition, businesses, including ours, that offer multiple services or that may be vertically integrated and offer both video distribution and programming content, may face closer regulatory review from the competition authorities in the countries in** which **we currently have operations. If our distributors have to pay higher rates to other holders of sports broadcasting rights, it might be difficult for us to negotiate higher rates for the distribution of our networks. There can be no assurance that we will be able to** compete ~~directly able to compete~~ successfully in the future against existing or new competitors to obtain **and / or maintain** licenses to recurring sports events,or that increasing competition for programming licenses and regulatory review from competition authorities will not have a material adverse effect on our business,financial condition or results of operations. ~~We~~ **There can** also ~~operate regional~~ **be no assurance that we will recoup our investment in** sports **programming,including realizing any anticipated benefits of our joint ventures** ~~networks and have rights agreements with various professional sports teams that provide the regional sports networks with certain rights to produce and distribute their games~~ .The ~~revenue we derive from~~ **impact of these contracts on our results of operations over** the ~~regional sports networks can~~ **term of the contracts** ~~depend~~ **depends** ~~upon~~ **on** a number of factors **,** including ~~consumer tastes and preferences,~~ the strength of advertising markets ~~,~~ **and** subscription levels and rates for programming ~~,~~ **.Our success** with **sports programming is highly dependent on consumer acceptance of this** ~~us or have investments in competing streaming products, to make our~~ content ~~available to our subscribers~~ and **the size of our viewing audience. If** viewers ~~. If these third parties~~ do not **find** ~~continue to provide access to our service on their platforms or~~ **our sports programming content** ~~are unwilling to do so on terms~~ acceptable ~~to us~~ , **we** ~~our business~~ could ~~be~~ **see low viewership, which could lead to low distribution and advertising revenues and** adversely ~~affected~~ -- **affect** ~~. If we are not successful in maintaining existing or creating new relationships with these third parties, our ability to retain subscribers and grow our business could be adversely impacted. Service disruptions or the failure of communications satellites or transmitter facilities we rely upon could adversely impact~~ our business, financial condition and results of operations. We rely on communications satellites and transmitter...... financial condition and results of operations. Our businesses **have been, and in the future** may be **,** subject to labor disruption. We and some of our suppliers and business partners retain the services of writers, directors, actors, announcers, athletes, technicians, trade employees and others involved in the development and production of our television programs, feature films and interactive entertainment (e. g., games) who are covered by collective bargaining agreements. If negotiations to renew expiring collective bargaining agreements are not successful or become unproductive, the affected unions could take **, and have taken,** actions such as strikes, work slowdowns or work stoppages. Strikes, work slowdowns, work stoppages **,** or the possibility of such actions **, including the 2023 WGA and SAG- AFTRA strikes and potential future strikes by other unions involved in development and production, have resulted in, and could in the future result in, delays in the production of, or the release of, our television programs, feature films, and interactive entertainment. For example, the 2023 WGA and SAG- AFTRA strikes caused delays in the production of our television programs and feature films and in the release of certain programming. The impact of these strike- related delays and other consequences of these strikes have continued, and are expected to continue to, impact our business even after the strikes were ultimately resolved. If the media and entertainment industries experience prolonged strikes, work slowdowns or work stoppages, we may be unable to produce, distribute or license programming, feature films, and interactive entertainment, which** could result in ~~delays in~~ **reduced revenue and have a material adverse effect on our business, financial condition and results of operations. For example,** the **2023 WGA and SAG- AFTRA strikes had a material impact on the operations and results of the Company. See the discussion under " Business – Industry Trends " that appears above. In addition, the pausing and restarting of certain** ~~production~~ **productions resulted in incremental costs, delayed the completion and release** of **some of** our **content (films,** television programs, ~~feature~~ **and licensed programs) and could cause an impairment of our investment in** ~~films~~ - **film** ~~and interactive entertainment~~ **, television programs, or licensed program rights if the incremental costs are significant or we are unable to efficiently complete the production of the film, television show or program or decide to abandon the production** . We ~~could~~ **may** also ~~incur higher costs from such actions,~~ enter into new collective bargaining agreements or renew collective bargaining agreements on less favorable terms **and incur higher costs as a result of prolonged strikes, work slowdowns, or work stoppages** . Many

of the collective bargaining agreements that cover individuals providing services to the Company are industry- wide agreements, and we may lack practical control over the negotiations and terms of these agreements. Union or labor disputes or player lock- outs relating to certain professional sports leagues may preclude us from producing and telecasting scheduled games or events and could negatively impact our promotional and marketing opportunities. Depending on their duration, union or labor disputes or player lock- outs could have a material adverse effect on our business, financial condition and results of operations. We rely on communications satellites and transmitter facilities and other technical infrastructure,including fiber,to transmit programming to affiliates and other distributors.Shutdowns of communications satellites and transmitter facilities or service disruptions will pose significant risks to our operations.Such disruptions may be caused by power outages,natural disasters,extreme weather,terrorist attacks,war,failures or impairments of communications satellites or on- ground uplinks or downlinks or other technical facilities and services used to transmit programming,failure of service providers to meet contractual requirements,or other similar events.If a communications satellite or other transmission means (e.g.,fiber) is not able to transmit our programming,or if any material component thereof fails or becomes inoperable,we may not be able to secure an alternative communications path in a timely manner because,among other factors,there are a limited number of service providers and other means available for the transmission of programming,and any alternatives may require lead time and additional technical resources and infrastructure to implement.If such an event were to occur,there could be a disruption in the delivery of our programming,which could harm our reputation and materially adversely affect our business,financial condition and results of operations. Risks Related to Domestic and Foreign Laws and Regulations; Other Risks Related to International Operations Changes in domestic and foreign laws and regulations and other risks related to international operations could adversely impact our business, financial condition and results of operations. Programming services like ours, and the distributors of our services, including cable operators, satellite operators and other multi- channel video programming distributors, are regulated by U. S. federal laws and regulations issued and administered by various federal agencies, including the FCC, as well as by state and local governments, in ways that affect the daily conduct of our video content business. These obligations and regulations, among other things, require closed captioning of programming for the hearing impaired, require certain content providers to make available audio descriptions of programming for the visually impaired, limit the amount and content of commercial matter that may be shown during programming aimed primarily at an audience of children aged 12 and under, and require the identification of (or the maintenance of lists of) sponsors of political advertising. See the discussion under " Business – Regulatory Matters " that appears above. The U. S. Congress, the FCC, the Federal Trade Commission (" FTC "), U. S. state legislatures, and the courts currently have under consideration, and may adopt or interpret in the future, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect the operations of our U. S. media properties or modify the terms under which we offer our services and operate. **In addition** ~~Following the Merger~~ , ~~our operations through which~~ we distribute programming outside the U. S ~~. have increased significantly~~ . As a result, our business is, and may increasingly be, subject to certain risks inherent in international business, many of which are beyond our control. These risks include: • laws and policies affecting trade and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws; • local regulatory requirements (and any changes to such requirements), including restrictions on content, censorship, imposition of local content quotas, local production levies and investment obligations, and restrictions or prohibitions on foreign ownership, outsourcing, consumer protection, targeted advertising, intellectual property and related rights, including copyright and rightsholder rights and remuneration; • our ability to obtain the appropriate licenses and other regulatory approvals we need to distribute content in foreign countries as well as regulatory intervention on how we currently operate, including how we license and distribute content; • differing degrees of protection for intellectual property and varying attitudes towards the piracy of intellectual property; • **foreign exchange regulations, or** significant fluctuations in foreign currency value **and foreign exchange rates, as further described below in this Item 1A** ; • capital, currency exchange and central banking controls; • the instability of foreign economies and governments; • the potential for political, social, or economic unrest, terrorism, hostilities, cyber- attacks or war, including the ~~war between Russia~~ **ongoing conflicts in Europe** and ~~Ukraine~~ **the Middle East** ; • anti- corruption laws and regulations such as the Foreign Corrupt Practices Act and the U. K. Bribery Act that impose stringent requirements on how we conduct our foreign operations and changes in these laws and regulations; • sanction laws and regulations such as those administered by the Office of Foreign Assets Control that restrict our dealings with certain sanctioned countries, territories, individuals and entities; these laws and regulations are complex, frequently changing, and increasing in number, and may impose additional prohibitions or compliance obligations on our dealings in certain countries and territories, including sanctions imposed on Russia and certain Ukrainian territories as well as sanctions imposed on China; • challenges implementing effective controls to monitor business activities across our expanded international operations; • foreign privacy and data protection laws and regulations and changes in these laws and regulations; and • shifting consumer preferences regarding the viewing of video programming **and consumption of entertainment content overall** . Events or developments related to these and other risks associated with international trade could adversely affect our revenues from non- U. S. sources as well as our costs, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, some foreign markets where we and our partners operate may be more adversely affected by current economic conditions than the U. S. We also may incur substantial expense as a result of changes, including the imposition of new restrictions, in the existing regulatory, economic or political environment in the regions where we do business. This is of particular concern in Poland, where we own and operate TVN, a portfolio of free- to- air and pay- TV lifestyle, entertainment, and news networks, which faces ~~ongoing~~ legislative and regulatory risk. In the past, said risk has manifested itself in draft legislation, now abandoned, which would have precluded non- EEA ownership of Polish national broadcasters, and in delays in renewing broadcast licenses. Such ~~delays continue as well as~~ regulatory pressure on ~~some of~~ TVN **and / or** ~~' s journalism. Similar~~ **similar** developments could, directly or indirectly, affect the future operations of our Polish media properties and / or modify the terms under which we offer our services and operate in that market in the future. The evolving regulatory

environment in international markets may also impact strategy, costs and results of operations, including with respect to local programming levies and investment obligations, satisfaction of local content quotas, access to local production incentive schemes, and direct and indirect digital taxes or levies on internet- based programming services. We are subject to domestic and international privacy and data protection laws, which impact our ability to collect, manage, and use personal information. Our efforts to comply with such laws, which are continually evolving, could impose costly obligations on us and generate additional regulatory and litigation risk. We are subject to domestic and international laws associated with the acquisition, storage, disclosure, use and protection of personal data, including under the E. U. General Data Protection Regulation ~~(GDPR)~~, several ~~comprehensive~~ U. S. **federal and** state privacy laws, including **, but not limited to,** the ~~California Consumer Privacy Act (~~ CCPA ~~) and the California Privacy Rights Act (CPRA)~~, and many other international laws and regulations. These laws and regulations are continually evolving and many more U. S. state and federal laws and international laws may pass this year **and over the next few years**. See the discussion above in " Business – Regulatory Matters ". These evolving privacy, security, and data protection laws may require us to expend significant resources to implement additional data protection measures, and our actual or alleged failure to comply with such laws could result in legal claims, regulatory enforcement actions and significant fines and penalties. Environmental, social and governance laws and regulations may adversely impact our businesses. U. S. state and federal regulators, international regulators, investors, consumers and other stakeholders are increasingly focused on environmental, social, and governance ~~(" ESG ")~~ considerations. For example, ~~the SEC has adopted~~ **new domestic and international laws and** regulations ~~to require disclosures~~ relating to ~~public companies' management of~~ **environmental, social and governance matters, including environmental sustainability and climate change,** human capital **management** ~~resources and has proposed rules to enhance and standardize climate- related disclosures; Nasdaq~~ , ~~the exchange where~~ **and cybersecurity, are under consideration** ~~our~~ - **or** ~~stock is listed~~ **have been adopted. Many such laws** , ~~has implemented board diversity disclosure requirements;~~ **including new greenhouse gas emission regulations that have already been adopted in the State of California and in** the European Union ~~has adopted~~ **and have been proposed in other jurisdictions, include** specific **, quantitative** ~~conduct- based directives on ESG; and the U. K. has mandated climate- related~~ disclosures ~~for public companies~~ **regarding our global operations, both upstream and downstream** . These increased disclosure obligations have required and may continue to require us to implement new practices and reporting processes, and have created and ~~will~~ **may** continue to create additional compliance risk. **They may also result in increased costs relating to tracking, reporting and compliance.** Additionally, ~~our ESG~~ **we have adopted several** initiatives and programs **focused on environmental, social and governance issues, which** may not achieve their intended outcomes. If we are unable to meet our ~~ESG goals~~ **enterprise objectives,** or **live up to** evolving stakeholder expectations and industry standards **for environmental, social and governance issues** , or if we are perceived by consumers, stockholders or employees to have not responded appropriately **with respect** to ~~the~~ **these** ~~growing concern for ESG~~ issues, our reputation, and therefore our ability to sell our products and services, could be negatively impacted. If, as a result of their assessment of our ~~ESG~~ performance **on environmental, social, and governance matters** , certain investors are unsatisfied with our actions or progress, they may reconsider their investment in our Company. Providers of debt and equity financing may also consider our ~~ESG~~ performance **in these areas** and **the ratings of** external **firms** ~~ESG ratings~~ (which we have limited ability to influence) in their ~~decision~~ **decisions** involving our Company, which could impact our cost of capital and adversely affect our business. Foreign exchange rate fluctuations may adversely affect our operating results and financial conditions. We have significant operations in a number of foreign jurisdictions and certain of our operations are conducted and certain of our debt obligations are denominated in foreign currencies. The value of these foreign currencies fluctuates relative to the U. S. dollar. As a result, we have exposure to foreign currency risk as we enter into transactions and make investments denominated in multiple currencies. Adverse business performance and financial results from unforeseen changes in foreign currency exchange rates could increase our cost of borrowing or make it more difficult for us to obtain future financing, which could materially adversely affect our operating results and financial conditions. We manage our exposure to foreign currency risk by entering into derivative instruments with counterparty banks, which exposes us to counterparty credit risk. Our consolidated financial statements are denominated in U. S. dollars, and to prepare those financial statements we must translate the amounts of the assets, liabilities, net sales, other revenues and expenses of our operations outside of the U. S. from local currencies into U. S. dollars using exchange rates for the current period. This exposure to exchange rate fluctuations could have an adverse effect on our reported results of operations and net asset balances. Increasing complexity of global tax policy and regulations could increase our tax liability and adversely impact our business and results of operations. We continue to face the increasing complexity of operating a global business, and we are subject to ever- changing tax policy and regulations around the world. Many foreign jurisdictions are contemplating additional taxes and / or levies on over- the- top services, as well as on media advertising. **Other changes in tax laws and the interpretations thereof could have a material impact on our tax liability.** In addition, many foreign jurisdictions have increased scrutiny and have either changed, or plan to change, their international tax systems due to the Organisation for Economic Co- operation and Development' s Base Erosion and Profit Shifting recommendations. These recommendations include, among other things, profit reallocation rules and a 15 % global minimum corporate income tax rate. ~~Such~~ **Certain countries in which we operate have adopted legislation, and other countries are expected to introduce legislation, to implement these** recommendations **. The application of this legislation is evolving** , ~~if implemented, could have a material effect~~ **and we continue to assess the potential impact** on our ~~income~~ **future** tax liability. Additional complexity has also arisen with respect to state aid ~~,~~ **;** i. e., state resources used to provide recipients an advantage on a selective basis that has or could distort competition and affect trade between European member states. In recent years the European Commission has increased their scrutiny of state aid and has deviated from historical E. U. state aid practices. We receive material amounts of financial incentives for conducting our content production activities in various jurisdictions that offer such incentives. If the E. U. were to restrict our ability to receive these incentives, such restrictions could have a material impact on our results of operations. ~~Other changes in tax laws and the interpretation thereof could have a~~

material impact on our tax liability. For example, in August 2022, the U. S. government enacted the Inflation Reduction Act which, among other changes, created a new corporate alternative minimum tax (" CAMT ") of 15 % for corporations whose average annual adjusted financial statement income for any consecutive 3 tax year periods ending after December 31, 2021 and preceding the tax year exceeds $ 1 billion, and a 1 % excise tax on stock repurchases made by publicly traded U. S. companies. The effective date of these provisions was January 1, 2023, although we await further guidance from the U. S. government on the calculation of the CAMT. Based on that forthcoming guidance, it is possible that the CAMT could result in a material additional tax liability. Risks Related to Our Financial, Capital and Corporate Structure Forecasting our financial results requires us to make judgements and estimates which may differ materially from actual results. Given the dynamic nature of our business, the current uncertain economic climate and the inherent limitations in predicting the future, forecasts of our revenues, adjusted earnings before interest, taxes, depreciation, and amortization (as defined in Note 23 to the accompanying consolidated financial statements, " Adjusted EBITDA "), free cash flow and subscriber growth, and other financial and operating data, may differ materially from actual results, including as a result of events outside of our control and other risks and uncertainties described herein. Such discrepancies could cause a decline in the trading price of our common stock. Our **We have a significant amount of debt and may incur significant amounts of additional debt, which could adversely affect our financial health and our ability to react to changes in our business and our** ability to incur debt **,** and the use of our funds could be limited by the restrictive covenants in the loan agreements for **governing** our term loan and revolving credit facility . The loan agreements for our term loan and **senior notes. Our consolidated indebtedness as of December 31, 2023 was $ 41, 889 million, of which $ 1, 780 million is current. In addition, we have the ability to draw down on a $ 6. 0 billion** revolving credit facility **in the ordinary course, which would have the effect of further increasing our debt to the extent drawn. We are also permitted, subject to certain restrictions under our existing debt agreements, to obtain additional long- term debt and working capital lines of credit to meet future financing needs. This would have the effect of further increasing our leverage ratio. Our loan agreements** contain restrictive covenants, as well as requirements to comply with certain leverage **ratio** and other financial maintenance tests. These covenants and requirements could limit our ability to take various actions, including incurring additional debt, guaranteeing indebtedness and engaging in various types of transactions, including mergers, acquisitions and sales of assets, or taking **to take** advantage of other opportunities, which could have an adverse effect on our business. In addition, **as a result of our significant indebtedness, our corporate or debt- specific** credit ratings - **rating** actions could **be** impact the terms of our loan agreements. A ratings downgrade **downgraded , which** may increase our borrowing costs **or subject us to even more restrictive covenants when we incur new debt in the future** , which could **reduce profitability and** diminish operational flexibility and **. If we are unable to effectively** reduce profitability **and sustain our leverage ratio,it** could have significant negative consequences on our financial condition and results of operations,including:• impairing our ability to meet one or more of the financial ratio covenants contained in our term loan and revolving credit facility or to generate cash sufficient to pay the interest or principal,which could result in an acceleration of some or all of our outstanding debt in the event that an uncured default occurs;• increasing our vulnerability to general adverse economic and market conditions;• limiting our ability to obtain additional debt or equity financing;• requiring the dedication of a substantial portion of our cash flow from operations to service our debt,thereby reducing the amount of cash flow available for other purposes such as capital expenditures, **investments,** share repurchases ,investments ,and mergers and acquisitions;• requiring us to sell debt or equity securities or to sell some of our core assets,possibly on unfavorable terms,to meet payment obligations;• limiting our flexibility in planning for,or reacting to,changes in our business and the markets in which we compete;and • placing us at a possible competitive disadvantage with less leveraged competitors and competitors that may have better access to capital resources .We have . We could be unable to obtain cash in amounts sufficient to meet our financial obligations or other commitments. Our ability to meet our financial obligations and other contractual commitments will depend upon our ability to access cash. We are a holding company, and our sources of cash include our available cash balances, net cash from the operating activities of our subsidiaries, any dividends and interest we may receive from our investments, availability under our credit facilities or any credit facilities that we may obtain in the future and proceeds from any asset sales we may undertake in the future. The ability of our operating subsidiaries, including WarnerMedia Holdings, Inc., Scripps Networks Interactive, Inc., and Discovery Communications, LLC to pay dividends or to make other payments or advances to us will depend on their individual operating results and any statutory, regulatory or contractual restrictions, including restrictions under our credit facilities, to which they may be or may become subject. Under the 2017 Tax Cuts and Jobs Act, we were subject to U. S. taxes for the deemed repatriation of certain cash balances held by foreign corporations. The Company intends to continue to permanently reinvest these funds outside of the U. S., and current plans do not demonstrate a need to repatriate them to fund our U. S. operations. Financial performance for our equity method investments and investments without readily determinable fair value may differ from current estimates. We have equity investments in several entities and the accounting treatment applied for these investments varies depending on a number of factors, including, but not limited to, our percentage ownership and the level of influence or control we have over the relevant entity. Any losses experienced by these entities could adversely impact our results of operations and the value of our investment. In addition, if these entities were to fail and cease operations, we may lose the entire value of our investment and the stream of any shared profits. Some of our ventures may require additional uncommitted funding. We also have significant investments in entities that we have accounted for as investments without readily determinable fair value. If these entities experience significant losses or were to fail and cease operations, our investments could be subject to impairment and the loss of a part or all of our investment value. Certain of our businesses are conducted through joint ventures or partnerships with one or more third parties, in which we share ownership, management and profits of the business operation to varying degrees. Certain of our businesses are conducted through joint ventures or partnerships with one or more third parties, where we have varying degrees of ownership and influence. From time to time, we may disagree with our joint venture partners on the strategy or management of a joint venture business , but may be constrained in our ability to make decisions unilaterally

as a result of legal or contractual obligations to our joint venture partners, which could adversely affect our business, financial condition and results of operations **. In addition, we believe our relationship with our third- party partners is an important factor in the success of any joint venture or partnership. If a partner changes, our relationship may be adversely affected and we may not realize the anticipated benefits from such joint venture or partnership** . We have directors that are also related persons of Advance / Newhouse Programming Partnership (" Advance / Newhouse ") and that overlap with those of Liberty Media Corporation (" Liberty Media "), Liberty Global plc (" Liberty Global "), Qurate Retail Group f / k / a Liberty Interactive Corporation (" Qurate Retail "), Liberty Broadband Corporation (" Liberty Broadband "), and Liberty Latin America Ltd (" LLA "), which may lead to conflicting interests for those directors or result in the diversion of business opportunities or other potential conflicts. Advance / Newhouse owns shares representing approximately 8 % of our outstanding common stock. Our board of directors includes Steven A. Miron, the Chief Executive Officer of Advance / Newhouse and Steven O. Newhouse, Co- President of Advance Publications, Inc., which holds interests in Advance / Newhouse and Charter Communications, Inc. (" Charter "). Pursuant to a consent agreement entered into between Advance / Newhouse and the Company in connection with the Merger, the Company designated Mr. Miron and Mr. Newhouse to our board of directors with terms ending in 2025. Mr. Miron is also a member of the board of directors of Charter, of which Liberty Broadband and Advance Publications, Inc. own equity interests. In addition, Dr. John C. Malone, chairman of Liberty Media, Liberty Global and Liberty Broadband and member of the board of directors of Qurate Retail, serves on our board of directors. Our board of directors also currently includes one other person who is currently a member of the board of directors of Liberty ~~Media, one other person who is currently a member of the board of directors of Liberty~~ Global, and ~~one person who is a currently~~ a member of the board of directors of LLA. The respective parent companies of Advance / Newhouse and of Liberty Media, Liberty Global, Qurate Retail, Liberty Broadband, and LLA (together, the " Liberty Entities ") own interests in various U. S. and international media, communications and entertainment companies, such as Charter, that have subsidiaries that own or operate domestic or foreign content services that may compete with the content services we offer. We have no rights in respect of U. S. or international content opportunities developed by or presented to the subsidiaries of any Liberty Entities, and the pursuit of these opportunities by such subsidiaries may adversely affect our interests and those of our stockholders. None of the Liberty Entities own any interest in us. Dr. Malone beneficially owns: shares of Liberty Media representing approximately 48 % of the aggregate voting power of its outstanding stock, shares representing approximately 30 % of the aggregate voting power of Liberty Global, shares representing approximately ~~7~~ **6** % of the aggregate voting power of Qurate Retail, shares representing approximately ~~47~~ **48** % of the aggregate voting power of Liberty Broadband and shares representing less than 1 % of our outstanding common stock. Our other directors who are also directors of the Liberty Entities hold stock and stock- based compensation in the Liberty Entities and hold our stock and stock- based compensation. These ownership interests and / or business positions could create conflicts of interest or the appearance of conflicts of interest when these individuals are faced with decisions that could have different implications for us, Advance / Newhouse and / or the Liberty Entities. For example, there may be the potential for a conflict of interest when we, on the one hand, or Advance / Newhouse and / or one or more of the Liberty Entities, on the other hand, consider acquisitions and other corporate opportunities that may be suitable for the other. The members of our board of directors have fiduciary duties to us and our stockholders. Likewise, those persons who serve in similar capacities at Advance / Newhouse or a Liberty Entity have fiduciary duties to those companies. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting both respective companies, and there can be no assurance that the terms of any transactions will be as favorable to us or our subsidiaries as would be the case in the absence of a conflict of interest. It may be difficult for a third party to acquire us, even if such acquisition would be beneficial to our stockholders. In connection with the Merger, we agreed with AT & T that for a two- year period following the Merger, we would not, among other things and subject to certain exceptions, enter into any transaction or series of transactions as a result of which one or more persons would acquire an amount of stock of our Company that, when combined with certain other changes in ownership of our stock (including the Merger), would equal or exceed 45 % of the outstanding stock of our Company. Further, certain provisions of our charter and bylaws may discourage, delay or prevent a change in control that a stockholder may consider favorable. These provisions include the following: • authorizing the issuance of " blank check " preferred stock without stockholder approval, which could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt; • classifying our board of directors with staggered three- year terms until the election of directors at our 2025 annual meeting of stockholders, which may lengthen the time required to gain control of our board of directors; • limiting who may call special meetings of stockholders; • prohibiting stockholder action by written consent, thereby requiring stockholder action to be taken at a meeting of the stockholders; • establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; • the existence of authorized and unissued stock which would allow our board of directors to issue shares to persons friendly to current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us. In addition, under our charter, we have not opted out of the protections of Section 203 of the Delaware General Corporation Law (the " DGCL "), and we are therefore governed by Section 203. Accordingly, it is expected that Section 203 will have an anti- takeover effect with respect to transactions that our board of directors does not approve in advance and that Section 203 may discourage takeover attempts that might result in a premium over the market price of WBD capital stock. These provisions are intended to protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with our board of directors and by providing our board of directors with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. As noted above, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that our board of directors determines is not in our best interests and the best interests of our stockholders. Accordingly, if our board of directors determines that a potential business combination

transaction is not in our best interests and the best interests of our stockholders, but certain stockholders believe that such a transaction would be beneficial to us and our stockholders, such stockholders may elect to sell their shares in WBD and the market price of WBD common stock could decrease. If Advance / Newhouse were to sell its shares following the exercise of its registration rights, it may cause a significant decline in our stock price, even if our business is doing well. Advance / Newhouse and Advance Newhouse Partnership (“ ANP ”) have been granted registration rights covering all of the shares of common stock now held or hereafter acquired by them. Subject to certain limitations and restrictions, including customary “ blackout periods ”, Advance / Newhouse and ANP have the right to assign any or all of their registration rights to their affiliates and successors, as well as a specified family foundation. The shares held by Advance / Newhouse and ANP are registered for resale pursuant to our registration statement on Form S- 3 filed April 22, 2022. Any future exercise of registration rights or sale of large amounts of our common stock in the public market could materially and adversely affect the market price of our common stock. General Risks We face cybersecurity and similar risks, which could result in the disclosure of confidential information, disruption of our programming services, damage to our brands and reputation, legal exposure and financial losses. We and our partners rely on various technology systems in connection with the production, distribution and broadcast of our programming, and our ~~on- line~~ **online** , mobile and app offerings, as well as our internal systems, involve the storage and transmission of personal and proprietary information. ~~Consistently~~ **In the ordinary course of our business** , cyber criminals and other malicious actors **consistently** target us and our service providers. Our systems and our service providers’ systems have been breached in the past due to cybersecurity attacks. These systems may continue to be breached in the future due to employee error or misconduct, system vulnerabilities, malicious code, hacking and phishing attacks, or otherwise. ~~use AI~~ .The risk of cyberattacks has also increased and **will** ~~is expected to~~ continue to increase in connection with **Russia’ s invasion of Ukraine.In light of the Ukraine war and other** geopolitical events and dynamics,including ongoing ~~conflicts in Europe and the Middle East and~~ tensions with Russia,China,North Korea,Iran and other states ~~-~~ **,** ~~State~~ **state** - sponsored parties or their supporters may launch retaliatory cyberattacks,and may attempt to cause supply chain disruptions,or carry out other geopolitically motivated retaliatory actions that may adversely disrupt or degrade our operations and may result in data compromise. **These** ~~Cybersecurity~~ ----- **security** ~~threats~~ **attacks can** originate from a wide variety of sources / malicious actors,including,but not limited to,persons who constitute an insider threat,who are involved with organized crime,or who may be linked to terrorist organizations or hostile foreign governments.Those same parties may also attempt to fraudulently induce employees,customers,or other users of our systems to disclose sensitive information in order to gain access to our data ~~systems~~ or that of our ~~service providers,~~ customers or clients through social engineering,phishing,mobile phone malware, **and other methods** ~~account takeovers,SIM~~ If our **or our service providers’** information security systems or data are compromised ~~in a material way~~ , such compromises could result in a disruption of services or a reduction of the revenues we are able to generate from such services, damage to our brands and reputation, a loss of confidence in the security of our offerings and services, and significant legal **, regulatory** and financial exposure, each of which could potentially have an adverse effect on our business . The risk of cyberattacks has also...... mobile phone malware, and other methods . Theft of our intellectual property and unauthorized duplication, distribution and exhibitions of our intellectual property may decrease revenues and adversely affect our business, financial condition, and results of operations. The success of our business depends in part on effective and deterrent laws efficiently implemented by law enforcement to enable our ability to maintain and enforce the intellectual property rights underlying our content and brands. We are a global media and entertainment company, and piracy or other infringement of our intellectual property (including digital content, feature films, television programming, gaming, and other content), brands and other intellectual property has the potential to materially adversely affect us. Piracy is particularly prevalent in parts of the world that do not effectively enforce intellectual property rights and laws. Even in territories like the U. S. that have stronger intellectual property laws, legal frameworks that are unresponsive to modern realities, combined with the lack of effective technological prevention and enforcement measures, may impede our enforcement efforts. Our enforcement activities depend in part on third parties, including technology and platform providers, whose cooperation and effectiveness cannot be assured to any degree. In addition, technological advances that allow the almost instantaneous unauthorized copying and downloading of content into digital formats without any degradation of quality from the original facilitate the rapid creation, transmission, and sharing of high-quality unauthorized copies. This is also true for broadcast signals, which can be retransmitted without any degradation of quality from the original via unauthorized services. Unauthorized distribution of copyrighted material over the internet is a threat to copyright owners’ ability to maintain the exclusive control over their copyrighted material and thus the value of their property. The proliferation of unauthorized use of our content may have a material adverse effect on our business and profitability. For example, it may reduce the revenue that we potentially could receive from the legitimate sale and distribution of our content. We may also need to spend significant amounts of money on improvement of technological platform security and enforcement activities, including litigation, to protect our intellectual property rights **. Further, new technologies such as generative AI and their impact on our intellectual property rights remain uncertain, and development of the law in this area could impact our ability to protect against infringing uses or result in infringement claims against us** . Any impairment of our intellectual property rights, including due to changes in U. S. or foreign laws, the absence of effective legal protections or enforcement measures, or the inability to negotiate license or distribution agreements with third parties, could materially adversely impact our business, financial condition, and results of operations. As a global company, we are subject to laws in the U. S. and abroad, as well as trade agreements which may limit our ability to exploit our intellectual property. For example, in certain countries, including China, laws and regulations limit the number of foreign films exhibited in such countries in a calendar year. From time to time, third parties may also challenge the validity or scope of our intellectual property and may assert infringement claims against us, and the success of any such challenges could result in the limitation or loss of intellectual property rights. Irrespective of their validity, such claims may result in substantial costs and diversion of resources which could have an adverse effect on our operations. Our success depends on attracting, developing, motivating and retaining key

employees and creative talent within our business. Significant shortfalls in recruitment or retention, or failure to adequately motivate or compensate employees or creative talent, could adversely affect our ability to compete and achieve our strategic goals. Attracting, developing, motivating and retaining talented employees are essential to the successful delivery of our products and services and success in the marketplace. Our business depends upon the continued efforts, abilities and expertise of our corporate and divisional executive teams and entertainment personalities, and the ability to attract and retain these talented employees and personalities is critical in the development and delivery of products and services, which is an integral component of our growth strategy. Competition for employees and personalities can be intense and if we are unable to successfully integrate, motivate and reward our current employees, we may not be able to retain them. If we are unable to retain these employees or attract new employees in the future, our ability to effectively compete with our competitors and to grow our business could be materially adversely affected. Additionally, following the Merger, we have undertaken a number of restructuring and transformation initiatives, including headcount reduction. This headcount reduction and other restructuring initiatives could disrupt our operations, adversely impact employee morale and our reputation as an employer, which could make it more difficult for us to retain existing employees and hire new employees in the future, distract management and harm our business overall. In addition, we employ or contract with talent who may have loyal audiences. These individuals are important to audience endorsement of our programs and other content. There can be no assurance that these individuals will remain with us or retain their current audiences. If we fail to retain or attract key individuals or if our talent loses their current audience base or suffer negative publicity, our business, financial condition and results of operations could be materially adversely affected. **Global economic conditions and other global events may have an adverse effect on our business. Our business is significantly affected by prevailing economic conditions and levels of consumer discretionary spending. A downturn in global economic conditions may negatively affect our current and potential customers, particularly advertisers whose expenditures are sensitive to general economic conditions, vendors and others with whom we do business and their ability to satisfy their obligations to us. In addition, inflationary conditions or an increase in price levels generally increases our content production costs and other costs of doing business, which could negatively affect our profitability. Further, a high interest rate environment, whether arising out of a policy response to inflationary conditions or otherwise, increases the costs of our securitization portfolio, which may also negatively affect our results of operations. Decreases in consumer discretionary spending in the U. S. and other countries where our content is distributed may cause a decrease in cable television subscriptions, subscriptions to our DTC products, or movie theater attendance to view our feature films, among others, all of which may negatively affect our revenues and results of operations. In addition, our business and operations has been, and in the future could be, disrupted or impacted by other global events, including political, social, or economic unrest, terrorism, hostilities, natural disasters such as earthquakes, or pandemics. For example, the COVID- 19 pandemic had numerous effects on our business including a decrease in advertising revenues, a postponement of significant live events, and reduced movie theater attendance. Other global events in the future could disrupt our business and operations in unpredictable ways.** The market price of our common stock has been highly volatile and may continue to be volatile due **, in part,** to circumstances beyond our control. The market price of our common stock has fluctuated, and may continue to fluctuate ~~, widely~~ , due to many factors, some of which may be beyond our control. These factors include, without limitation: • actual or anticipated ~~fluctuations~~ **variations** in our financial and operating results; • ~~comments by~~ **changes in** ~~or~~ **our estimates, guidance or business plans; • variations between our actual results and** expectations of securities analysts ~~or other third parties~~ , ~~including blogs, articles, message boards, and social and other media relating to the Merger~~ or ~~otherwise~~ **changes in financial estimates and recommendations by securities analysts** ; • **market sentiment about** ~~public perception of us, our on- air talent, our competitors, or~~ **our** industry **in general or our business in particular, including our level of debt, our leverage ratio, and our ability to effectively compete in the categories and industries in which we operate** ; • ~~development and provision of programming~~ **the activities, operating results** ~~for~~ - **or stock price** ~~new television and telecommunications technologies and the success~~ of **our competitors,** ~~our~~ - **or other industry participants** ~~HBO Max and discovery streaming products~~ ; • spending on domestic and foreign television **and digital** advertising; • ~~changes in the distribution and viewing of television programming, including the expanded deployment of personal video recorders, subscription video on demand, internet protocol television, mobile personal devices, and personal tablets and their~~ -- **the** ~~impact on television advertising revenue~~ **announcement or completion of significant transactions by us or a competitor** ; ~~• fluctuations in foreign currency exchange rates; and~~ • overall general market fluctuations **and other events affecting the stock market generally; and • the economic and political conditions in the U. S. and internationally, as well as other factors described in this Item 1A. Some of these factors may adversely impact the price of our common stock, regardless of our operating performance. Further, volatility in the price of our common stock may negatively impact our business, including by limiting our financing options for acquisitions and other business expansion** . Strategic transactions and acquisitions present many risks and we may not realize the financial and strategic goals that were contemplated at the time of any transaction. From time to time we may enter into strategic transactions, make investments or make acquisitions, such as the Merger. Our success may depend on opportunities to buy other businesses or technologies that could complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. Such transactions may result in dilutive issuances of our equity securities, use of our cash resources, and incurrence of **significant** debt and amortization expenses related to intangible assets. We may also incur unanticipated expenses, fail to realize anticipated benefits, have difficulty integrating the acquired businesses, disrupt relationships with current and new employees, subscribers, affiliates and vendors ~~, incur significant debt~~ , or have to delay or not proceed with announced transactions. Additionally, regulatory agencies, such as the FCC or U. S. Department of Justice **,** may impose additional restrictions on the operation of our business as a result of our seeking regulatory approvals for any strategic transactions and significant acquisitions. The occurrence of any of these events could have an adverse effect on our business. Our participation in multiemployer defined

benefit pension plans could subject us to liabilities that could adversely affect our business, financial condition and results of operations. We contribute to various multiemployer defined benefit pension plans (the " multiemployer plans ") under the terms of collective bargaining agreements that cover certain of our union- represented employees **which could subject us to liabilities in certain circumstances** . **The amount** ~~Following the completion~~ of **funds** ~~the Merger,~~ we **may be obligated to contribute to** ~~assumed certain of the obligations under these~~ multiemployer plans ~~with respect to transferred~~ **in the future cannot be estimated, as these amounts are based on future levels of work of the union- represented** employees **covered by** ~~from the WarnerMedia Business. The risks of participation in these~~ -- **the** multiemployer plans ~~are different from single- employer pension~~ **, investment returns and the funding status of such** plans ~~in that: (1) contributions made by us to the multiemployer plans may be used to provide benefits to employees of other participating employers; (2) if we choose to stop participating or substantially reduce participation in certain of these multiemployer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, which is referred to as a withdrawal liability; and (3) actions taken by any participating employer that lead to a deterioration of the financial health of a multiemployer plan may result in the unfunded obligations of the multiemployer plan being borne by its remaining participating employers, including us~~ . **As** ~~While we do not expect any of the multiemployer plans to which we contribute to be individually significant to us as a whole, as~~ of December 31, ~~2022~~ **2023** , we were an employer that provided more than 5 % of total contributions to certain of the multiemployer plans in which we participate. **If we choose to stop participating or substantially reduce participation in certain of these plans, we may be subject to a withdrawal liability. In addition, actions taken by any other participating employer that lead to a deterioration of the financial health of a multiemployer plan may result in the unfunded obligations of the multiemployer plan being borne by its remaining participating employers, including us.** To the extent **a** ~~that U. S.- registered~~ multiemployer ~~plans~~ - **plan** ~~are~~ **is** underfunded ~~, the Employee Retirement Income Security Act of 1974, as amended by the Multiemployer Pension Plan Amendments Act of 1980 (collectively, " ERISA "), may subject us to substantial liabilities in the event of a complete~~ or **in endangered** ~~partial withdrawal from~~ , **seriously endangered** or **critical status** ~~upon termination of~~ , ~~such plans~~ **additional required contributions and benefit reductions may apply** . We currently contribute to ~~, and in the past the WarnerMedia Business has contributed to,~~ multiemployer plans that are underfunded, and, ~~therefore~~ **as such** , ~~could have potential~~ **under federal law we may be subject to substantial** ~~liability~~ **liabilities** ~~associated with~~ **in the event of a complete or partial withdrawal from, or** a voluntary or involuntary withdrawal from, or termination of, such plans ~~. In addition, for a multiemployer plan in endangered, seriously endangered or critical status, additional required contributions, generally in the form of surcharges on contributions otherwise required, and benefit reductions may apply if such plan is determined to be underfunded, which could adversely affect our business, financial condition and results of operations if we are unable to adequately mitigate these costs. As of December 31, 2022, two of the multiemployer plans in which we participate were underfunded, but neither plan was considered to be in endangered, seriously endangered or critical status. The amount of funds we may be obligated to contribute to multiemployer plans in the future cannot be estimated, as these amounts are based on future levels of work of the union- represented employees covered by the multiemployer plans, investment returns and the funding status of such plans. We do not currently intend to withdraw from the multiemployer plans in which we participate, and we are not aware of circumstances that would reasonably lead to material claims against the us in connection with the multiemployer plans in which we participate~~ . There can be no assurance ~~, however,~~ that we will not be ~~assessed~~ **subject to** liabilities in the future **due** ~~. Potential withdrawal liabilities, requirements~~ to **the foregoing** ~~pay increased contributions, and /~~ or ~~surcharges~~ **other circumstances that may arise** in connection with **these plans or that we can adequately mitigate these costs,** any **of** ~~multiemployer plans in~~ which ~~we participate~~ could materially adversely affect our business, financial condition and results of operations. Our business, financial condition and results of operations may be negatively impacted by the outcome of uncertainties related to litigation. From time to time, we may be involved in a number of legal claims, regulatory investigations, litigation actions (asserted individually and / or on behalf of a class), and arbitration proceedings. We may be subject to a number of lawsuits both in the U. S. and in foreign countries, including, at any particular time, claims relating to antitrust, intellectual property, employment, wage and hour, consumer privacy, regulatory and tax proceedings, contractual and commercial disputes, and the production, distribution, and licensing of our content. We may also spend substantial resources complying with various government standards, which may entail related investigations and litigation. We may incur significant expenses defending such suits or government charges and may be required to pay amounts or otherwise change our operations in ways that could materially adversely affect our business, financial condition and results of operations. This could result in an increase in our cost for defense or settlement of claims or indemnification obligations if we were to be found liable in excess of our historical experience. Even if we believe a claim is without merit, and / or we ultimately prevail, defending against the claim could be time- consuming and costly and divert our management' s attention and resources away from our business. In addition, our insurance may not be adequate to protect us from all ~~material~~ **significant** expenses related to pending and future claims and our current levels of insurance may not be available in the future at commercially reasonable prices. Any of these factors could ~~materially~~ adversely affect our business, financial condition and results of operations. **26**