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 March 31, 2026

OR

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

For the transition period from to

Commission File Number: 001-34177

Warner Bros. Discovery, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**35-2333914** (I.R.S. Employer Identification No.)
230 Park Avenue South **New York, New York** (Address of principal executive offices)	**10003** (Zip Code)

(212) 548-5555

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Series A Common Stock	WBD	The Nasdaq Global Select Market
4.302% Senior Notes due 2030	WBDI30, WBDI30A	The Nasdaq Global Market
4.693% Senior Notes due 2033	WBDI33, WBDI33A	The Nasdaq Global Market

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 ý No o

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 ý No ¨

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

Large accelerated filer	ý	Accelerated filer	¨
Non-accelerated filer	o	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 ý

Total number of shares outstanding of each class of the Registrant's common stock as of April 23, 2026:

Series A Common Stock, par value $0.01 per share	2,507,136,702

WARNER BROS. DISCOVERY, INC.
FORM 10-Q
TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION.	
ITEM 1. Unaudited Financial Statements.	
Consolidated Statements of Operations.	4
Consolidated Statements of Comprehensive (Loss) Income.	5
Consolidated Balance Sheets.	6
Consolidated Statements of Cash Flows.	7
Consolidated Statements of Equity.	8
Notes to Consolidated Financial Statements.	10
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	30
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.	44
ITEM 4. Controls and Procedures.	44
PART II. OTHER INFORMATION.	
ITEM 1. Legal Proceedings.	45
ITEM 1A. Risk Factors.	46
ITEM 5. Other Information	46
ITEM 6. Exhibits.	48
SIGNATURES.	50

PART I. FINANCIAL INFORMATION

ITEM 1. Unaudited Financial Statements.

WARNER BROS. DISCOVERY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited; in millions, except per share amounts)

	Three Months Ended March 31,	
	2026	2025
Revenues:		
Distribution	$ 4,906	$ 4,886
Advertising	1,847	1,980
Content	1,887	1,866
Other	253	247
Total revenues	8,893	8,979
Costs and expenses:		
Costs of revenues, excluding depreciation and amortization	4,643	5,131
Selling, general and administrative	2,475	2,194
Netflix Termination Fee (See Note 1)	2,800	—
Depreciation and amortization	1,226	1,547
Restructuring and other charges	204	54
Impairments and loss on dispositions	14	90
Total costs and expenses	11,362	9,016
Operating loss	(2,469)	(37)
Interest expense, net	(581)	(468)
Loss on extinguishment of debt, net	(27)	(4)
Loss from equity investees, net	(5)	(7)
Other (expense) income, net	(38)	82
Loss before income taxes	(3,120)	(434)
Income tax benefit (expense)	214	(15)
Net loss	(2,906)	(449)
Net income attributable to noncontrolling interests	(10)	(8)
Net loss attributable to redeemable noncontrolling interests	—	4
Net loss available to Warner Bros. Discovery, Inc.	$ (2,916)	$ (453)
Net loss per share available to Warner Bros. Discovery, Inc. Series A common stockholders:		
Basic	$ (1.17)	$ (0.18)
Diluted	$ (1.17)	$ (0.18)
Weighted average shares outstanding:		
Basic	2,492	2,462
Diluted	2,492	2,462

The accompanying notes are an integral part of these consolidated financial statements.

WARNER BROS. DISCOVERY, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited; in millions)

	Three Months Ended March 31,	
	2026	2025
Net loss	$ (2,906)	$ (449)
Other comprehensive loss:		
Currency translation, net of income tax expense of $(14) and $(90)	(218)	231
Pension plan and SERP liability, net of income tax benefit of $2 and $—	2	—
Derivatives		
Change in net unrealized (losses) gains	(26)	9
Less: Reclassification adjustment for net losses (gains) included in net income	7	(13)
Net change, net of income tax benefit (expense) of $5 and $(1)	(19)	(4)
Comprehensive loss	(3,141)	(222)
Comprehensive income attributable to noncontrolling interests	(9)	(11)
Comprehensive loss attributable to redeemable noncontrolling interests	—	4
Comprehensive loss attributable to Warner Bros. Discovery, Inc.	$ (3,150)	$ (229)

The accompanying notes are an integral part of these consolidated financial statements.

WARNER BROS. DISCOVERY, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited; in millions, except par value)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 3,264	$ 4,566
Receivables, net	5,009	5,294
Prepaid expenses and other current assets	3,468	3,346
Total current assets	11,741	13,206
Film and television content rights and games	19,312	19,114
Property and equipment, net	6,642	6,685
Goodwill	25,874	25,933
Intangible assets, net	26,803	27,764
Other noncurrent assets	7,465	7,383
Total assets	$ 97,837	$ 100,085
Liabilities and equity		
Current liabilities:		
Accounts payable	$ 1,110	$ 1,093
Accrued liabilities	11,920	9,626
Deferred revenues	1,592	1,642
Current portion of debt	1,493	139
Total current liabilities	16,115	12,500
Noncurrent portion of debt	30,973	32,428
Deferred income taxes	5,873	6,383
Other noncurrent liabilities	11,169	11,608
Total liabilities	64,130	62,919
Commitments and contingencies (See Note 15)		
Redeemable noncontrolling interests	—	19
Warner Bros. Discovery, Inc. stockholders' equity:		
Series A common stock: $0.01 par value; 10,800 and 10,800 shares authorized; 2,737 and 2,710 shares issued; and 2,507 and 2,480 shares outstanding	27	27
Preferred stock: $0.01 par value; 1,200 and 1,200 shares authorized, 0 shares issued and outstanding	—	—
Additional paid-in capital	55,865	56,055
Treasury stock, at cost: 230 and 230 shares	(8,244)	(8,244)
Accumulated deficit	(14,428)	(11,512)
Accumulated other comprehensive loss	(642)	(407)
Total Warner Bros. Discovery, Inc. stockholders' equity	32,578	35,919
Noncontrolling interests	1,129	1,228
Total equity	33,707	37,147
Total liabilities and equity	$ 97,837	$ 100,085

The accompanying notes are an integral part of these consolidated financial statements.

WARNER BROS. DISCOVERY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited; in millions)

	Three Months Ended March 31,	
	2026	**2025**
Operating Activities		
Net loss	$ (2,906)	$ (449)
Adjustments to reconcile net income to cash provided by operating activities:		
Content rights amortization and impairment	2,499	3,145
Depreciation and amortization	1,226	1,547
Deferred income taxes	(513)	(312)
Share-based compensation expense	152	123
Impairments and loss on dispositions	14	90
Netflix Termination Fee accrual (See Note 1)	2,800	—
Other, net	119	17
Changes in operating assets and liabilities, net of acquisitions and dispositions:		
Receivables, net	246	288
Film and television content rights, games, and production payables, net	(2,603)	(2,846)
Accounts payable, accrued liabilities, deferred revenues and other noncurrent liabilities	(1,033)	(1,026)
Foreign currency, prepaid expenses and other assets, net	(209)	(24)
Cash (used in) provided by operating activities	(208)	553
Investing Activities		
Purchases of property and equipment	(268)	(251)
Proceeds from sales of investments	—	11
Investments in and advances to equity investees	(25)	(14)
Proceeds from asset dispositions	—	66
Other investing activities, net	11	(7)
Cash used in investing activities	(282)	(195)
Financing Activities		
Principal repayments of debt, including premiums and discounts to par value	(123)	(3,665)
Borrowings from debt, net of discount and issuance costs	(16)	1,500
Distributions to noncontrolling interests and redeemable noncontrolling interests	(129)	(157)
Proceeds for the formation of music catalog joint venture	—	601
Borrowings under commercial paper program and revolving credit facility	261	695
Repayments under commercial paper program and revolving credit facility	(261)	(695)
Cash paid to settle share-based awards, net	(422)	(117)
Other financing activities, net	(66)	(57)
Cash used in financing activities	(756)	(1,895)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(56)	95
Net change in cash, cash equivalents, and restricted cash	(1,302)	(1,442)
Cash, cash equivalents, and restricted cash, beginning of period	4,570	5,416
Cash, cash equivalents, and restricted cash, end of period	$ 3,268	$ 3,974

The accompanying notes are an integral part of these consolidated financial statements.

WARNER BROS. DISCOVERY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited; in millions)

	Warner Bros. Discovery, Inc. Common Stock								
	Shares	Par Value	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Warner Bros. Discovery, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
December 31, 2025	2,710	$ 27	$ 56,055	$ (8,244)	$ (11,512)	$ (407)	$ 35,919	$ 1,228	$ 37,147
Net (loss) income available to Warner Bros. Discovery, Inc. and attributable to noncontrolling interests	—	—	—	—	(2,916)	—	(2,916)	10	(2,906)
Other comprehensive loss	—	—	—	—	—	(235)	(235)	(1)	(236)
Net share-based plan activity	27	—	(187)	—	—	—	(187)	—	(187)
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(127)	(127)
Redeemable noncontrolling interest adjustments to redemption value	—	—	(3)	—	—	—	(3)	—	(3)
Reclassification associated with the expiration of put rights	—	—	—	—	—	—	—	19	19
March 31, 2026	2,737	$ 27	$ 55,865	$ (8,244)	$ (14,428)	$ (642)	$ 32,578	$ 1,129	$ 33,707

The accompanying notes are an integral part of these consolidated financial statements.

WARNER BROS. DISCOVERY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited; in millions)

	Warner Bros. Discovery, Inc. Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Warner Bros. Discovery, Inc. Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Par Value							
December 31, 2024	2,684	$ 27	$ 55,560	$ (8,244)	$ (12,239)	$ (1,067)	$ 34,037	$ 792	$34,829
Net (loss) income available to Warner Bros. Discovery, Inc. and attributable to noncontrolling interests	—	—	—	—	(453)	—	(453)	8	(445)
Other comprehensive income	—	—	—	—	—	227	227	3	230
Net share-based plan activity	19	—	41	—	—	—	41	—	41
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	(147)	(147)
Redeemable noncontrolling interest adjustments to redemption value	—	—	(3)	—	—	—	(3)	—	(3)
Reclassification associated with the expiration of put rights	—	—	—	—	—	—	—	74	74
Formation of music catalog joint venture	—	—	(13)	—	—	—	(13)	582	569
March 31, 2025	2,703	$ 27	$ 55,585	$ (8,244)	$ (12,692)	$ (840)	$ 33,836	$ 1,312	$35,148

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Warner Bros. Discovery, Inc. ("Warner Bros. Discovery", "WBD", the "Company", "we", "us" or "our") is a leading global media and entertainment company that creates and distributes a differentiated and comprehensive portfolio of content and products across television, film, streaming, interactive gaming, publishing, themed experiences, and consumer products through brands including: Discovery Channel, HBO Max, CNN, DC Studios, TNT Sports, HBO, Food Network, TLC, TBS, Warner Bros. Motion Picture Group, Warner Bros. Television Group, Warner Bros. Games, Adult Swim, Turner Classic Movies, and others.

Termination of Netflix Merger

On January 19, 2026, the Company entered into an amended and restated agreement and plan of merger, by and among the Company, Netflix, Inc. ("Netflix"), Nightingale Sub, Inc., a wholly owned subsidiary of Netflix, and New Topco 25, Inc., a wholly owned subsidiary of WBD (the "Netflix Merger Agreement"), pursuant to which Netflix would have acquired the Streaming and Studios segments (subject to certain deviations) and certain other assets and liabilities, including the Company's film and television studios, HBO Max, and HBO, following the separation and distribution of Discovery Global to the Company's stockholders (the "Separation Transaction").

Following the board of directors' determination that it had received a "Company Superior Proposal," as defined in the Netflix Merger Agreement, from Paramount Skydance Corporation ("PSKY") and Netflix's waiver of its right to propose revisions to the Netflix Merger Agreement, on February 27, 2026, in accordance with the terms of the Netflix Merger Agreement, the Company terminated the Netflix Merger Agreement in connection with entering into the PSKY Merger Agreement (as defined below). As a result of the termination of the Netflix Merger Agreement, PSKY, on behalf of the Company, paid Netflix a termination fee of $2.8 billion in cash (the "Netflix Termination Fee") as required by the terms of the Netflix Merger Agreement. During the three months ended March 31, 2026, the Company recorded an expense for the Netflix Termination Fee in the consolidated statements of operations. The amount paid by PSKY is reimbursable by the Company to PSKY in certain circumstances in the event the PSKY Merger Agreement is terminated, and therefore has been recorded in accrued liabilities in the consolidated balance sheets.

PSKY Merger

On February 27, 2026, the Company entered into an Agreement and Plan of Merger, by and among the Company, PSKY and Prince Sub Inc., a wholly owned subsidiary of PSKY ("Merger Sub") (as may be amended from time to time, the "PSKY Merger Agreement"), pursuant to which and subject to the terms and conditions therein, at the effective time, Merger Sub will merge with and into WBD, with WBD surviving as a wholly owned subsidiary of PSKY (the "PSKY Merger").

Upon completion of the PSKY Merger, each issued and outstanding share of WBD's Series A common stock ("WBD Common Stock") (subject to certain exceptions) will be converted into the right to receive an amount in cash equal to $31.00, without interest, plus, if the closing date of the PSKY Merger occurs after September 30, 2026, the Ticking Consideration (together, the "Merger Consideration"). The "Ticking Consideration" will be an amount in cash equal to $0.00277778 multiplied by the number of calendar days elapsed after September 30, 2026 to and including the closing date (which, for the avoidance of doubt, will not exceed $0.25 per 90 calendar day period).

Concurrently with the execution of the PSKY Merger Agreement, Larry J. Ellison and an affiliated trust entered into a guarantee in favor of WBD to, among other things, jointly and severally guarantee certain payments by PSKY under the PSKY Merger Agreement, including $45.72 billion of the aggregate Merger Consideration, and assist WBD with the consummation of the PSKY Merger.

On April 23, 2026, WBD stockholders approved the adoption of the PSKY Merger Agreement. The completion of the PSKY Merger is subject to customary closing conditions, including regulatory clearances. In addition, PSKY's obligation to consummate the PSKY Merger is subject to WBD not having completed the separation of its Streaming & Studios business from its Global Linear Networks business nor having declared or made any dividend to WBD's stockholders to effectuate the separation. There can be no assurance that the PSKY Merger will occur in accordance with the expected plans or anticipated timeline, or at all.

The PSKY Merger Agreement contains certain customary termination rights for WBD and PSKY, including, without limitation, a right for either party to terminate if the PSKY Merger is not completed on or before March 4, 2027, subject to an extension to June 4, 2027 in certain circumstances as specified in the PSKY Merger Agreement. Termination under specified circumstances will require WBD to pay PSKY a termination fee of $3.0 billion and reimburse PSKY for (i) any payment made by PSKY, which will in no event be more than $1,528 million, in connection with WBD's obligation to complete the Junior Lien Exchange Offer by December 30, 2026 and (ii) the Netflix Termination Fee, or PSKY to pay WBD a termination fee of $7.0 billion. Additionally, the PSKY Merger Agreement provides for customary pre-closing covenants of WBD, including covenants relating to conducting its business in the ordinary course consistent with past practice and to refrain from taking certain actions without PSKY's consent.

Reportable Segments

As of March 31, 2026, we classified our operations in three reportable segments:

- **Streaming -** Our Streaming segment primarily consists of our premium pay-TV and streaming services.
- **Studios -** Our Studios segment primarily consists of the production and release of feature films for initial exhibition in theaters, production and initial licensing of television programs to third parties and our networks/streaming services, distribution of our films and television programs to various third party and internal television and streaming services, distribution through the home entertainment market (physical and digital), related consumer products and themed experience licensing, and interactive gaming.
- **Global Linear Networks -** Our Global Linear Networks segment primarily consists of our domestic and international television networks.

Our segment presentation is aligned with our management structure and the financial information management uses to make decisions about operating matters, such as the allocation of resources and business performance assessments.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries in which a controlling interest is maintained, including variable interest entities ("VIE") for which the Company is the primary beneficiary. Intercompany accounts and transactions between consolidated entities have been eliminated.

Unaudited Interim Financial Statements

These consolidated financial statements are unaudited; however, in the opinion of management, they reflect all adjustments consisting only of normal recurring adjustments necessary to state fairly the financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP applicable to interim periods. The results of operations for the interim periods presented are not necessarily indicative of results for the full year or future periods. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from these estimates.

Accounting and Reporting Pronouncements Adopted

Credit Losses

In July 2025, the Financial Accounting Standards Board ("FASB") issued guidance which provides a practical expedient to simplify the estimation of expected credit losses by assuming that current conditions as of the balance sheet do not change for the remaining life of the asset. This guidance is effective for interim and annual periods beginning after December 15, 2025, and the standard is to be applied prospectively. The Company elected not to apply the practical expedient in its expected credit losses calculation therefore, there was no impact on its consolidated financial statements.

Accounting and Reporting Pronouncements Not Yet Adopted

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued guidance updating the disclosure requirements for income statement expenses, primarily through disaggregation of certain types of expenses presented on the income statement. The amendments are effective for fiscal years beginning after December 15, 2026 and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either: (1) prospectively to financial statements issued for reporting periods after the effective date, or (2) retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and disclosures.

Accounting for Internal-Use Software

In September 2025, the FASB issued guidance which amends the existing standard for internal-use software to remove all references to prescriptive and sequential software development project stages. Under this guidance, eligible software development costs will begin capitalization when management has authorized and committed to funding the software project, and it is probable that the project will be completed, and the software will be used to perform the function intended. This guidance may be applied prospectively, retrospectively, or with a modified transition approach, and is effective for all annual periods beginning after December 15, 2027, and for interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and disclosures.

Derivatives and Hedging and Revenue from Contracts with Customers

In September 2025, the FASB issued guidance that amends existing standards for derivatives and hedging ("Topic 815") and revenue from contracts with customers ("Topic 606"). The guidance refines the scope of Topic 815 to clarify which contracts are subject to derivative accounting. The guidance also provides clarification under Topic 606 for share-based payments from a customer in a revenue contract. This guidance may be applied prospectively or with a modified retrospective approach, and is effective for all annual periods beginning after December 15, 2026, and for interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and disclosures.

Derivatives and Hedging: Hedge Accounting Improvements

In November 2025, the FASB issued guidance that improves hedge accounting guidance by clarifying certain aspects and aligning hedge accounting more closely with the economics of an entity's risk management activities. The update is effective for annual reporting periods beginning after December 15, 2026, and for interim periods within those annual reporting periods, with early adoption permitted. The updates should be applied prospectively for all hedging relationships as of the date of adoption. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements and disclosures.

NOTE 2. GOODWILL AND INTANGIBLE ASSETS

We perform fair value-based impairment tests of goodwill and intangible assets on an annual basis, and between annual tests if an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit or an intangible asset below its carrying value.

During the three months ended March 31, 2026, the Company performed goodwill and intangible assets impairment monitoring procedures for all of its reporting units and identified no indicators of impairment.

The Company continues to monitor its reporting units for triggers that could impact the recoverability of goodwill. Long-term trends and risks the Company is monitoring in its ongoing assessment include, but are not limited to, the following:

- uncertainty related to affiliate rights renewals associated with the Company's Global Linear Networks and Streaming reporting units;
- declining levels of global GDP growth and continued softness in the U.S. linear advertising market associated with the Company's Global Linear Networks reporting unit;
- increased competition for advertising expenditures associated with the Company's Global Linear Networks and Streaming reporting units as a result of an increase in digital advertising inventory available in the marketplace;
- content licensing trends and volatility related to the performance of theatrical film and game slates in the Company's Studios reporting unit; and
- risks in executing the projected growth strategies of the Company's Streaming reporting unit.

NOTE 3. RESTRUCTURING AND OTHER CHARGES

The Company periodically initiates restructuring programs, which may include, among other things, strategic content programming assessments, organizational restructuring, employee retention, facility consolidation activities, other contract termination costs, and consulting fees related to the previously announced Separation Transaction and the PSKY Merger. During 2025, the Company initiated restructuring plans related to the previously proposed Separation Transaction.

Restructuring and other charges by reportable segments and corporate and inter-segment eliminations were as follows (in millions).

	Three Months Ended March 31,	
	2026	2025
Streaming	$ 26	$ 12
Studios	9	(5)
Global Linear Networks	42	16
Corporate and inter-segment eliminations	127	31
Total restructuring and other charges	$ 204	$ 54

During the three months ended March 31, 2026 and 2025, restructuring and other charges were primarily related to organization restructuring costs, employee retention, and consulting fees related to the previously announced Separation Transaction and the PSKY Merger.

Changes in restructuring liabilities recorded in accounts payable, accrued liabilities, and other noncurrent liabilities by major category and by reportable segment and corporate were as follows (in millions).

	Streaming	Studios	Global Linear Networks	Corporate	Total
December 31, 2025	$ 23	$ 58	$ 69	$ 127	$ 277
Contract termination accruals, net	—	—	—	12	12
Employee termination accruals, net	—	9	6	(3)	12
Employee retention, net	15	6	36	23	80
Consulting fees and other accruals and adjustments	11	(6)	—	95	100
Cash paid	(19)	(4)	(30)	(111)	(164)
March 31, 2026	$ 30	$ 63	$ 81	$ 143	$ 317

NOTE 4. REVENUES

The following tables present the Company's revenues disaggregated by revenue source (in millions).

	Three Months Ended March 31, 2026				
	Streaming	Studios	Global Linear Networks	Corporate and Inter-segment Eliminations	Total
Revenues:					
Distribution	$ 2,533	$ 1	$ 2,373	$ (1)	$ 4,906
Advertising	284	—	1,570	(7)	1,847
Content	68	2,934	346	(1,461)	1,887
Other	2	190	88	(27)	253
Total	$ 2,887	$ 3,125	$ 4,377	$ (1,496)	$ 8,893

	Three Months Ended March 31, 2025				
	Streaming	Studios	Global Linear Networks	Corporate and Inter-segment Eliminations	Total
Revenues:					
Distribution	$ 2,329	$ 1	$ 2,558	$ (2)	$ 4,886
Advertising	237	1	1,758	(16)	1,980
Content	88	2,139	380	(741)	1,866
Other	2	173	78	(6)	247
Total	$ 2,656	$ 2,314	$ 4,774	$ (765)	$ 8,979

Contract Liabilities and Contract Assets

The following table presents contract liabilities on the consolidated balance sheets (in millions).

Category	Balance Sheet Location	March 31, 2026	December 31, 2025
Contract liabilities	Deferred revenues	$ 1,592	$ 1,642
Contract liabilities	Other noncurrent liabilities	360	355

For the three months ended March 31, 2026 and 2025, respectively, revenues of $774 million and $677 million were recognized that were included in deferred revenues as of December 31, 2025 and December 31, 2024, respectively. Contract assets were not material as of March 31, 2026 and December 31, 2025.

Remaining Performance Obligations

The following table presents a summary of revenue expected to be recognized from remaining performance obligations by contract type (in millions).

Contract Type	March 31, 2026	Duration
Distribution - fixed price or minimum guarantee	$ 2,848	Through 2030
Content licensing and sports sublicensing	4,528	Through 2032
Brand licensing	3,953	Through 2062
Advertising	1,006	Through 2032
Other	124	Through 2029
Total	$ 12,459	

The value of unsatisfied performance obligations disclosed above does not include: (i) contracts involving variable consideration for which revenues are recognized in accordance with the sales or usage-based royalty exception, which typically have a similar duration as the contracts disclosed above, and (ii) contracts with an original expected length of one year or less, such as most advertising contracts; however for content licensing revenues, including revenues associated with the licensing of theatrical and television product for television and streaming services, the Company has included all contracts regardless of duration.

NOTE 5. SALES OF RECEIVABLES

Revolving Receivables Program

During 2025, the Company amended its revolving receivables program to reduce the facility limit to $5,000 million and extend the program to June 2026. The outstanding portfolio of receivables derecognized from our consolidated balance sheet was $3,850 million and $3,700 million as of March 31, 2026 and December 31, 2025, respectively.

The Company recognized $20 million and $36 million for the three months ended March 31, 2026 and 2025, respectively, in selling, general and administrative expenses in the consolidated statements of operations from the revolving receivables program (net of non-designated derivatives). (See Note 9.)

The following table presents a summary of receivables sold (in millions).

	Three Months Ended March 31,	
	2026	2025
Gross receivables sold/cash proceeds received	$ 3,445	$ 4,231
Collections reinvested under revolving receivables program	(3,295)	(4,120)
Net cash proceeds received	$ 150	$ 111
Net receivables sold	$ 3,416	$ 4,205
Obligations recorded (Level 3)	$ 67	$ 103

The following table presents a summary of the amounts transferred or pledged, which were held at the Company's bankruptcy-remote consolidated subsidiary (in millions).

	March 31, 2026	December 31, 2025
Gross receivables pledged as collateral	$ 2,121	$ 2,632
Balance sheet classification:		
Receivables, net	$ 1,652	$ 2,230
Other noncurrent assets	$ 469	$ 402

Accounts Receivable Factoring

No amounts were sold under the Company's factoring arrangement for the three months ended March 31, 2026. Total trade accounts receivable sold under the Company's factoring arrangement was $102 million for the three months ended March 31, 2025. The impact to the consolidated statements of operations was immaterial for the three months ended March 31, 2026 and 2025. This accounts receivable factoring agreement is separate and distinct from the revolving receivables program.

NOTE 6. CONTENT RIGHTS

For purposes of amortization and impairment, capitalized production costs are grouped based on their predominant monetization strategy: individually or as a group. Live programming includes licensed sports rights and related advances. The tables below present the components of content rights (in millions).

	March 31, 2026		
	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Production costs:			
Released, less amortization	$ 3,269	$ 5,930	$ 9,199
Completed and not released	1,186	587	1,773
In production and other	1,723	2,082	3,805
Total production costs	$ 6,178	$ 8,599	$ 14,777
Licensed content, live programming, and advances, net			4,544
Game development costs, less amortization			362
Total film and television content rights and games			19,683
Less: Current content rights and prepaid license fees, net			(371)
Total noncurrent film and television content rights and games			$ 19,312

	December 31, 2025		
	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Production costs:			
Released, less amortization	$ 3,006	$ 5,686	$ 8,692
Completed and not released	1,109	521	1,630
In production and other	1,782	2,544	4,326
Total production costs	$ 5,897	$ 8,751	$ 14,648
Licensed content, live programming, and advances, net			4,478
Game development costs, less amortization			310
Total film and television content rights and games			19,436
Less: Current content rights and prepaid license fees, net			(322)
Total noncurrent film and television content rights and games			$ 19,114

Content amortization consisted of the following (in millions).

	Three Months Ended March 31,	
	2026	2025
Predominantly monetized individually	$ 400	$ 580
Predominantly monetized as a group	2,057	2,530
Total content amortization	$ 2,457	$ 3,110

Content expense includes amortization, impairments, and development expense and is generally a component of costs of revenues on the consolidated statements of operations. Content impairments were $42 million and $35 million, respectively, for the three months ended March 31, 2026 and 2025.

NOTE 7. INVESTMENTS

The Company's equity investments consisted of the following (in millions).

Category	Balance Sheet Location	Ownership	March 31, 2026	December 31, 2025
Equity method investments:				
The Chernin Group (TCG) 2.0-A, LP	Other noncurrent assets	44%	$ 276	$ 276
nC+	Other noncurrent assets	32%	153	153
Other	Other noncurrent assets		270	268
Total equity method investments			699	697
Investments without readily determinable fair values	Other noncurrent assets[a]		349	348
Total investments			$ 1,048	$ 1,045

[a] Investments without readily determinable fair values included $17 million as of March 31, 2026 and December 31, 2025 that was recorded in prepaid expenses and other current assets.

Equity Method Investments

Certain of the Company's other equity method investments are VIEs, for which the Company is not the primary beneficiary. As of March 31, 2026, the Company's maximum exposure for all of its unconsolidated VIEs, including the investment carrying values and unfunded contractual commitments made on behalf of VIEs, was approximately $477 million. The Company's maximum estimated exposure excludes the non-contractual future funding of VIEs. The aggregate carrying values of these VIE investments were $467 million and $481 million as of March 31, 2026 and December 31, 2025, respectively. VIE gains and losses are recorded in loss from equity investees, net on the consolidated statements of operations, and were not material for the three months ended March 31, 2026 and 2025.

Joint Venture

In January 2025, the Company contributed a 70% interest in its music catalog to a joint venture with Cutting Edge Group in exchange for net proceeds of $601 million. The Company retained a controlling financial interest and consolidated the joint venture as a VIE. The Company has determined that it is the primary beneficiary of the joint venture as the Company has certain operational rights that significantly impact the economic performance of the business including exploitation of the catalog works and selection of the administrator. As the primary beneficiary, the Company includes the joint venture assets, liabilities and results of operations in the Company's consolidated financial statements. As of March 31, 2026, the carrying amounts of assets and liabilities of the consolidated VIE were not material. During the three months ended March 31, 2026, it was determined that the Cutting Edge Group will receive an additional 9% economic interest in the venture based on the results of certain operational metrics.

NOTE 8. DEBT

The table below presents the components of outstanding debt (in millions).

	Weighted-Average Interest Rate as of March 31, 2026	March 31, 2026	December 31, 2025
Bridge loan with maturity of 15 months	7.67 %	$ 15,000	$ 15,000
Senior notes with maturities of 5 years or less	3.91 %	6,525	6,659
Senior notes with maturities between 5 and 10 years	4.37 %	3,505	3,509
Senior notes with maturities greater than 10 years	5.17 %	7,671	7,677
Total debt		32,701	32,845
Unamortized discount, premium, debt issuance costs, and fair value adjustments for acquisition accounting, net		(235)	(278)
Debt, net of unamortized discount, premium, debt issuance costs, and fair value adjustments for acquisition accounting		32,466	32,567
Current portion of debt		(1,493)	(139)
Noncurrent portion of debt		$ 30,973	$ 32,428

During the three months ended March 31, 2026, the Company repaid in full at maturity $123 million of aggregate principal amount outstanding of its senior notes due January and March 2026.

On February 18, 2026, DGH (formerly WarnerMedia Holdings, Inc., the “Borrower”), together with JPMorgan Chase Bank, N.A., in its capacities as Administrative Agent and Collateral Agent, executed Amendment No. 1 (“Amendment No. 1”) to the Non-Investment Grade Leveraged Bridge Loan Agreement dated June 26, 2025 (the “Bridge Loan Agreement”). Amendment No. 1 extends the maturity of the Borrower’s outstanding bridge loans from the earlier of (i) December 30, 2026 and (ii) the completion of the previously proposed Separation Transaction to the earlier of (x) June 30, 2027 and (y) the date that the previously proposed Spin-Off (as defined in the Bridge Loan Agreement) occurs.

Under Amendment No. 1, all previously scheduled duration fees through June 30, 2026 remain unchanged, however, the duration fees payable on September 30, 2026 and December 31, 2026 were increased from 0.75% to 1.00% of the principal amount of outstanding loans on such dates. In addition, a new duration fee of 1.00% of the principal amount of outstanding loans will be payable on March 31, 2027.

Amendment No. 1 does not modify the mandatory prepayment provisions, guarantee structure, or collateral securing the bridge facility, all of which remain consistent with the Bridge Loan Agreement. The amendment also maintains the original representations and warranties, affirmative and negative covenants, events of default and continues to include no financial maintenance covenants.

During the three months ended March 31, 2025, the Company repaid in full at maturity $2,165 million of aggregate principal amount outstanding of its senior notes due March 2025, and redeemed in full $1,500 million aggregate principal amount outstanding of its senior notes due March 2026. The redemption was funded with the proceeds of borrowings pursuant to a $1,500 million 364-day senior unsecured term loan credit facility.

We are obligated to cause certain of our subsidiaries to conduct one or more offers to exchange (collectively, the "Junior Lien Exchange Offer") certain of the senior notes issued by DGH and DCL, as applicable, for new junior lien secured notes with the same economic terms (including denominations, interest rate, interest payment dates, maturity date and redemption provisions) to be issued by DGH or DCL, as applicable (the "junior lien notes"). If the Junior Lien Exchange Offer is not completed by December 30, 2026, WBD will be required to pay to each holder of the applicable senior notes entitled to participate in the Junior Lien Exchange Offer a one-time cash payment in the amount of $100 per $1,000 principal amount or €100 per €1,000 principal amount, as applicable, of the applicable senior notes held by such holder, equal to an aggregate amount of approximately $1.5 billion.

The PSKY Merger Agreement provides that, prior to October 15, 2026, PSKY may deliver one formal request (a "Specified Request") in writing to WBD requesting that WBD either, subject to certain exceptions, (i) commence and use reasonable best efforts to effectuate a consent solicitation (on terms mutually determined by PSKY and WBD in good faith) to eliminate the obligation to commence the Junior Lien Exchange Offer or otherwise modify the required terms of the Junior Lien Exchange Offer, (ii) commence and use reasonable best efforts to effectuate the Junior Lien Exchange Offer (on terms mutually determined by PSKY and WBD in good faith, subject to certain conditions) or (iii) make a payment in the amount of $100 per $1,000 principal amount or €100 per €1,000 principal amount of such outstanding senior notes in lieu of effectuating the Junior Lien Exchange Offer (the "Amended Notes Payment Amount"); provided that, if the Amended Notes Payment Amount becomes due and payable pursuant to the above, PSKY shall timely and fully pay such amount (such amount not to exceed $1,528 million in the aggregate).

If PSKY does not make a Specified Request by October 15, 2026, WBD may, after such date, commence one or more consent solicitations with respect to the outstanding senior notes or commence the Junior Lien Exchange Offer, in each case, on terms determined by WBD in its sole discretion, or pay the Amended Notes Payment Amount; provided that, if the Amended Notes Payment Amount becomes due and payable pursuant to the above, PSKY shall timely and fully pay such amount (subject to the aggregate limit described above).

As of March 31, 2026, all senior notes are fully and unconditionally guaranteed by the Company, Scripps Networks, DCL (to the extent it is not the primary obligor on such senior notes), and DGH (to the extent it is not the primary obligor on such senior notes), except for $171 million of senior notes related to the legacy WarnerMedia business (the "WarnerMedia Business").

Revolving Credit Facility and Commercial Paper Programs

DCL and certain subsidiaries of the Company, as borrowers, have a multicurrency revolving credit agreement, which was amended in June 2025 (the "Credit Agreement"). The Credit Agreement provides for a senior revolving credit facility (the "Credit Facility") with aggregate commitments of $4,000 million and includes a $150 million sublimit for the issuance of standby letters of credit. DCL may also request additional commitments up to $1,000 million from the lenders upon the satisfaction of certain conditions. The obligations of the borrowers under the Credit Agreement are secured by the same collateral and have the benefit of the same guarantees as provided in respect of the Bridge Loan Facility, as described above. The Credit Agreement is available on a revolving basis until October 2029, with an option for up to two additional 364-day renewal periods subject to the lenders' consent, and provides for an early termination of the Credit Agreement upon completion of the previously proposed Separation Transaction.

Additionally, the Company's commercial paper program is supported by the Credit Facility. Under the commercial paper program, the Company may issue up to $2,000 million. In March 2025, the Company increased the issuance capacity under the commercial paper program from $1,000 million to $2,000 million. Borrowing capacity under the Credit Facility is effectively reduced by any outstanding borrowings under the commercial paper program.

As of March 31, 2026 and December 31, 2025, the Company and DCL had no outstanding borrowings under the Credit Facility or issuances under the commercial paper program.

The Credit Agreement contains customary representations and warranties as well as affirmative and negative covenants, and also requires maintenance of a minimum consolidated interest coverage ratio of 3.00 to 1.00 and a maximum consolidated leverage ratio of 4.50 to 1.00. As of March 31, 2026, the Company was in compliance with all applicable covenants and there were no events of default under the Credit Agreement.

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to foreign currency exchange rate market risk and interest rate fluctuations. As part of its risk management strategy, the Company uses derivative financial instruments, primarily foreign currency forward contracts, fixed-to-fixed currency swaps, total return swaps and interest rate swaps to hedge certain foreign currency, market value, and interest rate exposures. The Company's objective is to reduce earnings volatility by offsetting gains and losses resulting from these exposures with losses and gains on the derivative contracts used to hedge them. The Company does not enter into or hold derivative financial instruments for speculative trading purposes.

There were no amounts eligible to be offset under master netting agreements as of March 31, 2026 and December 31, 2025. The fair value of the Company's derivative financial instruments was determined using a market-based approach (Level 2). The following table summarizes the Company's derivative financial instruments recorded on its consolidated balance sheets (in millions).

	March 31, 2026					December 31, 2025				
		Fair Value					Fair Value			
	Notional	Prepaid expenses and other current assets	Other non-current assets	Accounts payable and accrued liabilities	Other non-current liabilities	Notional	Prepaid expenses and other current assets	Other non-current assets	Accounts payable and accrued liabilities	Other non-current liabilities
Cash flow hedges:										
Foreign exchange	$ 3,084	$ 49	$ 36	$ 32	$ 51	$ 2,235	$ 53	$ 60	$ 35	$ 38
Net investment hedges: [a]										
Cross-currency swaps	444	7	—	—	21	452	7	—	—	21
No hedging designation:										
Foreign exchange	145	10	1	91	1	126	9	—	15	79
Cross-currency swaps	221	4	—	—	10	225	4	—	—	11
Total return swaps	486	—	—	27	—	501	—	—	—	—
Credit contracts	—	—	—	—	—	2,000	8	—	—	—
Total		$ 70	$ 37	$ 150	$ 83		$ 81	$ 60	$ 50	$ 149

[a] Excludes €781 million and €781 million of euro-denominated notes ($897 million and $919 million equivalent) at March 31, 2026 and December 31, 2025, respectively, designated as a net investment hedge.

Derivatives Designated for Hedge Accounting

Cash Flow Hedges

The Company uses foreign exchange forward contracts to mitigate the foreign currency risk related to revenues, production rebates, and production expenses. As production spend occurs or when rebate receivables are recognized, foreign forward exchange contracts designated as cash flow hedges are de-designated. Upon de-designation, gains and losses on these derivatives directly impact earnings in the same line and same period as the hedged risk. These cash flow hedges are carried at fair market value on the Company's consolidated balance sheets. Hedge effectiveness is assessed using the spot method, with fair market value changes recorded in other comprehensive income (loss) until the hedged item affects earnings. Excluded components, including forward points, are included in current earnings.

The following table presents the pre-tax impact of derivatives designated as cash flow hedges on income and other comprehensive income (loss) (in millions).

	Three Months Ended March 31,	
	2026	2025
Gains (losses) recognized in accumulated other comprehensive loss:		
Foreign exchange - derivative adjustments	$ (32)	$ 14
Gains (losses) reclassified into income from accumulated other comprehensive loss:		
Foreign exchange - distribution revenue	(10)	4
Foreign exchange - costs of revenues	3	—
Interest rate - interest expense, net	(1)	(1)
Interest rate - other (expense) income, net	—	14

If current fair values of designated cash flow hedges as of March 31, 2026 remained static over the next twelve months, the amount the Company would reclassify from accumulated other comprehensive loss into income in the next twelve months would not be material for the current fiscal year. The maximum length of time the Company is hedging exposure to the variability in future cash flows is 29 years.

Net Investment Hedges

The Company is exposed to foreign currency risk associated with the net assets of non-USD functional entities and uses fixed-to-fixed cross currency swaps to mitigate this risk.

The following table presents the pre-tax impact of derivatives and other instruments designated as net investment hedges on other comprehensive income (loss) (in millions). Other than amounts excluded from effectiveness testing, there were no other material gains (losses) reclassified from accumulated other comprehensive loss to income during the three months ended March 31, 2026 and 2025.

	Three Months Ended March 31,				
	Amount of gain (loss) recognized in AOCI		Location of gain (loss) recognized in income on derivative (amount excluded from effectiveness testing)	Amount of gain (loss) recognized in income on derivative (amount excluded from effectiveness testing)	
	2026	2025		2026	2025
Cross currency swaps	$ (3)	$ (4)	Interest expense, net	$ 3	$ 3
Euro-denominated notes (foreign denominated debt)	22	(60)	N/A	—	—
Total	$ 19	$ (64)		$ 3	$ 3

Derivatives Not Designated for Hedge Accounting

The Company has deferred compensation plans that have risk related to the fair value gains and losses on these investments and uses total return swaps to mitigate this risk. The gains and losses associated with these swaps are recorded to selling, general and administrative expenses, offsetting the deferred compensation investment gains and losses.

During the year ended December 31, 2025, the Company entered into $2,000 million notional amount of credit contract swaptions to mitigate the interest rate risk related to future issuances of debt related to the previously proposed Separation Transaction, which were unwound during the three months ended March 31, 2026 for an immaterial loss.

The Company is also exposed to the risk of secured overnight financing rate changes in connection with securitization fees on the receivables securitization program. To mitigate this risk, the Company entered into $1,500 million notional of non-designated interest rate swaps in the first quarter of 2025. The gains and losses on these derivatives are recorded to selling, general and administrative expenses, offsetting securitization interest expense.

The following table presents the pretax gains (losses) on derivatives not designated as hedges and recognized in selling, general and administrative expense and other (expense) income, net in the consolidated statements of operations (in millions).

	Three Months Ended March 31,	
	2026	2025
Interest rate swaps	$ —	$ 1
Total return swaps	(12)	(11)
Total in selling, general and administrative expense	(12)	(10)
Cross-currency swaps	1	(1)
Credit contracts	(5)	—
Foreign exchange derivatives	2	9
Total in other (expense) income, net	(2)	8
Total	$ (14)	$ (2)

NOTE 10. FAIR VALUE MEASUREMENTS

Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants. Assets and liabilities carried at fair value are classified in the following three categories:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – 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 in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – Valuations derived from techniques in which one or more significant inputs are unobservable.

The tables below present assets and liabilities measured at fair value on a recurring basis (in millions).

		March 31, 2026			
Category	**Balance Sheet Location**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Cash equivalents:					
Time deposits	Cash and cash equivalents	$ —	$ 134	$ —	$ 134
Equity securities:					
Money market fund	Cash and cash equivalents	58	—	—	58
Mutual funds	Prepaid expenses and other current assets	15	—	—	15
Company-owned life insurance contracts	Prepaid expenses and other current assets	—	2	—	2
Mutual funds	Other noncurrent assets	201	—	—	201
Company-owned life insurance contracts	Other noncurrent assets	—	102	—	102
Total		$ 274	$ 238	$ —	$ 512
Liabilities					
Deferred compensation plan	Accrued liabilities	$ 61	$ —	$ —	$ 61
Deferred compensation plan	Other noncurrent liabilities	674	—	—	674
Total		$ 735	$ —	$ —	$ 735

		December 31, 2025			
Category	**Balance Sheet Location**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Cash equivalents:					
Time deposits	Cash and cash equivalents	$ —	$ 107	$ —	$ 107
Equity securities:					
Money market funds	Cash and cash equivalents	61	—	—	61
Mutual funds	Prepaid expenses and other current assets	14	—	—	14
Company-owned life insurance contracts	Prepaid expenses and other current assets	—	2	—	2
Mutual funds	Other noncurrent assets	205	—	—	205
Company-owned life insurance contracts	Other noncurrent assets	—	105	—	105
Total		$ 280	$ 214	$ —	$ 494
Liabilities					
Deferred compensation plan	Accrued liabilities	$ 66	$ —	$ —	$ 66
Deferred compensation plan	Other noncurrent liabilities	682	—	—	682
Total		$ 748	$ —	$ —	$ 748

In addition to the financial instruments listed in the tables above, the Company holds other financial instruments, including cash deposits, accounts receivable, accounts payable, senior notes, and a bridge loan. The carrying values for such financial instruments, other than the senior notes, each approximated their fair values as of March 31, 2026 and December 31, 2025. The estimated fair value of the Company's outstanding senior notes, including accrued interest, using quoted prices from over-the-counter markets, considered Level 2 inputs, was $14,609 million and $15,205 million as of March 31, 2026 and December 31, 2025, respectively.

The Company's derivative financial instruments are discussed in Note 9 and the obligation for its revolving receivable program is discussed in Note 5.

NOTE 11. SHARE-BASED COMPENSATION

The Company has various incentive plans under which performance based restricted stock units ("PRSUs"), service based restricted stock units ("RSUs"), and stock options have been issued. The table below presents awards granted (in millions, except weighted-average grant price).

	Three Months Ended March 31, 2026	
	Awards	Weighted-Average G Date Fair Value
Awards granted:		
PRSUs	1.2	$ 29
RSUs	19.1	$ 28
Stock options	3.1	$ 10

The table below presents unrecognized compensation cost related to non-vested share-based awards and the weighted-average amortization period over which these expenses will be recognized as of March 31, 2026 (in millions, except years).

	Unrecognized Compensation Cost	Weighted-Averag Amortization Peri (years)
PRSUs	$ 92	
RSUs	877	
Stock options	147	
Total unrecognized compensation cost	$ 1,116	

NOTE 12. INCOME TAXES

Income tax benefit (expense) was $214 million and $(15) million for the three months ended March 31, 2026 and 2025, respectively. The increase in income tax benefit for the three months ended March 31, 2026 compared to the same period in 2025 was primarily attributable to excess tax benefits from share-based compensation.

Income tax benefit for the three months ended March 31, 2026, reflects an effective income tax rate that differs from the federal statutory tax rate primarily attributable to a book tax difference in the Netflix Termination Fee accrual (See Note 1) based on current assessments, as well as excess tax benefits from share-based compensation.

As of March 31, 2026 and December 31, 2025, the Company's reserves for unrecognized tax benefits totaled $2,368 million and $2,356 million, respectively.

As of March 31, 2026 and December 31, 2025, the Company had accrued $896 million and $856 million, respectively, of total interest and penalties payable related to unrecognized tax benefits. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense.

The Organization for Economic Co-operation and Development's ("OECD") Pillar Two Global Anti-Base Erosion ("GloBE") model rules, issued under the OECD Inclusive Framework on Base Erosion and Profit Shifting, introduce a global minimum tax of 15% applicable to multinational enterprise groups with consolidated financial statement revenue in excess of €750 million. Numerous foreign jurisdictions have already enacted tax legislation based on the GloBE rules, with some effective as early as January 1, 2024. In January 2026, the OECD issued additional guidance on the minimum tax framework, including a "side by side" safe harbor framework that would apply to U.S.-parented groups. Even if this safe harbor applies, we would still be subject to local minimum tax regimes in countries that have adopted these rules. The interpretation and adoption of the OECD's recommendations continue to vary across jurisdictions. As of March 31, 2026, we recognized an immaterial income tax expense for Pillar Two GloBE minimum tax. The Company is continuously monitoring the evolving application of this legislation and assessing its potential impact on our future tax liability.

NOTE 13. SUPPLEMENTAL DISCLOSURES

The following tables present supplemental information related to the consolidated financial statements (in millions).

Other (Expense) Income, net

Other (expense) income, net, consisted of the following (in millions).

	Three Months Ended March 31,	
	2026	2025
Foreign currency (losses) gains, net	$ (52)	$ 30
(Losses) gains on derivative instruments, net	(2)	22
Change in the value of investments with readily determinable fair value	—	4
Change in fair value of equity investments without readily determinable fair value	—	(4)
Interest income	22	64
Indemnification receivable accrual	(3)	(38)
Other (expense) income, net	(3)	4
Total other (expense) income, net	$ (38)	$ 82

Supplemental Cash Flow Information

	Three Months Ended March 31,	
	2026	2025
Non-cash investing and financing activities:		
Assets acquired under finance lease and other arrangements	$ 17	$ 144
Settlement of PRSU awards	$ 97	$ 51

Cash, Cash Equivalents, and Restricted Cash

	March 31, 2026	December 31, 2025
Cash and cash equivalents	$ 3,264	$ 4,566
Restricted cash - recorded in prepaid expenses and other current assets	4	4
Total cash, cash equivalents, and restricted cash	$ 3,268	$ 4,570

Earnings Per Share

The table below presents a reconciliation of net income (loss) available to Warner Bros. Discovery, Inc. Series A common stockholders for basic and diluted earnings per share (in millions).

	Three Months Ended March 31,	
	2026	2025
Numerator:		
Net loss	$ (2,906)	$ (449)
Less:		
Net income attributable to noncontrolling interests	(10)	(8)
Net loss attributable to redeemable noncontrolling interests	—	4
Net loss available to Warner Bros. Discovery, Inc. Series A common stockholders for basic and diluted earnings per share	$ (2,916)	$ (453)
Denominator — weighted average:		
Common shares outstanding — basic and diluted	2,492	2,462
Basic net loss per share allocated to common stockholders	$ (1.17)	$ (0.18)
Diluted net loss per share allocated to common stockholders	$ (1.17)	$ (0.18)

The table below presents the details of share-based awards that were excluded from the calculation of diluted earnings per share (in millions).

	Three Months Ended March 31,	
	2026	2025
Anti-dilutive share-based awards	111	92

Supplier Finance Programs

As of March 31, 2026 and December 31, 2025, the Company has confirmed $266 million and $260 million, respectively, of accrued content producer liabilities. These amounts were outstanding and unpaid by the Company and were recorded in accrued liabilities on the consolidated balance sheets.

Leases

During the three months ended March 31, 2025, the Company subleased a portion of its Hudson Yards, New York office. As a result of executing the sublease, the Company recorded a right-of-use ("ROU") asset impairment charge of $87 million. The ROU asset impairment charge was recorded in impairment and loss on dispositions in the consolidated statements of operations.

Collaborative Arrangements

The arrangement among TNT Sports, CBS Broadcasting, Inc. ("CBS"), and the National Collegiate Athletic Association (the "NCAA") provides TNT Sports and CBS with rights to the NCAA Division I Men's Basketball Championship Tournament (the "NCAA Tournament") in the U.S. and its territories and possessions through 2032. The aggregate programming rights fee, production costs, certain advertising revenues and sponsorship revenues related to the NCAA Tournament, and related programming are shared equally by the Company and CBS. However, if the amount paid for the programming rights fee and production costs in any given year exceeds the shared advertising and sponsorship revenues for that year, CBS' share of such shortfall is limited to a specified annual cap. The amount recorded pursuant to the loss cap was $66 million and $59 million during the three months ended March 31, 2026 and 2025, respectively. In accounting for this arrangement, the Company records advertising revenue for the advertisements aired on its networks and amortizes its share of the programming rights fee based on the estimated relative value of each season over the term of the arrangement.

Venu Sports

On February 6, 2024, the Company announced that it would enter into a joint venture with ESPN, a subsidiary of The Walt Disney Company ("Disney"), and Fox Corporation ("Fox") to form Venu Sports, a sports-centric streaming service in the United States. On February 20, 2024, FuboTV Inc. and FuboTV Media Inc. (collectively, "Fubo") filed a lawsuit against Disney, including certain affiliates, Fox, and WBD (collectively, the "Defendants") in the U.S. District Court for the Southern District of New York alleging claims under federal and New York antitrust laws. The Defendants reached a settlement with Fubo related to Fubo's antitrust claims and collectively paid $220 million to Fubo in January 2025, of which the Company's share was $55 million.

On January 10, 2025, the Defendants announced their decision to discontinue the Venu Sports joint venture and not launch its streaming service effective immediately.

Discovery Family

Hasbro Inc. ("Hasbro") had the right to put the entirety of its remaining 40% interest in Discovery Family to the Company. Hasbro did not exercise the right by the election period expiration date of March 31, 2025. As of March 31, 2025, Hasbro's noncontrolling interest was reclassified from redeemable noncontrolling interest to noncontrolling interest outside of stockholders' equity on the Company's consolidated balance sheets.

Accumulated Other Comprehensive Loss

The table below presents the changes in the components of accumulated other comprehensive loss, net of taxes (in millions).

	Three Months Ended March 31, 2026			
	Currency Translation	Derivatives	Pension Plan and SERP Liability	Accumulated Other Comprehensive Loss
Beginning balance	$ (342)	$ 39	$ (104)	$ (407)
Other comprehensive income (loss) before reclassifications	(218)	(26)	2	(242)
Reclassifications from accumulated other comprehensive loss to net income	—	7	—	7
Other comprehensive income (loss)	(218)	(19)	2	(235)
Ending balance	$ (560)	$ 20	$ (102)	$ (642)

	Three Months Ended March 31, 2025			
	Currency Translation	Derivatives	Pension Plan and SERP Liability	Accumulated Other Comprehensive Loss
Beginning balance	$ (1,008)	$ 15	$ (74)	$ (1,067)
Other comprehensive income (loss) before reclassifications	231	9	—	240
Reclassifications from accumulated other comprehensive loss to net income	—	(13)	—	(13)
Other comprehensive income (loss)	231	(4)	—	227
Ending balance	$ (777)	$ 11	$ (74)	$ (840)

NOTE 14. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company enters into transactions with related parties. Related party transactions include revenues and expenses for content and services provided to or acquired from equity method investees, entities that share common directorship, or minority partners of consolidated subsidiaries.

The table below presents a summary of the transactions with related parties (in millions).

	Three Months Ended March 31,	
	2026	2025
Revenues and service charges	$ 205	$ 214
Expenses	$ 55	$ 68
Distributions to noncontrolling interests and redeemable noncontrolling interests	$ 129	$ 157

The table below presents receivables due from and payables due to related parties (in millions).

	March 31, 2026	December 31, 2025
Receivables	$ 111	$ 116
Payables	$ 36	$ 17

NOTE 15. COMMITMENTS AND CONTINGENCIES

Other Contingent Commitments

During the three months ended March 31, 2026, the Company entered into a tax reimbursement agreement with the Chief Executive Officer ("CEO"). In the event that the CEO incurs an excise tax in respect of any payment or benefit made or provided to him in connection with a change in control, he would be entitled to a tax reimbursement payment.

Legal Matters

From time to time, in the normal course of its operations, the Company is subject to various litigation matters and claims, including claims related to employees, stockholders, vendors, other business partners, government regulations, or intellectual property, as well as disputes and matters involving counterparties to contractual agreements. A determination as to the amount of the accrual required for such contingencies is highly subjective and requires judgment about future events.

The Company may not currently be able to estimate the reasonably possible loss or range of loss for certain matters until developments in such matters have provided sufficient information to support an assessment of such loss. In the absence of sufficient information to support an assessment of the reasonably possible loss or range of loss, no accrual for such contingencies is made and no loss or range of loss is disclosed. Although the outcome of these matters cannot be predicted with certainty and the impact of the final resolution of these matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not currently believe that the resolution of these matters will have a material adverse effect on the Company's future consolidated financial position, future results of operations, or cash flows.

PSKY Complaint. On January 12, 2026, PSKY filed a complaint in the Delaware Court of Chancery against our board of directors (and our Chair Emeritus, Dr. Malone) and the Company. The suit asserted a claim for breach of fiduciary duty against the directors, alleging that our board of directors failed to disclose material information in both the Solicitation/Recommendation Statement on Schedule 14D-9, filed on December 17, 2025, and the amendment to that Schedule 14D-9, filed on January 7, 2026. PSKY also requested that the court expedite the case in light of the then-current expiration date of PSKY's tender offer on January 21, 2026. On January 15, 2026, the Delaware Court of Chancery denied PSKY's request for expedition, stating that PSKY failed to demonstrate that it would suffer any irreparable harm in its capacity as a stockholder of the Company if the litigation was not expedited, among other reasons. On February 2, 2026, the Company moved to dismiss the complaint. Pursuant to the PSKY Merger Agreement, PSKY filed a voluntary notice of dismissal with prejudice with respect to the complaint, and the court dismissed the case on March 2, 2026.

Securities Class Action. On November 25, 2024, a securities class action complaint was filed in the United States District Court for the Southern District of New York (*Collura v. Warner Bros. Discovery, Inc.*, No. 1:24-cv-09027-KPF). The complaint named WBD, Gunnar Wiedenfels, and David M. Zaslav as defendants and asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated thereunder. On February 21, 2025, the court appointed co-lead plaintiffs (Anthony Yuson and Michael Steinberg) and co-lead counsel (Pomerantz LLP and The Rosen Law Firm, P.A.) to represent the putative class. On May 7, 2025, the lead plaintiffs filed a First Amended Complaint against WBD, Gunnar Wiedenfels, and David M. Zaslav. The First Amended Complaint generally alleges that, between February 23, 2024 and August 7, 2024, defendants made false and misleading statements in SEC filings and other public disclosures relating to WBD's negotiations with the National Basketball Association ("NBA") concerning its contractual rights to broadcast the NBA's content and the potential impact of a failure to renew the contract on its business, in violation of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5, and seeks damages and other relief. The defendants moved to dismiss on July 11, 2025, which the court granted without leave to amend on March 30, 2026.

Consolidated Derivative Action. Between December 20, 2024 and January 14, 2025, four stockholder derivative complaints were filed in the United States District Court for the Southern District of New York (*Roy v. Zaslav et al.,* No. 1:24-cv-09856-AT, *Hollin v. Zaslav et al.,* No. 1:24-cv-09885-AT, *KO v. Zaslav et al.,* No. 1:25-cv-00114-AT, and *Herman, III v. Chen et al.,* No. 1:25-cv-00352-AT). Each complaint names certain current and former directors and officers of WBD as defendants and WBD as nominal defendant, and each complaint seeks damages and other relief. The complaints generally assert claims against the defendants, derivatively on behalf of WBD, for alleged breaches of fiduciary duty based on the same facts alleged in the *Collura* securities case described above. The complaints assert various common law causes of action, including breach of fiduciary duties, aiding and abetting breach of fiduciary duties, abuse of control, unjust enrichment, gross mismanagement, and waste of corporate assets, as well claims for violations of Sections 14(a), 10(b), and 21D of the Exchange Act. On January 21, 2025, the court consolidated the four actions for all purposes under Case No. 1:24-cv-09856-AT, captioned as *In re Warner Bros. Discovery, Inc. Derivative Litigation* (the "Consolidated Derivative Action"). On February 19, 2025, the Court stayed the Consolidated Derivative Action pending resolution of a final decision on all motions to dismiss the operative complaint in the *Collura* securities action.

Individual Stockholder Action. On April 2, 2026, an individual action was filed in the Supreme Court of the State of New York, County of Richmond (Nicosia v. Di Piazza, Jr., et al., Index No. 150851/2026). The complaint was brought by a purported stockholder of WBD and it named as defendants WBD, members of the WBD board of directors, and PSKY. The complaint alleged that the proxy statement disseminated to WBD stockholders in connection with the proposed transaction with PSKY contains materially false and misleading statements and omissions concerning, among other things, the alleged personal financial benefits of WBD's directors and officers, the alleged conflicts of WBD's financial advisors, and the process underlying and valuation of the proposed transaction. Following the issuance of certain supplemental disclosures via Form DEFA14A on April 16, 2026, the plaintiff voluntarily dismissed the litigation with prejudice on April 20, 2026.

Nokia Litigation. Over the past several years, Nokia Corporation and Nokia Technologies Oy (collectively, "Nokia") have alleged that WBD is infringing on their portfolio of patents related to the delivery of streaming video. On November 1, 2025, Nokia brought suit against WBD in certain jurisdictions, and WBD and Dplay Entertainment Limited brought suit in other jurisdictions, and filed a rate-setting proceeding in the High Court of Justice of England and Wales (the "Court") against Nokia seeking a determination of a reasonable and non-discriminatory ("RAND") royalty rate for a global license to certain Nokia patents, including standard-essential patents related to the H.264/AVC and H.265/HEVC standards and other non-essential multimedia patents. The Court is scheduled to hold a hearing in May 2026 to determine the amount of an interim payment that WBD will be required to make to Nokia during the pendency of the litigation, which may include refundable and non-refundable components, and trial is currently scheduled for late 2026. As of March 31, 2026, the Company recorded an immaterial liability related to this matter. The amount of any adjustment to this liability as an outcome from the rate-setting process cannot be reasonably estimated.

NOTE 16. REPORTABLE SEGMENTS

The Company's operating segments are determined based on: (i) financial information reviewed by its chief operating decision maker ("CODM"), the CEO, (ii) internal management and related reporting structure, and (iii) the basis upon which the CEO makes resource allocation decisions.

The accounting policies of the reportable segments are the same as the Company's, except that certain inter-segment transactions that are eliminated for consolidation are not eliminated at the segment level. Inter-segment transactions primarily include advertising and content licenses. The Company generally records inter-segment transactions of content licenses at market value. The Company does not report assets by segment because it is not used by the CODM to allocate resources or evaluate segment performance.

The Company evaluates the operating performance of its segments based on financial measures such as revenues and Adjusted EBITDA. Adjusted EBITDA is defined as operating income excluding:

- employee share-based compensation;
- depreciation and amortization;
- restructuring and facility consolidation;
- certain impairment charges;
- gains and losses on business and asset dispositions;
- third-party transaction and integration costs;
- amortization of purchase accounting fair value step-up for content;
- amortization of capitalized interest for content; and

- other items impacting comparability.

The CODM uses this measure to assess the operating results and performance of the segments, perform analytical comparisons, identify strategies to improve performance, and allocate resources to each segment. The Company believes Adjusted EBITDA is relevant to investors because it allows them to analyze the operating performance of each segment using the same metric management uses. The Company excludes employee share-based compensation, restructuring, certain impairment charges, gains and losses on business and asset dispositions, and transaction and integration costs from the calculation of Adjusted EBITDA due to their impact on comparability between periods. Integration costs include transformative system implementations and integrations, such as Enterprise Resource Planning systems, and may take several years to complete. The Company also excludes the depreciation of fixed assets and amortization of intangible assets, amortization of purchase accounting fair value step-up for content (which is included in consolidated costs of revenues), and amortization of capitalized interest for content, as these amounts do not represent cash payments in the current reporting period.

The tables below present summarized financial information for each of the Company's reportable segments (in millions).

Revenues

	Three Months Ended March 31,	
	2026	2025
Streaming	$ 2,887	$ 2,656
Studios	3,125	2,314
Global Linear Networks	4,377	4,774
Corporate	1	—
Inter-segment eliminations	(1,497)	(765)
Total revenues	$ 8,893	$ 8,979

Reconciliation of Revenues to Segment Adjusted EBITDA

	Three months ended March 31, 2026		
	Streaming	Studios	Global Linear Networks
Revenues	$ 2,887	$ 3,125	$ 4,377
Less:			
Content expense [(a)]	1,531	1,603	1,592
Personnel expense [(b)]	186	251	529
Marketing expense	285	275	129
Other segment expenses [(c)]	447	221	493
Segment Adjusted EBITDA	$ 438	$ 775	$ 1,634

	Three months ended March 31, 2025		
	Streaming	Studios	Global Linear Networks
Revenues	$ 2,656	$ 2,314	$ 4,774
Less:			
Content expense [(a)]	1,504	1,339	1,832
Personnel expense [(b)]	186	230	496
Marketing expense	220	252	104
Other segment expenses [(c)]	407	234	549
Segment Adjusted EBITDA	$ 339	$ 259	$ 1,793

[a] Content expense includes amortization, impairments, participations, residuals, development expense, and production costs, including talent costs, and is a component of costs of revenues. Content expense excludes content impairments and other development costs recorded in restructuring and other charges, amortization of purchase accounting fair value step-up for content, and amortization of capitalized interest for content as these items are excluded from the calculation of Adjusted EBITDA.

[b] Personnel expense is a component of costs of revenues and selling, general and administrative expense. Personnel expense includes marketing personnel compensation and excludes commissions (included in other segment expenses) and talent costs (included in content expense).

[c] Other segment expenses include distribution costs, other direct costs, software and hardware costs, IT services, professional and consulting fees, commissions, and certain other overhead costs. Other segment expenses exclude depreciation and amortization, amortization of purchase accounting fair value step-up for content, amortization of capitalized interest for content, employee share-based compensation, third-party transaction and integration costs, and other items impacting comparability as these items are excluded from the calculation of Adjusted EBITDA.

Reconciliation of segment adjusted EBITDA to loss before income taxes

	Three Months Ended March 31,	
	2026	2025
Streaming	$ 438	$ 339
Studios	775	259
Global Linear Networks	1,634	1,793
Segment Adjusted EBITDA	2,847	2,391
Depreciation and amortization	1,226	1,547
Employee share-based compensation	150	120
Restructuring and other charges	204	54
Netflix Termination Fee (See Note 1)	2,800	—
Transaction and integration costs	173	80
Facility consolidation costs	—	5
Impairment and amortization of fair value step-up for content	102	240
Amortization of capitalized interest for content	3	6
Impairments and loss on dispositions	14	90
Corporate	269	233
Inter-segment eliminations	375	53
Other expense (income), net	38	(82)
Loss from equity investees, net	5	7
Loss on extinguishment of debt, net	27	4
Interest expense, net	581	468
Loss before income taxes	$ (3,120)	$ (434)

NOTE 17. SUBSEQUENT EVENTS

In April 2026, the Company borrowed $1,000 million under its Credit Facility, which is expected to be repaid within the current quarter.

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

Management's discussion and analysis of financial condition and results of operations is a supplement to and should be read in conjunction with the accompanying consolidated financial statements and related notes. This section provides additional information regarding our businesses, current developments, results of operations, cash flows and financial condition. Additional context can also be found in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K").

BUSINESS OVERVIEW

Warner Bros. Discovery is a leading global media and entertainment company that creates and distributes a differentiated and comprehensive portfolio of content and products across television, film, streaming, interactive gaming, publishing, themed experiences, and consumer products through brands including: Discovery Channel, HBO Max, CNN, DC Studios, TNT Sports, HBO, Food Network, TLC, TBS, Warner Bros. Motion Picture Group, Warner Bros. Television Group, Warner Bros. Games, Adult Swim, Turner Classic Movies, and others.

We are home to one of the largest collections of owned content in the world with assets and intellectual property across sports, news, lifestyle, and entertainment in most languages and regions of the globe. We create some of the best-in-class content using our renowned library, beloved franchises, and acclaimed creative expertise to serve our audiences and consumers. Our asset mix strongly positions us to execute our key strategies: grow our streaming business globally, enhance our Studios segment, and manage our linear networks for the best possible success in order to create long-term value for our stockholders.

In the first quarter of 2025, the Company renamed its DTC reportable segment to Streaming and its Networks reportable segment to Global Linear Networks.

Termination of Netflix Merger

On January 19, 2026, the Company entered into an amended and restated agreement and plan of merger, by and among the Company, Netflix, Inc. ("Netflix"), Nightingale Sub, Inc., a wholly owned subsidiary of Netflix, and New Topco 25, Inc., a wholly owned subsidiary of WBD (the "Netflix Merger Agreement"), pursuant to which Netflix would have acquired the Streaming and Studios segments (subject to certain deviations) and certain other assets and liabilities, including the Company's film and television studios, HBO Max, and HBO, following the separation and distribution of Discovery Global to the Company's stockholders (the "Separation Transaction").

Following the board of directors' determination that it had received a "Company Superior Proposal," as defined in the Netflix Merger Agreement, from Paramount Skydance Corporation ("PSKY") and Netflix's waiver of its right to propose revisions to the Netflix Merger Agreement, on February 27, 2026, in accordance with the terms of the Netflix Merger Agreement, the Company terminated the Netflix Merger Agreement in connection with entering into the PSKY Merger Agreement (as defined below). As a result of the termination of the Netflix Merger Agreement, PSKY, on behalf of the Company, paid Netflix a termination fee of $2.8 billion in cash (the "Netflix Termination Fee") as required by the terms of the Netflix Merger Agreement. During the three months ended March 31, 2026, the Company recorded an expense for the Netflix Termination Fee in the consolidated statements of operations. The amount paid by PSKY is reimbursable by the Company to PSKY in certain circumstances in the event the PSKY Merger Agreement is terminated, and therefore has been recorded in accrued liabilities in the consolidated balance sheets.

PSKY Merger

On February 27, 2026, the Company entered into an Agreement and Plan of Merger, by and among the Company, PSKY and Prince Sub Inc., a wholly owned subsidiary of PSKY ("Merger Sub") (as may be amended from time to time, the "PSKY Merger Agreement"), pursuant to which and subject to the terms and conditions therein, at the effective time, Merger Sub will merge with and into WBD, with WBD surviving as a wholly owned subsidiary of PSKY (the "PSKY Merger").

Upon completion of the PSKY Merger, each issued and outstanding share of WBD's Series A common stock ("WBD Common Stock") (subject to certain exceptions) will be converted into the right to receive an amount in cash equal to $31.00, without interest, plus, if the closing date of the PSKY Merger occurs after September 30, 2026, the Ticking Consideration (together, the "Merger Consideration"). The "Ticking Consideration" will be an amount in cash equal to $0.00277778 multiplied by the number of calendar days elapsed after September 30, 2026 to and including the closing date (which, for the avoidance of doubt, will not exceed $0.25 per 90 calendar day period).

Concurrently with the execution of the PSKY Merger Agreement, Larry J. Ellison and an affiliated trust entered into a guarantee in favor of WBD to, among other things, jointly and severally guarantee certain payments by PSKY under the PSKY Merger Agreement, including $45.72 billion of the aggregate Merger Consideration, and assist WBD with the consummation of the PSKY Merger.

On April 23, 2026, WBD stockholders approved the adoption of the PSKY Merger Agreement. The completion of the PSKY Merger is subject to customary closing conditions, including regulatory clearances. In addition, PSKY's obligation to consummate the PSKY Merger is subject to WBD not having completed the separation of its Streaming & Studios business from its Global Linear Networks business nor having declared or made any dividend to WBD's stockholders to effectuate the separation. There can be no assurance that the PSKY Merger will occur in accordance with the expected plans or anticipated timeline, or at all.

The PSKY Merger Agreement contains certain customary termination rights for WBD and PSKY, including, without limitation, a right for either party to terminate if the PSKY Merger is not completed on or before March 4, 2027, subject to an extension to June 4, 2027 in certain circumstances as specified in the PSKY Merger Agreement. Termination under specified circumstances will require WBD to pay PSKY a termination fee of $3.0 billion and reimburse PSKY for (i) any payment made by PSKY, which will in no event be more than $1,528 million, in connection with WBD's obligation to complete the Junior Lien Exchange Offer by December 30, 2026 and (ii) the Netflix Termination Fee, or PSKY to pay WBD a termination fee of $7.0 billion. Additionally, the PSKY Merger Agreement provides for customary pre-closing covenants of WBD, including covenants relating to conducting its business in the ordinary course consistent with past practice and to refrain from taking certain actions without PSKY's consent.

Reportable Segments

As of March 31, 2026, we classified our operations in three reportable segments:

- **Streaming -** Our Streaming segment primarily consists of our premium pay-TV and streaming services.
- **Studios -** Our Studios segment primarily consists of the production and release of feature films for initial exhibition in theaters, production and initial licensing of television programs to third parties and our networks/streaming services, distribution of our films and television programs to various third party and internal television and streaming services, distribution through the home entertainment market (physical and digital), related consumer products and themed experience licensing, and interactive gaming.
- **Global Linear Networks -** Our Global Linear Networks segment primarily consists of our domestic and international television networks.

Our segment presentation is aligned with our management structure and the financial information management uses to make decisions about operating matters, such as the allocation of resources and business performance assessments.

INDUSTRY TRENDS

Headwinds in the industry, such as continued pressures on linear distribution and declines in linear subscribers and continued softness in the U.S. linear advertising market, have had, and are expected to continue to have, a material impact on the operations and results of the Company, including a negative impact on the results of operations attributed to declines in linear advertising revenue. The increase of digital advertising inventory available in the marketplace has also resulted in, and is expected to continue to result in, increased competition for advertising expenditures for both traditional linear networks and ad-supported tiers in streaming services. In addition, the imposition of tariffs by the U.S. government and any retaliatory tariffs from foreign governments, including tariffs directly or indirectly applicable to our industry, may negatively impact our operations and results, including by leading to higher productions costs or decreased spending by advertisers whose expenditures are sensitive to such actions or to general economic conditions. We continue to closely monitor the ongoing impact of industry trends to our business; however, the full effects on our operations and results will depend on future developments, which are highly uncertain and cannot be predicted.

RESULTS OF OPERATIONS

Foreign Exchange Impacting Comparability

The impact of exchange rates on our business is an important factor in understanding period-to-period comparisons of our results. For example, our international revenues are favorably impacted as the U.S. dollar weakens relative to other foreign currencies and unfavorably impacted as the U.S. dollar strengthens relative to other foreign currencies. We believe the presentation of results on a constant currency basis ("ex-FX"), in addition to results reported in accordance with U.S. GAAP provides useful information about our operating performance because the presentation ex-FX excludes the effects of foreign currency volatility and highlights our core operating results. The presentation of results on a constant currency basis should be considered in addition to, but not a substitute for, measures of financial performance reported in accordance with U.S. GAAP.

The ex-FX change represents the percentage change on a period-over-period basis adjusted for foreign currency impacts. The ex-FX change is calculated as the difference between the current year amounts translated at a baseline rate, which is a spot rate for each of our currencies determined early in the fiscal year as part of our forecasting process (the "2026 Baseline Rate"), and the prior year amounts translated at the same 2026 Baseline Rate. In addition, consistent with the assumption of a constant currency environment, our ex-FX results exclude the impact of our foreign currency hedging activities, as well as realized and unrealized foreign currency transaction gains and losses. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies.

Consolidated Results of Operations

The table below presents our consolidated results of operations (in millions).

	Three Months Ended March 31,			
	2026	2025	% Change	% Change (ex-FX)
Revenues:				
Distribution	$ 4,906	$ 4,886	— %	(1)%
Advertising	1,847	1,980	(7)%	(8)%
Content	1,887	1,866	1 %	(2)%
Other	253	247	2 %	(1)%
Total revenues	8,893	8,979	(1)%	(3)%
Costs of revenues, excluding depreciation and amortization	4,643	5,131	(10)%	(10)%
Selling, general and administrative	2,475	2,194	13 %	11 %
Netflix Termination Fee (See Note 1)	2,800	—	NM	NM
Depreciation and amortization	1,226	1,547	(21)%	(21)%
Restructuring and other charges	204	54	NM	NM
Impairments and loss on dispositions	14	90	(84)%	(84)%
Total costs and expenses	11,362	9,016	26 %	25 %
Operating loss	(2,469)	(37)	NM	NM
Interest expense, net	(581)	(468)		
Loss on extinguishment of debt, net	(27)	(4)		
Loss from equity investees, net	(5)	(7)		
Other (expense) income, net	(38)	82		
Loss before income taxes	(3,120)	(434)		
Income tax benefit (expense)	214	(15)		
Net loss	(2,906)	(449)		
Net income attributable to noncontrolling interests	(10)	(8)		
Net loss attributable to redeemable noncontrolling interests	—	4		
Net loss available to Warner Bros. Discovery, Inc.	$ (2,916)	$ (453)		

NM - Not meaningful

Unless otherwise indicated, the discussion of percent changes below is on an ex-FX basis. The ex-FX percent changes of line items below operating loss in the table above are not included as the activity is principally in U.S. dollars.

Revenues

Distribution revenue decreased 1% for the three months ended March 31, 2026, primarily attributable to a 10% decline in domestic linear subscribers and the impact of the previously disclosed domestic wholesale streaming deal renewal, partially offset by continued growth in existing streaming markets and the global expansion of HBO Max, including new distribution deals.

Advertising revenue decreased 8% for the three months ended March 31, 2026, primarily attributable to the absence of the NBA in 2026, which had a negative impact of $133 million to advertising revenue, and audience declines in domestic networks of 8%, partially offset by an increase in global ad-lite subscribers.

Content revenue decreased 2% for the three months ended March 31, 2026, primarily attributable to the timing of third-party licensing deals at Global Linear Networks, a decrease in television product revenue due to lower initial telecast, and lower games library revenue at our Studios segment, partially offset by higher Studios third-party television licensing.

Other revenue decreased 1% for the three months ended March 31, 2026.

Costs of Revenues

Costs of revenues decreased 10% for the three months ended March 31, 2026, primarily attributable to lower domestic sports costs due to the absence of the NBA in 2026, which had a favorable impact to costs of revenues of $358 million, and lower content expense related to the amortization of purchase accounting fair value step-up for content.

Selling, General and Administrative

Selling, general and administrative expenses increased 11% for the three months ended March 31, 2026, primarily attributable to higher marketing and transaction and integration costs.

Netflix Termination Fee

During the three months ended March 31, 2026, the Company recorded a $2.8 billion expense for the Netflix Termination Fee. (See Note 1 to the accompanying consolidated financial statements.)

Depreciation and Amortization

Depreciation and amortization decreased 21% for the three months ended March 31, 2026, primarily attributable to intangible assets acquired in connection with the acquisition of the WarnerMedia Business from AT&T Inc. that are being amortized using the sum of the months' digits method and the end of the useful life for certain intangible assets.

Restructuring and other charges

Restructuring and other charges were $204 million for the three months ended March 31, 2026. Restructuring and other charges primarily includes organization restructuring costs, employee retention, and consulting fees related to the previously announced Separation Transaction and the PSKY Merger. (See Note 3 to the accompanying consolidated financial statements.)

Impairments and Loss on Dispositions

Impairments and loss on dispositions were $14 million for the three months ended March 31, 2026.

Interest Expense, net

Interest expense, net increased $113 million for the three months ended March 31, 2026. The increase for the three months ended March 31, 2026 was primarily attributable to higher interest costs associated with the Bridge Loan Facility. (See Note 8 to the accompanying consolidated financial statements.)

Loss on extinguishment of debt, net

Loss on extinguishment of debt, net was $27 million for the three months ended March 31, 2026.

Loss From Equity Investees, net

Loss from our equity method investees was $5 million for the three months ended March 31, 2026. The changes are attributable to our share of net earnings and losses from our equity investees. (See Note 7 to the accompanying consolidated financial statements.)

Other (Expense) Income, net

Other (expense) income, net was $(38) million for the three months ended March 31, 2026. (See Note 13 to the accompanying consolidated financial statements.)

Income Tax Benefit (Expense)

Income tax benefit (expense) was $214 million and $(15) million for the three months ended March 31, 2026 and 2025, respectively. The increase in income tax benefit for the three months ended March 31, 2026 compared to the same period in 2025 was primarily attributable to excess tax benefits from share-based compensation.

Income tax benefit for the three months ended March 31, 2026, reflects an effective income tax rate that differs from the federal statutory tax rate primarily attributable to a book tax difference in the Netflix Termination Fee accrual (See Note 1) based on current assessments, as well as excess tax benefits from share-based compensation.

The Organization for Economic Co-operation and Development's ("OECD") Pillar Two Global Anti-Base Erosion ("GloBE") model rules, issued under the OECD Inclusive Framework on Base Erosion and Profit Shifting, introduce a global minimum tax of 15% applicable to multinational enterprise groups with consolidated financial statement revenue in excess of €750 million. Numerous foreign jurisdictions have already enacted tax legislation based on the GloBE rules, with some effective as early as January 1, 2024. In January 2026, the OECD issued additional guidance on the minimum tax framework, including a "side by side" safe harbor framework that would apply to U.S.-parented groups. Even if this safe harbor applies, we would still be subject to local minimum tax regimes in countries that have adopted these rules. The interpretation and adoption of the OECD's recommendations continue to vary across jurisdictions. As of March 31, 2026, we recognized an immaterial income tax expense for Pillar Two GloBE minimum tax. The Company is continuously monitoring the evolving application of this legislation and assessing its potential impact on our future tax liability. (See Note 12 to accompanying consolidated financial statements.)

Segment Results of Operations

The Company evaluates the operating performance of its segments based on financial measures such as revenues and Adjusted EBITDA. Adjusted EBITDA is defined as operating income excluding:

- employee share-based compensation;
- depreciation and amortization;
- restructuring and facility consolidation;
- certain impairment charges;
- gains and losses on business and asset dispositions;
- third-party transaction and integration costs;
- amortization of purchase accounting fair value step-up for content;
- amortization of capitalized interest for content; and
- other items impacting comparability.

The CODM uses this measure to assess the operating results and performance of the segments, perform analytical comparisons, identify strategies to improve performance, and allocate resources to each segment. The Company believes Adjusted EBITDA is relevant to investors because it allows them to analyze the operating performance of each segment using the same metric management uses. The Company excludes employee share-based compensation, restructuring, certain impairment charges, gains and losses on business and asset dispositions, and transaction and integration costs from the calculation of Adjusted EBITDA due to their impact on comparability between periods. Integration costs include transformative system implementations and integrations, such as Enterprise Resource Planning systems, and may take several years to complete. The Company also excludes the depreciation of fixed assets and amortization of intangible assets, amortization of purchase accounting fair value step-up for content (which is included in consolidated costs of revenues), and amortization of capitalized interest for content, as these amounts do not represent cash payments in the current reporting period.

The table below presents our Adjusted EBITDA for each of the Company's reportable segments, corporate, and inter-segment eliminations (in millions).

	Three Months Ended March 31,		
	2026	2025	% Change
Streaming	$ 438	$ 339	29 %
Studios	$ 775	$ 259	NM
Global Linear Networks	$ 1,634	$ 1,793	(9)%
Corporate	$ (269)	$ (233)	(15)%
Inter-segment eliminations	$ (375)	$ (53)	NM

Streaming Segment

The following table presents, for our Streaming segment, revenues by type, certain operating expenses, Adjusted EBITDA and a reconciliation of Adjusted EBITDA to operating income (loss) (in millions).

	Three Months Ended March 31,			
	2026	2025	% Change	% Change (ex-FX)
Revenues:				
Distribution	$ 2,533	$ 2,329	9 %	7 %
Advertising	284	237	20 %	19 %
Content	68	88	(23)%	(27)%
Other	2	2	— %	— %
Total revenues	2,887	2,656	9 %	7 %
Costs of revenues, excluding depreciation and amortization	1,864	1,824	2 %	2 %
Selling, general and administrative	585	493	19 %	17 %
Adjusted EBITDA	438	339	29 %	17 %
Depreciation and amortization	332	371		
Restructuring and other charges	26	12		
Impairment and amortization of fair value step-up for content	41	47		
Impairments and loss on dispositions	—	3		
Operating income (loss)	$ 39	$ (94)		

Unless otherwise indicated, the discussion of percent changes below is on an ex-FX basis.

Revenues

Distribution revenue increased 7% for the three months ended March 31, 2026, primarily attributable to continued growth in existing markets and the global expansion of HBO Max, including new distribution deals, partially offset by the impact of the previously disclosed domestic wholesale deal renewal that occurred in the second quarter of 2025.

Advertising revenue increased 19% for the three months ended March 31, 2026, primarily attributable to an increase in global ad-lite subscribers.

Content revenue decreased 27% for the three months ended March 31, 2026, primarily attributable to the timing of third-party licensing deals.

Costs of Revenues

Costs of revenues increased 2% for the three months ended March 31, 2026, primarily attributable to higher international content costs to support HBO Max launches, partially offset by shifts in the overall mix of programming.

Selling, General, and Administrative Expenses

Selling, general and administrative expenses increased 17% for the three months ended March 31, 2026, primarily attributable to higher marketing expenses to support HBO Max launches.

Adjusted EBITDA

Adjusted EBITDA increased 17% for the three months ended March 31, 2026.

Studios Segment

The following table presents, for our Studios segment, revenues by type, certain operating expenses, Adjusted EBITDA and a reconciliation of Adjusted EBITDA to operating income (in millions).

	Three Months Ended March 31,			
	2026	2025	% Change	% Change (ex-FX)
Revenues:				
Distribution	$ 1	$ 1	— %	— %
Advertising	—	1	NM	NM
Content	2,934	2,139	37 %	33 %
Other	190	173	10 %	4 %
Total revenues	3,125	2,314	35 %	31 %
Costs of revenues, excluding depreciation and amortization	1,679	1,413	19 %	17 %
Selling, general and administrative	671	642	5 %	3 %
Adjusted EBITDA	775	259	NM	NM
Depreciation and amortization	170	170		
Restructuring and other charges	9	(5)		
Impairment and amortization of fair value step-up for content	59	36		
Amortization of capitalized interest for content	3	6		
Impairments and gain on dispositions	1	(1)		
Operating income	$ 533	$ 53		

Unless otherwise indicated, the discussion of percent changes below is on an ex-FX basis. The Studios discussion below also includes intra-segment revenue and expense between product lines, which represented less than 2% of total revenues and operating expenses for this segment for the three months ended March 31, 2026. Intra-segment revenue and expense are eliminated at the Studios segment level.

Fluctuations in results for our Studios segment may occur due to various factors, including (but not limited to) the timing and number of new film releases each quarter, the timing of marketing expenses recognized relative to (i.e., prior to) a film's release, and the mix of content distributed each period.

Revenues

Content revenue increased 33% for the three months ended March 31, 2026, primarily attributable to a 58% increase in television product revenue and a 21% increase in theatrical product revenue, partially offset by a 30% decrease in games revenue.

- The increase in television product revenue was primarily attributable to higher intercompany content licensing related to HBO Max international launches and higher third-party licensing.
- The increase in theatrical product revenue was primarily due to higher intercompany content licensing driven by the launch of HBO Max in international markets.
- The decrease in games revenue was primarily attributable to lower library revenues.

Costs of Revenues

Costs of revenues increased 17% for the three months ended March 31, 2026, primarily attributable to a 32% increase in television product content expense and an 11% increase in theatrical product content expense, partially offset by a 43% decrease in games content expense.

- The increase in television product content expense was due to higher costs commensurate with higher revenues.
- The increase in theatrical content expense was primarily due to higher film costs commensurate with higher theatrical product revenue and higher film impairments.
- The decrease in games content expense was primarily due to lower games content expense commensurate with lower games revenue.

Selling, General and Administrative

Selling, general and administrative expenses increased 3% for the three months ended March 31, 2026, primarily attributable to higher marketing expenses and overhead costs.

Adjusted EBITDA

Adjusted EBITDA increased $516 million for the three months ended March 31, 2026.

Global Linear Networks Segment

The table below presents, for our Global Linear Networks segment, revenues by type, certain operating expenses, Adjusted EBITDA and a reconciliation of Adjusted EBITDA to operating income (in millions).

	Three Months Ended March 31,			
	2026	2025	% Change	% Change (ex-FX)
Revenues:				
Distribution	$ 2,373	$ 2,558	(7)%	(8)%
Advertising	1,570	1,758	(11)%	(12)%
Content	346	380	(9)%	(9)%
Other	88	78	13 %	13 %
Total revenues	4,377	4,774	(8)%	(9)%
Costs of revenues, excluding depreciation and amortization	2,084	2,327	(10)%	(11)%
Selling, general and administrative	659	654	1 %	(1)%
Adjusted EBITDA	1,634	1,793	(9)%	(10)%
Depreciation and amortization	621	907		
Employee share-based compensation	—	1		
Restructuring and other charges	42	16		
Impairment and amortization of fair value step-up for content	—	130		
Impairments and loss on dispositions	3	2		
Operating income	$ 968	$ 737		

Unless otherwise indicated, the discussion of percent changes below is on an ex-FX basis.

Revenues

Distribution revenue decreased 8% for the three months ended March 31, 2026, primarily attributable to a 10% decline in domestic linear subscribers, partially offset by a 2% increase in domestic affiliate rates. Declines in linear subscribers are expected to continue.

Advertising revenue decreased 12% for the three months ended March 31, 2026, primarily attributable to the absence of the NBA in 2026 and audience declines in domestic networks of 8%. The absence of the NBA had a negative impact to advertising revenue of $133 million.

Content revenue decreased 9% for the three months ended March 31, 2026, primarily attributable to the timing of third-party licensing deals.

Costs of Revenues

Costs of revenues decreased 11% for the three months ended March 31, 2026, primarily attributable to lower domestic sports costs due to the absence of the NBA, which had a favorable impact to costs of revenues of $358 million.

Selling, General and Administrative

Selling, general and administrative expenses decreased 1% for the three months ended March 31, 2026.

Adjusted EBITDA

Adjusted EBITDA decreased 10% for the three months ended March 31, 2026.

Corporate

The following table presents our Adjusted EBITDA and a reconciliation of Adjusted EBITDA to operating loss (in millions).

	Three Months Ended March 31,			
	2026	2025	% Change	% Change (ex-FX)
Adjusted EBITDA - Corporate	$ (269)	$ (233)	(15)%	(13)%
Depreciation and amortization	106	99		
Employee share-based compensation	150	119		
Restructuring and other charges	127	31		
Netflix Termination Fee (See Note 1)	2,800	—		
Transaction and integration costs	173	80		
Facility consolidation costs	—	5		
Impairments and loss on dispositions	10	86		
Operating loss	$ (3,635)	$ (653)		

Corporate operations primarily consist of executive management and administrative support services, which are recorded in selling, general and administrative expense, as well as substantially all of our share-based compensation and third-party transaction and integration costs.

Adjusted EBITDA decreased 13% for the three months ended March 31, 2026, primarily attributable to the release of previously recorded non-income tax reserves in 2025.

Inter-segment Eliminations

The following table presents our inter-segment eliminations by revenue and expense, Adjusted EBITDA and a reconciliation of Adjusted EBITDA to operating loss (in millions).

	Three Months Ended March 31,	
	2026	2025
Inter-segment revenue eliminations	$ (1,497)	$ (765)
Inter-segment expense eliminations	(1,122)	(712)
Adjusted EBITDA - Inter-segment eliminations	(375)	(53)
Depreciation and amortization	(3)	—
Impairment and amortization of fair value step-up for content	2	27
Operating loss	$ (374)	$ (80)

Inter-segment revenue and expense eliminations primarily represent inter-segment content transactions and marketing and promotion activity between reportable segments. In our current segment structure, in certain instances, production and distribution activities are in different segments. Inter-segment content transactions are presented at market value (i.e., the segment producing and/or licensing the content reports revenue and profit from inter-segment transactions in a manner similar to the reporting of third-party transactions, and the required eliminations are reported on the separate “Eliminations” line when presenting our summary of segment results). Generally, timing of revenue recognition is similar to the reporting of third-party transactions. The segment distributing the content, e.g., via our streaming or linear services, capitalizes the cost of inter-segment content transactions, including “mark-ups” and amortizes the costs over the shorter of the license term, if applicable, or the expected period of use. The content amortization expense related to the inter-segment profit is also eliminated on the separate “Eliminations” line when presenting our summary of segment results.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Sources of Cash

Historically, we have generated a significant amount of cash from operations. During the three months ended March 31, 2026, we funded our working capital needs primarily through cash flows from operations. As of March 31, 2026, we had $3,264 million of cash and cash equivalents on hand. We are a well-known seasoned issuer and have the ability to conduct registered offerings of securities, including debt securities, common stock and preferred stock, on short notice, subject to market conditions. Access to sufficient capital from the public market is not assured. We have a $4,000 million revolving credit facility and a commercial paper program described below. We also participate in a revolving receivables program and an accounts receivable factoring program described below.

- *Debt*

  Bridge Loan Facility

  We and DGH have a non-investment grade leveraged bridge loan facility ("Bridge Loan Facility") with JPMorgan Chase Bank, N.A. The Bridge Loan Facility contains customary representations and warranties as well as affirmative and negative covenants. As of March 31, 2026, we were in compliance with all applicable covenants and there were no events of default under the Bridge Loan Facility.

  Revolving Credit Facility and Commercial Paper

  DCL and certain subsidiaries of the Company, as borrowers, have a multicurrency revolving credit agreement (the "Credit Agreement") and have the capacity to borrow up to $4,000 million under the Credit Agreement (the "Credit Facility"). DCL may also request additional commitments up to $1,000 million from the lenders upon the satisfaction of certain conditions. The Credit Agreement contains customary representations and warranties as well as affirmative and negative covenants. As of March 31, 2026, we were in compliance with all applicable covenants and there were no events of default under the Credit Agreement.

  Additionally, our commercial paper program is supported by the Credit Facility. Under the commercial paper program, we may issue up to $2,000 million. Borrowing capacity under the Credit Facility is effectively reduced by any outstanding issuances under the commercial paper program.

  During the three months ended March 31, 2026, we and DCL borrowed and repaid $261 million under our Credit Facility and commercial paper program. As of March 31, 2026, we and DCL had no outstanding borrowings under the Credit Facility or issuances under the commercial paper program.

- *Revolving Receivables Program*

  We have a revolving agreement to transfer up to $5,000 million of certain receivables through our bankruptcy-remote subsidiary, Warner Bros. Discovery Receivables Funding, LLC, to various financial institutions on a recurring basis in exchange for cash equal to the gross receivables transferred. We service the sold receivables for the financial institution for a fee and pay fees to the financial institution in connection with this revolving agreement. As customers pay their balances, our available capacity under this revolving agreement increases and typically we transfer additional receivables into the program. In some cases, we may have collections that have not yet been remitted to the bank, resulting in a liability. The outstanding portfolio of receivables derecognized from our consolidated balance sheets was $3,850 million as of March 31, 2026.

- *Accounts Receivable Factoring*

  We have factoring agreements to sell certain of our non-U.S. trade accounts receivable on a limited recourse basis to a third-party financial institution. No amounts were sold under the Company's factoring arrangement during the three months ended March 31, 2026.

Uses of Cash

Our primary uses of cash include the creation and acquisition of new content, business acquisitions, income taxes, personnel costs, costs to develop and market our enhanced streaming service HBO Max, principal and interest payments on our outstanding senior notes, funding for various equity method and other investments, and repurchases of our capital stock.

- *Content Acquisition*

  We plan to continue to invest significantly in the creation and acquisition of new content, as well as certain sports rights. Contractual commitments to acquire content have not materially changed as set forth in "Material Cash Requirements from Known Contractual and Other Obligations" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K.

- *Debt*

  Bridge Loan Facility

  The Bridge Loan Facility was amended in February 2026 to, among other things, extend the maturity to the earlier of (x) June 30, 2027 and (y) the date that the previously proposed Separation Transaction occurs. The Bridge Loan Facility is expected to be refinanced or repaid prior to its maturity.

  Senior Notes

  During the three months ended March 31, 2026, we repurchased or repaid $123 million of aggregate principal amount outstanding of our senior notes. In addition, we have $1,496 million of senior notes coming due through March 2027.

  We may from time to time seek to prepay, retire or purchase our other outstanding indebtedness through prepayments, redemptions, open market purchases, privately negotiated transactions, tender offers, exchange offers, or otherwise. Any such repurchases or exchanges will be dependent upon several factors, including our liquidity requirements, contractual restrictions, general market conditions, as well as applicable regulatory, legal and accounting factors. Whether or not we repurchase or exchange any debt and the size and timing of any such repurchases or exchanges will be determined at our discretion.

- *Capital Expenditures*

  We effected capital expenditures of $268 million during the three months ended March 31, 2026, including amounts capitalized to support HBO Max. We expect to continue to incur significant costs to develop and market HBO Max.

- *Investments and Business Combinations*

  Our uses of cash have included investments in equity method investments and equity investments without readily determinable fair value. (See Note 7 to the accompanying consolidated financial statements.) We also provide funding to our investees from time to time. During the three months ended March 31, 2026, we contributed $25 million for investments in and advances to our investees.

- *Redeemable Noncontrolling Interest and Noncontrolling Interest*

  Distributions to redeemable noncontrolling interests and noncontrolling interests totaled $129 million and $157 million for the three months ended March 31, 2026 and 2025, respectively.

- *Income Taxes and Interest*

  We expect to continue to make payments for income taxes and interest on our outstanding Bridge Loan Facility and senior notes. During the three months ended March 31, 2026, we made cash payments of $219 million and $621 million for income taxes and interest on our outstanding debt, respectively.

Cash Flows

The following table presents changes in cash and cash equivalents (in millions).

	Three Months Ended March 31,	
	2026	2025
Cash, cash equivalents, and restricted cash, beginning of period	$ 4,570	$ 5,416
Cash (used in) provided by operating activities	(208)	553
Cash used in investing activities	(282)	(195)
Cash used in financing activities	(756)	(1,895)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(56)	95
Net change in cash, cash equivalents, and restricted cash	(1,302)	(1,442)
Cash, cash equivalents, and restricted cash, end of period	$ 3,268	$ 3,974

Operating Activities

Cash (used in) provided by operating activities was $(208) million and $553 million during the three months ended March 31, 2026 and 2025, respectively. The decrease in cash provided by operating activities was primarily attributable to a decrease in net income excluding non-cash items, partially offset by an improvement in working capital activity.

Investing Activities

Cash used in investing activities was $282 million and $195 million during the three months ended March 31, 2026 and 2025, respectively. The increase in cash used in investing activities was primarily attributable to reduced proceeds from the sale of assets and investments during the three months ended March 31, 2026.

Financing Activities

Cash used in financing activities was $756 million and $1,895 million during the three months ended March 31, 2026 and 2025, respectively. The decrease in cash used in financing activities was primarily attributable to lower net debt repayments, partially offset by proceeds received for the contribution of 70% of our music catalog to a joint venture in 2025 and higher amounts paid to settle share-based awards.

Capital Resources

As of March 31, 2026, capital resources were comprised of the following (in millions).

	March 31, 2026		
	Total Capacity	Outstanding Indebtedness	Unused Capacity
Cash and cash equivalents	$ 3,264	$ —	$ 3,264
Revolving credit facility and commercial paper program	4,000	—	4,000
Bridge loan	15,000	15,000	—
Senior notes [(a)]	17,701	17,701	—
Total	$ 39,965	$ 32,701	$ 7,264

[(a)] Interest on the senior notes is paid annually or semi-annually. Our senior notes outstanding as of March 31, 2026 had interest rates that ranged from 1.90% to 8.30% and will mature between 2026 and 2062.

We expect that our cash balance, cash generated from operations and availability under the Credit Agreement will be sufficient to fund our cash needs for the next 12 months. We expect to refinance or repay the Bridge Loan Facility prior to its maturity, though we may be unable to do so on favorable terms in a timely manner or at all. Additionally, our borrowing costs and access to capital markets can be affected by short and long-term debt ratings assigned by independent rating agencies which are based, in part, on our performance as measured by credit metrics such as interest coverage and leverage ratios. Credit rating agencies may continue to review and adjust our ratings or outlook. For example, in 2025, S&P, Moody's and Fitch downgraded certain of our ratings in part due to declines in our linear business, including as a result of the weak operating environment for linear networks, our leverage ratio, and an increase in secured debt and uncertainty in connection with the previously planned separation of Warner Bros.

The 2017 Tax Cuts and Jobs Act features a participation exemption regime with current taxation of certain foreign income and imposed a mandatory repatriation toll tax on unremitted foreign earnings. As of March 31, 2026, the Company intends to remit certain previously undistributed foreign earnings to the United States. Accordingly, the Company has recorded deferred taxes for applicable foreign withholding associated with the expected remittance. The Company may continue to reinvest other foreign earnings outside of the United States. For those earnings, if any, that remain indefinitely reinvested, additional taxes would be recognized upon repatriation. Determination of the amount of any unrecognized deferred income tax liability related to such earnings is not practicable.

Summarized Guarantor Financial Information

Basis of Presentation

As of March 31, 2026 and December 31, 2025, the Company has outstanding senior notes issued by DCL, which are guaranteed by the Company, Scripps Networks, and DGH; senior notes issued by DGH, which are guaranteed by the Company, Scripps Networks, and DCL; senior notes issued by the legacy WarnerMedia Business (not guaranteed). (See Note 8 to the accompanying consolidated financial statements.) DCL, Scripps Networks, and DGH are wholly owned by the Company.

The tables below present the summarized financial information as combined for Warner Bros. Discovery, Inc. (the "Parent"), Scripps Networks, DCL, and DGH (collectively, the "Obligors"). All guarantees of DCL and DGH's senior notes (the "Note Guarantees") are full and unconditional, joint and several and unsecured, and cover all payment obligations arising under the senior notes.

Note Guarantees issued by Scripps Networks, DCL or DGH, or any subsidiary of the Parent that in the future issues a Note Guarantee (each, a "Subsidiary Guarantor") may be released and discharged (i) concurrently with any direct or indirect sale or disposition of such Subsidiary Guarantor or any interest therein, (ii) at any time that such Subsidiary Guarantor is released from all of its obligations under its guarantee of payment, (iii) upon the merger or consolidation of any Subsidiary Guarantor with and into DCL, DGH or the Parent or another Subsidiary Guarantor, as applicable, or upon the liquidation of such Subsidiary Guarantor and (iv) other customary events constituting a discharge of the Obligors' obligations.

Summarized Financial Information

The Company has included the accompanying summarized combined financial information of the Obligors after the elimination of intercompany transactions and balances among the Obligors and the elimination of equity in earnings from and investments in any subsidiary of the Parent that is a non-guarantor (in millions).

	March 31, 2026	December 31, 2025
Current assets	$ 465	$ 914
Non-guarantor intercompany trade receivables, net	109	78
Noncurrent assets	3,897	3,951
Current liabilities	5,098	1,072
Noncurrent liabilities	32,181	33,733

	Three Months Ended March 31, 2026
Revenues	$ 413
Operating loss	(3,021)
Net loss	(3,425)
Net loss available to Warner Bros. Discovery, Inc.	(3,425)

MATERIAL CASH REQUIREMENTS FROM KNOWN CONTRACTUAL AND OTHER OBLIGATIONS

In the normal course of business, we enter into commitments for the purchase of goods or services that require us to make payments or provide funding in the event certain circumstances occur. Our contractual commitments have not materially changed as set forth in "Material Cash Requirements from Known Contractual and Other Obligations" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K.

RELATED PARTY TRANSACTIONS

In the ordinary course of business, we enter into transactions with related parties, such as our equity method investees, entities that share common directorship, or minority partners of consolidated subsidiaries. (See Note 14 to the accompanying consolidated financial statements.)

CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates have not changed since December 31, 2025. For a discussion of each of our critical accounting estimates, including information and analysis of estimates and assumptions involved in their application, see "Critical Accounting Estimates" included in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K.

NEW ACCOUNTING AND REPORTING PRONOUNCEMENTS

We adopted certain new accounting and reporting standards during the three months ended March 31, 2026. (See Note 1 to the accompanying consolidated financial statements.)

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our business, marketing and operating strategies, integration of acquired businesses, new product and service offerings, financial prospects and anticipated sources and uses of capital. Words such as "anticipate," "assume," "believe," "continue," "estimate," "expect," "forecast," "future," "intend," "plan," "potential," "predict," "project," "strategy," "target" and similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will" and "would," among other terms of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be accomplished. The following is a list of some, but not all, of the factors that could cause actual results or events to differ materially from those anticipated:

- the completion of the proposed transaction with Paramount Skydance Corporation ("PSKY") pursuant to which PSKY will acquire Warner Bros. Discovery, Inc. (the "Company") (the "PSKY Merger") on the anticipated terms and timing;
- the occurrence of any event, change or other circumstance that could give rise to the termination of the PSKY Merger, including the risk that the necessary regulatory approvals for the PSKY Merger may not be obtained or are obtained subject to unanticipated conditions;
- failure to satisfy in a timely manner any of the conditions to the PSKY Merger or complete the PSKY Merger in a timely or favorable manner or at all;
- the effects of the announcement, pendency or completion of the PSKY Merger on our ongoing business operations or on the market price of WBD Common Stock;
- unforeseen costs, execution risks, and operational challenges related to the PSKY Merger, including risks relating to disruption of management time away from ongoing business operations;
- more intense competitive pressure from existing or new competitors in the industries in which we operate;
- reduced spending on domestic and foreign television advertising, due to macroeconomic conditions, industry or consumer behavior trends or unexpected reductions in our number of subscribers;
- the imposition of tariffs, including tariffs directly or indirectly applicable to our industry, by the U.S. government and any retaliatory tariffs from foreign governments;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for new television and telecommunications technologies, and the success of our streaming services;
- market demand for foreign first-run and existing content libraries;
- negative publicity or damage to our brands, reputation or talent;
- realizing streaming subscriber goals;
- disagreements with our distributors or other business partners;
- continued consolidation of distribution customers and production studios;
- industry trends, including the timing of, and spending on, sports programming, feature film, television and television commercial production;
- the possibility or duration of an industry-wide strike, such as the strikes of the Writers Guild of America ("WGA") and Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA") in 2023, player lock-outs or other job action affecting a major entertainment industry union, athletes or others involved in the development and production of our sports programming, television programming, feature films and interactive entertainment (e.g., games) who are covered by collective bargaining agreements;
- inherent uncertainties involved in the estimates and assumptions used in the preparation of financial forecasts;
- our level of debt, including the significant indebtedness incurred in connection with the acquisition of the WarnerMedia Business, and our future compliance with debt covenants;
- challenges related to obtaining or consummating financing or refinancing on favorable terms in a timely manner or at all;
- changes to our corporate or debt-specific credit ratings or outlook;

- changes in, or failure or inability to comply with, laws and government regulations, including, without limitation, regulations of the U.S. government and other international governments, the Federal Communications Commission and similar authorities internationally and data privacy regulations;
- adverse outcomes of legal proceedings or disputes, including those related to our acquisition of the WarnerMedia Business or the PSKY Merger, or adverse outcomes from regulatory proceedings;
- threatened or actual cyber-attacks and cybersecurity breaches;
- theft of our content and unauthorized duplication, distribution and exhibition of such content; and
- general economic and business conditions, fluctuations in foreign currency exchange rates, global events such as pandemics, natural disasters impacting the geographic areas where our businesses and operations are located, and political uncertainty, armed conflict, or unrest in the markets in which we operate.

Forward-looking statements are subject to various risks and uncertainties which change over time, are based on management's expectations and assumptions at the time the statements are made and are not guarantees of future results.

These risks have the potential to impact the recoverability of the assets recorded on our balance sheets, including goodwill and other intangibles. Management's expectations and assumptions, and the continued validity of any forward-looking statements we make, cannot be foreseen with certainty and are subject to change due to a broad range of factors affecting the U.S. and global economies and regulatory environments, factors specific to the Company, and other factors described under Part I, Item 1A, "Risk Factors," in our 2025 Form 10-K. These forward-looking statements and such risks, uncertainties, and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions, or circumstances on which any such statement is based.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

Quantitative and qualitative disclosures about our existing market risk are set forth in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in the 2025 Form 10-K. Our exposures to market risk have not materially changed since December 31, 2025.

ITEM 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2026. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2026, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

During the three months ended March 31, 2026, there were no changes in our internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f), that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

From time to time, in the normal course of its operations, the Company is subject to various litigation matters and claims, including claims related to employees, stockholders, vendors, other business partners, government regulations, or intellectual property, as well as disputes and matters involving counterparties to contractual agreements. A determination as to the amount of the accrual required for such contingencies is highly subjective and requires judgment about future events.

The Company may not currently be able to estimate the reasonably possible loss or range of loss for certain matters until developments in such matters have provided sufficient information to support an assessment of such loss. In the absence of sufficient information to support an assessment of the reasonably possible loss or range of loss, no accrual for such contingencies is made and no loss or range of loss is disclosed. (See Note 15 to the accompanying consolidated financial statements.) Although the outcome of these matters cannot be predicted with certainty and the impact of the final resolution of these matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not currently believe that the resolution of these matters will have a material adverse effect on the Company's future consolidated financial position, future results of operations, or cash flows.

PSKY Complaint. On January 12, 2026, PSKY filed a complaint in the Delaware Court of Chancery against our board of directors (and our Chair Emeritus, Dr. Malone) and the Company. The suit asserted a claim for breach of fiduciary duty against the directors, alleging that our board of directors failed to disclose material information in both the Solicitation/Recommendation Statement on Schedule 14D-9, filed on December 17, 2025, and the amendment to that Schedule 14D-9, filed on January 7, 2026. PSKY also requested that the court expedite the case in light of the then-current expiration date of PSKY's tender offer on January 21, 2026. On January 15, 2026, the Delaware Court of Chancery denied PSKY's request for expedition, stating that PSKY failed to demonstrate that it would suffer any irreparable harm in its capacity as a stockholder of the Company if the litigation was not expedited, among other reasons. On February 2, 2026, the Company moved to dismiss the complaint. Pursuant to the PSKY Merger Agreement, PSKY filed a voluntary notice of dismissal with prejudice with respect to the complaint, and the court dismissed the case on March 2, 2026.

Securities Class Action. On November 25, 2024, a securities class action complaint was filed in the United States District Court for the Southern District of New York (*Collura v. Warner Bros. Discovery, Inc.*, No. 1:24-cv-09027-KPF). The complaint named WBD, Gunnar Wiedenfels, and David M. Zaslav as defendants and asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 10b-5 promulgated thereunder. On February 21, 2025, the court appointed co-lead plaintiffs (Anthony Yuson and Michael Steinberg) and co-lead counsel (Pomerantz LLP and The Rosen Law Firm, P.A.) to represent the putative class. On May 7, 2025, the lead plaintiffs filed a First Amended Complaint against WBD, Gunnar Wiedenfels, and David M. Zaslav. The First Amended Complaint generally alleges that, between February 23, 2024 and August 7, 2024, defendants made false and misleading statements in SEC filings and other public disclosures relating to WBD's negotiations with the National Basketball Association ("NBA") concerning its contractual rights to broadcast the NBA's content and the potential impact of a failure to renew the contract on its business, in violation of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5, and seeks damages and other relief. The defendants moved to dismiss on July 11, 2025, which the court granted without leave to amend on March 30, 2026.

Consolidated Derivative Action. Between December 20, 2024 and January 14, 2025, four stockholder derivative complaints were filed in the United States District Court for the Southern District of New York (*Roy v. Zaslav et al.,* No. 1:24-cv-09856-AT, *Hollin v. Zaslav et al.,* No. 1:24-cv-09885-AT, *KO v. Zaslav et al.,* No. 1:25-cv-00114-AT, and *Herman, III v. Chen et al.,* No. 1:25-cv-00352-AT). Each complaint names certain current and former directors and officers of WBD as defendants and WBD as nominal defendant, and each complaint seeks damages and other relief. The complaints generally assert claims against the defendants, derivatively on behalf of WBD, for alleged breaches of fiduciary duty based on the same facts alleged in the *Collura* securities case described above. The complaints assert various common law causes of action, including breach of fiduciary duties, aiding and abetting breach of fiduciary duties, abuse of control, unjust enrichment, gross mismanagement, and waste of corporate assets, as well claims for violations of Sections 14(a), 10(b), and 21D of the Exchange Act. On January 21, 2025, the court consolidated the four actions for all purposes under Case No. 1:24-cv-09856-AT, captioned as *In re Warner Bros. Discovery, Inc. Derivative Litigation* (the "Consolidated Derivative Action"). On February 19, 2025, the Court stayed the Consolidated Derivative Action pending resolution of a final decision on all motions to dismiss the operative complaint in the *Collura* securities action.

Individual Stockholder Action. On April 2, 2026, an individual action was filed in the Supreme Court of the State of New York, County of Richmond (Nicosia v. Di Piazza, Jr., et al., Index No. 150851/2026). The complaint was brought by a purported stockholder of WBD and it named as defendants WBD, members of the WBD board of directors, and PSKY. The complaint alleged that the proxy statement disseminated to WBD stockholders in connection with the proposed transaction with PSKY contains materially false and misleading statements and omissions concerning, among other things, the alleged personal financial benefits of WBD's directors and officers, the alleged conflicts of WBD's financial advisors, and the process underlying and valuation of the proposed transaction. Following the issuance of certain supplemental disclosures via Form DEFA14A on April 16, 2026, the plaintiff voluntarily dismissed the litigation with prejudice on April 20, 2026.

Nokia Litigation. Over the past several years, Nokia Corporation and Nokia Technologies Oy (collectively, "Nokia") have alleged that WBD is infringing on their portfolio of patents related to the delivery of streaming video. On November 1, 2025, Nokia brought suit against WBD in certain jurisdictions, and WBD and Dplay Entertainment Limited brought suit in other jurisdictions, and filed a rate-setting proceeding in the High Court of Justice of England and Wales (the "Court") against Nokia seeking a determination of a reasonable and non-discriminatory ("RAND") royalty rate for a global license to certain Nokia patents, including standard-essential patents related to the H.264/AVC and H.265/HEVC standards and other non-essential multimedia patents. The Court is scheduled to hold a hearing in May 2026 to determine the amount of an interim payment that WBD will be required to make to Nokia during the pendency of the litigation, which may include refundable and non-refundable components, and trial is currently scheduled for late 2026. As of March 31, 2026, the Company recorded an immaterial liability related to this matter. The amount of any adjustment to this liability as an outcome from the rate-setting process cannot be reasonably estimated.

ITEM 1A. Risk Factors

Investors should carefully review and consider the information regarding certain factors that could materially affect our business, results of operations, financial condition, and cash flows as set forth under Part I, Item 1A "Risk Factors" of the Company's 2025 Form 10-K. 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.

ITEM 5. Other Information

Disclosure of Trading Arrangements

Item 408(a) of Regulation S-K requires the Company to disclose whether any director or officer of the Company has adopted or terminated (i) any trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c); and/or (ii) any written trading arrangement that meets the requirements of a "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K. During the quarter ended March 31, 2026, the following activity occurred requiring disclosure under Item 408(a) of Regulation S-K:

Priya Aiyar, Chief Legal Officer, adopted a Rule 10b5-1 trading arrangement on March 13, 2026. This trading arrangement has a termination date of June 30, 2027. Under the trading arrangement, up to (i) 465,338 shares of common stock issuable upon vesting of restricted stock units granted on March 3, 2025 and March 17, 2025, (ii) 43,630 shares of common stock issuable upon vesting of performance restricted stock units granted on March 3, 2025 and (iii) 77,243 shares of common stock issuable upon the exercise of options expiring on March 3, 2032, for an aggregate of 586,211 shares of common stock, are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

Bruce Campbell, Chief Revenue and Strategy Officer, adopted a Rule 10b5-1 trading arrangement on March 10, 2026. This trading arrangement has a termination date of August 31, 2027. Under the trading arrangement, up to (i) 143,730 shares of common stock issuable upon vesting of restricted stock units granted on various dates between March 1, 2024 and August 15, 2025, (ii) 798,296 shares of common stock issuable upon vesting of performance restricted stock units granted on March 1, 2024 and March 3, 2025 and (iii) 290,307 shares of common stock issuable upon the exercise of options expiring on various dates between March 1, 2031 and August 15, 2032, for an aggregate of 1,232,333 shares of common stock, are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

Gunnar Wiedenfels, Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement on March 9, 2026. This trading arrangement has a termination date of April 30, 2027. Under the trading arrangement, up to (i) 134,953 shares of common stock issuable upon vesting of restricted stock units granted on March 1, 2024 and March 3, 2025, (ii) 769,855 shares of common stock issuable upon vesting of performance restricted stock units granted on March 1, 2024 and March 3, 2025 and (iii) 258,691 shares of common stock issuable upon the exercise of options expiring on March 1, 2031 and March 3, 2032, for an aggregate of 1,163,499 shares of common stock, are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

David Zaslav, Chief Executive Officer, adopted a Rule 10b5-1 trading arrangement on March 12, 2026. This trading arrangement has a termination date of August 14, 2026. Under the trading arrangement, up to (i) 392,693 shares of common stock issuable upon vesting of restricted stock units granted on January 5, 2026 and (ii) 4,179,755 shares of common stock issuable upon the exercise of options expiring on June 12, 2032, for an aggregate of 4,572,448 shares of common stock, are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

The shares of common stock available for sale under the applicable trading arrangement upon vesting of performance restricted stock units have been estimated at target performance except in the case of certain performance restricted stock units granted on March 1, 2024 for which performance has already been certified by the Compensation Committee of the Board. For awards that have been estimated at target performance, the actual number of performance restricted stock units that vest following the end of the applicable performance period, if any, depends on the relative achievement of the applicable performance metrics. For more information on the performance restricted stock units, see the Company's definitive proxy statement for its 2026 annual meeting of stockholders filed on April 30, 2026.

ITEM 6. Exhibits.

Exhibit No.	Description
2.1	Amended and Restated Agreement and Plan of Merger, dated January 19, 2026, among Warner Bros. Discovery, Inc., Netflix, Inc., Nightingale Sub, Inc., and New Topco 25, Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed on January 20, 2026 ((SEC File No. 001-34177)) [1]
2.2	Agreement and Plan of Merger, dated February 27, 2026, among Warner Bros. Discovery, Inc., Paramount Skydance Corporation and Prince Sub Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed on February 27, 2026 (SEC File No. 001-34177))
10.1	Amendment No. 1 to Bridge Loan Agreement, dated as of February 18, 2026, among Discovery Global Holdings, Inc. (f/k/a WarnerMedia Holdings, Inc.), Warner Bros. Discovery, Inc., the lenders party thereto and JPMorgan Chase Bank, N.A. as collateral and administrative agent (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 18, 2026 (SEC File No. 001-34177)) [2]
10.2	Warner Bros. Discovery, Inc. 2026 Incentive Compensation Program (filed herewith) *
10.3	Form of David Zaslav Non-Qualified Stock Option Grant Agreement (incorporated by reference to Exhibit (e)(69) to Amendment No. 3 to the Schedule 14D-9 filed on January 7, 2026 (SEC File No. 005-84211)) *
10.4	Form of David Zaslav RSU Grant Agreement (incorporated by reference to Exhibit (e)(70) to Amendment No. 3 to the Schedule 14D-9 filed on January 7, 2026 (SEC File No. 005-84211)) *
10.5	Guarantee, dated as of February 27, 2026, by and among The Lawrence J. Ellison Revocable Trust, u/a/d 1/22/88, as amended, Lawrence J. Ellison and Warner Bros. Discovery, Inc. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on February 27, 2026 (SEC File No. 001-34177))
10.6	Tax Reimbursement Agreement between David Zaslav and Warner Bros. Discovery, Inc., dated March 10, 2026. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed on March 16, 2026 (SEC File No. 001-34177)) *
10.7	Form of Warner Bros. Discovery, Inc. 2026 Annual Performance Restricted Stock Unit Grant Agreement for David Zaslav (filed herewith) *
10.8	Form of Warner Bros. Discovery, Inc. Performance Restricted Stock Unit Agreement for Employees updated as of February 2026 (filed herewith) *
10.9	Form of Warner Bros. Discovery, Inc. Restricted Stock Unit Grant Agreement for Employees updated as of February 2026 (filed herewith) *
22	Table of Senior Notes, Issuer and Guarantors (incorporated by reference to Exhibit 22 to the Form 10-K filed on February 27, 2026 (File No. 001-34177))
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as Amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as Amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document (filed herewith)†
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith)†
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (filed herewith)†

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document (filed herewith)†
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith)†
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

(1) Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the SEC upon request.

(2) Certain exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the SEC upon request.

* Indicates management contract or compensatory plan, contract or arrangement.

† Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following formatted in Inline XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025, (ii) Consolidated Statements of Operations for the three months ended March 31, 2026 and 2025, (iii) Consolidated Statements of Comprehensive Income for the three months ended March 31, 2026 and 2025, (iv) Consolidated Statements of Cash Flows for the three months ended March 31, 2026 and 2025, (v) Consolidated Statements of Equity for the three months ended March 31, 2026 and 2025, and (vi) Notes to Consolidated Financial Statements.

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.

WARNER BROS. DISCOVERY, INC.
(Registrant)

Date: May 6, 2026

By: /s/ David M. Zaslav
David M. Zaslav
President and Chief Executive Officer

Date: May 6, 2026

By: /s/ Gunnar Wiedenfels
Gunnar Wiedenfels
Chief Financial Officer

2026 Warner Bros. Discovery

INCENTIVE COMPENSATION PROGRAM

ELIGIBILITY AND TERMS

Employees of Warner Bros. Discovery or a Participating Subsidiary ("the Company") who are classified as regular full-time employees of the Company are eligible to participate in the annual Incentive Compensation Program (the "ICP"), subject to the discretion of management. Eligibility for part-time, less-than-full time and temporary employees of the Company will be subject to the discretion of management and/or determined by local legislation, country by country, as appropriate. The determination of participation by any particular employee or subsidiary is made by the Company in its discretion. An employee who is eligible for another Company sales or annual incentive award program generally is not eligible to participate in the ICP, nor is an employee who begins employment in an ICP-eligible position on or after October 1 of the Program Year. In this document, an employee who meets these eligibility requirements is referred to as an "Eligible Employee." "Participating Subsidiary" includes entities at least 80% of the voting equity is owned by Warner Bros. Discovery or one or more of its 100% owned direct or indirect subsidiaries.

The ICP is an annual cash bonus program that rewards Eligible Employees for their individual performance contribution through an individual performance multiplier and Company performance (for the entire Program Year, subject to the proration provisions set forth below. The target award opportunity is expressed as a percentage of base salary. The Company performance metrics may reflect Company-wide performance or a combination of overall Company performance and performance of a specific Company division or business unit. An Eligible Employee's payout, if any, is based on the applicable qualitative and/or quantitative Company performance measures and the individual performance multiplier. The calculated payout may be reduced if warranted by the employee's individual performance or other individual factors (including non-compliance with Company policies).

The ICP begins on January 1 and ends on December 31 each year (the "Program Year"). The Company will comply with local legal requirements and any applicable contractual provisions in implementing these Terms and Conditions; if a legal or contractual provision conflicts with this document, the legal or contractual requirement will govern. The payout, if any, under the ICP will generally occur in the first quarter of the calendar year following the Program Year, but in no event later than the end of the calendar year following the Program Year.

TERMS AND CONDITIONS

1. Proration of Target or Payout: An Eligible Employee must be employed for the entire Program Year (i.e. from January 1 up to and including to December 31) to be eligible for a payout, unless one of the following exceptions applies to permit a prorated payout. The eligibility for and the amount of any payout will continue to be subject to the other terms and conditions of the ICP and the applicable Company performance measures and individual performance multiplier, unless otherwise stated below.
    a. New Hires: An employee who is hired into a role that is ICP-eligible before October 1 of the Program Year, will be eligible for a prorated payout under the ICP based on the date of hire, subject to the terms and conditions of the ICP. An employee hired on or after October 1 of the Program Year, will not be eligible to participate in that Program Year's ICP.
    b. Part-Time Employees: An Eligible Employee who works part-time or less-than- full time or who is hired during the Program Year and who otherwise meets the eligibility requirements of the Program will be eligible for an ICP target that is based on the percentage of applicable salary, at the part-time level, during the Program Year.
    c. Leave of Absence: An Eligible Employee who is in leave status for more than 180 consecutive days during the Program Year will be eligible for a prorated ICP payout, subject to the terms and conditions of the ICP. The proration calculation will be based on the number of days that the Eligible Employee was actively working (including leave for 180 consecutive days or less). An Eligible Employee who is in leave status for 180 consecutive days or less will not be subject to proration under this subsection. If an Eligible Employee has not actively worked the entire Program Year, the employee is not eligible for a payout under the ICP, subject to local laws.
    d. Termination for Cause: If an Eligible Employee's employment with the Company terminates prior to the date the ICP for the Program Year is actually paid out, for "Cause," the Eligible Employee will not be eligible for any payout, prorated or otherwise. "Cause" shall mean under this paragraph: (i) the conviction of, or nolo contendere or guilty plea, to a felony (whether any right to appeal has been or may be exercised); (ii) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to the Eligible Employee's employment with the Company; (iii) conduct constituting a financial crime, material act of dishonesty or conduct in violation of Company's Code of Business Conduct and Ethics; (iv) improper conduct substantially prejudicial to the Company's business; (v) willful unauthorized disclosure or use of Company confidential information; (vi) material improper destruction of Company property; (vii) willful misconduct in connection with the performance of Executive's duties; and (vii) any other conduct that constitutes Cause under the Company's policies and procedures or under applicable law.
    e. Resignation: If an Eligible Employee resigns from their employment (and their employment ends) at any time in the Program Year, no payout prorated or otherwise shall be paid. For these purposes, unless an Eligible Employee who is working under a fixed term employment contract otherwise falls within one of the above exceptions set forth in these terms and conditions (as applied to a resignation), a termination at the end of a fixed-term assignment because of the natural expiration of the assignment shall be considered a resignation.

f. Disability, Retirement or Termination without Cause: If an Eligible Employee terminates before December 31 due to disability, retirement, or termination without cause, or to accept immediate employment with an "Affiliate," the employee will be eligible for a prorated payout if the employee was an Eligible Employee for 180 cumulative days or more during the Program Year. The individual performance multiplier will not apply to these payouts. For clarity, in determining active employment any leave of absence up to 180 consecutive days will count towards the active employment period.
    - "Disability" means termination from the Company due to the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.
    - "Retirement" means termination from the Company for any reason other than Cause at a point at which an Eligible Employee is at least age 55 and has been employed by the Company, or any of its subsidiaries for at least ten (10) years, where the Eligible Employee's period of service is determined using the applicable Company policy in effect as of the date of termination, excluding any applicable severance period, or a successor policy chosen by the Administrator. Special treatment upon retirement shall be subject to local laws in those countries subject to any EU Directive on Discrimination. If an Eligible Employee's employment is terminated by the Company without Cause, the employee will be eligible for a prorated payout if the Eligible Employee (a) was actively employed for 180 cumulative days or more during the Program Year, and (b) if applicable, meets any requirement to sign a release of claims under a Company-sponsored severance benefit plan or other applicable employment agreement or arrangement, provided that the arrangement does not exclude the payout of the ICP.
    - An "Affiliate" is an entity in which the Company has an ownership interest of 50% or more but which is not considered a Participating Subsidiary under the ICP.

g. Performance Termination: If an Eligible Employee terminates before December 31 due to performance, the employee will not be eligible for a prorated payout.
    - "Performance Termination" means termination from the Company for reasons related to your job performance, including but not limited to excessive absenteeism, or your failure to meet your Participating Employer's performance expectations, including any applicable probationary period (even if extended).

h. Death: If an Eligible Employee terminates before December 31 due to death the employee will be eligible for a payout if the employee was an Eligible Employee during the Program Year. Payout will be issued at time of death, prorated for days of active employment, and will be calculated at target and will not factor in the Company performance measures or the individual performance multiplier.

i. Termination and Rehire During a Single Program Year: If an Eligible Employee's employment is terminated by the Company without Cause and the Eligible Employee is rehired within the same Program Year, the employee will be eligible for a prorated payout for that Program Year provided that (i) the Eligible Employee has met any requirement to sign a release of claims associated with the termination, and (ii) the Eligible Employee was actively employed for 180

cumulative days or more during the Program Year, including service prior to the termination and after the rehire date.

j. Transfer into Role under Separate Bonus Plan: If an Eligible Employee moves into a role that is not ICP-eligible because the role is covered by another bonus plan (e.g., an advertising sales role), the employee will be eligible for a prorated payout for that Program Year based on the length of time that the Eligible Employee was in the ICP-eligible role.

2. No Additional Rights: The ICP shall not confer or be deemed to confer any right with respect to continuance of employment by the Company, nor interfere in any way with the right of the Company to terminate an employee from employment.

3. Discretionary Program: Unless contrary to the express and unequivocal terms of applicable law, regulations, or co-determination rights, and regardless of anything stated in this ICP or about this ICP, any ICP payout is strictly discretionary and conditional. All ICP payouts ultimately depend on favorable discretionary determinations by Company management, they are not earned unless and until paid, and they do not form a part of an employee's regular base salary compensation. The operation or continuance of the ICP through a Program Year gives no right or expectation to any ICP payout, whether in same or similar form or at all, in any future Program Year. Company management also reserves the sole discretion to determine the design, applicable criteria and the actual payout percentages as it deems appropriate.

4. Profit Sharing: For those countries that legally require participation in profit sharing programs, an addendum to these guidelines will be published. It is acknowledged that, for all countries, any ICP payout is funded by two separate elements: a) corporate revenue and b) a share of profits.

5. Timing of Payout: If an Eligible Employee terminates employment with the Company before the scheduled payout date of the ICP and is eligible for a prorated payout, the timing of any payout, if legally allowable, will be determined under the normal course of the ICP and delivered on the scheduled payment date for other Eligible Employees who remain employed by the Company. If local laws or practices do not permit a delay of the payment until the scheduled payment date under the ICP, the Company at its sole discretion will determine the payment under the Program to be included in the pay for the last month of employment.

6. Administration: The Chief People & Culture Officer, or their designee, as assigned by the Company ("Administrator") has the full power and authority to construe, interpret and administer the ICP and the determinations of the Administrator are final, conclusive and binding on all persons unless any such determination is otherwise expressly and unequivocally prohibited by local laws and regulations of co determination rights. For participants employed in the United States, the ICP shall be construed, administered and governed under the laws of the State of Maryland, without regard to its conflict of law rules.

7. Amendment, Modification, and Termination: The Company reserves the right to amend, modify or terminate the ICP at any time in its sole discretion and will implement those changes respecting the terms and conditions of local laws, works agreements or codetermination rights that expressly and unequivocally conflict, in whole or in part, with any such action or decision. The ICP will be

implemented subject to and in accordance with local laws and regulations, which may require certain actions in particular circumstances.

8. Clawback Policy: Notwithstanding any other provisions in this ICP, any ICP payout hereunder shall be subject to recovery or clawback by the Company under the Warner Bros. Discovery Inc. Clawback Policy or any other clawback policy adopted by the Company in accordance with applicable law, as such Policy(ies) may be amended or superseded from time to time.

2026 ZASLAV ANNUAL PRSU GRANT

David M. Zaslav

Dear David,

Congratulations, you have been awarded a performance restricted stock unit ("***PRSU***") in recognition of your contributions to the success of Warner Bros. Discovery, Inc. (the "***Company***") and as described in your employment agreement with the Company dated as of June 12, 2025 (as amended by that certain letter agreement, dated November 7, 2025, the "***2025 Employment Agreement***"). A PRSU entitles you to receive a number of shares of the Company's Series A common stock ("***Shares***") at a future date, based on a pre-determined formula, assuming that you satisfy the conditions of the Plan and the implementing agreement. We would like you to have an opportunity to share in the continued success of the Company through this PRSU under the Warner Bros. Discovery, Inc. Stock Incentive Plan (the "***Plan***"). The following represents a brief description of your grant. Additional details regarding your PRSU are provided in the attached Performance Restricted Stock Unit Agreement (the "***Grant Agreement***") and in the Plan.

PRSU Grant Summary

Date of Grant	[xx/xx/xxxx]
Target Value	$12,000,000
PRSU Shares	xxx,xxx
PRSU Shares Subject to Quantitative Performance Conditions	Up to [xxxxxx] Shares that will vest based on achievement of financial (quantitative) metrics set forth on Appendix A
PRSU Shares Subject to Qualitative Performance Conditions	Up to [xxxxxx] Shares that will vest based on achievement of strategic (qualitative) metrics set forth on Appendix A
Vesting Schedule	Up to 100% of the Shares will vest based on the certification by the Compensation Committee of the Board of Directors (the "***Committee***") of the achievement of the Performance Conditions in Appendix A, subject to the terms of the Plan and Grant Agreement. The "***Vesting Date***" will be the date of such certification.
Performance Conditions	See Appendix A.

- You have been granted a PRSU in respect of the total number of Shares specified under "PRSU Shares" in the chart.
- The potential value of your PRSU increases if the price of an underlying Share increases, but you also have to continue to work for the Company (except as the Grant Agreement and 2025 Employment Agreement provide) to actually receive such value. Of course, the value of a Share may go up and down over time.
- You will not receive any Shares represented by the PRSU until the PRSU vests and such Shares are distributed to you in accordance with Section 3 of the Grant Agreement.

- Your PRSU vests as provided in the chart above under “Vesting Schedule,” assuming you remain an employee of the Company and subject to the terms in the Grant Agreement and the Plan.
- Once you have received the Shares, you will own those Shares and may decide whether to hold the Shares, sell the Shares or give the Shares to someone as a gift, subject to Company policy and applicable law.

Please note the “Clawback” section of the Grant Agreement, which reflects an important policy of ours. The Committee has determined that awards made under the Plan are subject to a clawback in certain circumstances. By accepting this award, you agree that the Committee may change the Company’s clawback policy from time to time without your further consent to reflect changes in law or company policy.

WARNER BROS. DISCOVERY, INC.
PERFORMANCE RESTRICTED STOCK UNIT GRANT AGREEMENT
FOR DAVID ZASLAV

Warner Bros. Discovery, Inc. (the "***Company***") has granted you a performance restricted stock unit (the "***PRSU***") under the Warner Bros. Discovery, Inc. Stock Incentive Plan (the "***Plan***"). The PRSU is in respect of a specified number of shares of the Company's Series A common stock (the "***PRSU Shares***") and entitles you to receive one share of the Company's Series A common stock (a "***Share***") for each PRSU Share upon satisfaction of the conditions to receipt.

The individualized communication you received (the "***Cover Letter***") provides the details of your PRSU award. It specifies the number of PRSU Shares, the Date of Grant, the schedule for vesting, and the Vesting Date.

The PRSU is subject in all respects to the applicable provisions of the Plan. This grant agreement (the "***Grant Agreement***") does not cover all of the rules that apply to the PRSU under the Plan; please refer to your 2025 Employment Agreement and the Plan document. Capitalized terms are defined either in the Cover Letter, further below in Grant Agreement, in the 2025 Employment Agreement, or in the Plan.

The Plan document is available on the Fidelity web site. The Prospectus for the Plan, the Company's S-8, Annual Report on Form 10-K, and other filings the Company makes with the Securities and Exchange Commission are available for your review on the Company's web site. You may also obtain paper copies of these documents upon request to the Company's People & Culture department.

Neither the Company nor anyone else is making any representations or promises regarding the duration of your service, vesting of the PRSU, the value of a Share or of this PRSU, or the Company's prospects. The Company is not providing any advice regarding tax consequences to you or regarding your decisions regarding the PRSU. You agree to rely only upon your own personal advisors.

No one may sell, transfer, or distribute the PRSU or any securities that may be received in respect thereof without an effective registration statement relating thereto or an opinion of counsel satisfactory to the Company or other information and representations satisfactory to it that such registration is not required.

In addition to the Plan's terms and restrictions, the following terms and restrictions apply:

1. **Vesting Schedule.** Your PRSU becomes nonforfeitable ("***Vested***") as provided in the Cover Letter and the Grant Agreement assuming you remain employed by the Company until December 31, 2026, and the performance conditions for the one-year period beginning January 1, 2026, and ending December 31, 2026 (the "***Performance Period***") are satisfied. For purposes of this Grant Agreement, employment with the Company will include employment with any Subsidiary whose employees are then eligible to receive Awards under the Plan (provided that a later transfer of employment to an ineligible Subsidiary will not terminate employment unless the Compensation Committee of the Board of Directors (the "***Committee***" of the "***Board***") determines otherwise).

   If your employment is terminated by the Company without "***Cause***" or by you for "***Good Reason***", in each case before the Vesting Date, the PRSU will become Vested on the original vesting schedule as though you remained working through the Vesting Date, subject to the achievement of any applicable performance conditions and the release requirements described below. You will receive the Shares corresponding to the Vested portion of your PRSU as provided in Section 3 of this Grant Agreement.

   If your employment ends as a result of death or as a result of your Disability, in each case before the Vesting Date, a pro-rata portion of the PRSU will become Vested, based upon actual achievement of any applicable performance conditions as of your date of termination. In the event of your death only, the results of such performance conditions will be certified by the Committee as soon as practicable after the date of death, with the date of such certification deemed the Vesting Date for this purpose. In the event of a termination due to Disability, the results of such performance conditions will be certified by the Committee on a date in 2027 following the end of the Performance Period as if you remained working through the Vesting Date. You will receive the Shares corresponding to the Vested portion of your PRSU as provided in Section 3 of this Grant Agreement.

   Distribution in respect of any Vested portion of your PRSU in connection with a termination without Cause, resignation for Good Reason, or termination due to Disability will be subject to the release requirements in the 2025 Employment Agreement. The PRSU will be frozen, if not already fully Vested, between the date your employment ends and the date your release requirement is met (or the deadline for providing the release expires), at which point the PRSU will be forfeited if the release has not become irrevocable. Any Distribution Date falling between the date your employment ends and the deadline for providing an irrevocable release will be delayed until the last day of the period for providing an irrevocable release.

   "***Cause,***" "***Good Reason***," and "***Disability***" have the meanings provided in your 2025 Employment Agreement.

2. **Change in Control**. Notwithstanding the Plan's provisions, if your employment is terminated by you for Good Reason or by the Company other than for Cause, in either case, within the 12-month period following a "Change in Control" (as defined in the 2025 Employment Agreement) and before the PRSU is Vested, then subject to the release requirements described below, the outstanding PRSU Shares (for which the Performance Period has not expired) will become Vested as if 100% of the performance conditions had been satisfied at maximum levels of achievement, regardless of actual performance, and, to the extent permitted under Section 409A of the Code ("Section 409A"), 100% of the Shares in respect of your Vested PRSU will be delivered no later than thirty days following the date of your termination.

Distribution in respect of your PRSU because of a Change in Control and your subsequent termination of employment as described in this section will be subject to any applicable release requirements in the 2025 Employment Agreement. The PRSU will be frozen, if not already fully Vested, between the date your employment ends and the date your release requirement is met (or the deadline for providing the Release expires), at which point the PRSU will be forfeited if the release has not become irrevocable. Any Distribution Date falling between the date your employment ends and the deadline for providing an irrevocable release will be delayed until the last day of the period for providing an irrevocable release.

3. **Distribution Date.** Subject to any overriding provisions in the Plan or Section 1 or 2 above, after the performance conditions are determined to be satisfied (pursuant to Appendix A), you will receive a distribution of the Shares equivalent to the Vested portion of your PRSU based on the following schedule (each such delivery date being a "***Distribution Date***") unless, in each case, the Committee determines that you may make a timely deferral election to defer distribution to a later date and you have made such an election (in which case the deferred date will be the Distribution Date):

   (a) 70% of the Shares in respect of the Vested portion of your PRSU (the "***Immediate Delivery Shares***") will be paid on or immediately following the Vesting Date (determined in accordance with Section 1 or 2 above), and in any event by March 15, 2027; and
   (b) 30% of the Shares in respect of the Vested portion of your PRSU (the "***Delayed Delivery Shares***") will be paid in 2028, as soon as practicable after the beginning of such year, or, if earlier, six months following the date of your termination of employment.

   Notwithstanding the foregoing, if your employment is terminated by your death prior to the end of the Performance Period, your designated beneficiary or estate will receive 100% of the PRSU Shares earned (i) no later than the end of the calendar year in which your death occurs, if your death occurs on or before June 30 of such year, and (ii) in the following calendar year, for any later death.

4. **Adjustments.** Notwithstanding the foregoing, if within five years of the close of the Performance Period, the Company's audited financial statement for the Performance Period is restated, the Committee shall determine whether, and the extent to which, the performance conditions described in Appendix A were satisfied based on the restated financial statements. If the Committee determines that the Company delivered too few Shares to you on the original Distribution Date(s), you will be entitled to receive (without interest or other adjustment for the passage of time) additional Shares; such Shares, together with any previously distributed Shares, shall not exceed the total number of PRSU Shares granted under this Grant Agreement. If the Committee determines that the Company delivered too many Shares to you on the original Distribution Date(s), you will be required to deliver to the Company (without interest or other adjustment for the passage of time) the excess Shares previously delivered as soon as practicable after notice by the Committee. In the event the person (either you or the Company) required to deliver Shares under the foregoing provisions is entitled to receive future payments (other than payments constituting "deferred compensation" under Section 409A) from the person entitled to receive delivery of Shares under the foregoing provisions, then the person required to make the delivery of Shares under the foregoing provisions may reduce the number of Shares due under the foregoing provisions by a number of Shares which have a fair market value equal to the value of the future payment to be received from the other person. If you receive any additional Shares pursuant to this section, such Shares will be distributed to you within 30 days after the Committee's determination based on the restated audited financial statements.

5. **Clawback.** Notwithstanding the provisions in Section 4 with respect to Adjustments, if the Board or the Committee determines, in its sole discretion, that you engaged in fraud or misconduct as a result of which or in connection with

which the Company is required to or decides to restate its financial statements or is otherwise required to seek recovery under the Company's clawback policy as in effect from time to time prior to a Change in Control, the Committee may, in its sole discretion, impose any or all of the following:

(a) Immediate expiration of the PRSU, whether Vested or not, if granted within the first 12 months after issuance or filing of any financial statement that is being restated (the "***Recovery Measurement Period***"); and

(b) Require payment or transfer to the Company of the Gain from the PRSU, where the "***Gain***" consists of the greatest of (i) the value of the Shares delivered in respect of the PRSU on the applicable Distribution Date, if occurring within the Recovery Measurement Period, (ii) the value of Shares received in respect of the PRSU during the Recovery Measurement Period, as determined on the date of the request by the Committee to pay or transfer, (iii) the gross (before tax) proceeds you received from any sale of the Shares received in respect of the PRSU during the Recovery Measurement Period, and (iv) if transferred without sale during the Recovery Measurement Period, the value of the Shares received in respect of the PRSU when so transferred. The amount paid or transferred to the Company shall be adjusted to reflect any adjustment to the number of Shares finally awarded after application of the "Adjustments" provisions above.

This remedy is in addition to any other remedies that the Company may have available in law or equity.

Payment is due in cash or cash equivalents within 10 days after the Committee provides notice to you that it is enforcing this clawback. Payment will be calculated on a gross basis, without reduction for taxes or commissions. The Company may, but is not required to, accept retransfer of Shares in lieu of cash payments.

6. **Restrictions and Forfeiture.** You may not sell, assign, pledge, encumber, or otherwise transfer any interest ("***Transfer***") in the PRSU until the Shares are distributed to you. Any attempted Transfer that precedes the Distribution Date is invalid.

   Unless the Board determines otherwise or the Grant Agreement provides otherwise, if your employment or service with the Company terminates for any reason before your PRSU is Vested, then you will forfeit the PRSU (and the Shares to which they relate) to the extent that the PRSU does not otherwise vest on or after your termination, pursuant to the rules in the **Vesting Schedule** section. You forfeit any unvested portions of the PRSU immediately if the Company terminates your employment for Cause or if you resign your employment other than for Good Reason. You also forfeit any unvested portion of the PRSU immediately upon the date for certification of the performance metrics for the Performance Period if and to the extent the performance metrics are not then satisfied and no Change in Control has occurred. The forfeited portions of the PRSU will then immediately revert to the Company. You will receive no payment for the PRSU if you forfeit it.

7. **Limited Status.** You understand and agree that the Company will not consider you a shareholder for any purpose with respect to the PRSU, unless and until Shares in respect thereof have been issued to you on the Distribution Date. You will not receive dividends with respect to the PRSU.

8. **Voting.** You may not vote the PRSU. You may not vote the PRSU Shares unless and until the Shares are distributed to you.

9. **Taxes and Withholding.** The PRSU provides tax deferral, meaning that the PRSU Shares are not taxable until you actually receive Shares on or around the Distribution Date. You will then owe taxes at ordinary income tax rates as of the Distribution Date at the value of the Shares issued in settlement of the Vested PRSU. As an employee of the Company, you may owe FICA and HI (Social Security and Medicare) taxes before the Distribution Date.

Issuing the Shares in respect of the PRSU is contingent on your satisfaction of all obligations with respect to required tax or other required withholdings (for example, in the U.S., Federal, state, and local taxes). You may satisfy the obligations by directing the Company to reduce the number of Shares to be issued to you in respect of your PRSU by that number of Shares (valued at their Fair Market Value on the Distribution Date) that would equal all taxes required to be withheld (at their minimum withholding levels or such higher level as you request (up to 5% in excess of the minimum withholding level or your estimated marginal tax rate for the year of payment, whichever is greater)), provided that any minimum withholding requirements not satisfied in the foregoing manner must be satisfied in a manner acceptable to the Committee, which could include accepting payment of the withholdings from a broker in connection with a sale of the Shares or directly from you. If a fractional share remains after deduction for required withholding, the Company will pay you the value of the fraction in cash.

10. **Compliance with Law.** The Company will not issue any Shares if doing so would violate any applicable Federal or state securities laws or other laws or regulations. You may not sell or otherwise dispose of any Shares issued in respect of the PRSU in violation of applicable law.

11. **Additional Conditions to Receipt.** The Company may postpone issuing and delivering any Shares in respect of the PRSU for so long as the Company determines to be advisable to satisfy the following:

(a) its completing or amending any securities registration or qualification of the Shares *or* its or your satisfying any exemption from registration under any Federal or state law, rule, or regulation;

(b) its receiving proof it considers satisfactory that a person seeking to receive rights in respect of the PRSU after your death is entitled to do so;

(c) your complying with any requests for representations under the Plan; and

(d) your complying with any Federal, state, or local tax withholding obligations.

12. **Additional Representations from You.** If the vesting provisions of the PRSU are satisfied and you are entitled to receive Shares in respect of the PRSU at a time when the Company does not have a current registration statement (generally on Form S-8) under the Securities Act of 1933, as amended (the "***Act***") that covers the issuance of Shares to you, you must comply with the following before the Company will issue the Shares to you. You must:

(a) represent to the Company, in a manner satisfactory to the Company's counsel, that you are acquiring the Shares for your own account and not with a view to reselling or distributing the Shares; and

(b) agree that you will not sell, transfer, or otherwise dispose of the PRSU Shares unless:

(i) a registration statement under the Act is effective at the time of disposition with respect to the Shares you propose to sell, transfer, or otherwise dispose of; or

(ii) the Company has received an opinion of counsel or other information and representations it considers satisfactory to the effect that, because of Rule 144 under the Act or otherwise, no registration under the Act is required.

13. **No Effect on Employment or Other Relationship.** Nothing in this Grant Agreement restricts the Company's rights or those of any of its affiliates to terminate your employment or other relationship at any time and for any or no reason. The termination of employment or other relationship, whether by the Company or any of its affiliates or

otherwise, and regardless of the reason for such termination, has the consequences provided for under the Plan and any applicable employment or severance agreement or plan.

14. **No Effect on Running Business.** You understand and agree that the existence of the PRSU will not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issuance of bonds, debentures, preferred or other stock, with preference ahead of or convertible into, or otherwise affecting the Company's common stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether or not of a similar character to those described above.

15. **Section 409A.** The PRSU is intended to be exempt from or comply with the requirements of Section 409A and must be construed consistently with that section. Notwithstanding anything in the Plan or this Grant Agreement to the contrary, if the PRSU becomes Vested in connection with your "separation from service" within the meaning of Section 409A, as determined by the Company, and if (x) you are then a "specified employee" within the meaning of Section 409A at the time of such separation from service (as determined by the Company, by which determination you agree you are bound) and (y) the distribution of Shares under such accelerated PRSU will result in the imposition of additional tax under Section 409A if distributed to you within the six-month period following your separation from service, then the distribution under such accelerated PRSU will not be made until the earlier of (i) the date that is six months and one day following the date of your separation from service or (ii) the 10th day after your date of death. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such Shares or benefits except to the extent specifically permitted or required by Section 409A. In no event may the Company or you defer the delivery of the Shares beyond the date specified in the **Distribution Date** section, unless such deferral complies in all respects with Treasury Regulation Section 1.409A-2(b) related to subsequent changes in the time or form of payment of non-qualified deferred compensation arrangements, or any successor regulation. In any event, the Company makes no representations or warranty and shall have no liability to you or any other person, if any provisions of or distributions under this Grant Agreement are determined to constitute deferred compensation subject to Section 409A but not to satisfy the conditions of that section.

16. **Unsecured Creditor.** The PRSU creates a contractual obligation on the part of the Company to make a distribution of the Shares at the time provided for in this Grant Agreement. Neither you nor any other party claiming an interest in deferred compensation hereunder shall have any interest whatsoever in any specific assets of the Company. Your right to receive distributions hereunder is that of an unsecured general creditor of Company.

17. **Governing Law.** The laws of the State of Delaware will govern all matters relating to the PRSU, without regard to the principles of conflict of laws.

18. **Notices**. Any notice you give to the Company must follow the procedures then in effect. If no other procedures apply, you must send your notice in writing by hand or by mail to the office of the Company's Secretary (or to the Chair of the Committee). If mailed, you should address it to the Company's Secretary (or the Chair of the Committee) at the Company's then corporate headquarters, unless the Company directs PRSU holders to send notices to another corporate department or to a third-party administrator or specifies another method of transmitting notice. The Company and the Board will address any notices to you using its standard electronic communications methods or at your office or home address as reflected on the Company's personnel or other business records. You and the Company may change the address for notice by like notice to the other, and the Company can also change the address for notice by general announcements to PRSU holders.

19. **Amendment.** Subject to any required action by the Board or the stockholders of the Company, the Company may cancel the PRSU and provide a new Award under the Plan in its place, provided that the Award so replaced will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect the PRSU to the extent then Vested.

20. **Plan Governs.** Wherever a conflict may arise between the terms of this Grant Agreement and the terms of the Plan, the terms of the Plan will control. The Board may adjust the number of PRSU Shares and other terms of the PRSU from time to time as the Plan provides.

EMPLOYEE PRSU FORM

#ParticipantName#

Dear #ParticipantName#,

Congratulations, you have been awarded a performance restricted stock unit ("***PRSU***") in recognition of your contributions to the success of Warner Bros. Discovery, Inc. (the "***Company***"). A PRSU entitles you to receive a specific number of shares of the Company's Series A common stock ("***Shares***") at a future date, assuming that you satisfy conditions of the Plan and the attached Performance Restricted Stock Unit Agreement for Employees (the "***Grant Agreement***"). We would like you to have an opportunity to share in the continued success of the Company through this PRSU under the Warner Bros. Discovery, Inc. Stock Incentive Plan (the "***Plan***").

The following represents a brief description of your PRSU. Additional details regarding your PRSU, including the specific performance metrics required to be met for the PRSU to vest, in whole or in part, are provided in the Grant Agreement and in the Plan. In addition, if you are located in a country other than the United States, you will receive an International Addendum with your award under the Plan that you must review and acknowledge. If you are subject to this requirement, the International Addendum is attached.

PRSU Grant Summary

Date of Grant	**#GrantDate#**
PRSU Shares (at target)	**#QuantityGranted#**
Vesting Schedule	One Hundred Percent (100%) upon the third (3rd) anniversary of the Date of Grant, subject to (i) achievement of the Performance Conditions and (ii) the terms of the Plan and Grant Agreement.
Performance Conditions	See Appendix A attached to the Grant Agreement for additional details.

- You have been granted a PRSU in respect of the target number of Shares specified under "PRSU Shares" in the chart above. The actual number of Shares that you receive in respect of you PRSU may be higher or lower depending on the achievement of the Performance Conditions set forth on Appendix A.

- The potential value of your PRSU increases if the price of a Share increases, but you also have to continue to provide services for the Company (except as the Grant Agreement provides) to actually receive such value. Of course, the value of a Share may go up and down over time.

- You will not receive any Shares represented by the PRSU until the PRSU vests. Subject to the terms in the Grant Agreement and the Plan, your PRSU vests as provided in the chart above under "Vesting Schedule," assuming you remain an employee of the Company and the applicable performance metrics are met.

- Once you have received Shares, you will own those Shares and may decide whether to hold the Shares, sell the Shares or give the Shares to someone as a gift, subject to Company policy and applicable law.

- Your ability to receive Shares under the PRSU is conditioned upon compliance with any laws that apply to you.

Please note the "Clawback" section of the Grant Agreement, which reflects an important policy of ours. The Compensation Committee of our Board of Directors (the "***Committee***") has determined that awards made under the Plan

are subject to a clawback in certain circumstances. By accepting this PRSU, you agree that the Committee may change the Company's clawback policy from time to time without your further consent.

WARNER BROS. DISCOVERY, INC.
PERFORMANCE RESTRICTED STOCK UNIT GRANT AGREEMENT
FOR EMPLOYEES

Warner Bros. Discovery, Inc. (the "***Company***") has granted you a performance restricted stock unit (the "***PRSU***") under the Warner Bros. Discovery, Inc. Stock Incentive Plan (the "***Plan***"). The PRSU is in respect of a specified target number of shares of the Company's Series A common stock (the "***PRSU Shares***") and entitles you to receive a number of shares of the Company's Series A common stock (a "***Share***"), which could be less than or greater than one share, for each PRSU Share as to which the conditions to receipt specified herein are satisfied.

The individualized communication you received (the "***Cover Letter***") provides the details of your PRSU award. It specifies the target number of PRSU Shares you are eligible to receive, the Date of Grant, and the vesting schedule applicable to the PRSU.

The PRSU is subject in all respects to the applicable provisions of the Plan. This grant agreement (the "***Grant Agreement***") does not cover all of the rules that apply to the PRSU. Such other terms are included in the Plan document. Capitalized terms are defined either further below in this Grant Agreement or in the Plan.

The Plan document is available on the Fidelity web site. The Prospectus for the Plan, the Company's S-8, Annual Report on Form 10-K, and other filings the Company makes with the Securities and Exchange Commission are available for your review on the Company's web site. You may also obtain paper copies of these documents upon request to the Company's People and Culture department.

Neither the Company nor anyone else is making any representations or promises regarding the duration of your service, vesting of the PRSU, the value a Share or of the PRSU, or the Company's prospects. The Company is not providing any advice regarding tax consequences to you or regarding your decisions regarding the PRSU. You agree to rely only upon your own personal advisors.

No one may sell, transfer, or distribute the PRSU Shares or any securities that may be received in respect of the PRSU Shares without an effective registration statement relating thereto or an opinion of counsel satisfactory to the Company or other information and representations satisfactory to it that such registration is not required.

In addition to the Plan's terms and restrictions, the following terms and restrictions apply:

1. **Vesting Schedule.** Except as otherwise provided in this Grant Agreement, your PRSU becomes nonforfeitable ("***Vested***") as provided in the Cover Letter and this Grant Agreement assuming (i) you remain employed by the Company or one of its Subsidiaries through the vesting date specified on Appendix A (the "***Vesting Date***") and (ii) the performance metrics are satisfied (each as reflected in Appendix A attached hereto). For purposes of this Grant Agreement, employment with the Company will include employment with any Subsidiary whose employees are then eligible to receive Awards under the Plan (provided that a later transfer of employment to an ineligible Subsidiary will not terminate employment unless the Compensation Committee of the Company's Board of Directors (the "***Committee***") determines otherwise).

   If your employment is terminated due to your ***"Retirement"*** prior to the Vesting Date, so long as you have complied with the restrictions under Section 6 of this Grant Agreement, you shall be entitled to vest in (i) that number of the PRSU Shares that would have been earned under the payout matrix reflected in Appendix A (the "***Payout Matrix***"), determined as of the end of all applicable performance periods, had you continued to be employed through the Vesting Date, multiplied by (ii) a fraction, the numerator of which is the number of days you are employed during the applicable performance periods and the denominator of which is the total number of days in the Final Performance Period (as defined on Appendix A). Any PRSU Shares that do not remain eligible to vest following your Retirement under the immediately preceding sentence will be forfeited at the date of your Retirement, and any PRSU Shares that do not become Vested by reason of the satisfaction of the applicable performance metrics shall be cancelled effective as of the end of the applicable performance period. You will receive the Shares corresponding to the Vested PRSU Shares no later than March 15 of the year following the calendar year in which the Final Performance Period ends, as provided in Section 3 of this Grant Agreement.

   If your employment is terminated by your death or "***Disability***" prior to the Vesting Date, you (or your beneficiary or estate) shall be entitled to vest in that number of PRSU Shares that would have been earned under the Payout Matrix, determined as of the end of all applicable performance periods, had you continued to be employed through the Vesting Date. Any PRSU Shares that do not become Vested by reason of the satisfaction of the applicable performance metrics shall be cancelled effective as of the end of the applicable performance period. You will receive the Shares corresponding to the Vested PRSU Shares no later than March 15 of the year following the calendar year in which the Final Performance Period ends, as provided in Section 3 of this Grant Agreement.
   If your employment is terminated without "***Cause***" prior to the Vesting Date, so long as you have complied with the restrictions under Section 6 of this Grant Agreement, you shall be entitled to vest in (i) that number of the PRSU Shares that would have been earned under the Payout Matrix, determined as of the end of all applicable performance periods, had you continued to be employed through the Vesting Date, multiplied by (ii) a fraction (not greater than one), the numerator of which is the number of days you are employed during the applicable performance periods plus the greater of (A) 90 days and (B) the number of days included in the period, if any, over which you receive base salary severance payments from the Company or any of its Subsidiaries pursuant to an applicable employment or severance agreement, plan or policy, and the denominator of which is the total number of days in the Final Performance Period. Any PRSU Shares that do not remain eligible to vest following your termination of employment under the immediately preceding sentence will be forfeited at the date of your termination of employment, and any PRSU Shares that do not become Vested by reason of the satisfaction of the applicable performance metrics shall be cancelled effective as of the end of the applicable performance period. You will receive the Shares corresponding to the Vested PRSU Shares no later than March 15 of the year following the calendar year in which the Final Performance Period ends, as provided in Section 3 of this Grant Agreement.

   "***Cause***" has the meaning provided in Section 11.2(b) of the Plan. "***Disability***" has the meaning provided in Section 2.1 of the Plan. "***Retirement***" means the termination of your employment for any reason other than Cause, your death or your Disability at a point at which (i) you are at least age 55, (ii) you have been employed by the Company, a Subsidiary, or any of the Company's current or future Subsidiaries or Affiliates, for at least ten years, where your employment period is determined using the applicable Company policy in effect as of the date of termination (or a successor policy chosen by the Committee), excluding any applicable severance period, and (iii) you have been

actively employed as described in the foregoing clause (ii) for at least six months since the Date of Grant provided in the Cover Letter.

2. **Change in Control**. Notwithstanding the Plan's provisions, if an Approved Transaction, Control Purchase, or Board Change (each a "***Change in Control***") occurs before the Vesting Date and the Company terminates your employment other than for Cause or, if your employment agreement or another plan or agreement applicable to you permits you a right to effect a "Good Reason" resignation, you resign for Good Reason, in either case within twelve (12) months after the Change in Control, you will become Vested as of your date of termination in the target number of PRSU Shares set forth in the Cover Letter . Such accelerated vesting will only accelerate the Distribution Date if and to the extent permitted under Section 409A of the Code ("***Section 409A***"). "***Good Reason***" has the meaning provided in the document that affords you a right to effect a Good Reason termination.

   The Committee reserves its authority under Section 11.1(b) of the Plan to vary this treatment if the Committee determines there is not an equitable substitution or replacement award in connection with a Change in Control.

3. **Distribution Date.** Subject to any overriding provisions in the Plan, you will receive a distribution of Shares in respect of your earned and Vested PRSU Shares as soon as practicable following the latest date on which any portion of the PRSU Shares becomes earned and Vested (with the actual date being the "Distribution Date") and, in any event, no later than March 15 of the year following the calendar year in which the latest performance period applicable to any portion of your PRSU Shares is completed, unless the Committee determines that you may make a timely deferral election to defer distribution to a later date and you have made such an election (in which case the deferred date will be the "***Distribution Date***").

4. **Clawback.** If the Committee determines, in its sole discretion, that you engaged in fraud or misconduct as a result of which or in connection with which the Company is required to or decides to restate its financial statements or is otherwise required to seek recovery under the Company's clawback policy as in effect from time to time prior to a Change in Control, the Committee may, in its sole discretion, impose any or all of the following:

   (a) Immediate expiration of the PRSU, whether Vested or not, if granted within the first 12 months after issuance or filing of any financial statement that is being restated (the "***Recovery Measurement Period***"); and

   (b) Require payment or transfer to the Company of the Gain from the PRSU, where the "***Gain***" consists of the greatest of (i) the value of the Shares delivered in respect of Vested PRSU Shares on the Distribution Date, if occurring within the Recovery Measurement Period, (ii) the value of Shares received in respect of the PRSU during the Recovery Measurement Period, as determined on the date of the request by the Committee to pay or transfer, (iii) the gross (before tax) proceeds you received from any sale of the Shares received in respect of the PRSU during the Recovery Measurement Period, and (iv) if transferred without sale during the Recovery Measurement Period, the value of the Shares received in respect of the PRSU when so transferred.

   This remedy is in addition to any other remedies that the Company may have available in law or equity. You expressly agree that the Company may take such actions as are necessary or appropriate to effectuate the foregoing (as applicable to you) in accordance with applicable law without further consent or action required by you.

   Payment is due in cash or cash equivalents within ten (10) days after the Committee provides notice to you that it is enforcing this clawback. Payment will be calculated on a gross basis, without reduction for taxes or commissions. The Company may, but is not required to, accept retransfer of Shares in lieu of cash payments.

5. **Restrictions and Forfeiture.** You may not sell, assign, pledge, encumber, or otherwise transfer any interest ("***Transfer***") in the PRSU Shares. Any attempted Transfer that precedes the Distribution Date is invalid.

   Unless the Committee determines otherwise or this Grant Agreement provides otherwise, if your employment or service with the Company or any of its Subsidiaries terminates for any reason before your PRSU is Vested, then you will forfeit the PRSU (and the corresponding PRSU Shares) as of your termination date, except to the extent that the

PRSU becomes Vested at that date or remains eligible to vest on or after your termination pursuant to the rules stated in Section 1 of this Grant Agreement. Any portion of your PRSU Shares that remains eligible to vest following your termination of employment subject to the achievement of the applicable performance metrics, but does not become Vested, shall be forfeited as of the end of the applicable performance period. You shall forfeit any unvested portion of your PRSU immediately if the Company or any of its Subsidiaries terminates your employment for Cause or if you resign your employment (other than a resignation for Good Reason within twelve (12) months following a Change in Control or a resignation that would constitute a Retirement). You will receive no payment for the PRSU if you forfeit it.

Your employment or service with the Company or any of its Subsidiaries will be treated as terminating through a resignation that does not qualify for treatment applicable to terminations without Cause if either (i) the entity that employs you or you provide services to ceases to qualify as a Subsidiary because of its sale, distribution, or other disposition to an unrelated entity or (ii) because the entity that employs you sold a substantial portion of its assets and your employment or service ended for any reason at or in connection with the closing of that sale, distribution, or other disposition. For the avoidance of doubt, however, any termination of your employment or service by reason of either of the occurrences described in (i) and (ii) of the immediately preceding sentence may nevertheless qualify for treatment applicable to terminations upon Retirement to the extent such Retirement constitutes a "separation from service" under Section 409A.

6. Restrictive Covenants. You agree that, if your employment is terminated by the Company or any of its Subsidiaries without Cause or due to Retirement before the Vesting Date, you will not, for the remainder of the period before the Vesting Date (the "***Restricted Period***"), perform any work on, related to, or involving nonfiction, scripted, sports, lifestyle, news, interactive games, or general entertainment television (whether in cable, broadcast, free to air, digital, streaming, film or any other distribution method) or engage in any activities on behalf of any company or any entity related to or involving nonfiction, scripted, sports, lifestyle, news, interactive games, or general entertainment television (whether in cable, broadcast, free to air, digital, streaming, film or any other distribution method) (any such company or entity, a "***Competitor***") in the "***Restricted Area***" (which means the United States and any other country (a) in which you provided services to the Company, or (b) for which you had substantive responsibility for Company operations or business matters, in the five (5) years prior to separation from employment).

During the Restricted Period, you will not directly or indirectly solicit any employees of the Company or any of its Affiliates to leave their employment nor directly or indirectly aid in the solicitation of such employees.

You agree that compliance with the restrictions in this Section 6 is a material part of this Grant Agreement, breach of which will cause the Company and its Affiliates irreparable harm and damages, the loss of which cannot be adequately compensated at law. If these restrictions should ever be deemed to exceed the limitations permitted by applicable laws, you and the Company agree that such provisions shall be (a) reformed to the maximum limitations permitted by the applicable laws, or (b) if legally required, made null and void.

The Company agrees that its sole remedy for any violation of the obligations applicable under this Section 6 will be your forfeiture of any portion of the PRSU Shares that have not previously been forfeited. You agree that these restrictions are in addition to and do not supersede, replace, or amend any other restrictions of a similar nature that apply to you, either by contract or common law, nor any of their related remedies (other than as apply to the PRSU).

7. Limited Status. You understand and agree that the Company will not consider you a shareholder for any purpose with respect to the PRSU Shares, unless and until the Shares have been issued to you on the Distribution Date. You will not receive dividends with respect to the PRSU.

8. Voting. You may not vote the PRSU. You may not vote the PRSU Shares. You will not have any rights as a shareholder in respect to the PRSU or the PRSU Shares, unless and until Shares are distributed to you on the Distribution Date.

9. Taxes and Withholding. The PRSU provides tax deferral, meaning that the PRSU Shares are not taxable until you actually receive Shares on the Distribution Date. You will then owe taxes at ordinary income tax rates as of the Distribution Date at the value of the Shares issued in settlement of the Vested PRSUs. As an employee of the Company, you may owe FICA, Social Security and Medicare taxes before the Distribution Date.

Issuing the Shares in respect of the PRSU is contingent on satisfaction of all obligations with respect to required tax or other required withholdings (for example, in the U.S., Federal, state, foreign and local taxes). The Company may take any action permitted under Section 11.9 of the Plan to satisfy such obligation, including, if the Committee so determines, satisfying the tax obligations by (i) reducing the number of Shares to be issued to you in respect of your PRSU by that number of Shares (valued at their Fair Market Value (as defined in Section 2.1 of the Plan) on the Distribution Date) that would equal all taxes required to be withheld (at their minimum withholding levels), (ii) accepting payment of the withholdings from a broker in connection with a sale of the Shares or directly from you, or (iii) taking any other action under Section 11.9 of the Plan.

10. Compliance with Law. The Company will not issue any Shares if doing so would violate any applicable Federal, foreign or state securities laws or other laws or regulations. You may not sell or otherwise dispose of any Shares issued in respect of the PRSU in violation of applicable law.

11. Additional Conditions to Receipt. The Company may postpone issuing and delivering any Shares in respect of the PRSU for so long as the Company determines to be advisable to satisfy the following:

(a) its completing or amending any securities registration or qualification of the Shares *or* its or your satisfying any exemption from registration under any Federal, foreign or state law, rule, or regulation;

(b) its receiving proof it considers satisfactory that a person seeking to receive rights in respect of the PRSU Shares after your death is entitled to do so;

(c) your complying with any requests for representations under the Plan; and

(d) your complying with any Federal, foreign, state, or local tax withholding obligations.

12. Additional Representations from You. If the vesting provisions of the PRSU are satisfied and you are entitled to receive Shares in respect of the PRSU at a time when the Company does not have a current registration statement (generally on Form S-8) under the Securities Act of 1933, as amended (the "***Act***"), that covers the issuance of Shares to you, you must comply with the following before the Company will issue the Shares to you. You must:

(a) represent to the Company, in a manner satisfactory to the Company's counsel, that you are acquiring the Shares for your own account and not with a view to reselling or distributing the Shares; and

(b) agree that you will not Transfer the Shares unless:

(i) a registration statement under the Act is effective at the time of disposition with respect to the Shares you propose to Transfer; or

(ii) the Company has received an opinion of counsel or other information and representations it considers satisfactory to the effect that, because of Rule 144 under the Act or otherwise, no registration under the Act is required.

13. No Effect on Employment or Other Relationship. Nothing in this Grant Agreement restricts the Company's rights or those of any of its Affiliates to terminate your employment or other relationship at any time and for any or no reason. The termination of employment or other relationship, whether by the Company or any of its Affiliates or

otherwise, and regardless of the reason for such termination, has the consequences provided for under the Plan, this Grant Agreement and any applicable employment or severance agreement, plan or policy.

14. **No Effect on Running Business.** You understand and agree that the existence of the PRSU will not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company or any of its Affiliates, or any issuance of bonds, debentures, preferred or other stock, with preference ahead of or convertible into, or otherwise affecting the Company's stock or the rights thereof, or the dissolution or liquidation of the Company or any of its Affiliates, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether or not of a similar character to those described above.

15. **Section 409A.** The PRSU is intended to be exempt from or comply with the requirements of Section 409A and must be construed consistently with that section. Notwithstanding anything in the Plan or this Grant Agreement to the contrary, if the PRSU becomes Vested in connection with your "separation from service" within the meaning of Section 409A, as determined by the Company, and if (x) you are then a "specified employee" within the meaning of Section 409A at the time of such separation from service (as determined by the Company, by which determination you agree you are bound) and (y) the distribution of Shares under such accelerated PRSU will result in the imposition of additional tax under Section 409A if distributed to you within the six (6) month period following your separation from service, then the distribution under such accelerated PRSU will not be made until the earlier of (i) the date that is six (6) months and one day following the date of your separation from service or (ii) the tenth (10th) day after your date of death. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such Shares or benefits except to the extent specifically permitted or required by Section 409A. In no event may the Company or you defer the delivery of the Shares beyond the date specified in the Distribution Date section, unless such deferral complies in all respects with Treasury Regulation Section 1.409A-2(b) related to subsequent changes in the time or form of payment of nonqualified deferred compensation arrangements, or any successor regulation. In any event, the Company makes no representations or warranties and shall have no liability to you or any other person, if any provisions of or distributions under this Grant Agreement are determined to constitute deferred compensation subject to Section 409A but not to satisfy the conditions of that section.

16. **Unsecured Creditor.** The PRSU creates a contractual obligation on the part of the Company to make a distribution of the Shares at the time provided for in this Grant Agreement. Neither you nor any other party claiming an interest in deferred compensation hereunder shall have any interest whatsoever in any specific assets of the Company and its Affiliates. Your right to receive distributions hereunder is that of an unsecured general creditor of Company.

17. **Governing Law.** The laws of the State of Delaware will govern all matters relating to the PRSU, without regard to the principles of conflict of laws.

18. **Notices**. Any notice you give to the Company must follow the procedures then in effect. If no other procedures apply, you must send your notice in writing by hand or by mail to the office of the Company's Secretary (or to the Chair of the Committee if you are then serving as the sole Secretary). If mailed, you should address it to the Company's Secretary (or the Chair of the Committee) at the Company's then corporate headquarters, unless the Company directs PRSU holders to send notices to another corporate department or to a third-party administrator or specifies another method of transmitting notice. The Company and the Committee will address any notices to you using its standard electronic communications methods or at your office or home address as reflected on the Company's personnel or other business records. You and the Company may change the address for notice by notice to the other, and the Company can also change the address for notice by general announcements to PRSU holders.

19. **Amendment.** Subject to any required action by the Committee or the stockholders of the Company, the Company may cancel the PRSU and provide a new Award under the Plan in its place, provided that the Award so replaced will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect the PRSU to the extent then Vested.

20. <u>Plan Governs</u>. Wherever a conflict may arise between the terms of this Grant Agreement and the terms of the Plan, the terms of the Plan will control. The Committee may adjust the number of PRSU Shares and other terms of the PRSU from time to time as the Plan provides.

EMPLOYEE RSU FORM

#ParticipantName#

Dear #ParticipantName#,

Congratulations, you have been awarded a restricted stock unit ("***RSU***") by Warner Bros. Discovery, Inc. (the "***Company***"). A restricted stock unit entitles you to receive a specific number of shares of the Company's Common Stock at a future date, assuming that you satisfy conditions of the Plan and the implementing agreement. We would like you to have an opportunity to share in the continued success of the Company through this RSU under the Amended and Restated Warner Bros. Discovery, Inc. Stock Incentive Plan (the "***Plan***"). The Company's general program to offer equity and equity-type awards to eligible employees is referred to as the Performance Equity Program ("***PEP***"). The following represents a brief description of your grant. Additional details regarding your RSU are provided in the attached Restricted Stock Unit Agreement (the "***Grant Agreement***") and in the Plan. In addition, if you are located in a country other than the United States, you will receive an International Addendum with your award under the Plan that you must review and acknowledge. If you are subject to this requirement, the International Addendum is attached.

RSU Grant Summary

Date of Grant	**#GrantDate#**
RSU Shares	**#QuantityGranted#**
Vesting Schedule	**#VestingDateandQuantity#**

- You have been granted an RSU for the number of shares of Warner Bros. Discovery, Inc. Series A Common Stock ("***Shares")*** specified under "RSU Shares" in the chart.
- The potential value of your RSU increases if the price of a Share increases, but you also have to continue to be employed by the Company or a Subsidiary (except as the Grant Agreement provides) to actually receive such value. Of course, the value of a Share may go up and down over time.
- You will not receive the Shares represented by the RSU until the RSU vests. Your RSU vests as provided in the chart above under "Vesting Schedule" and "Vesting Dates," assuming you remain an employee or become and remain a member of the Company's Board of Directors and subject to the terms in the Grant Agreement.
- Once you have received the Shares, you will own the Shares and may decide whether to hold the Shares, sell the Shares or give the Shares to someone as a gift, subject to Company policy and applicable law.
- Your ability to receive Shares in respect of the RSU is conditioned upon compliance with any local laws that apply to you.

Please note the Clawback section of the Grant Agreement, which reflects an important policy of ours. The Compensation Committee of our Board of Directors has determined that awards made under the Plan are subject to a clawback in certain circumstances. By accepting this award, you agree that the Compensation Committee may change the Company's clawback policy from time to time without your further consent to reflect changes in law or Company policy.

WARNER BROS. DISCOVERY, INC.
RESTRICTED STOCK UNIT GRANT AGREEMENT FOR EMPLOYEES

Warner Bros. Discovery, Inc. (the "***Company***") has granted you a restricted stock unit (the "***RSU***") under the Amended and Restated Warner Bros. Discovery, Inc. Stock Incentive Plan (the "***Plan***"). The RSU lets you receive a specified number (the "***RSU Shares***") of shares of the Company's Series A Common stock ("***Shares***") upon satisfaction of the conditions to receipt specified herein.

The individualized communication you received (the "***Cover Letter***") provides the details of your RSU. It specifies the number of RSU Shares you are eligible to receive, the Date of Grant, the schedule for vesting (the "***Vesting Schedule***"), and the Vesting Date(s).

The RSU is subject in all respects to the applicable provisions of the Plan. This grant agreement does not cover all of the rules that apply to the RSU under the Plan; please refer to the Plan document. Capitalized terms are defined either further below in this grant agreement (the "***Grant Agreement***") or in the Plan. If you are located in a country other than the United States, you are also receiving (or previously have received) an International Addendum to this Grant Agreement (the "***International Addendum***"). The International Addendum is incorporated into the Grant Agreement by reference and supplements the terms of this Grant Agreement and future grants to you under the Plan.

The Plan document is available on the Fidelity web site. The Prospectus for the Plan, the Company's S-8, Annual Report on Form 10-K, and other filings the Company makes with the Securities and Exchange Commission are available for your review on the Company's web site. You may also obtain paper copies of these documents upon request to the Company's People and Culture department.

Neither the Company nor anyone else is making any representations or promises regarding the duration of your service, vesting of the RSU, the value of the Shares or of this RSU, or the Company's prospects. The Company is not providing any advice regarding tax consequences to you or regarding your decisions regarding the RSU. You agree to rely only upon your own personal advisors.

No one may sell, transfer, or distribute the RSU or any securities that may be received in respect of it without an effective registration statement relating thereto or an opinion of counsel satisfactory to the company or other information and representations satisfactory to it that such registration is not required.

In addition to the Plan's terms and restrictions, the following terms and restrictions apply:

1. **Vesting Schedule.** Except as otherwise provided in this Grant Agreement, your RSU becomes nonforfeitable ("***Vested***") as provided in the Cover Letter and the Grant Agreement assuming you remain employed by the Company or one of its Subsidiaries (or serve as a member of the Company's Board of Directors ("***Board***")) until the Vesting Date(s). For purposes of this Grant Agreement, employment with the Company will include employment with any Subsidiary whose employees are then eligible to receive Awards under the Plan (provided that a later transfer of employment to an ineligible Subsidiary will not terminate employment unless the Compensation Committee of the Company's Board (the "***Committee***") determines otherwise).

   Upon the termination of your employment or services due to your death, Disability or Retirement, all unvested RSUs shall become fully Vested. If your employment and, if applicable, Board service, is terminated by the Company or a Subsidiary without Cause (other than by reason of your death or Disability) before the RSU is fully Vested and such termination does not constitute a Retirement, the RSU will remain or become Vested on the original schedule as though you remained working through any Vesting Date(s) occurring during the period that is the greater of (x) 90 days after the date of termination and (y) the period over which you are eligible to receive base salary severance payments from the Company pursuant to an applicable employment or severance agreement, plan or policy, if any.

   "***Cause***" has the meaning provided in Section 11.2(b) of the Plan. "***Disability***" has the meaning provided in Section 2.1 of the Plan. "***Retirement***" means your employment and, if applicable, board service, ends for any reason other than Cause, your death or your Disability at a point at which (i) you are at least age 55, (ii) you have been employed by the Company or a Subsidiary (or served as a member of the Board) or any of its current or future Subsidiaries or Affiliates for at least ten years, where your period of service is determined using the applicable Company policy in effect as of the date of termination, excluding any applicable severance period or a successor policy chosen by the Committee, and (iii) you have been actively employed (or actively served as a member of the Board) as described in the foregoing clause (ii) for at least six months since the Date of Grant provided in the Cover Letter.

2. **Change in Control.** Notwithstanding the Plan's provisions, if an Approved Transaction, Control Purchase, or Board Change (each a "***Change in Control***") occurs before the RSU is fully Vested and while you remain actively employed by the Company or a Subsidiary (or serve as a member of the Board) (without reference to any deemed continuous employment or service following an involuntary termination without Cause pursuant to the **Vesting Schedule** section above), and provided that there is an equitable substitution or replacement for the RSU in connection with a Change in Control, the RSU will have accelerated Vesting as a result of the Change in Control only if (i) within 12 months after the Change in Control, (A) the Company or a Subsidiary terminates your employment other than for Cause, or (B) if you are a party to an employment agreement or another plan to agreement applicable to you with the Company or a Subsidiary that permits you for a right to effect a "Good Reason" resignation, you resign for Good Reason or (ii) during such 12-month period after the Change in Control, you are given notice by the Company that, in connection with a termination of your employment by the Company or a Subsidiary other than for Cause, you shall no longer be required to provide services for the Company or its Affiliates or Subsidiaries as an employee or member of the Board and you cease to provide such services, but due to the length of any statutorily or contractually required notice period, your employment actually terminates following the expiration

of such 12-month period. Such accelerated Vesting will accelerate the Distribution Date only if and to the extent permitted under Section 409A of the Code and the regulations thereunder ("***Section 409A***"); otherwise, any RSUs that may become Vested on an accelerated basis, whether on or following a Change in Control (or otherwise hereunder), will be settled pursuant to the original Vesting Schedule and its associated Distribution Date(s). "***Good Reason***" has the meaning provided in the document that affords you a right to effect a Good Reason termination, if any.

The Committee reserves its authority under Section 11.1(b) of the Plan to vary this treatment if the Committee determines there is not an equitable substitution or replacement award in connection with a Change in Control.

3. Distribution Date. Subject to any overriding provisions in the Plan or in Section 15 below, you will receive a distribution of the Shares equivalent to your Vested RSU Shares as soon as practicable following the date on which you become Vested or, in the case of any portion of your RSU that becomes distributable to you in connection with your Retirement, as soon as practicable following the date of your Retirement (with the actual date being the "***Distribution Date***") and, in either case, no later than 60 days following the Vesting Date(s) or other event hereunder, including your Retirement, on which the RSUs become Vested and distributable, unless the Board determines that you may make a timely deferral election to defer distribution to a later date and you have made such an election (in which case the deferred date will be the "***Distribution Date***").

4. Clawback. If the Board or the Committee determines, in its sole discretion, that you engaged in fraud or misconduct as a result of which or in connection with which the Company is required to or decides to restate its financial statements or is otherwise required to seek recovery under the Company's clawback policy as in effect from time to time prior to a Change in Control, the Committee may, in its sole discretion, impose any or all of the following:

(a) Immediate expiration of the RSU, whether Vested or not, if granted within the first 12 months after issuance or filing of any financial statement that is being restated (the "***Recovery Measurement Period***"); and

(b) Require payment or transfer to the Company of the Gain from the RSU, where the "***Gain***" consists of the greatest of (i) the value of the Shares delivered in respect of Vested RSU Shares on the applicable Distribution Date, if occurring within the Recovery Measurement Period, (ii) the value of Shares received in respect of the RSU during the Recovery Measurement Period, as determined on the date of the request by the Committee to pay or transfer, (iii) the gross (before tax) proceeds you received from any sale of the Shares in respect of the RSU during the Recovery Measurement Period, and (iv) if transferred without sale during the Recovery Measurement Period, the value of the Shares received in respect of the RSU when so transferred.

This remedy is in addition to any other remedies that the Company may have available in law or equity. You expressly agree that the Company may take such actions as are necessary or appropriate to effectuate the foregoing (as applicable to you) in accordance with applicable law without further consent or action being required by you.

Payment is due in cash or cash equivalents within 10 days after the Committee provides notice to you that it is enforcing this clawback. Payment will be calculated on a gross basis, without reduction for

taxes or commissions. The Company may, but is not required to, accept retransfer of Shares in lieu of cash payments.

5. Restrictions and Forfeiture. You may not sell, assign, pledge, encumber, or otherwise transfer any interest ("***Transfer***") in the RSU Shares. Any attempted Transfer that precedes the Distribution Date is invalid.

Unless the Committee determines otherwise or this Grant Agreement provides otherwise, if your employment or service with the Company or any of its Subsidiaries terminates for any reason before your RSU is Vested, then you will forfeit the RSU (and the corresponding RSU Shares) as of your termination date, except to the extent that the RSU becomes Vested at that date or remains eligible to vest on or after your termination pursuant to the rules stated in Section 1 or Section 2 of this Grant Agreement. You shall forfeit any unvested portion of the RSU immediately if the Company or any of its Subsidiaries terminates your employment for Cause or if you resign your employment (other than a resignation for Good Reason within 12 months following a Change in Control or a resignation that would constitute a Retirement). You will receive no payment for any portion of the RSU that is forfeited.

Your employment or service with the Company or a Subsidiary will be treated as terminating through a resignation that does not qualify for treatment applicable to terminations without Cause if either (i) the entity that employs you or you provide services to ceases to qualify as a Subsidiary because of its sale, distribution, or other disposition to an unrelated entity or (ii) because the entity that employs you sold a substantial portion of its assets and your employment or service ended for any reason at or in connection with the closing of that sale, distribution, or other disposition. For the avoidance of doubt, however, any termination of your employment or service by reason of either of the occurrences described in (i) and (ii) of the immediately preceding sentence may nevertheless qualify for treatment applicable to terminations upon Retirement to the extent such Retirement constitutes a "separation from service" under Section 409A.

7. Limited Status. You understand and agree that the Company will not consider you a shareholder for any purpose with respect to the RSU Shares, unless and until the Shares have been issued to you on the Distribution Date. You will not receive dividends with respect to the RSU.

8. Voting. You may not vote the RSU. You may not vote the RSU Shares unless and until the Shares are distributed to you.

9. Taxes and Withholding. The RSU provides tax deferral, meaning that the RSU Shares are not taxable until you actually receive Shares on the Distribution Date. You will then owe taxes at ordinary income tax rates as of the Distribution Date at the value of the Shares issued in settlement of the Vested RSU Shares. As an employee of the Company or a Subsidiary, you may owe FICA, Social Security and Medicare taxes before the Distribution Date.

Issuing the Shares in respect of the RSU is contingent on satisfaction of all obligations with respect to required tax or other required withholdings (for example, in the U.S., Federal, state, and local taxes). The Company may take any action permitted under Section 11.9 of the Plan to satisfy such obligation, including, if the Board so determines, satisfying the tax obligations by (i) reducing the number of Shares to be issued to you in respect of your RSU by that number of Shares (valued at their Fair

Market Value (as defined in Section 2.1 of the Plan) on the Distribution Date) that would equal all taxes required to be withheld (at their minimum withholding levels), subject to approval by the Committee if you are subject to Section 16 of the Exchange Act, (ii) accepting payment of the withholdings from a broker in connection with a sale of the Shares or directly from you, or (iii) taking any other action under Section 11.9 of the Plan.

10. Compliance with Law. The Company will not issue any Shares if doing so would violate any applicable Federal, foreign or state securities laws or other laws or regulations. You may not sell or otherwise dispose of any Shares issued in respect of the RSU in violation of applicable law.

11. Additional Conditions to Receipt. The Company may postpone issuing and delivering any Shares in respect of the RSU for so long as the Company determines to be advisable to satisfy the following:

(a) its completing or amending any securities registration or qualification of the Shares *or* its or your satisfying any exemption from registration under any Federal, foreign or state law, rule, or regulation;

(b) its receiving proof it considers satisfactory that a person seeking to receive rights in respect of the RSU after your death is entitled to do so;

(c) your complying with any requests for representations under the Plan; and

(d) your complying with any Federal, foreign, state, or local tax withholding obligations.

12. Additional Representations from You. If the vesting provisions of the RSU are satisfied and you are entitled to receive Shares in respect of the RSU at a time when the Company does not have a current registration statement (generally on Form S-8) under the Securities Act of 1933, as amended (the "***Act***"), that covers the issuance of Shares to you, you must comply with the following before the Company will issue the Shares to you. You must

(a) represent to the Company, in a manner satisfactory to the Company's counsel, that you are acquiring the Shares for your own account and not with a view to reselling or distributing the Shares; and

(b) agree that you will not Transfer the Shares unless:

(i) a registration statement under the Act is effective at the time of disposition with respect to the Shares you propose to Transfer; or

(ii) the Company has received an opinion of counsel or other information and representations it considers satisfactory to the effect that, because of Rule 144 under the Act or otherwise, no registration under the Act is required.

13. No Effect on Employment or Other Relationship. Nothing in this Grant Agreement restricts the Company's rights or those of any of its Affiliates to terminate your employment or other relationship at any time and for any or no reason. The termination of employment or other relationship, whether by the Company or any of its Affiliates or otherwise, and regardless of the reason for such

termination, has the consequences provided for under the Plan, this Grant Agreement and any applicable employment or severance agreement, plan or policy.

14. **No Effect on Running Business.** You understand and agree that the existence of the RSU will not affect in any way the right or power of the Company or its stockholders to make or authorize any adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company or any of its Affiliates, or any issuance of bonds, debentures, preferred or other stock, with preference ahead of or convertible into, or otherwise affecting the Company's Common Stock or the rights thereof, or the dissolution or liquidation of the Company or any of its Affiliates, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether or not of a similar character to those described above.

15. **Section 409A.** The RSU is intended to be exempt from or comply with the requirements of Section 409A and must be construed consistently with that section. Notwithstanding anything in the Plan or this Grant Agreement to the contrary, if the RSU becomes Vested in connection with your "separation from service" within the meaning of Section 409A (as determined by the Company), and if (x) you are then a "specified employee" within the meaning of Section 409A at the time of such separation from service (as determined by the Company, by which determination you agree you are bound) and (y) the distribution of RSU Shares under such accelerated RSU will result in the imposition of additional tax under Section 409A if distributed to you within the six (6) month period following your separation from service, then the distribution under such accelerated RSU will not be made until the earlier of (i) the date that is six (6) months and one day following the date of your separation from service or (ii) the tenth (10th) day after your date of death. Neither the Company nor you shall have the right to accelerate or defer the delivery of any such RSU Shares or benefits except to the extent specifically permitted or required by Section 409A. In no event may the Company or you defer the delivery of the RSU Shares beyond the date specified in the **Distribution Date** section, unless such deferral complies in all respects with Treasury Regulation Section 1.409A-2(b) related to subsequent changes in the time or form of payment of nonqualified deferred compensation arrangements, or any successor regulation. In any event, the Company makes no representations or warranties and shall have no liability to you or any other person, if any provisions of or distributions under this Grant Agreement are determined to constitute deferred compensation subject to Section 409A but not to satisfy the conditions of that section.

16. **Unsecured Creditor.** The RSU creates a contractual obligation on the part of the Company to make a distribution of the Shares at the time provided for in this Grant Agreement. Neither you nor any other party claiming an interest in deferred compensation hereunder shall have any interest whatsoever in any specific assets of the Company and its Affiliates. Your right to receive distributions hereunder is that of an unsecured general creditor of the Company.

17. **Governing Law**. The laws of the State of Delaware will govern all matters relating to the RSU, without regard to the principles of conflict of laws.

18. **Notices.** Any notice you give to the Company must follow the procedures then in effect. If no other procedures apply, you must send your notice in writing by hand or by mail to the office of the Company's Secretary (or to the Chair of the Committee if you are then serving as the sole Secretary). If mailed, you should address it to the Company's Secretary (or the Chair of the Committee) at the

Company's then corporate headquarters, unless the Company directs RSU holders to send notices to another corporate department or to a third-party administrator or specifies another method of transmitting notice. The Company and the Committee will address any notices to you using its standard electronic communications methods or at your office or home address as reflected on the Company's personnel or other business records. You and the Company may change the address for notice by notice to the other, and the Company can also change the address for notice by general announcements to RSU holders.

19. Amendment. Subject to any required action by the Committee or the stockholders of the Company, the Company may cancel the RSU and provide a new Award under the Plan in its place, provided that the Award so replaced will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect the RSU to the extent then Vested.

20. Plan Governs. Wherever a conflict may arise between the terms of this Grant Agreement and the terms of the Plan, the terms of the Plan will control. The Committee may adjust the number of RSU Shares and other terms of the RSU from time to time as the Plan provides.

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a - 14(a) AND RULE 15d - 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David M. Zaslav, certify that:

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

Date: May 6, 2026

By: /s/ David M. Zaslav
David M. Zaslav
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a - 14(a) AND RULE 15d - 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gunnar Wiedenfels, certify that:

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

Date: May 6, 2026

By: /s/ Gunnar Wiedenfels
Gunnar Wiedenfels
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Warner Bros. Discovery, Inc. ("Warner Bros. Discovery"), on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David M. Zaslav, President and Chief Executive Officer of Warner Bros. Discovery, certify that to my knowledge:

1 the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2 the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Warner Bros. Discovery.

Date: May 6, 2026

By: /s/ David M. Zaslav
David M. Zaslav
President and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Warner Bros. Discovery, Inc. ("Warner Bros. Discovery"), on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gunnar Wiedenfels, Chief Financial Officer of Warner Bros. Discovery, certify that to my knowledge:

1 the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2 the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Warner Bros. Discovery.

Date: May 6, 2026

By: /s/ Gunnar Wiedenfels
Gunnar Wiedenfels
Chief Financial Officer