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

FORM 10-Q

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

For the quarterly period ended September 30, 2022

OR

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

For the transition period from to

Commission File Number 001-36713

LIBERTY BROADBAND CORPORATION
(Exact name of Registrant as specified in its charter)

State of Delaware	**47-1211994**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12300 Liberty Boulevard Englewood, Colorado	**80112**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(720) 875-5700**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A common stock	LBRDA	The Nasdaq Stock Market LLC
Series C common stock	LBRDK	The Nasdaq Stock Market LLC
Series A Cumulative Redeemable preferred stock	LBRDP	The Nasdaq Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

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

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

The number of outstanding shares of Liberty Broadband Corporation’s common stock as of October 31, 2022 was:

	Series A	Series B	Series C
Liberty Broadband Corporation common stock	18,875,366	2,106,836	127,294,555

Table of Contents

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Balance Sheets

(unaudited)

	September 30, 2022	December 31, 2021
	amounts in millions	
Assets		
Current assets:		
Cash and cash equivalents	$ 203	191
Trade and other receivables, net of allowance for credit losses of $4 and $4, respectively	210	206
Prepaid and other current assets	79	62
Total current assets	492	459
Investment in Charter, accounted for using the equity method (note 4)	11,547	13,260
Property and equipment, net	1,022	1,031
Intangible assets not subject to amortization		
Goodwill	755	762
Cable certificates	550	550
Other	37	37
Intangible assets subject to amortization, net (note 5)	532	573
Tax sharing receivable	7	86
Other assets, net	177	210
Total assets	$ 15,119	16,968

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Balance Sheets (Continued)

(unaudited)

	September 30, 2022	December 31, 2021
	amounts in millions, except share amounts	
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 113	99
Deferred revenue	20	25
Current portion of debt, including zero and $25 measured at fair value, respectively (note 6)	3	28
Indemnification obligation (note 3)	—	324
Other current liabilities	108	106
Total current liabilities	244	582
Long-term debt, net, including $1,348 and $1,403 measured at fair value, respectively (note 6)	3,773	3,733
Obligations under finance leases and tower obligations, excluding current portion	87	89
Long-term deferred revenue	38	35
Deferred income tax liabilities	2,007	1,998
Preferred stock (note 7)	203	203
Indemnification obligation (note 3)	35	—
Other liabilities	156	189
Total liabilities	6,543	6,829
Equity		
Series A common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 18,917,786 and 23,232,342 at September 30, 2022 and December 31, 2021, respectively	—	—
Series B common stock, $.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,111,376 and 2,544,548 at September 30, 2022 and December 31, 2021, respectively	—	—
Series C common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 128,436,416 and 144,854,780 at September 30, 2022 and December 31, 2021, respectively	1	1
Additional paid-in capital	3,564	6,214
Accumulated other comprehensive earnings, net of taxes	18	14
Retained earnings	4,977	3,898
Total stockholders' equity	8,560	10,127
Non-controlling interests	16	12
Total equity	8,576	10,139
Commitments and contingencies (note 9)		
Total liabilities and equity	$ 15,119	16,968

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Operations

(unaudited)

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	amounts in millions, except per share amounts			
Revenue	$ 248	250	725	739
Operating costs and expenses:				
Operating expense (exclusive of depreciation and amortization shown separately below)	64	71	190	207
Selling, general and administrative, including stock-based compensation (note 8)	111	110	317	325
Depreciation and amortization	66	68	195	199
Litigation settlement, net of recoveries (note 9)	19	(24)	29	86
	260	225	731	817
Operating income (loss)	(12)	25	(6)	(78)
Other income (expense):				
Interest expense (including amortization of deferred loan fees)	(35)	(28)	(91)	(90)
Share of earnings (losses) of affiliate (note 4)	309	314	998	752
Gain (loss) on dilution of investment in affiliate (note 4)	—	(1)	(67)	(98)
Realized and unrealized gains (losses) on financial instruments, net (note 3)	148	(27)	362	(53)
Gain (loss) on dispositions, net (note 1)	—	12	179	12
Other, net	(34)	3	(73)	18
Earnings (loss) before income taxes	376	298	1,302	463
Income tax benefit (expense)	(61)	(61)	(223)	(118)
Net earnings (loss)	315	237	1,079	345
Less net earnings (loss) attributable to the non-controlling interests	—	—	—	—
Net earnings (loss) attributable to Liberty Broadband shareholders	$ 315	237	1,079	345
Basic net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	$ 2.07	1.31	6.74	1.84
Diluted net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	$ 2.05	1.29	6.70	1.82

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Comprehensive Earnings (Loss)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Net earnings (loss)	$ 315	237	1,079	345
Other comprehensive earnings (loss), net of taxes:				
Comprehensive earnings (loss) attributable to debt credit risk adjustments	(12)	2	4	(2)
Other comprehensive earnings (loss), net of taxes	(12)	2	4	(2)
Comprehensive earnings (loss)	303	239	1,083	343
Less comprehensive earnings (loss) attributable to the non-controlling interests	—	—	—	—
Comprehensive earnings (loss) attributable to Liberty Broadband shareholders	$ 303	239	1,083	343

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	amounts in millions	
Cash flows from operating activities:		
Net earnings (loss)	$ 1,079	345
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	195	199
Stock-based compensation	28	31
Litigation settlement, net of recoveries	29	86
Share of (earnings) losses of affiliate, net	(998)	(752)
(Gain) loss on dilution of investment in affiliate	67	98
Realized and unrealized (gains) losses on financial instruments, net	(362)	53
Deferred income tax expense (benefit)	16	(11)
(Gain) loss on dispositions, net	(179)	(12)
Other, net	(3)	(2)
Changes in operating assets and liabilities:		
Current and other assets	131	158
Payables and other liabilities	(63)	(57)
Net cash provided by (used in) operating activities	(60)	136
Cash flows from investing activities:		
Capital expenditures	(132)	(91)
Cash received for Charter shares repurchased by Charter	2,602	2,643
Cash proceeds from dispositions, net	163	—
Other investing activities, net	4	17
Net cash provided by (used in) investing activities	2,637	2,569
Cash flows from financing activities:		
Borrowings of debt	300	1,067
Repayments of debt, finance leases and tower obligations	(203)	(1,848)
Repurchases of Liberty Broadband common stock	(2,641)	(2,911)
Other financing activities, net	(5)	(1)
Net cash provided by (used in) financing activities	(2,549)	(3,693)
Net increase (decrease) in cash, cash equivalents and restricted cash	28	(988)
Cash, cash equivalents and restricted cash, beginning of period	206	1,433
Cash, cash equivalents and restricted cash, end of period	$ 234	445

The following table reconciles cash and cash equivalents and restricted cash reported in the accompanying condensed consolidated balance sheets to the total amount presented in the accompanying condensed consolidated statement of cash flows:

	September 30, 2022	December 31, 2021
	amounts in millions	
Cash and cash equivalents	$ 203	191
Restricted cash included in other current assets	31	15
Total cash and cash equivalents and restricted cash at end of period	$ 234	206

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Equity

(unaudited)

	Common stock			Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
					amounts in millions			
Balance at January 1, 2022	$ —	—	1	6,214	14	3,898	12	10,139
Net earnings (loss)	—	—	—	—	—	1,079	—	1,079
Other comprehensive earnings (loss), net of taxes	—	—	—	—	4	—	—	4
Stock-based compensation	—	—	—	28	—	—	—	28
Issuance of common stock upon exercise of stock options	—	—	—	1	—	—	—	1
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(4)	—	—	—	(4)
Liberty Broadband stock repurchases	—	—	—	(2,641)	—	—	—	(2,641)
Noncontrolling interest activity at Charter and other	—	—	—	(34)	—	—	4	(30)
Balance at September 30, 2022	$ —	—	1	3,564	18	4,977	16	8,576

	Common stock			Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
					amounts in millions			
Balance at June 30, 2022	$ —	—	1	4,319	30	4,662	16	9,028
Net earnings (loss)	—	—	—	—	—	315	—	315
Other comprehensive earnings (loss), net of taxes	—	—	—	—	(12)	—	—	(12)
Stock-based compensation	—	—	—	10	—	—	—	10
Issuance of common stock upon exercise of stock options	—	—	—	1	—	—	—	1
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(1)	—	—	—	(1)
Liberty Broadband stock repurchases	—	—	—	(751)	—	—	—	(751)
Noncontrolling interest activity at Charter and other	—	—	—	(14)	—	—	—	(14)
Balance at September 30, 2022	$ —	—	1	3,564	18	4,977	16	8,576

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Equity (continued)

(unaudited)

	Common stock			Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
					amounts in millions			
Balance at January 1, 2021	$ —	—	2	10,320	15	3,166	12	13,515
Net earnings (loss)	—	—	—	—	—	345	—	345
Other comprehensive earnings (loss), net of taxes	—	—	—	—	(2)	—	—	(2)
Stock-based compensation	—	—	—	31	—	—	—	31
Issuance of common stock upon exercise of stock options	—	—	—	2	—	—	—	2
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(4)	—	—	—	(4)
Liberty Broadband stock repurchases	—	—	—	(2,911)	—	—	—	(2,911)
Noncontrolling interest activity at Charter and other	—	—	—	155	—	—	—	155
Balance at September 30, 2021	$ —	—	2	7,593	13	3,511	12	11,131

	Common stock			Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	Series A	Series B	Series C					
					amounts in millions			
Balance at June 30, 2021	$ —	—	2	8,531	11	3,274	12	11,830
Net earnings (loss)	—	—	—	—	—	237	—	237
Other comprehensive earnings (loss), net of taxes	—	—	—	—	2	—	—	2
Stock-based compensation	—	—	—	11	—	—	—	11
Issuance of common stock upon exercise of stock options	—	—	—	1	—	—	—	1
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(1)	—	—	—	(1)
Liberty Broadband stock repurchases	—	—	—	(954)	—	—	—	(954)
Noncontrolling interest activity at Charter and other	—	—	—	5	—	—	—	5
Balance at September 30, 2021	$ —	—	2	7,593	13	3,511	12	11,131

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of Liberty Broadband Corporation and its controlled subsidiaries (collectively, "Liberty Broadband," the "Company," “us,” “we,” or “our” unless the context otherwise requires). Liberty Broadband Corporation is primarily comprised of GCI Holdings, LLC (“GCI Holdings”), a wholly owned subsidiary, and an equity method investment in Charter Communications, Inc. (“Charter”).

On December 18, 2020, GCI Liberty, Inc. (“GCI Liberty”) was merged with Liberty Broadband (the “Combination”) and Liberty Broadband acquired GCI Holdings, as further described in Liberty Broadband's Annual Reports on Form 10-K for the years ended December 31, 2021 and 2020.

The accompanying (a) condensed consolidated balance sheet as of December 31, 2021, which has been derived from audited financial statements, and (b) interim unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty Broadband's Annual Report on Form 10-K for the year ended December 31, 2021. All significant intercompany accounts and transactions have been eliminated in the condensed consolidated financial statements.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) the application of the equity method of accounting for its affiliate, (ii) non-recurring fair value measurements of non-financial instruments and (iii) accounting for income taxes to be its most significant estimates**.**

In December 2019, Chinese officials reported a novel coronavirus outbreak (“COVID-19”). COVID-19 has since spread through China and internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices, which caused a significant disruption to most sectors of the economy at varying levels during the periods covered by the financial statements.

We are not presently aware of any events or circumstances arising from the COVID-19 pandemic that would require us to update our estimates or judgments or revise the carrying value of our assets or liabilities. Our estimates may change, however, as new events occur and additional information is obtained, and any such changes will be recognized in the condensed consolidated financial statements. Actual results could differ from estimates, and any such differences may be material to our financial statements.

Through a number of prior years’ transactions, including the Combination, Liberty Broadband has acquired an interest in Charter. The investment in Charter is accounted for using the equity method. Liberty Broadband does not control the decision making process or business management practices of this affiliate. Accordingly, Liberty Broadband relies on the management of this affiliate to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, Liberty Broadband relies on audit reports that are provided by the affiliate's independent auditor on the financial statements of such affiliate. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliate that would have a material effect on Liberty Broadband's condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Skyhook Holdings, Inc. ("Skyhook") was a wholly owned subsidiary of Liberty Broadband until its sale on May 2, 2022 for aggregate consideration of approximately $194 million, including amounts held in escrow of approximately $23 million. Liberty Broadband recognized a gain on the sale of $179 million, net of fees contingent upon closing, in the second quarter of 2022, which is recorded in Gain (loss) on dispositions, net in the accompanying condensed consolidated statement of operations. Skyhook is included in Corporate and other through April 30, 2022 and is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on Liberty Broadband's operations and financial results. Included in Revenue in the accompanying condensed consolidated statements of operations is zero and $4 million for the three months ended September 30, 2022 and 2021, respectively, and $6 million and $13 million for the nine months ended September 30, 2022 and 2021, respectively, related to Skyhook. Included in Net earnings (loss) in the accompanying condensed consolidated statement of operations was zero and earnings of less than $1 million for the three months ended September 30, 2022 and 2021, respectively, and earnings of $4 million and losses of $1 million for the nine months ended September 30, 2022 and 2021, respectively, related to Skyhook. Included in Total assets in the accompanying condensed consolidated balance sheets as of December 31, 2021 is $18 million related to Skyhook.

As described in note 4, we are currently participating in Charter's share buyback program in order to maintain our fully diluted ownership percentage of 26%. The primary use of those proceeds has been to repurchase Liberty Broadband Series A and Series C common stock pursuant to our authorized share repurchase programs. As of December 31, 2021, the Company had $669 million available to be used for share repurchases under the Company's share repurchase program. On January 26, 2022, a duly authorized committee of the board of directors authorized the repurchase of an additional $2.215 billion of Liberty Broadband common stock and on August 17, 2022, the board of directors authorized the repurchase of an additional $2 billion of Liberty Broadband common stock.

During the nine months ended September 30, 2022, we repurchased 21.2 million shares of Liberty Broadband Series A and Series C common stock for a total purchase price of $2,641 million. During the nine months ended September 30, 2021, we repurchased 17.8 million shares of Liberty Broadband Series A and Series C common stock for a total purchase price of $2,911 million. As of September 30, 2022, the amount authorized remaining under the authorized repurchase program is approximately $2,243 million.

Exchange Agreement with Chairman

On June 13, 2022, Liberty Broadband entered into an Exchange Agreement with its Chairman of the board of directors, John C. Malone, and a revocable trust of which Mr. Malone is the sole trustee and beneficiary (the "JM Trust") (the "Exchange Agreement"), whereby, among other things, Mr. Malone agreed to an arrangement under which his aggregate voting power in the Company would not exceed 49% (the "Target Voting Power") plus 0.5% (under certain circumstances).

The Exchange Agreement provides for exchanges by the Company and Mr. Malone or the JM Trust of shares of Liberty Broadband Series B common stock for shares of Liberty Broadband Series C common stock in connection with certain events, including (i) any event that would result in a reduction in the outstanding votes that may be cast by holders of the Company's voting securities or an increase of Mr. Malone's beneficially-owned voting power in the Company (an "Accretive Event"), in each case, such that Mr. Malone's voting power in the Company would exceed the Target Voting Power plus 0.5%; or (ii) from and after the occurrence of any Accretive Event, in connection with any event that would result in an increase in the outstanding votes that may be cast by holders of the Company's voting securities or a decrease of Mr. Malone's beneficially-owned voting power in the Company (a "Dilutive Event"), in each case, such that Mr. Malone's voting power in the Company falls below the Target Voting Power less 0.5%. Additionally, the Exchange Agreement contains certain provisions with respect to fundamental events at the Company, meaning any combination, consolidation, merger, exchange offer, split-off, spin-off, rights offering or dividend, in each case, as a result of which holders of Liberty Broadband Series B common stock are entitled to receive securities of the Company, securities of another person, property or cash, or a combination thereof.

In connection with an Accretive Event, Mr. Malone or the JM Trust will be required to exchange with the Company shares of Liberty Broadband Series B common stock (as exchanged, the "Exchanged Series B Shares") for an equal number of shares of Liberty Broadband Series C common stock (as exchanged, the "Exchanged Series C Shares") so as to maintain Mr. Malone's voting power as close as possible to, without exceeding, the Target Voting Power, on the terms and subject to the conditions of the Exchange Agreement.

In connection with a Dilutive Event, Mr. Malone and the JM Trust may exchange the Exchanged Series C Shares with the Company for an equal number of shares of Liberty Broadband Series B common stock equal to the lesser of (i) the number of shares of Liberty Broadband Series B common stock which would maintain Mr. Malone's voting power as close as possible to, without exceeding, the Target Voting Power and (ii) the number of Exchanged Series B Shares at such time, on the terms and subject to the conditions of the Exchange Agreement.

Under the Exchange Agreement, the JM trust exchanged 215,647 shares of Liberty Broadband Series B common stock for the same number of Liberty Broadband Series C common stock on June 13, 2022, and exchanged 211,255 shares of Liberty Broadband Series B common stock for the same number of Liberty Broadband Series C common stock on July 19, 2022.

Spin-Off Arrangements

During May 2014, the board of directors of Liberty Media Corporation and its subsidiaries ("Liberty") authorized management to pursue a plan to spin-off to its stockholders common stock of a wholly owned subsidiary, Liberty Broadband, and to distribute subscription rights to acquire shares of Liberty Broadband's common stock (the "Broadband Spin-Off"). In connection with the Broadband Spin-Off, Liberty (for accounting purposes a related party of the Company) and Liberty Broadband entered into certain agreements in order to govern certain of the ongoing relationships between the two companies and to provide for an orderly transition, including a services agreement and a facilities sharing agreement. Under the facilities sharing agreement, Liberty Broadband shares office space with Liberty and related amenities at Liberty's corporate headquarters. Liberty Broadband will reimburse Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services which will be negotiated semi-annually.

Pursuant to the services agreement, Liberty provides Liberty Broadband with general and administrative services including legal, tax, accounting, treasury and investor relations support. In December 2019, the Company entered into an amendment to the services agreement with Liberty in connection with Liberty's entry into a new employment arrangement with Gregory B. Maffei, the Company's President and Chief Executive Officer. Under the amended services agreement, components of his compensation would either be paid directly to him by each of the Company, Liberty TripAdvisor Holdings, Inc. and Qurate Retail, Inc. ("Qurate Retail") (collectively, the "Service Companies") or reimbursed to Liberty, in each case, based on allocations among Liberty and the Service Companies set forth in the amended services agreement, currently set at 33% for the Company but subject to adjustment on an annual basis upon the occurrence of certain events.

Additionally, in connection with a prior transaction, GCI Liberty and Qurate Retail (for accounting purposes a related party of the Company) entered into a tax sharing agreement, which was assumed by Liberty Broadband as a result of the Combination. The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and Liberty Broadband and other agreements related to tax matters.

Under these various agreements, amounts reimbursable to Liberty were approximately $3 million and $3 million for the three months ended September 30, 2022 and 2021, respectively, and $8 million and $10 million for the nine months ended September 30, 2022 and 2021, respectively. Liberty Broadband had a tax sharing receivable with Qurate Retail of $7 million and $86 million as of September 30, 2022 and December 31, 2021, respectively.

Recently Announced Accounting Pronouncements

In November 2021, the Financial Accounting Standards Board issued new accounting guidance which will require annual disclosures about certain government transactions that are accounted for by applying a grant or contribution accounting model by analogy, including information about the nature of the transactions, the related policy used to account for the transactions, the amounts applicable to each financial statement line item and any significant terms and conditions of the transactions, including commitments and contingencies. This guidance is effective for annual financial statements issued for periods beginning after December 15, 2021, with early adoption permitted. The Company does not expect a significant impact from the adoption of the standard but is currently evaluating the effect that the updated standard will have on its financial disclosures.

(2) Earnings Attributable to Liberty Broadband Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) attributable to Liberty Broadband shareholders by the weighted average number of common shares outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. Excluded from diluted EPS for the three months ended September 30, 2022 and 2021 are 2 million and zero potential common shares, respectively, because their inclusion would have been antidilutive. Excluded from diluted EPS for the nine months ended September 30, 2022 and 2021 are 1 million and zero potential common shares, respectively, because their inclusion would have been antidilutive.

	Liberty Broadband Common Stock			
	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	(numbers of shares in millions)			
Basic WASO	152	181	160	188
Potentially dilutive shares (1)	2	2	1	2
Diluted WASO	154	183	161	190

(1) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.

(3) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

The Company's assets and liabilities measured at fair value are as follows:

	September 30, 2022			December 31, 2021		
Description	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**
			amounts in millions			
Cash equivalents	$ 165	165	—	118	118	—
Indemnification obligation	$ 35	—	35	324	—	324
Exchangeable senior debentures	$ 1,348	—	1,348	1,428	—	1,428

Pursuant to an indemnification agreement initially entered into by GCI Liberty and assumed by Liberty Broadband in connection with the Combination, Liberty Broadband has agreed to indemnify Liberty Interactive LLC ("LI LLC"), a subsidiary of Qurate Retail, for certain payments made to holders of LI LLC's 1.75% exchangeable debentures due 2046 (the "LI LLC 1.75% Exchangeable Debentures"). The indemnification liability due to LI LLC pertains to the holders' ability to exercise their exchange right according to the terms of the LI LLC 1.75% Exchangeable Debentures on or before October 5, 2023. Such amount will equal the difference between the exchange value and par value of the LI LLC 1.75% Exchangeable Debentures at the time the exchange occurs. The indemnification obligation recorded in the condensed consolidated balance sheets as of September 30, 2022 represents the fair value of the estimated exchange feature included in the LI LLC 1.75% Exchangeable Debentures primarily based on observable market data as significant inputs (Level 2). As of September 30, 2022, a holder of the LI LLC 1.75% Exchangeable Debentures does not have the ability to exchange and, accordingly, such indemnification obligation is included as a long-term liability in the Company's condensed consolidated balance sheets.

The Company's exchangeable senior debentures are debt instruments with quoted market value prices that are not considered to be traded on "active markets", as defined in GAAP, and are reported in the foregoing table as Level 2 fair value.

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, accrued and other current liabilities, current portion of debt and long-term debt (with the exception of the 1.25% Debentures, the 2.75% Debentures and the 1.75% Debentures (defined in note 6)). With the exception of long-term debt, the carrying amount approximates fair value due to the short maturity of these instruments as reported on our condensed consolidated balance sheets. The carrying value of our Margin Loan Facility, the Term Loan A and revolving credit facility borrowings under the Senior Credit Facility and the Wells Fargo Note Payable (each as defined in note 6) all bear interest at a variable rate and therefore are also considered to approximate fair value.

Realized and Unrealized Gains (Losses) on Financial Instruments

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Indemnification obligation	$ 138	(8)	287	(49)
Exchangeable senior debentures (1)	10	(19)	75	(4)
	$ 148	(27)	362	(53)

(1) The Company has elected to account for its exchangeable senior debentures using the fair value option. Changes in the fair value of the exchangeable senior debentures recognized in the condensed consolidated statements of operations are primarily due to market factors driven by changes in the fair value of the underlying shares into which the debt is exchangeable. The Company isolates the portion of the unrealized gain (loss) attributable to the change in the instrument specific credit risk and recognizes such amount in other comprehensive income. The change in the fair value of the exchangeable senior debentures attributable to changes in the instrument specific credit risk before tax was a loss of $15 million and a gain of $2 million for the three months ended September 30, 2022 and 2021, respectively, and a gain of $5 million and a loss of $3 million for the nine months ended September 30, 2022 and 2021, respectively. The cumulative change was a gain of $12 million as of September 30, 2022.

(4) Investment in Charter Accounted for Using the Equity Method

Through a number of prior years' transactions and the Combination, Liberty Broadband has acquired an interest in Charter. The investment in Charter is accounted for as an equity method affiliate based on our voting and ownership interest and the board seats held by individuals appointed by Liberty Broadband. As of September 30, 2022, the carrying and market value of Liberty Broadband's ownership in Charter was approximately $11.5 billion and $14.7 billion, respectively. We own an approximate 31.1% economic ownership interest in Charter, based on shares of Charter's Class A common stock issued and outstanding as of September 30, 2022.

Upon the closing of the Time Warner Cable merger, the Second Amended and Restated Stockholders Agreement, dated as of May 23, 2015, by and among Charter, Liberty Broadband and Advance/Newhouse Partnership, as amended (the "Stockholders Agreement"), became fully effective. Pursuant to the Stockholders Agreement, Liberty Broadband's equity ownership in Charter (on a fully diluted basis) is capped at the greater of 26% or the voting cap ("Equity Cap"). As of September 30, 2022, due to Liberty Broadband's voting interest exceeding the current voting cap of 25.01%, our voting control of the aggregate voting power of Charter is 25.01%. Under the Stockholders Agreement, Liberty Broadband has agreed to vote (subject to certain exceptions) all voting securities beneficially owned by it, or over which it has voting discretion or control that are in excess of the voting cap, in the same proportion as all other votes cast by public stockholders of Charter with respect to the applicable matter.

In February 2021, Liberty Broadband was notified that its ownership interest, on a fully diluted basis, had exceeded the Equity Cap set forth in the Stockholders Agreement. On February 23, 2021, Charter and Liberty Broadband entered into a letter agreement in order to implement, facilitate and satisfy the terms of the Stockholders Agreement with respect to the Equity Cap. Pursuant to this letter agreement, following any month during which Charter purchases, redeems or buys back shares of its Class A common stock, and prior to certain meetings of Charter's stockholders, Liberty Broadband will be obligated to sell to Charter, and Charter will be obligated to purchase, such number of shares of Class A common stock as is necessary (if any) to reduce Liberty Broadband's percentage equity interest, on a fully diluted basis, to the Equity Cap (such transaction, a "Charter Repurchase"). The per share sale price for each share of Charter will be equal to the volume weighted average price paid by Charter in its repurchases, redemptions and buybacks of its common stock (subject to certain exceptions) during the month prior to the Charter Repurchase (or, if applicable, during the relevant period prior to the relevant meeting of Charter stockholders). Under the terms of the letter agreement, Liberty Broadband sold 4,952,224 and 3,962,155 shares of Charter Class A common stock to Charter for $2,602 million and $2,643 million during the nine months ended September 30, 2022 and 2021, respectively, to maintain our fully diluted ownership percentage at 26%. Subsequent to September 30, 2022, Liberty Broadband sold 468,388 shares of Charter Class A common stock to Charter for $183 million in October 2022.

Investment in Charter

The excess basis in our investment in Charter is allocated within memo accounts used for equity method accounting purposes as follows (amounts in millions):

	September 30, 2022	December 31, 2021
Property and equipment	$ 573	661
Customer relationships	2,330	2,537
Franchise fees	3,847	3,828
Trademarks	29	29
Goodwill	4,047	4,024
Debt	(472)	(535)
Deferred income tax liability	(1,573)	(1,626)
	$ 8,781	8,918

Property and equipment and customer relationships have weighted average remaining useful lives of approximately 5 years and 8 years, respectively, and franchise fees, trademarks and goodwill have indefinite lives. The excess basis of outstanding debt is amortized over the contractual period using the straight-line method. The change in excess basis for the nine months ended September 30, 2022 was primarily due to an increase in excess basis due to Charter's share buyback program, partially offset by Liberty Broadband's participation in Charter's share buyback program. These impacts were more than offset by amortization expense during the period, resulting in a decrease in the excess basis in Charter from December 31, 2021 to September 30, 2022. The Company's share of earnings (losses) of affiliate line item in the accompanying condensed consolidated statements of operations includes expenses of $57 million and $59 million, net of related taxes, for the three months ended September 30, 2022 and 2021, respectively, and expenses of $191 million and $181 million, net of related taxes, for the nine months ended September 30, 2022 and 2021, respectively, due to the amortization of the excess basis related to assets with identifiable useful lives and debt.

The Company had dilution losses of zero and $1 million during the three months ended September 30, 2022 and 2021, respectively, and dilution losses of $67 million and $98 million during the nine months ended September 30, 2022 and 2021, respectively. The dilution losses for the periods presented were primarily attributable to stock option exercises by employees and other third parties at prices below Liberty Broadband's book basis per share, partially offset by a gain on dilution related to Charter's repurchase of Liberty Broadband's Charter shares during both the three and nine months ended September 30, 2022 and 2021.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Summarized unaudited financial information for Charter is as follows:

Charter condensed consolidated balance sheets

	September 30, 2022	December 31, 2021
	amounts in millions	
Current assets	$ 3,754	3,566
Property and equipment, net	35,005	34,310
Goodwill	29,563	29,562
Intangible assets, net	70,436	71,406
Other assets	4,911	3,647
Total assets	$ 143,669	142,491
Current liabilities	$ 11,595	12,458
Deferred income taxes	19,153	19,096
Long-term debt	95,510	88,564
Other liabilities	5,061	4,217
Equity	12,350	18,156
Total liabilities and shareholders' equity	$ 143,669	142,491

Charter condensed consolidated statements of operations

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Revenue	$ 13,550	13,146	40,348	38,470
Cost and expenses:				
Operating costs and expenses (excluding depreciation and amortization)	8,247	7,958	24,574	23,551
Depreciation and amortization	2,177	2,270	6,711	7,065
Other operating expenses, net	202	(9)	141	284
	10,626	10,219	31,426	30,900
Operating income	2,924	2,927	8,922	7,570
Interest expense, net	(1,160)	(1,016)	(3,329)	(3,003)
Other income (expense), net	(37)	(157)	65	(237)
Income tax (expense) benefit	(360)	(347)	(1,194)	(844)
Net income (loss)	1,367	1,407	4,464	3,486
Less: Net income attributable to noncontrolling interests	(182)	(190)	(605)	(442)
Net income (loss) attributable to Charter shareholders	$ 1,185	1,217	3,859	3,044

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

(5) Intangible Assets

Intangible Assets Subject to Amortization, net

	September 30, 2022			December 31, 2021		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in millions					
Customer relationships	$ 515	(80)	435	515	(49)	466
Other amortizable intangible assets	146	(49)	97	138	(31)	107
Total	$ 661	(129)	532	653	(80)	573

Amortization expense for intangible assets with finite useful lives was $17 million and $19 million for the three months ended September 30, 2022 and 2021, respectively, and $50 million and $56 million for the nine months ended September 30, 2022 and 2021, respectively. Amortization expense for amortizable intangible assets for each of the five succeeding fiscal years is estimated to be (amounts in millions):

Remainder of 2022	$ 16
2023	$ 60
2024	$ 54
2025	$ 52
2026	$ 49

(6) Debt

Debt is summarized as follows:

	Outstanding principal September 30, 2022	Carrying value	
		September 30, 2022	December 31, 2021
	amounts in millions		
Margin Loan Facility	$ 1,400	1,400	1,300
2.75% Exchangeable Senior Debentures due 2050	575	553	585
1.25% Exchangeable Senior Debentures due 2050	825	780	818
1.75% Exchangeable Senior Debentures due 2046	15	15	25
Senior notes	600	628	632
Senior credit facility	398	398	399
Wells Fargo note payable	5	5	6
Deferred financing costs		(3)	(4)
Total debt	$ 3,818	3,776	3,761
Debt classified as current		(3)	(28)
Total long-term debt		$ 3,773	3,733

Margin Loan Facility

On May 12, 2021, a bankruptcy remote wholly owned subsidiary of the Company ("SPV") entered into Amendment No. 4 to Margin Loan Agreement and Amendment No. 4 to Collateral Account Control Agreement (the "Fourth

Amendment"), which amends SPV's margin loan agreement, dated as of August 31, 2017 (as amended by the Fourth Amendment, the "Margin Loan Agreement"), with a group of lenders. Upon the effectiveness of the Fourth Amendment (the date on which such effectiveness occurred, the "Fourth Amendment Effective Date"), the Margin Loan Agreement provided for (x) a term loan credit facility in an aggregate principal amount of $1.15 billion (the "Term Loan Facility" and proceeds of such facility, the "Term Loans"), (y) a revolving credit facility in an aggregate principal amount of $1.15 billion (the "Revolving Loan Facility" and proceeds of such facility, the "Revolving Loans"; the Revolving Loans, collectively with the Term Loans, the "Loans") and (z) an uncommitted incremental term loan facility in an aggregate principal amount of up to $200 million (collectively, the "Margin Loan Facility"). No additional borrowings under the Margin Loan Agreement were made on the Fourth Amendment Effective Date and, after giving effect to the transactions occurring on such date, there were (i) $1.15 billion in Term Loans outstanding under the Term Loan Facility and (ii) $0.00 of Revolving Loans outstanding. SPV's obligations under the Margin Loan Facility are secured by first priority liens on the shares of Charter owned by SPV.

On the Fourth Amendment Effective Date, substantially simultaneously but after the effectiveness of the Fourth Amendment, SPV repaid $850 million of outstanding Revolving Loans.

In the nine months ended September 30, 2022, SPV drew down $300 million on the Revolving Loans and repaid $200 million.

Outstanding borrowings under the Margin Loan Agreement were $1.4 billion and $1.3 billion at September 30, 2022 and December 31, 2021, respectively. As of September 30, 2022, SPV was permitted to borrow an additional $900 million under the Margin Loan Agreement, subject to certain funding conditions, which may be drawn until five business days prior to the maturity date. The maturity date of the loans under the Margin Loan Agreement is May 12, 2024 (except for any additional loans incurred thereunder to the extent SPV and the incremental lenders agree to a later maturity date). Prior to the completion of the Combination, borrowings under the Margin Loan Agreement bore interest at the three-month LIBOR rate plus a per annum spread of 1.5%, which increased to a per annum spread of 1.85% from and after the completion of the Combination until the Fourth Amendment Effective Date, when the per annum spread decreased to 1.5%. The Margin Loan Agreement also provides for customary LIBOR replacement provisions.

The Margin Loan Agreement contains various affirmative and negative covenants that restrict the activities of SPV (and, in some cases, the Company and its subsidiaries with respect to shares of Charter owned by the Company and its subsidiaries). The Margin Loan Agreement does not include any financial covenants. The Margin Loan Agreement does contain restrictions related to additional indebtedness and events of default customary for margin loans of this type.

SPV's obligations under the Margin Loan Agreement are secured by first priority liens on a portion of the Company's ownership interest in Charter, sufficient for SPV to meet the loan to value requirements under the Margin Loan Agreement. The Margin Loan Agreement indicates that no lender party shall have any voting rights with respect to the shares pledged as collateral, except to the extent that a lender party buys any shares in a sale or other disposition made pursuant to the terms of the loan agreement. As of September 30, 2022, 12.3 million shares of Charter with a value of $3.7 billion were pledged as collateral pursuant to the Margin Loan Agreement.

Effective on October 3, 2022, certain terms of the Margin Loan Agreement were amended and an additional 6 million shares of Charter were voluntarily pledged as collateral, which improved the loan to value ratio.

Exchangeable Senior Debentures

The Company has elected to account for all of its exchangeable senior debentures at fair value in its condensed consolidated financial statements. Accordingly, changes in the fair value of these instruments are recognized in unrealized gains (losses) in the accompanying condensed consolidated statements of operations. See note 3 for information related to unrealized gains (losses) on debt measured at fair value. As of September 30, 2022, a holder of the Company's 2.75% Exchangeable Senior Debentures due 2050 (the "2.75% Debentures"), a holder of the Company's 1.25% Exchangeable Senior

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Debentures due 2050 (the "1.25% Debentures) or a holder of the 1.75% exchangeable senior debentures due 2046 (the "1.75% Debentures) does not have the ability to exchange and, accordingly, the 2.75% Debentures, 1.25% Debentures and 1.75% Debentures are classified as long-term debt in the condensed consolidated balance sheet as of September 30, 2022. The Company reviews the terms of all the debentures on a quarterly basis to determine whether an event has occurred to require current classification on the condensed consolidated balance sheets.

Senior Notes

In connection with the closing of the Combination on December 18, 2020, GCI, LLC became an indirect wholly owned subsidiary of the Company. GCI, LLC is the issuer of $600 million 4.75% senior notes due 2028 (the "Senior Notes"). The Senior Notes were issued by GCI, LLC on October 7, 2020 and are unsecured. Interest on the Senior Notes is payable semi-annually in arrears. The Senior Notes are redeemable at the Company's option, in whole or in part, at a redemption price defined in the indenture, and accrued and unpaid interest (if any) to the date of redemption. The Senior Notes are stated net of an aggregate unamortized premium of $28 million at September 30, 2022. Such premium is being amortized to interest expense in the accompanying condensed consolidated statements of operations.

Senior Credit Facility

In connection with the closing of the Combination on December 18, 2020, GCI, LLC became an indirect wholly owned subsidiary of the Company. GCI, LLC is the borrower under the Senior Credit Facility (as defined below).

On October 15, 2021, GCI, LLC entered into an Eighth Amended and Restated Credit Agreement (the "Senior Credit Facility"), which includes a $550 million revolving credit facility, with a $25 million sublimit for standby letters of credit, that matures on October 15, 2026 and a $250 million Term Loan A that matures on October 15, 2027. Additionally, the $400 million Term Loan B which existed prior to the amendment, was repaid in full using the proceeds from the new Term Loan A together with $150 million in borrowings under the revolving credit facility. The revolving credit facility borrowings under the Senior Credit Facility that are alternate base rate loans bear interest at a per annum rate equal to the alternate base rate plus a margin that varies between 0.50% and 1.75% depending on GCI, LLC's total leverage ratio. The revolving credit facility borrowings under the Senior Credit Facility that are LIBOR loans bear interest at a per annum rate equal to the applicable LIBOR plus a margin that varies between 1.50% and 2.75% depending on GCI, LLC's total leverage ratio. Term Loan A borrowings that are alternate base rate loans bear interest at a per annum rate equal to the alternate base rate plus a margin that varies between 1.00% and 2.25% depending on GCI, LLC's total leverage ratio. Term Loan A borrowings that are LIBOR loans bear interest at a per annum rate equal to the applicable LIBOR plus a margin that varies between 2.00% and 3.25% depending on GCI, LLC's total leverage ratio. Principal payments are due quarterly on the Term Loan A equal to 0.25% of the original principal amount, which may step up to 1.25% of the original principal amount of the Term Loan A depending on GCI, LLC's secured leverage ratio. Each loan may be prepaid at any time and from time to time without penalty other than customary breakage costs. Any amounts prepaid on the revolving credit facility may be reborrowed. The Senior Credit Facility also provides for customary LIBOR replacement provisions.

Prior to the amendment, the borrowings under the Senior Credit Facility bore interest at either the alternate base rate or LIBOR (based on an interest period selected by GCI, LLC of one month, two months, three months or six months) at the election of GCI, LLC in each case plus a margin. The revolving credit facility borrowings that were alternate base rate loans bore interest at a per annum rate equal to the alternate base rate plus a margin that varied between 0.50% and 1.75% depending on GCI, LLC's total leverage ratio. The revolving credit facility borrowings that were LIBOR loans bore interest at a per annum rate equal to the applicable LIBOR plus a margin that varied between 1.50% and 2.75% depending on GCI, LLC's total leverage ratio. Term Loan B borrowings that were alternate base rate loans bore interest at a per annum rate equal to the alternate base rate plus a margin of 1.75%. Term Loan B borrowings that were LIBOR loans bore interest at a per annum rate equal to the applicable LIBOR plus a margin of 2.75% with a LIBOR floor of 0.75%.

GCI, LLC's First Lien Leverage Ratio (as defined in the Senior Credit Facility) may not exceed 4.00 to 1.00.

The terms of the Senior Credit Facility include customary representations and warranties, customary affirmative and negative covenants and customary events of default. At any time after the occurrence of an event of default under the Senior Credit Facility, the lenders may, among other options, declare any amounts outstanding under the Senior Credit Facility immediately due and payable and terminate any commitment to make further loans under the Senior Credit Facility. The obligations under the Senior Credit Facility are secured by a security interest on substantially all of the assets of GCI, LLC and the subsidiary guarantors, as defined in the Senior Credit Facility, and on the stock of GCI Holdings.

As of September 30, 2022, there was $248 million outstanding under the Term Loan A, $150 million outstanding under the revolving portion of the Senior Credit Facility and $3 million in letters of credit under the Senior Credit Facility, leaving $397 million available for borrowing.

During the nine months ended September 30, 2021, GCI, LLC repaid $275 million on its revolving credit facility.

Wells Fargo Note Payable

In connection with the closing of the Combination on December 18, 2020, the Company assumed GCI Holdings' outstanding $6 million under its Wells Fargo Note Payable (as defined below).

GCI Holdings issued a note to Wells Fargo that matures on July 15, 2029 and is payable in monthly installments of principal and interest (the "Wells Fargo Note Payable"). The interest rate is variable at one month LIBOR plus 2.25%. The note also provides for customary LIBOR replacement provisions.

The note is subject to similar affirmative and negative covenants as the Senior Credit Facility. The obligations under the note are secured by a security interest and lien on the building purchased with the note.

Debt Covenants

GCI, LLC is subject to covenants and restrictions under its Senior Notes and Senior Credit Facility. The Company and GCI, LLC are in compliance with all debt maintenance covenants as of September 30, 2022.

Fair Value of Debt

The fair value of the Senior Notes was $500 million at September 30, 2022.

Due to the variable rate nature of the Margin Loan, Senior Credit Facility and Wells Fargo Note Payable, the Company believes that the carrying amount approximates fair value at September 30, 2022.

(7) Preferred Stock

Liberty Broadband's preferred stock is issuable, from time to time, with such designations, preferences and relative participating, optional or other rights, qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or resolutions providing for the issue of such preferred stock adopted by Liberty Broadband's board of directors.

Liberty Broadband Series A Cumulative Redeemable Preferred Stock ("Liberty Broadband Preferred Stock") was issued as a result of the Combination on December 18, 2020. Each share of Series A Cumulative Redeemable Preferred Stock of GCI Liberty outstanding immediately prior to the closing of the Combination was converted into one share of newly issued Liberty Broadband Preferred Stock. The Company is required to redeem all outstanding shares of Liberty Broadband Preferred Stock out of funds legally available, at the liquidation price plus all unpaid dividends (whether or not declared) accrued from the most recent dividend payment date through the redemption date, on the first business day following March 8, 2039. There were 7,300,000 shares of Liberty Broadband Preferred Stock authorized and 7,183,962 shares issued and outstanding at September 30, 2022. An additional 42,700,000 shares of preferred stock of the Company are authorized and are undesignated as to series. The Liberty Broadband Preferred Stock is accounted for as a liability on the Company's condensed consolidated balance sheets because it is mandatorily redeemable. As a result, all dividends paid on the Liberty Broadband Preferred Stock are recorded as interest expense in the Company's condensed consolidated statements of operations. Liberty Broadband Preferred Stock has one-third of a vote per share.

The liquidation price is measured per share and shall mean the sum of (i) $25, plus (ii) an amount equal to all unpaid dividends (whether or not declared) accrued with respect to such share have been added to and then remain part of the liquidation price as of such date. The fair value of Liberty Broadband Preferred Stock of $203 million was recorded at the time of the Combination.

The holders of shares of Liberty Broadband Preferred Stock are entitled to receive, when and as declared by the Liberty Broadband board of directors, out of legally available funds, preferential dividends that accrue and cumulate as provided in the certificate of designations for the Liberty Broadband Preferred Stock.

Dividends on each share of Liberty Broadband Preferred Stock accrue on a daily basis at a rate of 7.00% per annum of the liquidation price.

Accrued dividends are payable quarterly on each dividend payment date, which is January 15, April 15, July 15, and October 15 of each year, commencing January 15, 2021. If Liberty Broadband fails to pay cash dividends on the Liberty Broadband Preferred Stock in full for any four consecutive or non-consecutive dividend periods then the dividend rate shall increase by 2.00% per annum of the liquidation price until cured. On August 17, 2022, the Company announced that its board of directors had declared a quarterly cash dividend of approximately $0.44 per share of Liberty Broadband Preferred Stock which was paid on October 17, 2022 to shareholders of record of the Liberty Broadband Preferred Stock at the close of business on September 30, 2022.

(8) Stock-Based Compensation

Liberty Broadband grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock units and stock options to purchase shares of its common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value ("GDFV") of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and re-measures the fair value of the Award at each reporting date.

Included in selling, general and administrative expenses in the accompanying consolidated statements of operations are $10 million and $28 million of stock-based compensation during the three and nine months ended September 30, 2022, respectively, and $11 million and $31 million of stock-based compensation during the three and nine months ended September 30, 2021, respectively.

Liberty Broadband – Grants of Awards

During the nine months ended September 30, 2022, Liberty Broadband granted 136 thousand options to purchase shares of Liberty Broadband Series C common stock to our CEO in connection with his employment agreement. Such options had a GDFV of $39.10 per share and vest on December 30, 2022.

There were no options to purchase shares of Liberty Broadband Series A or Series B common stock granted during the nine months ended September 30, 2022.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

The Company has calculated the GDFV for all of its equity classified awards and any subsequent re-measurement of its liability classified awards using the Black-Scholes Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of Liberty Broadband common stock. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

Liberty Broadband – Outstanding Awards

The following table presents the number and weighted average exercise price ("WAEP") of Awards to purchase Liberty Broadband common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

	Series C		WAEP	Weighted average remaining contractual life		Aggregate intrinsic value
	(in thousands)			(in years)		(in millions)
Outstanding at January 1, 2022	3,483	$	96.61			
Granted	136	$	138.26			
Exercised	(15)	$	70.16			
Forfeited/Cancelled	—	$	—			
Outstanding at September 30, 2022	3,604	$	98.30	3.6	$	39
Exercisable at September 30, 2022	2,186	$	67.60	2.7	$	39

As of September 30, 2022, Liberty Broadband also had 1 thousand Series A options and 315 thousand Series B options outstanding and exercisable at a WAEP of $35.81 and $96.25, respectively, and a weighted average remaining contractual life of 0.2 years and 1.7 years, respectively.

As of September 30, 2022, the total unrecognized compensation cost related to unvested Awards was approximately $44 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.0 years.

As of September 30, 2022, Liberty Broadband reserved 3.9 million shares of Liberty Broadband Series A, Series B and Series C common stock for issuance under exercise privileges of outstanding stock Awards.

(9) Commitments and Contingencies

General Litigation

The Company has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

Hollywood Firefighters' Pension Fund, et al. v. GCI Liberty, Inc., et al. In October 2020, a putative class action complaint was filed by two purported GCI Liberty stockholders which named as defendants GCI Liberty, as well as the members of the GCI Liberty board of directors. The complaint alleged, among other things, that Mr. Gregory B. Maffei, a director and the President and Chief Executive Officer of Liberty Broadband and, prior to the Combination, GCI Liberty, and

Mr. John C. Malone, the Chairman of the board of directors of Liberty Broadband and, prior to the Combination, GCI Liberty, in their purported capacities as controlling stockholders and directors of GCI Liberty, and the other directors of GCI Liberty, breached their fiduciary duties by approving the Combination. The complaint also alleged that various prior and current relationships among members of the GCI Liberty special committee, Mr. Malone and Mr. Maffei rendered the members of the GCI Liberty special committee not independent.

During March 2021 and in advance of the expenditure of significant time and costs to conduct the depositions proposed to have been taken in this action, the parties began negotiations with the class of plaintiffs for a potential settlement of this action. On May 5, 2021, the plaintiffs (on behalf of themselves and other members of a proposed settlement class) and defendants entered into an agreement in principle to settle the litigation pursuant to which the parties agreed that the plaintiffs will dismiss their claims with prejudice, with customary releases, in return for a settlement payment of $110 million to be paid by a wholly owned subsidiary of Liberty Broadband (as successor by merger to GCI Liberty) and/or insurers for the defendants and for GCI Liberty, which was recorded as a litigation settlement expense within operating income in the condensed consolidated statements of operations during the first quarter of 2021. During the third quarter of 2021, the Company made the $110 million settlement payment in accordance with the settlement agreement. In addition, during the third quarter of 2021, the Company agreed to final settlement amounts with all five of its insurance carriers for insurance recoveries of $24 million, which is recorded net of the litigation settlement expense on the condensed consolidated statement of operations.

Rural Health Care ("RHC") Program. GCI Holdings received a letter of inquiry and request for information from the Enforcement Bureau (the "Enforcement Bureau") of the Federal Communications Commission (the "FCC"), in March 2018 relating to the period beginning January 1, 2015 and including all future periods. In the fourth quarter of 2019, GCI Holdings became aware of potential RHC Program compliance issues related to certain of its currently active and expired contracts with certain of its RHC customers. On December 17, 2020, GCI Holdings received a Subpoena Duces Tecum from the FCC's Office of the Inspector General requiring production of documents from January 1, 2009 to the present related to a single RHC customer and related contracts, information regarding GCI Holdings' determination of rural rates for a single customer, and to provide information regarding persons with knowledge of pricing practices generally.

During the course of 2022, the FCC's Enforcement Bureau and GCI Holdings held discussions regarding GCI Holdings potential RHC Program compliance issues related to certain of its contracts with its RHC customers for which GCI Holdings had previously recognized an estimated liability for a probable loss of approximately $12 million in 2019. During the three and nine month periods ended September 30, 2022, GCI Holdings recorded an additional estimated settlement expense of $15 million relating to a settlement offer made by GCI Holdings, resulting in a total estimated liability of $27 million. GCI Holdings also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to $30 million, which is a reduction of the reasonably possible loss range as previously disclosed given the settlement offer made during the third quarter of 2022. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated.

In 2021, GCI Holdings was informed that a qui tam action had been filed in the Western District of Washington arising from the subject matter under review by the Enforcement Bureau. The Department of Justice (the "DOJ") is investigating whether GCI Holdings submitted false claims and/or statements in connection with GCI's participation in the FCC's RHC Program. Additionally in 2021, the DOJ issued a Civil Investigative Demand with regard to the qui tam action. With respect to the qui tam action, the DOJ and GCI Holdings held discussions whereby the DOJ clarified that its investigation relates to the years from 2010 through 2019 and alleged that GCI Holdings had submitted false claims under the RHC Program during this time period. GCI Holdings continues to work with the DOJ related to this matter and has recorded a $4 million and $14 million estimated settlement expense for the three and nine months ended September 30, 2022, respectively, to reflect discussions and settlement offers that GCI Holdings made to the DOJ during 2022. However, the Company is unable to assess the ultimate outcome of this action and is unable to reasonably estimate any range of additional possible loss beyond the $14 million estimated settlement liability, including any type of fine or penalty that may ultimately be assessed as permitted under the applicable law.

Separately, during the third quarter of 2022, GCI Holdings became aware of possible RHC Program compliance issues relating to potential conflicts of interest identified in the historical competitive bidding process with respect to certain of its contracts with its RHC customers. GCI Holdings notified the FCC's Enforcement Bureau of the potential compliance issues; however, the Company is unable to assess the ultimate outcome of the potential compliance issues and is unable to reasonably estimate any range of loss or possible loss.

(10) Segment Information

Liberty Broadband identifies its reportable segments as (A) those consolidated companies that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA or total assets and (B) those equity method affiliates whose share of earnings or losses represent 10% or more of Liberty Broadband's annual pre-tax earnings (losses).

Liberty Broadband evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue and Adjusted OIBDA. In addition, Liberty Broadband reviews nonfinancial measures such as subscriber growth.

For the nine months ended September 30, 2022, Liberty Broadband has identified the following consolidated company and equity method investment as its reportable segments:

- GCI Holdings – a wholly owned subsidiary of the Company that provides a full range of wireless, data, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska.
- Charter – an equity method investment that is one of the largest providers of cable services in the United States, offering a variety of entertainment, information and communications solutions to residential and commercial customers.

Liberty Broadband's operating segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segment that is also a consolidated company are the same as those described in the Company's summary of significant accounting policies in the Company's annual financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021. We have included amounts attributable to Charter in the tables below. Although Liberty Broadband owns less than 100% of the outstanding shares of Charter, 100% of the Charter amounts are included in the tables below and subsequently eliminated in order to reconcile the account totals to the Liberty Broadband condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Performance Measures

Revenue by segment from contracts with customers, classified by customer type and significant service offerings follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
GCI Holdings				
Consumer Revenue				
Wireless	$ 37	34	105	98
Data	58	53	173	158
Other	13	22	41	68
Business Revenue				
Wireless	12	19	36	56
Data	103	92	288	268
Other	6	7	18	21
Lease, grant, and revenue from subsidies	19	19	58	57
Total GCI Holdings	248	246	719	726
Corporate and other	—	4	6	13
Total	$ 248	250	725	739

Charter revenue totaled $13,550 million and $13,146 million for the three months ended September 30, 2022 and 2021, respectively, and $40,348 million and $38,470 million for the nine months ended September 30, 2022 and 2021, respectively.

The Company had receivables of $197 million and $217 million at September 30, 2022 and December 31, 2021, respectively, the long-term portion of which are included in Other assets, net. The Company had deferred revenue of $32 million at both September 30, 2022 and December 31, 2021. The receivables and deferred revenue are only from contracts with customers, which amounts exclude receivables and deferred revenue arising from leases, grants, and subsidies. GCI Holdings' customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in the accompanying condensed consolidated statements of operations as the services are provided. Changes in the contract liability balance for the Company during the three and nine months ended September 30, 2022 were not materially impacted by other factors.

The Company expects to recognize revenue in the future related to performance obligations that are unsatisfied (or partially unsatisfied) of approximately $92 million in the remainder of 2022, $238 million in 2023, $91 million in 2024, $63 million in 2025 and $73 million in 2026 and thereafter.

For segment reporting purposes, Liberty Broadband defines Adjusted OIBDA as revenue less operating expenses and selling, general and administrative expenses excluding stock-based compensation. Liberty Broadband believes this measure is an important indicator of the operational strength and performance of its businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, transaction costs, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net earnings, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Liberty Broadband generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Adjusted OIBDA is summarized as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	amounts in millions			
GCI Holdings	$ 90	89	267	274
Charter	5,210	5,295	15,993	14,967
Corporate and other	(7)	(9)	(21)	(36)
	5,293	5,375	16,239	15,205
Eliminate equity method affiliate	(5,210)	(5,295)	(15,993)	(14,967)
Consolidated Liberty Broadband	$ 83	80	246	238

Other Information

	September 30, 2022 Total assets	Investments in affiliate	Capital expenditures
	amounts in millions		
GCI Holdings	$ 3,374	—	132
Charter	143,669	—	6,456
Corporate and other	11,745	11,547	—
	158,788	11,547	6,588
Eliminate equity method affiliate	(143,669)	—	(6,456)
Consolidated Liberty Broadband	$ 15,119	11,547	132

The following table provides a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	amounts in millions			
Adjusted OIBDA	$ 83	80	246	238
Stock-based compensation	(10)	(11)	(28)	(31)
Depreciation and amortization	(66)	(68)	(195)	(199)
Litigation settlement, net of recoveries	(19)	24	(29)	(86)
Operating income (loss)	(12)	25	(6)	(78)
Interest expense	(35)	(28)	(91)	(90)
Share of earnings (loss) of affiliate, net	309	314	998	752
Gain (loss) on dilution of investment in affiliate	—	(1)	(67)	(98)
Realized and unrealized gains (losses) on financial instruments, net	148	(27)	362	(53)
Gain (loss) on dispositions, net	—	12	179	12
Other, net	(34)	3	(73)	18
Earnings (loss) before income taxes	$ 376	298	1,302	463

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

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 business, product and marketing strategies; new service and product offerings; revenue growth; future expenses; anticipated changes to regulations; the recognition of deferred revenue; competition; the performance, results of operations and cash flows of our equity affiliate, Charter Communications, Inc. ("Charter"); the expansion of Charter's network; projected sources and uses of cash; the effects of regulatory developments; the impact of COVID-19 (as defined below); the Rural Healthcare Program; indebtedness and the anticipated impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these 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 such statements necessarily involve risks and uncertainties and there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- our, GCI Holdings, LLC ("GCI Holdings"), GCI, LLC, and Charter's ability to obtain cash in sufficient amounts to service financial obligations and meet other commitments;
- our ability to use net operating loss carryforwards and disallowed business interest carryforwards;
- our, GCI Holdings, GCI, LLC and Charter's ability to obtain additional financing, or refinance existing indebtedness, on acceptable terms;
- the impact of our, GCI Holdings, GCI, LLC and Charter's significant indebtedness and the ability to comply with any covenants in our and their respective debt instruments;
- general business conditions, unemployment levels and the level of activity in the housing sector and economic uncertainty or downturn, including the impact of the novel coronavirus ("COVID-19") pandemic to sales opportunities from residential move activity, GCI Holdings and Charter's customers and vendors and local, state and federal governmental responses to the pandemic;
- competition faced by GCI Holdings and Charter;
- the ability of GCI Holdings and Charter to acquire and retain subscribers;
- the impact of governmental legislation and regulation including, without limitation, regulations of the Federal Communications Commission (the "FCC"), on GCI Holdings and Charter, their ability to comply with regulations, and adverse outcomes from regulatory proceedings;
- changes in the cost of programming expenses and equipment and the ability of GCI Holdings and Charter to pass on related costs to their customers;
- changes in the amount of data used on the networks of GCI Holdings and Charter;
- the ability of third-party providers to supply equipment, services, software or licenses;
- the ability of GCI Holdings and Charter to respond to new technology and meet customer demands for new products and services;
- changes in customer demand for the products and services of GCI Holdings and Charter and their ability to adapt to changes in demand;
- the ability of GCI Holdings and Charter to license or enforce intellectual property rights;
- natural or man-made disasters, terrorist attacks, armed conflicts, pandemics, cyberattacks, network disruptions, service interruptions and system failures and the impact of related uninsured liabilities;
- the ability to hire and retain key personnel;

- the ability to procure necessary services and equipment from GCI Holdings' and Charter's vendors in a timely manner and at reasonable costs;
- risks related to the Investment Company Act of 1940;
- the outcome of any pending or threatened litigation; and
- changes to general economic conditions, including economic conditions in Alaska, and their impact on potential customers, vendors and third parties.

For additional risk factors, please see Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021. 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.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2021.

Overview

Liberty Broadband Corporation ("Liberty Broadband," "the Company," "us," "we," or "our") is primarily comprised of GCI Holdings, a wholly owned subsidiary, and an equity method investment in Charter.

On December 18, 2020, GCI Liberty, Inc. ("GCI Liberty") was merged with Liberty Broadband (the "Combination") and Liberty Broadband acquired GCI Holdings, as further described in Liberty Broadband's Annual Reports on Form 10-K for the years ended December 31, 2021 and 2020.

Through a number of prior years' transactions, including the Combination, Liberty Broadband has acquired an interest in Charter. Liberty Broadband controls 25.01% of the aggregate voting power of Charter.

Update on Economic Conditions

GCI Holdings

GCI Holdings offers wireless and wireline telecommunication services, data services, video services, and managed services to customers primarily throughout Alaska. Because of this geographic concentration, growth of GCI Holdings' business and operations depends upon economic conditions in Alaska. In December 2019, Chinese officials reported a novel coronavirus outbreak. COVID-19 has since spread through China and internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices, which caused a significant disruption to most sectors of the economy at varying levels during the periods covered by the financial statements.

Although the COVID-19 pandemic has significantly impacted Alaska, GCI Holdings has continued to deliver services uninterrupted by the pandemic and expects to be able to continue to respond to the increase in network activity. As a major provider of Internet services in Alaska, GCI Holdings believes it plays an instrumental role in enabling social distancing through telecommuting and e-learning across the state and remains focused on its service to customers, as well as the health and safety of its employees and customers.

GCI Holdings cannot predict the ultimate impact of COVID-19 on its business, including the depth and duration of the economic impact to its customers' ability to pay for products and services. In addition, there is uncertainty regarding the impact of government emergency declarations, the ability of suppliers and vendors to provide products and services to GCI Holdings and the risk of limitations on the deployment and maintenance of its services.

The Alaska economy is dependent upon the oil industry, state and federal spending, investment earnings and tourism. A decline in oil prices would put significant pressure on the Alaska state government budget. The Alaska state government has significant reserves that GCI Holdings believes will help fund the state government for the next couple of years. The Alaska economy is subject to recessionary pressures as a result of the COVID-19 pandemic, volatility in oil prices, inflation, and other causes that could result in a decrease in economic activity. While it is difficult for GCI Holdings to predict the future impact of a recession on its business, these conditions have had an adverse impact on its business and could adversely affect the affordability of and demand for some of its products and services and cause customers to shift to lower priced products and services or to delay or forgo purchases of its products and services. If a recession occurs, it could negatively affect GCI Holdings' business including its financial position, results of operations, or liquidity, as well as its ability to service debt, pay other obligations and enhance shareholder returns.

Rural Health Care ("RHC") Program

GCI Holdings receives support from various Universal Service Fund ("USF") programs including the RHC Program. The USF programs are subject to change by regulatory actions taken by the FCC, interpretations of or compliance with USF program rules, or legislative actions. Changes to any of the USF programs that GCI Holdings participates in could result in a material decrease in revenue and accounts receivable, which could have an adverse effect on GCI Holdings' business and the Company's financial position, results of operations or liquidity. The following paragraphs describe certain separate matters related to the RHC Program that impact or could impact the revenue earned by the Company. As of September 30, 2022, the Company had net accounts receivable from the RHC Program of approximately $86 million, which is included within Trade and other receivables in the condensed consolidated balance sheets.

The Company disclosed, in additional detail, the following items related to GCI Holdings' involvement in the RHC Program in its Annual Report on Form 10-K for the year ended December 31, 2021:

FCC Rate Reduction

- The FCC reduced the rates charged to RHC customers by approximately 26% for the funding year that ended June 30, 2018. An Application for Review is currently with the FCC.
- The FCC approved the cost-based rural rates GCI Holdings historically applied for the funding years that ended on June 30, 2019 and June 30, 2020. GCI Holdings collected $175 million in accounts receivable relating to these two funding years during 2021. GCI Holdings also filed an Application for Review of these determinations. GCI Holdings identified rates for similar services provided by a competitor that would justify higher rates for certain GCI Holdings satellite services in the funding years that ended on June 30, 2018, June 30, 2019, and June 30, 2020. GCI Holdings submitted that information to the FCC's Wireline Competition Bureau on September 7, 2021. The Applications for Review remain pending.
- On May 24, 2021, the FCC approved the cost studies submitted by GCI Holdings for the funding year ended June 30, 2021. Subsequently, on August 16, 2021, GCI Holdings submitted a request for approval of rates for 17 additional sites, which remains pending.

RHC Program Funding Cap

- The RHC Program has a funding cap for each individual funding year that is annually adjusted for inflation, and which the FCC can increase by carrying forward unused funds from prior funding years. In recent years, including the current year, this funding cap has not limited the amount of funding received by participants; however, management continues to monitor the funding cap and its potential impact on funding in future years.

Enforcement Bureau and Related Inquiries

- GCI Holdings received a letter of inquiry and request for information from the Enforcement Bureau (the "Enforcement Bureau") of the FCC, in March 2018 relating to the period beginning January 1, 2015 and including all future periods.
- In the fourth quarter of 2019, GCI Holdings became aware of potential RHC Program compliance issues related to certain of its currently active and expired contracts with certain of its RHC customers.

- On December 17, 2020, GCI Holdings received a Subpoena Duces Tecum from the FCC's Office of the Inspector General requiring production of documents from January 1, 2009 to the present related to a single RHC customer and related contracts, information regarding GCI Holdings' determination of rural rates for a single customer, and to provide information regarding persons with knowledge of pricing practices generally.
- In 2021, GCI Holdings was informed that a qui tam action had been filed in the Western District of Washington arising from the subject matter under review by the Enforcement Bureau. The Department of Justice (the "DOJ") is investigating whether GCI Holdings submitted false claims and/or statements in connection with GCI's participation in the FCC's RHC Program. Additionally in 2021, the DOJ issued a Civil Investigative Demand with regard to the qui tam action.
- With respect to the ongoing inquiries from the FCC's Enforcement Bureau and the FCC's Office of the Inspector General, GCI Holdings recognized a liability of approximately $12 million in 2019 for contracts that were deemed probable of not complying with the RHC Program rules. GCI Holdings also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to $44 million. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated.

Revision of Support Calculations

- The FCC released an order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved. On January 19, 2021, the Wireline Competition Bureau of the FCC issued an Order that waives the requirement to use the database for health care providers in Alaska for the two funding years ending June 30, 2022 and June 30, 2023. The Order requires GCI Holdings to determine its rural rates based on previously approved rates or under reinstitution of the rules currently in effect through the funding year ended on June 30, 2021. On April 8, 2021, the Wireline Competition Bureau issued an Order further extending the January 19, 2021 waiver to carriers nationwide and eliminating the ability or requirement to use the database to establish the healthcare provider payments for services subsidized by the RHC Telecom Program.

The Company does not have any significant updates regarding the items noted above except as discussed in the remainder of this paragraph and the subsequent paragraphs below. On April 12, 2022 and May 25, 2022, the Wireline Competition Bureau issued Orders further extending the January 19, 2021 and April 8, 2021 waivers regarding use of the database by health care providers seeking support under the RHC Program through the funding year ending June 30, 2024.

The FCC's Enforcement Bureau and GCI Holdings held discussions regarding GCI Holdings potential RHC Program compliance issues related to certain of its contracts with its RHC customers for which GCI Holdings had previously recognized an estimated liability for a probable loss of approximately $12 million. During the three and nine month periods ended September 30, 2022, GCI Holdings recorded an additional estimated settlement expense of $15 million relating to a settlement offer made by GCI Holdings resulting in a total estimated liability of $27 million. GCI Holdings also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to $30 million, which is a reduction of the reasonably possible loss range as previously disclosed given the settlement offer made during the third quarter of 2022. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated.

The DOJ and GCI Holdings held discussions regarding the qui tam action whereby the DOJ clarified that its investigation relates to the years from 2010 through 2019 and alleged that GCI Holdings had submitted false claims under the RHC Program during this time period. GCI Holdings continues to work with the DOJ related to this matter and has recorded a $4 million and $14 million estimated settlement expense for the three and nine month periods ended September 30, 2022, respectively, to reflect discussions and settlement offers that GCI Holdings made to the DOJ during 2022. However, the Company is unable to assess the ultimate outcome of this action and is unable to reasonably estimate any range of additional possible loss beyond the $14 million estimated settlement liability, including any type of fine or penalty that may ultimately be assessed as permitted under the applicable law.

Separately, during the third quarter of 2022, GCI Holdings became aware of possible RHC Program compliance issues relating to potential conflicts of interest identified in the historical competitive bidding process with respect to certain of its contracts with its RHC customers. GCI Holdings notified the FCC's Enforcement Bureau of the potential compliance issues; however, the Company is unable to assess the ultimate outcome of the potential compliance issues and is unable to reasonably estimate any range of loss or possible loss.

Charter

Charter is a leading broadband connectivity company and cable operator serving more than 32 million customers in 41 states through its Spectrum brand.

In 2022, Charter remains focused on driving customer relationship growth. Residential and small and medium business ("SMB") customer relationships increased by 17,000 during the third quarter of 2022 and 192,000 from September 30, 2021 to September 30, 2022, which excludes mobile only customers. Charter continues to see lower customer move rates and switching behavior among providers, which has reduced its selling opportunities. Charter's rural construction initiative is underway which it expects will expand its footprint by approximately 1 million homes and businesses over the next six years, and Charter expects to participate in additional government subsidy programs that would further expand its footprint. Charter continues to evolve its network to provide increased Internet speeds and reliability and invest in products and customer service platforms. Charter offers Spectrum Internet products with speeds up to 1 Gbps across its entire footprint. Charter's Advanced WiFi, a managed WiFi service that provides customers an optimized home network while providing greater control of their connected devices with enhanced security and privacy, is available to nearly all Internet customers. Charter continues to invest in its ability to provide a differentiated Internet connectivity experience for mobile and fixed Internet customers with the availability of over 500,000 out of home WiFi access points across its footprint. In October, Charter introduced Spectrum One, which brings together Spectrum Internet, Advanced WiFi and Unlimited Spectrum Mobile™, to offer consumers faster, more reliable and secure online connections on their favorite devices at home and on the go in a high-value package. In addition, Charter continues to work towards the construction of its own 5G mobile data-only network leveraging the Citizens Broadband Radio Service Priority Access Licenses purchased in 2020. By continually improving its product set and offering consumers the opportunity to save money by switching to Charter's services, Charter believes it can continue to penetrate its expanding footprint and attract more spend on additional products for its existing customers.

Other

Skyhook Holdings, Inc. ("Skyhook") was a wholly owned subsidiary of Liberty Broadband until its sale on May 2, 2022 for aggregate consideration of approximately $194 million, including amounts held in escrow of approximately $23 million. Liberty Broadband recognized a gain on the sale of $179 million, net of fees contingent upon closing, in the second quarter of 2022, which is recorded in Gain (loss) on dispositions, net in the accompanying condensed consolidated statement of operations. Skyhook is included in Corporate and other through April 30, 2022 and is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on Liberty Broadband's operations and financial results.

Results of Operations — Consolidated —September 30, 2022 and 2021

General. We provide information regarding our consolidated operating results and other income and expenses, as well as information regarding the contribution to those items from our reportable segments in the tables below. The "Corporate and other" category consists of those assets or businesses which do not qualify as a separate reportable segment. See note 10 to the accompanying condensed consolidated financial statements for more discussion regarding our reportable segments. For a more detailed discussion and analysis of GCI Holdings' results, see "Results of Operations-GCI Holdings" below.

Consolidated operating results:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Revenue				
GCI Holdings	$ 248	246	719	726
Corporate and other	—	4	6	13
Consolidated	$ 248	250	725	739
Operating Income (Loss)				
GCI Holdings	$ 1	16	32	63
Corporate and other	(13)	9	(38)	(141)
Consolidated	$ (12)	25	(6)	(78)
Adjusted OIBDA				
GCI Holdings	$ 90	89	267	274
Corporate and other	(7)	(9)	(21)	(36)
Consolidated	$ 83	80	246	238

Revenue

Revenue decreased $2 million and $14 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. The decrease in revenue for the nine month period was primarily due to decreased revenue from GCI Holdings. See "Results of Operations – GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Revenue for Corporate and other decreased for both the three and nine months ended September 30, 2022. With the sale of Skyhook in May 2022, Corporate and other revenue was minimal during the first half of 2022 and will be zero in future periods as all Corporate and other revenue was generated by Skyhook.

Operating Income (Loss)

Consolidated operating income (loss) declined $37 million and improved $72 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. Operating income for Corporate and other for the three months ended September 30, 2021 included $24 million of insurance recoveries related to litigation settlements in the prior year. Operating loss for Corporate and other for the nine months ended September 30, 2021 included $86 million in litigation settlement expense, net of recoveries. The additional decrease in operating loss for Corporate and other for the three and nine months ended September 30, 2022, as compared to the corresponding prior year periods, was due to decreased professional service fees.

Operating income decreased $15 million and $31 million at GCI Holdings for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. See "Results of Operations – GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Stock-based compensation

Stock-based compensation expense decreased $1 million and $3 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. The decrease in stock-based compensation expense was primarily due to a decrease in Liberty Broadband's allocation rate per the services agreement arrangement as described in note 1 to the accompanying condensed consolidated financial statements.

Adjusted OIBDA

To provide investors with additional information regarding our financial results, we also disclose Adjusted OIBDA, which is a non-GAAP financial measure. We define Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, transaction costs, separately reported litigation settlements, restructuring, and impairment charges. Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles. The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Operating income (loss)	$ (12)	25	(6)	(78)
Depreciation and amortization	66	68	195	199
Stock-based compensation	10	11	28	31
Litigation settlement, net of recoveries	19	(24)	29	86
Adjusted OIBDA	$ 83	80	246	238

Adjusted OIBDA improved $3 million and $8 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. Adjusted OIBDA improved $1 million and declined $7 million for the three and nine months ended September 30, 2022, respectively, for the results of operations of GCI Holdings. See "Results of Operations – GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Corporate and other Adjusted OIBDA improved for the three and nine months ended September 30, 2022, as compared to the corresponding prior year periods, due to the fluctuations in operating income (loss) as discussed above.

Other Income and Expense

Components of Other income (expense) are presented in the table below.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Other income (expense):				
Interest expense	$ (35)	(28)	(91)	(90)
Share of earnings (losses) of affiliate	309	314	998	752
Gain (loss) on dilution of investment in affiliate	—	(1)	(67)	(98)
Realized and unrealized gains (losses) on financial instruments, net	148	(27)	362	(53)
Gain (loss) on dispositions, net	—	12	179	12
Other, net	(34)	3	(73)	18
	$ 388	273	1,308	541

Interest expense

Interest expense increased $7 million and $1 million during the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year. The increase for the three month period was driven by higher interest rates on our variable rate debt. The increase for the nine month period was driven by higher interest rates on our variable rate debt, partially offset by lower amounts outstanding on the Senior Credit Facility and the Margin Loan Facility (both as defined in note 6 to the accompanying condensed consolidated financial statements).

Share of earnings (losses) of affiliate

Share of earnings of affiliate decreased $5 million and increased $246 million during the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year. The Company's Share of earnings (losses) of affiliate line item in the accompanying condensed consolidated statements of operations includes expenses of $57 million and $59 million, net of related taxes, for the three months ended September 30, 2022 and 2021, respectively, and $191 million and $181 million, net of related taxes, for the nine months ended September 30, 2022 and 2021, respectively, due to the increase in amortization of the excess basis of assets with identifiable useful lives and debt, which was primarily due to Charter's share buyback program, partially offset by a realignment with Charter's debt retirements. The change in the share of earnings of affiliate in the three and nine months ended September 30, 2022, as compared to the corresponding periods in the prior year, was the result of the corresponding change in net income at Charter.

The following is a discussion of Charter's results of operations. In order to provide a better understanding of Charter's operations, we have included a summarized presentation of Charter's results from operations.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Revenue	$ 13,550	13,146	40,348	38,470
Operating expenses, excluding stock-based compensation	(8,340)	(7,851)	(24,355)	(23,503)
Adjusted OIBDA	5,210	5,295	15,993	14,967
Depreciation and amortization	(2,177)	(2,270)	(6,711)	(7,065)
Stock-based compensation	(109)	(98)	(360)	(332)
Operating income	2,924	2,927	8,922	7,570
Other expenses, net	(1,197)	(1,173)	(3,264)	(3,240)
Net income (loss) before income taxes	1,727	1,754	5,658	4,330
Income tax (expense) benefit	(360)	(347)	(1,194)	(844)
Net income (loss)	1,367	1,407	4,464	3,486
Less: Net income attributable to noncontrolling interests	(182)	(190)	(605)	(442)
Net income (loss) attributable to Charter shareholders	$ 1,185	1,217	3,859	3,044

Charter net income decreased $40 million and increased $978 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year.

Charter's revenue increased $404 million and $1,878 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year, primarily due to increases in the number of residential Internet, mobile and commercial customers and price adjustments.

During the three and nine months ended September 30, 2022, operating expenses, excluding stock-based compensation, increased $489 million and $852 million, respectively, as compared to the corresponding periods in the prior year. Operating costs increased primarily due to increased mobile costs, costs to service customers and marketing costs, as well as other corporate operating costs, partially offset by decreased regulatory, connectivity and produced content costs and programming costs.

Mobile costs were comprised of mobile device costs and mobile service, customer acquisition and operating costs. The increase is attributable to an increase in the number of mobile lines.

Costs to service customers increased during the three and nine months ended September 30, 2022 compared to the corresponding periods in 2021 primarily due to higher bad debt and higher fuel costs offset by lower labor costs, as a result of productivity improvements driven by improved network performance and digital self-service platforms.

Marketing costs increased during the three and nine months ended September 30, 2022 compared to the corresponding periods in 2021 primarily due to higher labor costs associated with higher staffing levels and Charter's commitment to a minimum $20 per hour wage in 2022 as well as insourcing of inbound sales and retention call centers.

Other corporate operating costs increased during the three and nine months ended September 30, 2022 compared to the corresponding periods in 2021 primarily due to higher labor costs and computer and software expense, as well as increased advertising sales expense.

Regulatory, connectivity and produced content decreased during the three and nine months ended September 30, 2022 compared to the corresponding periods in 2021 primarily due to lower costs of video devices sold to customers and regulatory pass-through fees. Regulatory, connectivity and produced content for the nine months ended September 30, 2022 compared to the corresponding prior period also decreased due to lower sports rights costs as a result of more basketball games during 2021 as compared to 2022 as the prior period had additional games due to the delayed start of the 2020 - 2021 NBA season as a result of COVID-19.

Programming costs decreased during the three and nine months ended September 30, 2022 compared to the corresponding periods in 2021 as a result of fewer customers and a higher mix of lower cost video packages within Charter's video customer base along with favorable one-time impacts offset by contractual rate adjustments, including renewals and increases in amounts paid for retransmission consent. Charter expects programming rates per customer will continue to increase due to a variety of factors, including annual increases imposed by programmers with additional selling power as a result of media and broadcast station groups consolidation, increased demands by owners of broadcast stations for payment for retransmission consent or linking carriage of other services to retransmission consent, and additional programming. Charter has been unable to fully pass these increases on to its customers and does not expect to be able to do so in the future without a potential loss of customers.

Charter's Adjusted OIBDA decreased $85 million and increased $1,026 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year, for the reasons described above.

Depreciation and amortization expense decreased $93 million and $354 million during the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year, primarily due to certain assets acquired in acquisitions becoming fully depreciated offset by an increase in depreciation as a result of more recent capital expenditures.

Income tax expense increased $13 million and $350 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year. Income tax expense increased primarily as a result of decreased recognition of excess tax benefits resulting from share-based compensation during 2021 and the change in pretax income.

Gain (loss) on dilution of investment in affiliate

The loss on dilution of investment in affiliate decreased by $1 million and $31 million during the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year, primarily due to a decrease in issuance of Charter common stock from the exercise of stock options held by employees and other third parties, at prices below Liberty Broadband's book basis per share. As Liberty Broadband's ownership in Charter changes due to exercises of Charter stock options, a loss is recorded with the effective sale of common stock, because the exercise price of Charter stock options is typically lower than the book value of the Charter shares held by Liberty Broadband.

Realized and unrealized gains (losses) on financial instruments, net

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Indemnification obligation	$ 138	(8)	287	(49)
Exchangeable senior debentures	10	(19)	75	(4)
	$ 148	(27)	362	(53)

The changes in these accounts are primarily due to market factors and changes in the fair value of the underlying stocks or financial instruments to which these related. These increases in realized and unrealized gains for the three and nine months ended September 30, 2022, compared to the corresponding periods in the prior year, were primarily due to an increase in unrealized gains on the indemnification obligation (see note 3 in the accompanying condensed consolidated financial statements for additional discussion), as well as the changes in fair value of the 2.75% Exchangeable Senior Debentures due 2050, the 1.25% Exchangeable Senior Debentures due 2050 and the 1.75% Exchangeable Senior Debentures due 2046 related to changes in market price of underlying Charter stock (see notes 3 and 6 in the accompanying condensed consolidated financial statements for additional discussion).

Gain (loss) on dispositions, net

Liberty Broadband recognized a gain on the sale of Skyhook of $179 million, net of fees contingent upon closing, in the second quarter of 2022, which is recorded in Gain (loss) on dispositions, net in the accompanying condensed consolidated statement of operations. In the three and nine months ended September 30, 2021, Liberty Broadband recorded a gain of $12 million on the sale of an investment that occurred during the third quarter of 2021.

Other, net

Other, net decreased $37 million and $91 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding periods in the prior year. These decreases were primarily due to a tax sharing receivable with Qurate Retail that resulted in an increased loss of $39 million and $94 million for the three and nine months ended September 30, 2022, respectively. See more discussion about the tax sharing agreement with Qurate Retail in note 1 to the accompanying condensed consolidated financial statements.

Income taxes

Earnings (losses) before income taxes and income tax (expense) benefit are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Earnings (loss) before income taxes	$ 376	298	$ 1,302	463
Income tax (expense) benefit	(61)	(61)	(223)	(118)
Effective income tax rate	16%	20%	17%	25%

The difference between the effective income tax rate of 16% and the U.S. Federal income tax rate of 21% for the three months ended September 30, 2022 was primarily due to non-taxable income from a decrease in the fair value of the indemnification obligation owed to Qurate Retail. The difference between the effective income tax rate of 17% and the U.S. Federal income tax rate of 21% for the nine months ended September 30, 2022 was primarily due to non-taxable income from a decrease in the fair value of the indemnification obligation owed to Qurate Retail and tax benefits from the sale of stock of a subsidiary.

There was effectively no difference between the effective income tax rate of 20% and the U.S. Federal income tax rate of 21% for the three months ended September 30, 2021. The difference between the effective income tax rate of 25% and the U.S. Federal income tax rate of 21% for the nine months ended September 30, 2021 was primarily due to a non-deductible litigation settlement and the accrual of non-deductible equity distributions related to the indemnification agreement between Liberty Broadband and Qurate Retail, partially offset by tax benefits from a change in effective tax rate used to measure deferred taxes on certain Charter shares.

Net earnings (loss)

The Company had net earnings of $315 million and $237 million for the three months ended September 30, 2022 and 2021, respectively, and net earnings of $1,079 million and $345 million for the nine months ended September 30, 2022 and 2021, respectively. The change in net earnings (loss) was the result of the above-described fluctuations in our revenue, expenses and other income and expenses.

Liquidity and Capital Resources

As of September 30, 2022, substantially all of our cash and cash equivalents are invested in U.S. Treasury securities, other government securities or government guaranteed funds, AAA rated money market funds and other highly rated financial and corporate debt instruments.

The following are potential sources of liquidity: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), monetization of our investments (including Charter Repurchases (as defined in note 4 to the accompanying condensed consolidated financial statement and discussed below)), outstanding or anticipated debt facilities (as defined in note 6 to the accompanying condensed consolidated financial statements), debt and equity issuances, and dividend and interest receipts.

As of September 30, 2022, Liberty Broadband had a cash and cash equivalents balance of $203 million.

		Nine months ended September 30,	
		2022	2021
		amounts in millions	
Cash flow information			
Net cash provided (used) by operating activities	$	(60)	136
Net cash provided (used) by investing activities	$	2,637	2,569
Net cash provided (used) by financing activities	$	(2,549)	(3,693)

The increase in cash used by operating activities in the nine months ended September 30, 2022, as compared to the corresponding period in the prior year, was primarily driven by the non-recurring favorable collection of accounts receivable during the first quarter of 2021 from the RHC Program for the funding years that ended on June 30, 2019 and June 30, 2020.

During the nine months ended September 30, 2022 and 2021, net cash flows provided by investing activities were primarily related to the sale of 4,952,224 and 3,962,155 shares of Charter Class A common stock to Charter for $2,602 million and $2,643 million, respectively, to maintain our fully diluted ownership percentage of Charter at 26%. In February 2021, Liberty Broadband entered into a letter agreement in order to implement, facilitate and satisfy the terms of the Stockholders Agreement with respect to the Equity Cap (see more information in note 4 to the accompanying condensed consolidated financial statements). The Company expects the Charter Repurchases to be a significant source of liquidity in future periods. Additionally, the Company received $163 million of cash proceeds, net of fees contingent upon closing, from the sale of Skyhook. These net inflows of cash were partially offset by capital expenditures of $132 million and $91 million during the nine months ended September 30, 2022 and 2021, respectively.

During the nine months ended September 30, 2022, net cash flows used in financing activities were primarily repurchases of Series A and Series C Liberty Broadband common stock of $2,641 million, partially offset by net borrowings of debt of approximately $100 million of outstanding Revolving Loans (as defined in note 6 to the accompanying condensed consolidated financial statements) under the Margin Loan Facility. During the nine months ended September 30, 2021, net cash flows used in financing activities were primarily repurchases of Series A and Series C Liberty Broadband common stock of $2,911 million, as well as net debt repayments of $500 million of outstanding Revolving Loans under the Margin Loan Facility and repayment of $275 million by GCI, LLC on its revolving credit facility.

The projected uses of our cash for the remainder of 2022 are the potential buyback of common stock under the approved share buyback program, capital expenditures of approximately $20 million, approximately $45 million for interest payments on outstanding debt, approximately $3 million for preferred stock dividends, funding of any operational needs of our subsidiaries, to reimburse Liberty Media Corporation for amounts due under various agreements and to fund potential investment opportunities. We expect corporate cash and other available sources of liquidity to cover corporate expenses for the foreseeable future.

Results of Operations—GCI Holdings, LLC

GCI Holdings provides a full range of wireless, data, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska. The following table highlights selected key performance indicators used in evaluating GCI Holdings.

	September 30,	
	2022	2021
Consumer		
Wireless:		
Wireless lines in service[1]	195,100	188,800
Data:		
Cable modem subscribers[2]	156,100	147,800

[1] A wireless line in service is defined as a wireless device with a monthly fee for services.

[2] A cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber.

GCI Holdings' operating results for the three and nine months ended September 30, 2022 and 2021 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	amounts in millions			
Revenue	$ 248	246	719	726
Operating expenses (excluding stock-based compensation included below):				
Operating expense	(64)	(67)	(187)	(199)
Selling, general and administrative expenses	(94)	(90)	(265)	(253)
Adjusted OIBDA	90	89	267	274
Stock-based compensation	(4)	(5)	(11)	(12)
Litigation settlement	(19)	—	(29)	—
Depreciation and amortization	(66)	(68)	(195)	(199)
Operating income (loss)	$ 1	16	32	63

Revenue

The components of revenue are as follows:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
	amounts in millions			
Consumer				
Wireless	$ 49	46	142	135
Data	57	54	172	159
Other	14	22	42	67
Business				
Wireless	14	20	41	60
Data	104	93	291	271
Other	10	11	31	34
Total revenue	$ 248	246	719	726

Consumer wireless revenue increased $3 million and $7 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. The increases were primarily due to increased plan service fee revenue driven by an increase in the number of subscribers and subscribers' selection of plans with higher recurring monthly charges that offer higher usage limits. Additionally, equipment revenue increased for the three and nine months ended September 30, 2022, as compared to the corresponding prior year periods, driven by an increase in the number of handsets sold in 2022.

Consumer data revenue increased $3 million and $13 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. The increases were primarily driven by an increase in the number of subscribers and the subscribers' selection of plans with higher recurring monthly charges that offer higher speeds and higher usage limits.

Consumer other revenue decreased $8 million and $25 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. Consumer other revenue consists of consumer video and voice revenue. The decreases were due to a decrease in video revenue primarily driven by decreased video subscribers. This was the result of both the transition from traditional linear video delivery to IP delivery and GCI Holdings' decision to discontinue selling bulk video packages for multi-dwelling units. Historically, GCI Holdings has seen declines in video and voice subscribers and revenue and expects a continued decrease as customers potentially choose alternative services.

Business wireless revenue decreased $6 million and $19 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. The decreases were primarily due to decreases in roaming revenue. The decreases in roaming revenue were driven by a contract amendment signed in the fourth quarter of 2021. Although the contract amendment will result in lower annual roaming revenue, GCI Holdings will benefit from the extension of the agreement for several years as well as continued backhaul revenue.

Business data revenue increased $11 million and $20 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods, primarily due to increased sales to school and health care customers due to service upgrades as well as new customer growth.

Business other revenue was relatively flat and decreased $3 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods. Business other revenue consists of business video and voice revenue. The decrease for the nine month period was primarily due to decreased business video and long distance revenue. Historically, GCI Holdings has seen declines in video and voice subscribers and revenue and has not focused business efforts on growth in these areas.

Operating expenses decreased $3 million and $12 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods, due to a decrease in video costs, primarily due to a decrease in costs paid to content producers driven by reduced video subscribers. This decrease in both the three and nine month periods was partially offset by an increase in costs to operate GCI Holdings' network driven by the increase in demand for data service.

Selling, general and administrative expenses increased $4 million and $12 million for the three and nine months ended September 30, 2022, respectively, as compared to the corresponding prior year periods, primarily due to increases in labor related costs driven by an increase in contract labor costs, as well as increases in software costs driven by an increase in software as service arrangements.

Stock-based compensation was relatively flat for the three and nine months ended September 30, 2022, as compared to the corresponding prior year periods.

Litigation settlement increased $19 million and $29 million for the three and nine months ended September 30, 2022, as compared to the corresponding prior year periods. This was due to an increase in the estimated liability relating to compliance with RHC program rules which reflects settlement offers that GCI Holdings made to the DOJ and the Enforcement Bureau of the FCC in June and September of 2022.

Depreciation and amortization decreased $2 million and $4 million for the three and nine months ended September 30, 2022, as compared to the corresponding prior year periods. The decreases were due to lower amortization expense because of an accelerated recognition pattern for amortizing intangible assets.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which could include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We could achieve this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate.

Liberty Broadband's borrowings under the Margin Loan Agreement (as defined in note 6 of the accompanying condensed consolidated financial statements) and the Senior Credit Facility (as defined in note 6 of the accompanying condensed consolidated financial statements) carry a variable interest rate based on LIBOR as a benchmark for establishing the rate of interest. LIBOR is the subject of national, international and other regulatory guidance and proposals for reform. In 2017, the United Kingdom's Financial Conduct Authority (the "FCA"), which regulates LIBOR, announced that it intends to phase out LIBOR. On March 5, 2021, the FCA announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after December 31, 2021, in the case of the one week and two month U.S. dollar settings; and (b) immediately after June 30, 2023, in the case of the remaining U.S. dollar settings. The United States Federal Reserve has also advised banks to cease entering into new contracts that use USD LIBOR as a reference rate. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has identified the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities, as its preferred alternative rate for LIBOR. Our Margin Loan Agreement and Senior Credit Facility provide for a transition to a SOFR based rate or to other alternative reference rates depending on acceptance in the market of these rates. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from the LIBOR benchmarks is anticipated in coming years. Accordingly, the outcome of these reforms is uncertain and any changes in the methods by which LIBOR is determined or regulatory activity related to LIBOR's phaseout could cause LIBOR to perform differently than in the past or cease to exist. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of borrowings under the aforementioned debt instruments.

As of September 30, 2022, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
	dollar amounts in millions			
GCI Holdings	$ 403	4.3 %	$ 600	4.8 %
Corporate and other	$ 1,400	5.2 %	$ 1,415	1.9 %

Our investment in Charter (our equity method affiliate) is publicly traded and not reflected at fair value in our balance sheet. Our investment in Charter is also subject to market risk that is not directly reflected in our financial statements.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of September 30, 2022 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2022 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Our Annual Report on Form 10-K for the year ended December 31, 2021 includes "Legal Proceedings" under Item 3 of Part I. Other than as described below and in Part II, Item 1. Legal Proceedings of our Quarterly Report on Form 10-Q for the quarters ended March 31, 2022 and June 30, 2022, there have been no material changes from the legal proceedings described in our Form 10-K.

Charter Proceedings

In March 2020, Charter Communications, LLC ("CC, LLC"), an indirect subsidiary of Charter, was named as a defendant in a lawsuit filed in Dallas, Texas related to the fatal stabbing of an individual in her home by an off duty CC, LLC technician: William Goff, as Personal Representative of Betty Jo McClain Thomas, deceased, et al. v. Roy James Holden, Jr. and Charter Communications, LLC, Case No. CC-20-01579-E, pending in County Court at Law No. 5 for Dallas County, Texas. The complaint alleged that CC, LLC was responsible for Mrs. Thomas' death. Following a two phase trial, the jury returned a verdict finding CC, LLC ninety percent at fault for Mrs. Thomas' death, and awarded compensatory damages of $375 million to plaintiffs and then awarded $7.0 billion in punitive damages to plaintiffs on July 26, 2022. On October 7, 2022, plaintiffs filed a motion for a judgment that proposed a reduced total award of $1.144 billion. The trial judge signed the judgment, and CC, LLC posted a $25 million bond to stay the judgment pending appeals. CC, LLC will continue to vigorously defend this lawsuit including pursuing all available appeals.

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

Share Repurchase Programs

As of December 31, 2021, the Company had $669 million available to be used for share repurchases under the Company's share repurchase program. On January 26, 2022, a duly authorized committee of the board of directors authorized the repurchase of an additional $2.215 billion of Liberty Broadband common stock and on August 17, 2022, the board of directors authorized the repurchase of an additional $2 billion of Liberty Broadband common stock.

A summary of the repurchase activity for the three months ended September 30, 2022 is as follows:

	Series A Common Stock		Series C Common Stock			
Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 - 31, 2022	1,792,809	$ 116.75	697,546	$ 119.36	2,490,355	$701 million
August 1 - 31, 2022	751,824	$ 111.78	1,977,134	$ 113.37	2,728,958	$2,393 million
September 1 - 30, 2022	176,906	$ 97.22	1,415,302	$ 93.78	1,592,208	$2,243 million
Total	2,721,539		4,089,982		6,811,521	

There were no repurchases of Liberty Broadband Series B common stock or Liberty Broadband Preferred Stock during the three months ended September 30, 2022.

During the three months ended September 30, 2022, zero shares of Liberty Broadband Series A common stock, zero shares of Liberty Broadband Series B common stock, 37 shares of Liberty Broadband Series C common stock and zero shares of Liberty Broadband Preferred Stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock, restricted stock units and options.

Item 6. Exhibits

(a) Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

4.1	Form of Amendment Agreement to Margin Loan Agreement, dated as of August 31, 2017, among LBC Cheetah 6, LLC, as Borrower, and the various parties thereto, dated as of September 30, 2022.*
31.1	Rule 13a-14(a)/15d-14(a) Certification*
31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
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*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Definition Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

* Filed herewith

** Furnished herewith

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.

	LIBERTY BROADBAND CORPORATION
Date: November 4, 2022	By: /s/ GREGORY B. MAFFEI Gregory B. Maffei *President and Chief Executive Officer*
Date: November 4, 2022	By: /s/ BRIAN J. WENDLING Brian J. Wendling *Chief Accounting Officer and Principal Financial Officer*

Exhibit 4.1

FORM OF AMENDMENT AGREEMENT TO MARGIN LOAN AGREEMENT

This **AMENDMENT AGREEMENT TO MARGIN LOAN AGREEMENT**, dated as of September 30, 2022 (this "**Agreement**"), is entered into by and among **LBC CHEETAH 6, LLC**, a Delaware limited liability company ("**Borrower**"), each financial institution party to the Loan Agreement (as defined below), in each case, immediately prior to the effectiveness of this Agreement (in their respective capacities as Lenders (as such term is used in the Loan Agreement) each, a "**Lender**" and, collectively, the "**Lenders**"), BNP Paribas, New York Branch ("**BNP NY**"), as administrative agent (as successor to Wilmington Trust, National Association ("**Wilmington Trust**" and, as successor to Bank of America, N.A., in its capacity as administrative agent (the "**Original Administrative Agent**" and, together with Wilmington Trust, the "**Preceding Administrative Agents**"), together with its successors and assigns in such capacity, "**Administrative Agent**"), and BNP Paribas, as calculation agent (as successor to Bank of America, N.A., in its capacity as calculation agent (the "**Original Calculation Agent**"), together with its successors and assigns in such capacity, "**Calculation Agent**").

RECITALS

WHEREAS, Borrower, the lenders party thereto, Administrative Agent and Calculation Agent entered into that certain Margin Loan Agreement, dated as of August 31, 2017 (the "**Original Loan Agreement**") (as amended, restated, amended and restated, supplemented or otherwise modified and in effect immediately prior to the effectiveness of this Agreement, the "**Loan Agreement**" and, the Loan Agreement, as modified by this Agreement, the "**Amended Loan Agreement**").

WHEREAS, Borrower, the Secured Parties party thereto, Administrative Agent, Calculation Agent, and U.S. Bank National Association, as securities intermediary and as a bank under the Control Agreement, are party to that certain Collateral Account Control Agreement, dated as of August 31, 2017 (as amended, restated, amended and restated, supplemented or otherwise modified and in effect, the "**Control Agreement**").

WHEREAS, (a) the Borrower has requested, and the Secured Parties have agreed to, subject to the terms and conditions of this Agreement, amend the definition of Minimum Price, and (b) in connection with this Agreement, and as a condition to the Share Price Amendment Effective Date (as defined below), the Borrower shall deposit 6,000,000 additional CHTR Shares that are Eligible Pledged Shares on a Pro Rata Basis (as defined in the Loan Agreement) into each Additional Unrestricted Collateral Account (as defined below) of each Lender.

WHEREAS, in connection with this Agreement, each party hereto desires to supplement Annex I to the Control Agreement (as defined in the Loan Agreement) to add the additional Collateral Accounts (used herein as defined in the Control Agreement) that have been added to the Control Agreement on or prior to the date hereof and set forth on Schedule A to that certain Written Instruction Re: Pledge of Additional Shares, dated as of the date of this Agreement (such additional Collateral Accounts, the "**Additional Unrestricted Collateral Accounts**").

NOW, THEREFORE, in consideration of the covenants made hereunder, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. <u>Definitions</u>. Except as expressly provided herein, capitalized terms used in this Agreement but not defined in this Agreement shall have the meanings set forth for such terms in the Loan Agreement.

SECTION 2. <u>Amendments</u>. Upon the occurrence of the Amendment, the provisions of the Loan Agreement are waived and/or amended, as applicable, as follows:

2.1 Section 1.01 of the Loan Agreement is amended to add the following definitions in alphabetical order:

"""Corporate Transaction Event" means any Issuer 251(g) Merger Event, Issuer Merger Event or Issuer Tender to Merger Event.

"Release Share Price" means $[●]."; and

"Share Price Amendment Effective Date" means October 3, 2022."

2.2 the definition of "Minimum Price" in Section 1.01 of the Loan Agreement is amended and restated in its entirety as follows:

"Minimum Price" means (a) prior to the Share Price Amendment Effective Date, $[●] and (b) on and after the Share Price Amendment Effective Date, $[●]; provided that, in the event that any Share or Shares are released from the Liens under the Collateral Documents (other than in connection with a Corporate Transaction Event), the Minimum Price shall be $[●]; provided, further, that, in the event of an Issuer Merger Event or Spin-Off Event, the Calculation Agent may adjust the Minimum Price and provide for a Minimum Price applicable to the Merger Shares or Spin-Off Shares, as applicable, as it deems reasonably necessary pursuant to Section 1.02(d).";

2.3 the following sentence is added at the beginning of Section 2.09(d) of the Loan Agreement:

"Notwithstanding anything to the contrary contained herein (including in this Section 2.09(d)) or in any other Loan Documents, on and after the Share Price Amendment Effective Date, other than in connection with a Corporate Transaction Event, the Borrower may not request the release of any Pledged Shares or other Collateral (other than Eligible Cash Collateral), and no Pledged Shares or other Collateral (other than Eligible Cash Collateral) shall be released from, the Lien securing the Obligations at any time when the Market Reference Price does not exceed the Release Share Price (except any release in connection with a rebalance of Collateral pursuant to Section 2.14, and/or a transfer of Collateral in connection with an assignment between or among Lenders or potential Lenders in accordance with the Loan Documents).";

2.4 the following proviso is added at the end of Section 7.04 of the Loan Agreement (prior to the ending period thereof):

"; provided, however, that, in no event shall a Disposition (or entry of an agreement to make a Disposition) (other than in connection with a Corporate Transaction Event) be permitted pursuant to this Section 7.04 on or after the Share Price Amendment Effective Date at any time when the Market Reference Price does not exceed the Release Share Price"; and

2.5 the following proviso is added at the end of Section 7.07 of the Loan Agreement (prior to the ending period thereof):

"; provided, however, that, in no event shall a Restricted Payment (or incurrence of an obligation to make a Restricted Payment) of Collateral be permitted pursuant to this Section 7.07 on or after the Share Price Amendment Effective Date at any time when the Market Reference Price does not exceed the Release Share Price".

SECTION 3. [Reserved].

SECTION 4. [Reserved].

SECTION 5. Conditions to Effectiveness. The Agreements shall become effective when all of the conditions set forth in this Section 5 shall have been satisfied or waived by the Lenders and, as applicable, the Administrative Agent (the "**Share Price Amendment Effective Date**").

5.1 Borrower shall have deposited not less than 6,000,000 additional CHTR Shares constituting Eligible Pledged Shares into the Lenders' Additional Unrestricted Collateral Accounts on a Pro Rata Basis.

5.2 Administrative Agent shall have executed this Agreement, in its capacity as Administrative Agent, and shall have received counterparts of this Agreement executed by Borrower, each Lender and the Calculation Agent.

5.3 Administrative Agent and each Lender shall have received a certificate executed by a Responsible Officer of Borrower certifying that: (i) Each of the representations and warranties made by Borrower set forth in Article V of the Amended Loan Agreement (other than in Section 5.20 thereof) and the other Loan Documents shall be true and correct in all material respects (except to the extent such representation or warranty is already qualified by materiality, in which case to that extent it shall be true and correct in all respects) on and as of the date hereof with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (except to the extent such representations and warranties are already qualified by materiality, in which case to that extent they shall be true and correct in all respects) as of such earlier date); and (ii) No Default shall exist as of the Share Price Amendment Effective Date or would result from the consummation of the transactions contemplated by this Agreement on the Share Price Amendment Effective Date.

5.4 Administrative Agent and each Lender shall have received such documents and certifications as Administrative Agent or any Lender may reasonably require to evidence that Borrower is duly organized or formed under the Laws of the jurisdiction of its organization and is validly existing, in good standing and qualified to engage in business in its jurisdiction of formation and each other jurisdiction where it is conducting business.

5.5 The Borrower shall have delivered to each Lender a Form U-1 or Form G-3 or an amendment to a Form U-1 or Form G-3 previously delivered to such Lender, duly executed by a Responsible Officer (in each case, unless such Lender has confirmed that it does not require either such form).

5.6 Borrower shall have paid all reasonable, documented and out-of-pocket fees, charges and disbursements of counsel to the Lenders and Agents to the extent invoiced at least two (2) Business Days prior to the Share Price Amendment Effective Date; provided that such amount shall not thereafter preclude a final settling of accounts between Borrower, such Lenders and Agents; provided, further, that, in each case, in the case of legal fees and expenses, such fees and expenses shall be limited to the reasonable and documented fees, charges and disbursements of a single counsel to Agents and the Lenders, taken as a whole.

SECTION 6. Representations and Warranties of Borrower. By its execution of this Agreement, Borrower hereby represents and warrants to the Lenders, Administrative Agent and Calculation Agent that, as of the Share Price Amendment Effective Date (after giving effect to this Agreement):

6.1 The execution, delivery and performance by Borrower of this Agreement has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of its respective Organization Documents; (b) result in any breach, or default under, any Contractual Obligation to which it is a party or by which it is bound; (c) result in the creation or imposition of any Transfer Restriction or Lien on the Collateral (other than the Permissible Transfer Restrictions) under, or require any payment to be made under, any Contractual Obligation; (d) violate any written corporate policy of any Issuer applicable to Borrower or, to Borrower's knowledge, affecting Borrower; (e) violate any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which Borrower is subject; or (f) violate any Law, except, in the case of clauses (b), (d), (e), and (f) above, where any such breach or violation, either individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

6.2 No Default exists as of the date hereof.

SECTION 7. Validity of Obligations and Liens; Reaffirmation.

7.1 Validity of Obligations. Borrower hereby ratifies and reaffirms the validity, enforceability and binding nature of the Obligations.

7.2 Validity of Liens and Loan Documents. Borrower hereby ratifies and reaffirms the validity and enforceability (without defense, counterclaim or offset of any kind) of the Liens and security interests granted in the Security Agreement to secure the Obligations and hereby confirms and agrees that notwithstanding the effectiveness of this Agreement, and except as expressly amended by this Agreement, each such Loan Document is, and shall continue to be, in full force and effect and each is hereby ratified and confirmed in all respects except that, on and after the effectiveness of this Agreement, each reference in the Loan Documents to the "Loan Agreement", "thereunder", "thereof" (and each reference in the Loan Agreement to this "Agreement", "hereunder" or "hereof") or words of like import shall mean and be a reference to the Amended Loan Agreement.

SECTION 8. Execution in Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart to this Agreement. The words "execute", "execution", "signed", "signature" and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that, notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

SECTION 9. Execution of Agreement. This Agreement shall be executed by Borrower, Administrative Agent, Calculation Agent and each of the Lenders. Execution of this Agreement by any Person constitutes the agreement of such Person to the terms of (and results in such Person being bound by) this Agreement and, upon the effectiveness of this Agreement, the Control Agreement, as amended hereby.

SECTION 10. No Implied Waivers. Except as expressly set forth in this Agreement, this Agreement shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of the Agents or the Lenders under the Loan Agreement or alter, modify, amend or in any way affect any of the terms, obligations or covenants contained in the Loan Agreement, other than as expressly set forth herein, all of which shall continue in full force and effect. Nothing in this Agreement shall be construed to imply any willingness on the part of the Agents or the Lenders to agree to or grant any similar or future amendment or waiver of any of the terms and conditions of the Loan Agreement.

SECTION 11. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

SECTION 12. Integration. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement is a Loan Document.

SECTION 13. No Discharge.

(a) This Agreement shall not discharge or release the obligations of any Person party to any Loan Document or discharge or release any security under any Loan Document. Nothing herein contained is intended by the parties to be, or shall be, construed as a substitution or novation of the instruments, documents and agreements securing the Obligations, including but not limited to the Control Agreement, which shall remain in full force and effect. Nothing in this Agreement shall be construed as a release or other discharge of Borrower from any of its obligations and liabilities under the Loan Documents, all of which are continued on the terms set forth in the Amended Loan Agreement, the Control Agreement and the other Loan Documents (as defined in the Amended Loan Agreement).

SECTION 14. **GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, RELATING TO, OR INCIDENTAL TO THIS AGREEMENT, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.**

SECTION 15. **SUBMISSION TO JURISDICTION; WAIVERS; ETC.**

15.1 **SUBMISSION TO JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.**

15.2 **WAIVER OF VENUE. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 15.1. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.**

15.3 **SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02 OF THE AMENDED LOAN AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.**

15.4 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

SECTION 16. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

SECTION 17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto (to the extent permitted by Section 10.06 of the Amended Loan Agreement).

SECTION 18. Recognition of the U.S. Special Resolution Regimes.

18.1 In the event that any Lender that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Lender of the Amended Loan Agreement, and any interest and obligation in or under the Amended Loan Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Amended Loan Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

18.2 In the event that any Lender that is a Covered Entity or a BHC Act Affiliate of such Lender becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Amended Loan Agreement that may be exercised against such Lender are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Amended Loan Agreement were governed by the laws of the United States or a state of the United States.

18.3 Definitions.

(a) "**BHC Act Affiliate**" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

(b) "**Covered Entity**" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(c) "**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

(d) "**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

SECTION 19. Authorization and Direction. By its signature below, each of the Lenders hereby authorizes and directs Administrative Agent and Calculation Agent to execute and deliver this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

LBC CHEETAH 6, LLC, as Borrower

By: LMC CHEETAH 1, LLC, as sole
member and a manager of LBC CHEETAH 6, LLC

By: LIBERTY BROADBAND CORPORATION, as sole member
and manager of LMC
CHEETAH 1, LLC

By: _________________________________
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

BNP PARIBAS, NEW YORK BRANCH, as Administrative Agent

By: - - - - -
Name:
Title:

By: - - - - -
Name:
Title:

BNP PARIBAS, as Calculation Agent and a Lender

By: - - - - -
Name:
Title:

By: - - - - -
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By: _

Name:

Title:

By: _

Name:

Title:

[*Signature Page to Amendment Agreement to MLA*]

MIZUHO BANK, LTD., as a Lender

By: _
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

ROYAL BANK OF CANADA, as a Lender

By: _

Name:

Title:

[*Signature Page to Amendment Agreement to MLA*]

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as a Lender

By: - - - - -
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

MUFG UNION BANK, N.A., as a Lender

By: ________________________
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

BANK OF AMERICA, N.A., as a Lender

By:
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

CANADIAN IMPERIAL BANK OF COMMERCE, as a Lender

By: _

Name:

Title:

[*Signature Page to Amendment Agreement to MLA*]

CITIBANK, N.A., as a Lender

By: _

Name:

Title:

[*Signature Page to Amendment Agreement to MLA*]

DEUTSCHE BANK AG, LONDON BRANCH, as a Lender

By: - - - - -
Name:
Title:

By: - - - - -
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

MORGAN STANLEY BANK, N.A., as a Lender

By: _

Name:

Title:

[*Signature Page to Amendment Agreement to MLA*]

SOCIÉTÉ GÉNÉRALE, as a Lender

By:

Name:

Title:

[*Signature Page to Amendment Agreement to MLA*]

UBS AG, LONDON BRANCH, as a Lender

By: - - - - -
Name:
Title:

By: - - - - -
Name:
Title:

[*Signature Page to Amendment Agreement to MLA*]

EXHIBIT 31.1

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Broadband Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers 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 we 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

   d) disclosed in this quarterly 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 officers 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 function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Broadband Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers 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 we 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

    d) disclosed in this quarterly 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 officers 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 function):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ BRIAN J. WENDLING

Chief Accounting Officer and Principal Financial Officer

Exhibit 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Broadband Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2022 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2022	/s/ GREGORY B. MAFFEI
	Gregory B. Maffei *President and Chief Executive Officer*
Dated: November 4, 2022	/s/ BRIAN J. WENDLING
	Brian J. Wendling *Chief Accounting Officer and Principal Financial Officer*

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.