

## STARZ ENTERTAINMENT CORP.

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

#### Overview

Prior to the Separation, as further discussed below, the business of Starz Entertainment Corp. (the "Company", "we", "us" or "our"), substantially consisted of the Starz Business of Old Lionsgate's, Media Networks segment, consisting of (i) Starz Networks, which includes the domestic distribution of STARZ branded premium subscription video services through over-the-top ("OTT") streaming platforms and distributors, on a direct to-consumer basis through the Starz App and through wholesale U.S. and Canada OTT and multichannel video programming distributors ("MVPDs"), including cable operators, satellite television providers and telecommunications companies (in the aggregate the "Starz Platform"), and (ii) International, which consists of the OTT distribution of subscription video services outside the U.S. and Canada.

See Note 1, *Description of Business, Basis of Presentation and Significant Accounting Policies*, for further details regarding the Separation, International Restructuring, and Basis of Presentation of the Company and the accompanying financial statements.

#### Separation

Prior to the Separation, as defined and further discussed below, the business of Starz Entertainment Corp. (the "Starz Business") substantially consisted of Lions Gate Entertainment Corp.'s ("Old Lionsgate" or "Parent") Media Networks segment consisting of (i) Starz Networks, which includes the distribution of the Starz Platform, and (ii) International, which at that time primarily consisted of the OTT distribution of subscription video services outside the U.S. and Canada ("Lionsgate+"). Old Lionsgate also had a subsidiary Lionsgate Studios Corp. (formerly trading on the Nasdaq Stock Market under the ticker symbol LION) ("Legacy Lionsgate Studios") that included the company's motion picture and television studio operations (collectively referred to as the "LG Studios Business").

On May 6, 2025, Old Lionsgate, through a series of transactions contemplated by an arrangement agreement dated as of January 29, 2025, as amended by an agreement, dated as of March 12, 2025 (as amended, the "Arrangement Agreement"), completed the separation of the LG Studios Business of Old Lionsgate from the Starz Business. As a result of the Arrangement Agreement, the pre-transaction shareholders of Old Lionsgate own shares in two separately traded public companies: (1) Old Lionsgate, which was renamed "Starz Entertainment Corp." and holds, directly and through subsidiaries, the Starz Business previously held by Old Lionsgate, and (2) Lionsgate Studios Holding Corp. ("New Lionsgate"), which was renamed "Lionsgate Studios Corp." and holds, directly and through subsidiaries, the LG Studios Business previously held by Old Lionsgate, and is owned by Old Lionsgate shareholders and Legacy Lionsgate Studios shareholders.

To complete the Separation, pre-transaction shareholders of Old Lionsgate's Class A common shares received one and twelve one-hundredths (1.12) New Lionsgate common shares and one and twelve one-hundredths (1.12) Starz Entertainment Corp. common shares while Old Lionsgate's Class B common shares received one share of New Lionsgate common shares and one share of Starz Entertainment Corp.'s common shares. As a result of the steps described above, each of New Lionsgate and Starz have a single class of "one share, one vote" common shares. Starz Entertainment Corp.'s common shares were then consolidated on a 15-to-1 basis, such that every fifteen (15) Starz common shares were consolidated into one (1) Starz common share (the "Reverse Stock Split"). See Note 8 *Capital Stock*, for further details.

Notwithstanding the legal form of the Separation, for accounting and financial reporting purposes, in accordance with U.S. GAAP, due to the relative significance of the LG Studios Business as compared to the Starz Business and the continued involvement of Old Lionsgate's senior management with New Lionsgate following the completion of the Separation, New Lionsgate (which holds the LG Studios Business) is considered the accounting spinnor or divesting entity and Starz Entertainment Corp. (which holds the Starz Business) is considered the accounting spinnee or divested entity. As a result, Old Lionsgate was determined to be the accounting predecessor to New Lionsgate and the Starz Business's pre-Separation financial information has been prepared on a carve-out basis and are derived from Old Lionsgate's consolidated financial statements and accounting records. See *Basis of Presentation* below.

#### Starz Networks Restructuring

In 2022 and 2023, in connection with its ongoing restructuring activities, Starz performed a strategic review of content performance across the Starz Platform, resulting in certain programming being removed from those platforms and written down to fair value. During 2024 and 2025, Starz continued its evaluation of the programming on the Starz Platform and cancelled certain ordered programming, and identified certain other programming with limited strategic purpose, which was removed from the Starz Platform and abandoned by the Company.

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As a result of these restructuring initiatives, we have incurred impairment charges from the inception of the plan through June 30, 2025 of \$456.7 million. Recovery of certain content costs previously impaired were recorded during the quarters ended June 30, 2025 and June 30, 2024. As the Company continues to evaluate its current restructuring plan in relation to the current micro and macroeconomic environment, including further review of content and performance and its strategy, we may decide to expand the restructuring plan and remove certain content off the Starz Platform in the future. Accordingly, the Company may incur additional content impairment charges in the future.

### ***International Restructuring***

In 2023 and 2024, Old Lionsgate began a plan to restructure and shut down its international LIONSGATE+ business. During the quarters ended June 30, 2025 and June 30, 2024, Old Lionsgate continued executing the restructuring plan, which included exiting all international territories except Canada (included in the Starz Networks segment) and India and Southeast Asia (included in the International segment), which was completed in May 2024. The historical results of operations of international territories that were shut down are presented as discontinued operations in these financial statements for all periods presented.

### ***Basis of Presentation***

From and after the effective date of the Separation, the Company's financial statements are presented on a consolidated basis. The unaudited financial statements for all periods presented, including the historical results of the Company prior to the Separation, are now referred to as the "condensed consolidated financial statements".

For periods prior to the Separation, the Starz Business operated as a segment of Old Lionsgate and not as a separate entity. The Company's financial statements prior to the Separation were prepared on a carve-out basis and were derived from Old Lionsgate's consolidated financial statements and accounting records and reflect Starz Business's combined historical financial position, results of operations and cash flows in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP"). Prior to the Separation, a management approach was applied to determine the carve-out basis of presentation. In using the management approach, considerations over how the business operates were utilized to identify historical operations that should be presented within the carve-out financial statements.

For periods subsequent to the Separation, the accompanying unaudited condensed consolidated financial statements include the accounts of Starz Entertainment Corp. and all of its majority-owned and controlled subsidiaries.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S.GAAP for interim financial information and the instructions to quarterly report on Form 10-Q under the Securities Exchange Act of 1934, as amended, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of the Company's management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been reflected in these condensed unaudited consolidated financial statements. The balance sheet as of March 31, 2025 has been derived from the audited combined financial statements at that date, but does not include all the information and footnotes required by U.S. GAAP for complete financial statements. The accompanying unaudited condensed consolidated financial statements should be read together with the Company's audited combined financial statements and related notes for the fiscal year ended March 31, 2025 as filed on June 26, 2025 with the U.S. Securities and Exchange Commission ("SEC").

Certain amounts presented in prior periods have been reclassified to conform to the current period presentation.

All revenue and costs, as well as assets and liabilities directly associated with the business activity of the Starz Business are included in the accompanying financial statements. Revenue and costs associated with the Starz Business are specifically identifiable in the accounting records maintained by Old Lionsgate and primarily represent the revenue and costs used for the determination of segment profit of the Media Networks segment of Old Lionsgate. In addition, these costs include an allocation of corporate general and administrative expense (inclusive of share-based compensation) which has been allocated to the Company as further discussed below.

In May 2024, Old Lionsgate consummated a series of transactions, by which the LG Studios Business became a separate publicly traded company (the "Studio Separation"). The LG Studios Business is substantially reflective of Old Lionsgate's Motion Pictures and Television Production segments together with a substantial portion of Old Lionsgate's corporate general and administrative expenses.

In May 2024, Starz entered into an intercompany revolving credit facility with Lionsgate Studios Corp. which was used to settle intercompany transactions prior to Separation.

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Prior to the Studio Separation, Old Lionsgate utilized a centralized approach to cash management. Cash generated by the Starz Business was managed by Old Lionsgate's centralized treasury function and cash was routinely transferred to the Starz Business or to the LG Studios Business to fund operating activities when needed. Cash and cash equivalents of the Company are reflected in the accompanying balance sheets. Payables to and receivables from Old Lionsgate related to the Starz Business, were often settled through movement to the intercompany accounts between Old Lionsgate, the Starz Business and the LG Studios Business. Other than certain specific balances related to unsettled payables or receivables, the intercompany balances between the Starz Business and LG Studios Business were accounted for as parent net investment. See Note 15, *Due To/From LG Studios Business*, for further details.

Management believes the assumptions underlying our financial statements, including the assumptions regarding the allocation of general and administrative expenses from Old Lionsgate are reasonable. However, the allocations may not include all the actual expenses that would have been incurred by Starz had we been a standalone company during the periods presented. It is not practicable to estimate actual costs that would have been incurred had we been a standalone company and operated as an unaffiliated entity during the periods presented. Actual costs that might have been incurred had we been a standalone company would depend on a number of factors, including the organizational structure, what corporate functions we might have performed directly or outsourced and strategic decisions we might have made in areas such as executive management, legal and other professional services, and certain corporate overhead functions. See Note 15, *Due To/From LG Studios Business*, for further details of the allocations included in the accompanying financial statements.

The issuer of the Old Lionsgate's 5.5% senior notes due April 15, 2029 (the "5.5% Senior Notes") was Starz Capital Holdings, LLC (previously known as Lions Gate Capital Holdings LLC), a Starz entity. The 5.5% Senior Notes were generally used as a method of financing Old Lionsgate's operations in totality and were not specifically identifiable to the LG Studios Business or the Starz Business. It is not practical to determine what the capital structure would have been historically for the Starz Business or the LG Studios Business prior to the Studio Separation as standalone companies; however, the 5.5% Senior Notes were issued by a subsidiary of Starz and are representative of the overall debt levels, that were expected for the Company following the completion of the Separation. In May 2024, the Starz Business issued \$389.9 million aggregate principal amount of new 5.5% exchange notes due 2029 (the "Exchange Notes") in exchange for \$389.9 million of the existing 5.5% Senior Notes (the "Exchange Transaction"). As a result of the Exchange Transaction, the principal amount of the 5.5% Senior Notes outstanding was reduced to \$325.1 million and total aggregate debt outstanding, including \$300.0 million outstanding per Term Loan A, was \$625.1 million. See Note 4, *Debt*, for further details. Upon completion of the Separation, the Exchange Notes became obligations solely of New Lionsgate. The remaining 5.5% Senior Notes remained with the Company upon completion of the Separation. A portion of Old Lionsgate's corporate debt, (the revolving credit facility, term loan A and term loan B, together referred to as the "Old Lionsgate Senior Credit Facilities") had been assumed by the LG Studios Business under an intercompany note and accordingly, the Old Lionsgate Senior Credit Facilities and related interest expense are not reflected in the Company's financial statements.

In connection with the Separation, the Company entered into a new credit agreement (the "Starz Credit Agreement") which provides for a \$300.0 million senior secured term loan credit facility and a \$150.0 million senior secured revolving credit facility. See Note 4, *Debt*, for further details.

Additional indebtedness directly related to the Company, including programming notes, are reflected in the Company's consolidated financial statements. See Note 5, *Programming Related Obligations*, for further details.

Old Lionsgate's corporate general and administrative functions and costs, which were retained within New Lionsgate, have historically been provided to both the Starz Business and the LG Studios Business. These functions and costs include, but are not limited to, salaries and wages for certain executives and other corporate officers related to executive oversight, investor relations, maintenance of corporate facilities, and other common administrative support functions, including corporate accounting, finance and financial reporting, audit and tax, corporate and other legal support functions, and certain information technology and human resources support functions. Accordingly, for periods prior to the Separation, the accompanying financial statements of the Company include allocations of certain general and administrative expenses (inclusive of share-based compensation) from Old Lionsgate related to these corporate and shared service functions historically provided by Old Lionsgate.

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Prior to the Studio Separation, Old Lionsgate established a shared services and overhead sharing agreement (the “Shared Services Agreement”). The Shared Services Agreement facilitates the allocation to the LG Studios Business of all corporate general and administrative expenses of Old Lionsgate, except for an amount of \$10.0 million charged annually to the Starz Business. The \$10.0 million charge of Old Lionsgate’s corporate general and administrative expenses to the Starz Business pursuant to the Shared Services Agreement is designed to reflect the portion of corporate expenses reflective of the level of effort and costs incurred related to management oversight and services provided to the Starz Business following the Studio Separation. Prior to the Studio Separation, these expenses were allocated to the Starz Business on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of consolidated Old Lionsgate revenue, payroll expense or other measures considered to be a reasonable reflection of the historical utilization levels of these services.

Old Lionsgate also paid certain expenses on behalf of the Starz Business prior to the Separation such as certain rent expense, employee benefits, insurance and other administrative operating costs which are reflected in the accompanying financial statements. The Starz Business also paid certain expenses on behalf of Old Lionsgate such as legal expenses, software development costs and severance. The settlement of reimbursable expenses between the Starz Business and the LG Studios Business have been accounted for as parent net investment. See Note 15, *Due To/From LG Studios Business*, for further detail of parent net investment included in the accompanying financial statements.

### ***Change in Fiscal Year End***

On May 8, 2025, the Company's Board of Directors approved a change in Starz’s fiscal year end from March 31 to December 31. The date of Starz’s next fiscal year end will be December 31, 2025. As a result of the change, the Company will file a Transition Report on Form 10-K for the nine-month transition period from April 1, 2025 to December 31, 2025

### ***Generally Accepted Accounting Principles***

These financial statements have been prepared in accordance with U.S. GAAP.

### ***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The most significant estimates made by management in the preparation of the accompanying financial statements relate to the intangible asset associated with the customer relationships with U.S. MVPDs (“Starz Traditional Affiliates”), which is amortized in the proportion that current period revenue bears to management’s estimate of future revenue over the remaining estimated useful life of the asset; estimates of future viewership used for the amortization of programming content; the allocation of costs to the Starz Business for certain corporate and shared service functions prior to Separation; income taxes including the assessment of valuation allowances for deferred tax assets; and impairment assessments for licensed program rights and intangible assets. Actual results could differ from such estimates.

### ***Segments***

Following the Separation, Starz manages and reports its operating results through one reportable segment, *Starz Networks*, which includes our Domestic and Canadian operations. The continuing operations outside the U.S. and Canada, which primarily consists of our operations in India and Southeast Asia, is reported as *International*. Effective April 1, 2025, we transferred our operations in India and Southeast Asia to New Lionsgate. Given that Starz and New Lionsgate were under common control at the time of the transfer, no gain or loss was recorded related to the transfer.

### ***Relationship with New Lionsgate***

Certain functions that Old Lionsgate provided to Starz prior to the completion of the Separation continue to be provided to us by New Lionsgate under a Transition Services Agreement, while other functions previously provided by Old Lionsgate are now performed using our own resources or third-party service providers. Additionally, under our original series programming license agreements, multiyear theatrical film output licensing agreements and library programming agreements with Old Lionsgate, we continue to distribute New Lionsgate programming. We have incurred certain costs in establishing ourselves as a standalone public company, as well as ongoing additional costs associated with operating as an independent, publicly traded company. See “Components of Results of Operations” below for more information.

## **Components of Results of Operations**

### ***Revenue***

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We earn our revenue from the distribution of branded premium subscription video services through OTT streaming platforms and distributors, on a direct-to-consumer basis through the Starz App and through MVPDs, including cable operators, satellite television providers and telecommunications companies.

Pursuant to our distribution agreements, revenue is primarily generated from fees from subscribers who receive the Company's services or based on other factors (variable fee arrangements), or to a lesser extent, may be based on a monthly fixed fee or minimum guarantee, subject to nominal annual escalations.

The variable distribution fee arrangements represent sales or usage-based royalties, which are recognized over the period of such sales or usage by our distributor, which is the same period that the content is provided to the distributor. Estimates of revenue generated but not yet reported to us by our distribution partners are made based on an estimated number of subscribers using historical trends and recent reporting. Other fixed fee or minimum guarantee programming revenue is recognized over the contract term based on the continuous delivery of the content to the distributor. Subscribers through the Starz App are billed in advance of the start of their monthly or multi-month membership period and revenue is recognized ratably over each applicable membership period.

In connection with the distribution rights obtained outside of the Starz Platform, we license rights to other parties who distribute our content for a fee. New Lionsgate acts as distributor in these arrangements. License fees associated with these agreements have not been material to date.

### *Expenses*

Our primary operating expenses include programming amortization, other operating expenses, advertising and marketing expenses, and general and administrative expenses.

Other operating expenses include programming related salaries, residual expenses, development costs, provision for doubtful accounts, and foreign exchange gains and losses.

Residuals represent amounts payable to various unions or "guilds" such as the Screen Actors Guild - American Federation of Television and Radio Artists, Directors Guild of America, and Writers Guild of America, based on the performance of the film or television program in certain ancillary markets or based on the individual's (i.e., actor, director, writer) salary level in the television market.

Advertising and marketing expenses primarily include the costs of advertising, consumer marketing, distributor marketing support and other marketing costs, and operating costs for the direct-to-consumer service, transponder expenses and maintenance and repairs.

The level of programming amortization and advertising and marketing costs can fluctuate from period to period depending on the number of new original series and first-run output theatrical movies premiering on the network during the period. Programming cost amortization and advertising and marketing costs generally increase in periods where new original series premiere.

General and administrative expenses include salaries and other overhead and include allocations for certain general and administrative expenses from Old Lionsgate to the Starz Business related to certain corporate and shared service functions historically provided by Old Lionsgate to the Starz Business, including, but not limited to, executive oversight, accounting, tax, legal, human resources, occupancy, and other shared services. See "*Basis of Presentation*" above and Note 1 and Note 15 for further details on our methodology for allocating these costs. As described in "*Basis of Presentation*" above, in connection with the Studio Separation, during the quarter ended June 30, 2025, Old Lionsgate and Legacy Lionsgate Studios entered into a shared services and overhead sharing agreement (the "Shared Services Agreement"). The Shared Services Agreement allocates to the LG Studios Business all of corporate general and administrative expenses of Old Lionsgate, except for an amount of \$10.0 million to be charged annually to the Company. The \$10.0 million charge of Old Lionsgate's corporate general and administrative expenses to the Company pursuant to the Shared Services Agreement is designed to reflect the portion of corporate expenses expended and reflective of the level of effort and costs incurred related to management oversight and services provided for the Company post Studio Separation with consideration of the then-anticipated completion of the Separation.

Allocations of expenses from Old Lionsgate are not necessarily indicative of future expenses and do not necessarily reflect results that would have been achieved as an independent, publicly traded company for the periods presented. Recurring standalone costs may be higher than historical allocations, which may have an impact on profitability and operating cash flows. Now that the Separation is complete, we are incurring additional expenses for, among other things, directors' and officers' and other insurance, director fees and additional internal and external accounting, legal and administrative resources and fees.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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We describe our significant accounting policies in Note 1 to the Company's Financial Statements included in our March 31, 2025 Form 10-K. There have been no significant changes in our significant accounting policies since March 31, 2025.

We describe our significant accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our March 31, 2025 Form 10-K. There have been no significant changes in our significant accounting estimates since March 31, 2025.

***Recent Accounting Pronouncements***

See Note 1, *Description of Business, Basis of Presentation and Significant Accounting Policies*, for a discussion of recent accounting guidance.

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**RESULTS OF OPERATIONS**
*Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024*
**Consolidated Results of Operations**

The following table sets forth our consolidated results of operations for the quarters ended June 30, 2025 and June 30, 2024.

	Three Months Ended		Increase (Decrease)	
	June 30,		Amount	Percent
	2025	2024		
	(Amounts in millions)			
<b>Revenue</b>				
OTT revenue	221.1	234.4	\$ (13.3)	(5.7)%
Linear and other revenue	98.6	113.2	(14.6)	(12.9)%
Total revenue	319.7	347.6	(27.9)	(8.0)%
<b>Expenses:</b>				
Programming amortization	162.5	147.9	14.6	9.9 %
Other operating	36.5	39.3	(2.8)	(7.1)%
Advertising and marketing	63.4	82.7	(19.3)	(23.3)%
General and administrative	29.1	26.6	2.5	9.4 %
Depreciation and amortization	48.7	41.6	7.1	17.1 %
Restructuring and other	6.4	(0.6)	7.0	(1,166.7)%
Total expenses	346.6	337.5	9.1	2.7 %
<b>Operating (loss) income</b>	(26.9)	10.1	(37.0)	(366.3)%
Interest expense	(13.2)	(10.8)	(2.4)	22.2 %
Interest and other income	—	0.8	(0.8)	(100.0)%
Other expense	(2.5)	(1.7)	(0.8)	47.1 %
Loss on extinguishment of debt	—	(4.9)	4.9	(100.0)%
<b>Loss from continuing operations before income taxes</b>	(42.6)	(6.5)	(36.1)	555.4 %
Income tax benefit	0.1	7.6	(7.5)	(98.7)%
<b>Net (loss) income from continuing operations</b>	\$ (42.5)	\$ 1.1	\$ (43.6)	(3,963.6)%
<b>Net income from discontinued operations, net of income taxes</b>	—	3.1	(3.1)	(100.0)%
<b>Net (loss) income</b>	\$ (42.5)	\$ 4.2	\$ (46.7)	(1,111.9)%

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**Subscriber Data.** The number of period-end service subscribers is a key metric which management uses to evaluate a non-ad supported subscription video service. We believe this key metric provides useful information to investors as a growing or decreasing subscriber base is a key indicator of the health of the overall business. Service subscribers may impact revenue differently depending on specific distribution agreements we have with our distributors which may include a rate per STARZ subscriber, rates per basic video household or fixed fees. The table below sets forth, for the periods presented, subscriptions to our Starz Networks and International services.

	June 30, 2025	June 30, 2024
	(Amounts in millions)	
<b>Domestic</b>		
OTT Subscribers	12.18	12.44
Linear Subscribers	5.41	6.49
Total Domestic Subscribers	17.59	18.93
<b>Canada</b>		
OTT Subscribers	0.68	0.76
Linear Subscribers	0.81	1.61
Total Canada Subscribers	1.49	2.37
<b>Starz Networks</b>		
OTT Subscribers	12.86	13.20
Linear Subscribers	6.22	8.10
Total Starz Networks Subscribers	19.08	21.30
<b>International</b>		
OTT Subscribers	—	2.60
<b>Total Starz</b>		
OTT Subscribers	12.86	15.80
Linear Subscribers	6.22	8.10
Total Starz Subscribers	19.08	23.90

**Revenue.** Consolidated revenue decreased \$27.9 million. The decrease in Starz Networks revenue reflects declines in revenue of \$14.6 million from traditional linear services and OTT revenue of \$13.3 million. These decreases resulted from lower subscribers. International declined due to the transfer of our operations in India and Southeast Asia to New Lionsgate effective April 1, 2025.

During the quarter ended June 30, 2025 and the quarter ended June 30, 2024, the following original series premiered on STARZ:

Quarter Ended June 30, 2025		Quarter Ended June 30, 2024	
Title	Premiere Date	Title	Premiere Date
<b>First Quarter:</b>		<b>First Quarter:</b>	
<i>Black Mafia Family Season 4</i>	June 6, 2025	<i>Mary &amp; George Season 1</i>	April 5, 2024
		<i>Power Book II: Ghost Season 4 Part 1</i>	June 7, 2024

**Programming Amortization.** The level of programming amortization for Starz Networks can fluctuate from period to period depending on the number of new original series and first-run output theatrical movies premiering on the network during the period, therefore programming amortization generally increases in periods where new original series premiere.

	Three Months Ended June 30,		Increase (Decrease)	
	2025	2024	Amount	Percent
	(Amounts in millions)			
Programming amortization				
Starz Networks	\$ 162.5	\$ 146.1	\$ 16.4	11.2 %
International	—	1.8	(1.8)	n/a
	\$ 162.5	\$ 147.9	\$ 14.6	9.9 %

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During the quarter ended June 30, 2025, Black Mafia Family Season 4 premiered on the Starz Platform on June 6, 2025, however, Power Book III: Raising Kanan Season 4 premiered shortly before the quarter on March 7, 2025. These premieres contributed to an increase in programming amortization for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024.

**Other Operating Expenses and Advertising and Marketing Expenses.** Other operating expenses include programming related salaries, residual expenses, development costs, provision for doubtful accounts, and foreign exchange gains and losses. The level of other operating expenses and advertising and marketing costs can fluctuate from period to period depending on the number of new original series and first-run output theatrical movies premiering on the network during the period. Advertising and Marketing costs generally increase in periods where new original series premiere.

**Other Operating Expenses.** Other operating expenses by segment and share-based compensation expense which is not allocated to our segments were as follows for the quarters ended June 30, 2025 and 2024:

	Three Months Ended June 30,				Increase (Decrease)	
	2025		2024		Amount	Percent
	Amount	% of Segment Revenue	Amount	% of Segment Revenue		
(Amounts in millions)						
Other operating expenses						
Starz Networks	\$ 35.6	11.0 %	\$ 38.0	11.0 %	\$ (2.4)	(6.3)%
International	—	n/a	0.5	22.0 %	(0.5)	n/a
Share-based compensation expense	0.9	n/a	0.8	n/a	0.1	n/a
	<u>\$ 36.5</u>	<u>11.0 %</u>	<u>\$ 39.3</u>	<u>11.0 %</u>	<u>\$ (2.8)</u>	<u>(7.1)%</u>

Other operating expenses decreased in the quarter ended June 30, 2025 due to decreases at Starz Networks of \$2.4 million, resulting from a decrease in app store revenue share costs due to lower OTT revenue. International declined due to the transfer of our operations in India and Southeast Asia to New Lionsgate effective April 1, 2025.

**Advertising and Marketing Expenses.** Advertising and marketing expenses by segment were as follows for the quarters ended June 30, 2025 and June 30, 2024:

	Three Months Ended June 30,		Increase (Decrease)	
	2025	2024	Amount	Percent
	(Amounts in millions)			
Advertising and marketing expenses				
Starz Networks	\$ 63.4	\$ 82.4	\$ (19.0)	(23.1)%
International	—	0.3	(0.3)	n/a
	<u>\$ 63.4</u>	<u>\$ 82.7</u>	<u>\$ (19.3)</u>	<u>(23.3)%</u>

Advertising and marketing expenses decreased in the quarter ended June 30, 2025 primarily due to a decrease in direct response and originals advertising and marketing costs as compared to the quarter ended June 30, 2024 due to lower overall spend resulting from increased efficiency in our marketing operations in the quarter ended June 30, 2025.

**General and Administrative Expenses.** General and administrative expenses by segment and share-based compensation which is not allocated to our segments were as follows for the quarters ended June 30, 2025 and 2024:

	Three Months Ended				Increase (Decrease)	
	June 30,				Amount	Percent
	2025	% of Revenue	2024	% of Revenue		
(Amounts in millions)						
General and administrative expenses						
Starz Networks	\$ 24.8		\$ 21.5		\$ 3.3	15.3 %
International	—		0.7		(0.7)	n/a
Share-based compensation expense	4.3		4.4		(0.1)	(2.3)%
Total general and administrative expenses	<u>\$ 29.1</u>	<u>9.1 %</u>	<u>\$ 26.6</u>	<u>7.7 %</u>	<u>\$ 2.5</u>	<u>9.4 %</u>

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During the quarter ended June 30, 2025, Starz Networks' general and administrative expenses increased \$2.5 million in the quarter ended June 30, 2025, as compared to the quarter ended June 30, 2024, Such increase resulted from additional expenses for, among other things, directors' and officers' and other insurance, director fees, and additional internal and external accounting, legal and administrative resources and fees due to Starz becoming an independent public company. International declined due to the transfer of our operations in India and Southeast Asia to New Lionsgate effective April 1, 2025.

The following table presents share-based compensation expense by financial statement line item:

	Three Months Ended June 30,	
	2025	2024
(Amounts in millions)		
Share-based compensation expense included in:		
Operating expense	\$ 0.9	\$ 0.8
General and administration	4.3	4.4
Restructuring and other	2.2	—
Total share-based compensation expense	\$ 7.4	\$ 5.2

**Depreciation and Amortization Expense.** Depreciation and amortization of \$48.7 million for the quarter ended June 30, 2025 increased \$7.1 million from \$41.6 million in the quarter ended June 30, 2024, due primarily to the reduction in the useful life of our Starz Traditional Affiliate customer relationships finite-lived intangible asset from 16 years to 14 years effective January 1, 2025.

**Restructuring and Other.** Restructuring and other increased \$7.0 million in the quarter ended June 30, 2025 as compared to the quarter ended June 30, 2024, and includes restructuring costs, and certain transaction and other costs, when applicable. The increase is primarily the result of legal and other costs incurred to complete the Separation. See Note 10, *Restructuring and Other*, for further details.

**Interest Expense.** Interest expense of \$13.2 million in the quarter ended June 30, 2025 increased \$2.4 million from quarter ended June 30, 2024 due primarily to an increase in our programming related obligations, which represent individual unsecured loans for the licensing of film and television programs.

**Loss on Extinguishment of Debt.** The loss on extinguishment of debt of \$4.9 million for quarter ended June 30, 2024 was related to the write-off of debt issuance costs associated with the 5.5% Senior Note exchange.

**Income Tax Benefit.** We had an income tax benefit of \$0.1 million in the quarter ended June 30, 2025, compared to an income tax benefit of \$7.6 million in the quarter ended June 30, 2024. Our income tax provision differs from the U.S. federal statutory rate multiplied by pre-tax income (loss) due to the income tax effects of state income taxes, and changes in the valuation allowance against our deferred tax assets. Our income tax provisions for the quarter ended June 30, 2024 was also impacted by the change in uncertain tax benefits due to the expiration of statutes of limitations and additional settlements with tax authorities.

**Net (Loss) Income from Continuing Operations.** Net loss continuing operations for the quarter ended June 30, 2025 was \$(42.5) million. This compares to net income from continuing operations for the quarter ended June 30, 2024 of \$1.1 million.

**Non-GAAP Measures**

Adjusted OIBDA is defined as operating income (loss) before depreciation and amortization, adjusted for share-based compensation, restructuring and other costs, and unusual gains or losses (such as goodwill and intangible asset impairment), when applicable.

- Depreciation and amortization as presented on our consolidated statement of operations.
- Share-based compensation represents share-based compensation excluding the impact of the acceleration of certain vesting schedules for equity awards pursuant to certain severance arrangements, which are included in restructuring and other expenses, when applicable.

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- Restructuring and other includes restructuring and severance costs, certain transaction and other costs, and certain unusual items, when applicable.

**Overall:** This measure is a non-GAAP financial measure as defined in Regulation G promulgated by the SEC and is in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with United States GAAP.

We use this non-GAAP measure, among other measures, to evaluate the operating performance of our business. We believe this measure provides useful information to investors regarding our results of operations before non-operating items. Adjusted OIBDA is considered an important measure of the Company’s performance because this measure eliminates amounts that, in management’s opinion, do not necessarily reflect the fundamental performance of the Company’s businesses, are infrequent in occurrence, and in some cases are non-cash expenses.

This non-GAAP measure is commonly used in the entertainment industry and by financial analysts and others who follow the industry to measure operating performance. However, not all companies calculate this measure in the same manner and the measure as presented may not be comparable to similarly titled measures presented by other companies due to differences in the methods of calculation and excluded items.

A general limitation of this non-GAAP financial measure is that it is not prepared in accordance with U.S. GAAP. This measure should be reviewed in conjunction with the relevant GAAP financial measures and is not presented as an alternative measure of operating loss.

	Three Months Ended	
	June 30,	
	2025	2024
	Actual	Actual
	(Amounts in millions)	
<b>Operating (loss) income</b>	\$ (26.9)	\$ 10.1
Depreciation and amortization	48.7	41.6
Restructuring and other	6.4	(0.6)
Share-based compensation expense <sup>(1)</sup>	5.2	5.2
<b>Adjusted OIBDA</b>	<b>\$ 33.4</b>	<b>\$ 56.3</b>

<sup>(1)</sup> Share-based compensation expense for the quarter ended June 30, 2025 excludes \$2.2 million of share-based compensation expense, which is included within restructuring and other. See Note 8, *Share-Based Compensation*, for further details.

The following table sets forth Adjusted OIBDA by segment:

	Three Months Ended			
	June 30, 2025	June 30, 2024		
	Starz Networks	Starz Networks	International	Total
	(Amounts in millions)			
Revenue	\$ 319.7	\$ 345.3	\$ 2.3	\$ 347.6
Programming amortization	(162.5)	(146.1)	(1.8)	(147.9)
Other operating	(35.6)	(38.0)	(0.5)	(38.5)
Advertising and marketing	(63.4)	(82.4)	(0.3)	(82.7)
General and administrative	(24.8)	(21.5)	(0.7)	(22.2)
<b>Adjusted OIBDA<sup>(1)</sup></b>	<b>\$ 33.4</b>	<b>\$ 57.3</b>	<b>\$ (1.0)</b>	<b>\$ 56.3</b>

<sup>(1)</sup> Share-based compensation expense excluded from Adjusted OIBDA for the quarters ended June 30, 2025 and June 30, 2024 includes \$0.9 million and \$0.8 million, respectively, in other operating expenses, and \$4.3 million and \$4.4 million, respectively, in advertising and marketing expenses. See Note 11, *Share-Based Compensation*, to our audited combined financial statements for further details.

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Starz Networks Adjusted OIBDA of \$33.4 million for the quarter ended June 30, 2025, decreased by \$23.9 million from the quarter ended June 30, 2024. Such decrease resulted from lower revenue due to lower subscribers and higher programming amortization from the premiere of two original series, Power Book III: Raising Kanan Season 4 (premiered March 7, 2025) and Black Mafia Family Season 4 (premiered June 6, 2025) on the Starz Platform either shortly before or during the quarter ended June 30, 2025. Lower advertising and marketing expenses offset the lower revenue and increased programming amortization due to reduced spend from increased efficiency in our marketing operations.

### Liquidity and Capital Resources

#### *Sources of Cash*

Our liquidity and capital resources for the three months ended June 30, 2025, were provided principally through cash generated from operations, our programming related obligations, the monetization of trade accounts receivable, parent net investments and following the Studio Separation, the Intercompany Revolver and the Old Lionsgate Revolving Credit Facility (each defined below). As of June 30, 2025 and June 30, 2024 we had cash and cash equivalents of \$51.6 million and \$17.8 million, respectively.

However, as discussed above, prior to the Studio Separation, we operated within Old Lionsgate's cash management structure, which used a centralized approach to cash management and financing of our operations. These arrangements are not reflective of the manner in which we would have financed our operations had we been an independent company during the periods presented.

In connection with the Separation, the Company entered into a new credit agreement which provides for a \$300.0 million Term Loan A and a \$150.0 million senior secured revolving credit facility. New Lionsgate also assumed the Exchange Notes, as described below, and pursuant to the terms of the agreement the Company was released and discharged of such obligations.

#### **Existing Notes and Term Loan**

As of June 30, 2025 and June 30, 2024, we had \$300.0 million and \$325.1 million, respectively, outstanding of 5.5% senior notes due 2029 (the "5.5% Senior Notes") and Term Loan A due in 2030.

As discussed in Note 4 to the accompanying financial statements, on May 8, 2024, Lions Gate Capital Holdings 1, Inc. ("LGCH1") (which was renamed Starz Capital Holdings 1, Inc. at Separation), a Delaware corporation and an indirect, wholly-owned subsidiary of Old Lionsgate and a Starz company, issued \$389.9 million aggregate principal amount of the 5.5% exchange notes due 2029 (the "Exchange Notes")

The Exchange Notes and 5.5% Senior Notes and related interest expense have been reflected in the Company's financial statements. As described above, upon completion of the Separation, the Exchange Notes became obligations solely of New Lionsgate and are no longer reflected in the Company's financial statements.

See Note 4, *Debt*, for a discussion of our corporate debt.

#### **Old Lionsgate Revolving Credit Facility**

Following the Studio Separation, \$150.0 million of Old Lionsgate's revolving credit facility, which provides for borrowings and letters of credit up to an aggregate of \$1.25 billion, became available to the Company (the "Old Lionsgate Revolving Credit Facility"). At June 30, 2025, there were no amounts outstanding and, accordingly, there was \$150.0 million under Old Lionsgate's revolving credit facility available to the Company. In connection with the Separation, all outstanding obligations in respect of principal, interest and fees under the Old Lionsgate Revolving Credit Facility, were repaid in full and all commitments thereunder were terminated.

See Note 4 *Debt* for a discussion of the Old Lionsgate Revolving Credit Facility.

#### **Intercompany Revolver**

In connection with the Studio Separation, on May 13, 2024, LGAC International LLC, a Delaware limited liability company and wholly owned subsidiary of Lionsgate Studios ("LGAC International"), and LGCH1 (which was renamed Starz Capital Holdings 1, Inc. at Separation "SCH1"), entered into a revolving credit agreement (the "Intercompany Revolver"), pursuant to which LGAC International and SCH1 agreed to make revolving loans to each other from time to time provided that the net amount owing by one party to the other at any particular time may not exceed \$150.0 million. In connection with the Separation, all outstanding obligations in respect of principal, interest and fees under the Intercompany Revolver were repaid in full and all commitments thereunder were terminated.

See Note 15, *Due To/From LG Studios Business*, for a discussion of the Intercompany Revolver.

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### Programming Related Obligations

We utilize our programming related obligations to fund certain of our film and television productions or licenses during production through the time the program airs on the STARZ app and STARZ branded linear networks. Our programming related obligations as of March 31, 2025 include programming notes. Programming notes represent individual loans for the license of certain of our film and television programs. The Company had \$88.2 million of programming notes outstanding at June 30, 2025 with repayment dates in July 2025 through August 2025.

See Note 5, *Programming Related Obligations*, for a discussion of our programming related obligations.

### Accounts Receivable Monetization

Our accounts receivable monetization program includes individual agreements to monetize certain of our trade accounts receivable directly with third-party purchasers.

See Note 14, *Additional Financial Information*, for a discussion of our accounts receivable monetization program.

### Uses of Cash

As a stand-alone company, our principal uses of cash include payments for licensing, acquisition, and production of our programming content, advertising and marketing expenditures and general and administrative expenses. We also use cash for debt service (i.e. principal and interest payments) requirements, and capital expenditure.

We may from time to time seek to retire or purchase or refinance our outstanding debt through cash purchases, in open market purchases, privately negotiated transactions, refinancings, or otherwise. Such repurchases or exchanges or refinancings, if any, will depend on prevailing market conditions, our liquidity requirements, our assessment of opportunities to lower interest expense, contractual restrictions and other factors, and such repurchases or exchanges could result in a gain or loss from the early extinguishment of debt. The amounts involved may be material.

*Anticipated Cash Requirements.* The nature of our business is such that significant initial expenditures are required to acquire, and market our programming content, while revenue from the exhibition of our programming content is earned over an extended period of time after their acquisition.

Under the Starz Networks Restructuring plan, the net future cash outlay from continuing operations, for impairment charges recorded through June 30, 2025 is estimated to be approximately \$45.0 million for contractual commitments on content in territories exited and payments on the remaining amounts payable for content removed from our services, net of estimated recoveries. The Company has substantially completed its current restructuring plan; however, additional content impairment charges may be incurred and recorded as part of ongoing business activities. See, Note 1, *Description of Business, Basis of Presentation and Significant Accounting Policies, and Management's Discussion and Analysis of Financial Condition and Results of Operations, Separation*, for further details.

However, we currently believe that cash flow from operations, cash on hand, borrowings under our \$150 million senior secured revolving credit facility, monetization of trade accounts receivable and available production loans or programming related obligations will be adequate to meet known operational cash and debt service (i.e. principal and interest payments) requirements for the next twelve months and beyond, including the funding of programming content including amounts under our originals licensing and production agreements, programming output and library agreements, and future equity method or other investment funding requirements, if any. We monitor our cash flow liquidity, availability, capital base, content spending, capital expenditures debt service and leverage ratios with the long-term goal of maintaining our credit worthiness.

Our current financing strategy is to fund operations and to leverage investments in programming content in the short-term and long-term through our cash flow from operations, our production related obligations, the monetization of trade accounts receivable, and borrowings from our \$150.0 million revolving credit facility which is undrawn at June 30, 2025. In addition, we may acquire businesses or assets, including individual films or libraries that are complementary to our business. Any such transaction could be financed through our cash flow from operations, credit facilities, and/or equity or debt financing. If additional financing beyond our existing cash flows from operations and credit facilities cannot fund such transactions, there is no assurance that such financing will be available on terms acceptable to us. Our ability to obtain any additional financing will depend on, among other things, our business plans, operating performance, the condition of the capital markets at the time we seek financing, and debt ratings assigned by independent rating agencies. Additionally, circumstances related to inflation and rising interest rates have caused disruption in the capital markets, which could make financing more difficult and/or expensive, and we may not be able to obtain such financing. We may also dispose assets and use the net proceeds from such dispositions to fund operations or such acquisitions, or to repay debt.

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As discussed elsewhere, the debt reflected in our financial statements prior to the Separation represents a portion of the historical amounts for the consolidated Old Lionsgate businesses (representing Starz and other Old Lionsgate businesses), as we are the primary borrower of such indebtedness. As discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview" above, upon the completion of the Separation, the Exchange Notes became obligations of New Lionsgate and are no longer reflected in the Company's financial statements. As discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview" above, the Company entered into a new credit agreement in conjunction with the Separation. Accordingly, our financial statements may not necessarily be indicative of liquidity and capital resource conditions that would have existed if we had operated as a separate, unaffiliated entity prior to the Separation.

**Material Cash Requirements from Known Contractual and Other Obligations**

Our material cash requirements from known contractual and other obligations primarily relate to our corporate debt and programming related obligations. The following table sets forth our significant contractual and other obligations as of June 30, 2025 and the estimated timing of payment:

	Total	Next 12 Months	Beyond 12 Months
	(Amounts in millions)		
<b>Future annual repayment of debt and other obligations recorded as of June 30, 2025 (on-balance sheet arrangements)<sup>(1)</sup></b>			
Term Loan A	\$ 300.0	\$ —	\$ 300.0
5.5% Senior Notes	325.1	—	325.1
Programming related obligations	88.2	88.2	—
Programming related payables	402.8	378.1	24.7
Operating lease obligations	63.9	10.1	53.8
	\$ 1,180.0	\$ 476.4	\$ 703.6
<b>Contractual commitments by expected repayment date (off-balance sheet arrangements)</b>			
Programming related obligations commitments <sup>(2)</sup>	\$ 419.2	\$ 260.1	\$ 159.1
Interest payments <sup>(3)</sup>	181.5	42.1	139.4
Other contractual obligations	40.0	35.9	4.1
	640.7	338.1	302.6
<b>Total future repayment of debt and other commitments under contractual obligations</b>	<b>\$ 1,820.7</b>	<b>\$ 814.5</b>	<b>\$ 1,006.2</b>

<sup>(1)</sup> See Note 4, *Debt*, for further information on our corporate debt and financing transactions following the completion of the Separation. See Note 5, *Programming Related Obligations*, for further information on programming related obligations.

<sup>(2)</sup> Programming related obligations commitments include advertising and marketing commitments, program rights commitments, and programming related obligations not reflected on our balance sheets as they did not then meet the criteria for recognition. Cash interest payments on our programming related obligations are based on the applicable SOFR interest rates as of June 30, 2025. See Note 5, *Programming Related Obligations*, for further information.

<sup>(3)</sup> Includes cash interest payments on our Term Loan A, 5.5% Senior Notes, and operating lease liabilities.

We have an exclusive multiyear output licensing agreement with New Lionsgate for Lionsgate label titles theatrically released in the U.S. that started January 1, 2022, and for Summit label titles theatrically released in the U.S. that started January 1, 2023. We also have an exclusive multiyear post pay-one output licensing agreement with Universal for live-action films theatrically released in the U.S. that started January 1, 2022. The Universal agreement provides us with rights to exhibit these films immediately following their pay-one windows. The programming fees to be paid by us under these arrangements are based on the quantity and domestic theatrical exhibition receipts of qualifying films. We are unable to estimate the amounts to be paid under these agreements for films that have not yet been released in theaters, however, such amounts are expected to be significant.

For additional details of commitments and contingencies, see Note 16, *Contingencies*, to our unaudited financial statements.

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### **Remaining Revenue Performance Obligations and Backlog**

Remaining revenue performance obligations represent deferred revenue on the balance sheet plus fixed fee or minimum guarantee contracts where the revenue will be recognized and the cash received in the future (i.e., backlog). As disclosed in Note 7 to the accompanying financial statements, remaining performance obligations were \$39.8 million as of June 30, 2025 and \$39.4 million as of March 31, 2025.

### **Discussion of Operating, Investing, Financing Cash Flows**

#### **Quarter Ended June 30, 2025 Compared to Quarter Ended June 30, 2024**

Cash and cash equivalents increased by \$33.8 million for the quarter ended June 30, 2025 and decreased by \$11.8 million for the quarter ended June 30, 2024. Components of these changes are discussed below in more detail.

**Operating Activities.** Cash flows provided by (used in) operating activities attributable to continuing operations for the quarters ended June 30, 2025 and 2024 were as follows:

	Three Months Ended		2025 vs 2024 Net Change
	June 30,		
	2025	2024	
	(Amounts in millions)		
<b>Net cash flows provided by (used in) operating activities - continuing operations</b>	<b>\$ 65.4</b>	<b>(26.8)</b>	<b>\$ 92.2</b>

The increase in cash provided by operating activities from continuing operations in the quarter ended June 30, 2025, compared to the quarter ended June 30, 2024 is primarily due to timing of receipts and payments of accounts receivable and accounts payable and accrued liabilities.

**Investing Activities.** Cash provided by (used in) investing activities attributable to continuing operations for the quarters ended June 30, 2025 and June 30, 2024 were as follows:

	Three Months Ended		2025 vs 2024 Net Change
	June 30,		
	2025	2024	
	(Amounts in millions)		
New Lionsgate revolving credit facility – increases	\$ 151.8	\$ —	\$ 151.8
New Lionsgate revolving credit facility – decreases	(70.2)	(66.7)	(3.5)
Capital expenditures	(6.9)	(4.9)	(2.0)
Deferred purchase price of receivables sold	0.5	—	0.5
<b>Net cash provided by (used in) investing activities - continuing operations</b>	<b>\$ 75.2</b>	<b>(71.6)</b>	<b>\$ 146.8</b>

Cash provided by (used in) investing activities attributable to continuing operations for the quarter ended June 30, 2025 primarily reflects cash provided from the LG Studios Business through the New Lionsgate revolving credit facility (i.e. Intercompany Revolver), offset by repayments to the revolving credit facility and cash used for capital expenditures. Cash flows used in investing activities for the quarter ended June 30, 2024, primarily reflects cash provided to the LG Studios Business through the Intercompany Revolver and cash used for capital expenditures.

**Financing Activities.** Cash (used in) provided by financing activities attributable to continuing operations for the quarters ended June 30, 2025 and June 30, 2024 were as follows:

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	Three Months Ended		2025 vs 2024 Net Change
	June 30,		
	2025	2024	
	(Amounts in millions)		
Distribution to New Lionsgate upon Separation	\$ (389.9)	\$ —	\$ (389.9)
Debt – borrowings, net of debt issuance and redemption costs	291.8	14.3	277.5
Debt – repurchases and repayments	—	(54.0)	54.0
Net borrowings and repurchases of debt	291.8	(39.7)	331.5
Programming related obligations – borrowings	177.3	53.8	123.5
Programming related obligations – repayments	(180.4)	—	(180.4)
Net proceeds from programming related obligations	(3.1)	53.8	(56.9)
Parent net investment	(5.6)	76.5	(82.1)
<b>Net cash (used in) provided by financing activities – continuing operations</b>	<b>\$ (106.8)</b>	<b>\$ 90.6</b>	<b>\$ (197.4)</b>

Cash used in financing activities attributable to continuing operations for the quarter ended June 30, 2025 primarily reflects \$291.8 million of borrowings from Term Loan A, net of deferred financing costs, the release of the Company's obligation towards the \$389.9 million of Exchange Notes at the date of Separation, the sale of our operations in India and Southeast Asia (also referred to as "LGPlay") to New Lionsgate effective April 1, 2025, and transfer of cash to New Lionsgate in relation to ECI.

Cash flows provided by financing activities attributable to continuing operations for the quarter ended June 30, 2024 reflects the net debt repayments of \$39.7 million, under the Old Lionsgate Revolving Credit Facility and proceeds from programming notes borrowings of \$53.8 million. In addition, \$76.5 million of intercompany activity with Old Lionsgate was reflected as cash provided by financing activities in the quarter ended June 30, 2024.