Sinclair Broadcast Group, LLC

Financial Statements for the
Three and Six Months Ended June 30, 2026 and 2025

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SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED BALANCE SHEETS
(in millions) (Unaudited)

	As of June 30, 2026	As of December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 115	$ 401
Accounts receivable, net of allowance for doubtful accounts of $4 as of both periods	564	612
Income taxes receivable	59	14
Prepaid expenses and other current assets	74	111
Total current assets	812	1,138
Property and equipment, net	616	634
Operating lease assets	107	108
Goodwill	2,002	2,004
Indefinite-lived intangible assets	—	122
Customer relationships, net	151	160
Other definite-lived intangible assets, net	344	260
Other assets	250	237
Total assets (a)	$ 4,282	$ 4,663
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 441	$ 437
Current portion of notes payable, finance leases, and commercial bank financing	23	25
Current portion of operating lease liabilities	25	23
Current portion of program contracts payable	42	70
Other current liabilities	76	62
Total current liabilities	607	617
Notes payable, finance leases, and commercial bank financing, less current portion	4,036	4,358
Operating lease liabilities, less current portion	107	112
Program contracts payable, less current portion	8	13
Deferred tax liabilities	252	255
Other long-term liabilities	116	131
Total liabilities (a)	5,126	5,486
Commitments and contingencies (See *Note 4*)		
SBG member's deficit:		
Accumulated deficit	(768)	(749)
Total SBG member's deficit	(768)	(749)
Noncontrolling interests	(76)	(74)
Total deficit	(844)	(823)
Total liabilities and deficit	$ 4,282	$ 4,663

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

(a) Sinclair Broadcast Group, LLC's ("SBG") consolidated total assets as of June 30, 2026 and December 31, 2025 include total assets of variable interest entities ("VIE") of $16 million and $30 million, respectively, which can only be used to settle the obligations of the VIEs. SBG's consolidated total liabilities as of June 30, 2026 and December 31, 2025 include total liabilities of VIEs of $4 million and $8 million, respectively, for which the creditors of the VIEs have no recourse to SBG. See *Note 6. Variable Interest Entities*.

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
REVENUE:				
Media revenue	$ 731	$ 679	$ 1,432	$ 1,373
OPERATING EXPENSES:				
Media programming and production expenses	381	380	763	770
Media selling, general and administrative expenses	176	162	347	332
Amortization of program costs	18	17	36	36
Non-media expenses	2	2	4	4
Depreciation of property and equipment	26	25	52	50
Corporate general and administrative expenses	23	27	57	64
Amortization of definite-lived intangible assets	32	29	66	60
Loss on asset dispositions and other, net	5	9	4	17
Total operating expenses	663	651	1,329	1,333
Operating income	68	28	103	40
OTHER INCOME (EXPENSE):				
Interest expense including amortization of debt discount and deferred financing costs	(80)	(82)	(165)	(226)
Gain on extinguishment of debt	13	4	13	6
Other income, net	—	3	4	6
Total other expense, net	(67)	(75)	(148)	(214)
Income (loss) before income taxes	1	(47)	(45)	(174)
INCOME TAX (PROVISION) BENEFIT	(1)	8	23	34
NET LOSS	—	(39)	(22)	(140)
Net income attributable to the noncontrolling interests	(1)	(2)	(3)	(3)
NET LOSS ATTRIBUTABLE TO SBG	$ (1)	$ (41)	$ (25)	$ (143)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in millions) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net loss	$ —	$ (39)	$ (22)	$ (140)
Unrealized loss on interest rate swap, net of tax	—	—	—	(1)
Comprehensive loss	—	(39)	(22)	(141)
Comprehensive income attributable to the noncontrolling interests	(1)	(2)	(3)	(3)
Comprehensive loss attributable to SBG	$ (1)	$ (41)	$ (25)	$ (144)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF MEMBER'S DEFICIT AND NONCONTROLLING INTERESTS
(in millions) (Unaudited)

	Three Months Ended June 30, 2025			
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Deficit
BALANCE, March 31, 2025	$ (661)	$ 1	$ (69)	$ (729)
Distributions to member, net	(12)	—	—	(12)
Distributions to noncontrolling interests	—	—	(3)	(3)
Acquisition of noncontrolling interests, net	(1)	—	1	—
Net (loss) income	(41)	—	2	(39)
BALANCE, June 30, 2025	$ (715)	$ 1	$ (69)	$ (783)

	Six Months Ended June 30, 2025			
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Deficit
BALANCE, December 31, 2024	$ (560)	$ 2	$ (68)	$ (626)
Distributions to member, net	(11)	—	—	(11)
Distributions to noncontrolling interests	—	—	(5)	(5)
Acquisition of noncontrolling interests, net	(1)	—	1	—
Other comprehensive loss	—	(1)	—	(1)
Net (loss) income	(143)	—	3	(140)
BALANCE, June 30, 2025	$ (715)	$ 1	$ (69)	$ (783)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF MEMBER'S DEFICIT AND NONCONTROLLING INTERESTS
(in millions) (Unaudited)

	Three Months Ended June 30, 2026		
	SBG Member		
	Accumulated Deficit	Noncontrolling Interests	Total Deficit
BALANCE, March 31, 2026	$ (778)	$ (75)	$ (853)
Contributions from member, net	11	—	11
Distributions to noncontrolling interests	—	(2)	(2)
Net (loss) income	(1)	1	—
BALANCE, June 30, 2026	$ (768)	$ (76)	$ (844)

	Six Months Ended June 30, 2026		
	SBG Member		
	Accumulated Deficit	Noncontrolling Interests	Total Deficit
BALANCE, December 31, 2025	$ (749)	$ (74)	$ (823)
Contributions from member, net	6	—	6
Distributions to noncontrolling interests	—	(5)	(5)
Net (loss) income	(25)	3	(22)
BALANCE, June 30, 2026	$ (768)	$ (76)	$ (844)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions) (Unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (22)	$ (140)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Amortization of definite-lived intangible and other assets	66	60
Depreciation of property and equipment	52	50
Amortization of program costs	36	36
Equity-based compensation	29	32
Deferred tax benefit	(3)	(106)
Loss on asset dispositions and other, net	5	17
Loss from investments	1	—
Gain on extinguishment of debt	(13)	(6)
Debt issuance costs	—	68
Change in assets and liabilities, net of acquisitions:		
Decrease in accounts receivable	45	23
(Increase) decrease in prepaid expenses and other current assets	(1)	7
Increase in accounts payable and accrued and other current liabilities	2	56
Net change in net income taxes payable/receivable	(31)	40
Decrease in program contracts payable	(38)	(37)
Other, net	10	13
Net cash flows from operating activities	138	113
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Acquisition of property and equipment	(32)	(33)
Acquisition of businesses, net of cash acquired	(15)	—
Purchases of investments	—	(1)
Other, net	2	—
Net cash flows used in investing activities	(45)	(34)
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Proceeds from notes payable and commercial bank financing	—	1,430
Repayments of notes payable, commercial bank financing, and finance leases	(315)	(1,414)
Debt issuance costs	—	(110)
Distributions to member, net	(59)	(47)
Distributions to noncontrolling interests	(5)	(5)
Net cash flows used in financing activities	(379)	(146)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(286)	(67)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	401	291
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ 115	$ 224

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

SINCLAIR BROADCAST GROUP, LLC
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations

Sinclair Broadcast Group, LLC ("SBG"), a Maryland limited liability company and a wholly owned subsidiary of Sinclair, Inc. ("Sinclair"), is a diversified media company with national reach and a strong focus on providing high-quality content on SBG's local television stations and digital platforms. The content, distributed through SBG's broadcast platform and third-party platforms, consists of programming provided by third-party networks and syndicators, local news and other original programming produced by SBG and SBG owned networks.

For the quarter ended June 30, 2026, SBG had one reportable segment: local media. The local media segment consists primarily of SBG's 178 broadcast television stations in 79 markets, which SBG owns, provides programming and operating services pursuant to agreements commonly referred to as local marketing agreements ("LMA"), or provides sales services and other non-programming operating services pursuant to other outsourcing agreements (such as joint sales agreements ("JSA") and shared services agreements ("SSA")). These stations broadcast 647 channels as of June 30, 2026. For the purpose of this report, these 178 stations and 647 channels are referred to as "SBG" stations and channels.

Principles of Consolidation

The consolidated financial statements include SBG's accounts and those of SBG's wholly-owned and majority-owned subsidiaries and VIEs for which SBG is the primary beneficiary. Noncontrolling interests represent a minority owner's proportionate share of the equity in certain of SBG's consolidated entities. All intercompany transactions and account balances have been eliminated in consolidation.

SBG consolidates VIEs when SBG is the primary beneficiary. SBG is the primary beneficiary of a VIE when SBG has the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and has the obligation to absorb losses or the right to receive returns that would be significant to the VIE. See *Note 6. Variable Interest Entities* for more information on SBG's VIEs.

Investments in entities over which SBG has significant influence but not control are accounted for using the equity method of accounting. Income from equity method investments represents SBG's proportionate share of net income generated by equity method investees.

Interim Financial Statements

SBG's consolidated financial statements for the three and six months ended June 30, 2026 and 2025 are unaudited. In the opinion of management, such financial statements have been presented on the same basis as the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the consolidated balance sheets, consolidated statements of operations, consolidated statements of comprehensive (loss) income, consolidated statements of member's deficit and noncontrolling interests, and consolidated statements of cash flows for these periods as adjusted for the adoption of recent accounting pronouncements.

The consolidated financial statements do not include all disclosures normally included with audited consolidated financial statements and, accordingly, should be read together with the most recent audited consolidated financial statements and notes thereto. The consolidated statements of operations presented in the accompanying consolidated financial statements are not necessarily representative of operations for an entire year.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses in SBG's consolidated financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Changes in Accounting Estimates

During the six months ended June 30, 2026, SBG reassessed the useful lives of certain Federal Communications Commission ("FCC") licenses previously classified as indefinite-lived intangible assets. Based on this reassessment, management determined that these licenses have finite useful lives and, accordingly, SBG reclassified $122 million of FCC licenses from indefinite-lived to definite-lived intangible assets which will be amortized over a 15-year life. SBG assessed its FCC licenses for impairment prior to completion of this change, concluding there were no impairment indicators.

Recent Accounting Pronouncements

In November 2024, the FASB issued guidance requiring disclosure of disaggregated information about certain income statement expense line items. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. SBG is currently evaluating the impact of this guidance.

In December 2025, the FASB issued guidance providing clarifications and organizational improvements to interim financial reporting guidance under Accounting Standard Codification 270. The guidance is effective for interim reporting periods beginning after December 15, 2027. Early adoption is permitted. SBG is currently evaluating the impact of this guidance.

Broadcast Television Programming

SBG has agreements with programming syndicators for the rights to television programming over contract periods, which generally run from one to three years. Contract payments are made in installments over terms that are generally equal to or shorter than the contract period. Pursuant to accounting guidance for the broadcasting industry, an asset and a liability for the rights acquired and obligations incurred under a license agreement are reported on the balance sheet when the cost of each program is known or reasonably determinable, the program material has been accepted by the licensee in accordance with the conditions of the license agreement, and the program is available for its first showing or telecast. The portion of program contracts which becomes payable within one year is reflected as a current liability in the accompanying consolidated balance sheets.

The rights to this programming are reflected in the accompanying consolidated balance sheets at the lower of unamortized cost or fair value. Program costs are amortized on a straight-line basis except for contracts greater than three years which are amortized utilizing an accelerated method. Program costs estimated by management to be amortized in the succeeding year are classified as current assets. Payments of program contract liabilities are typically made on a scheduled basis and are not affected by amortization or fair value adjustments.

SBG assesses the program costs on a quarterly basis to ensure the costs are recorded at the lower of unamortized cost or fair value.

Supplemental Information - Statements of Cash Flows

Leased assets obtained in exchange for new operating lease liabilities were $9 million and $4 million for the six months ended June 30, 2026 and 2025, respectively. Non-cash investing activities included property and equipment purchases of $3 million and $5 million for the six months ended June 30, 2026 and 2025, respectively.

SBG received equity shares in investments valued at $5 million and $17 million for the six months ended June 30, 2026 and 2025, respectively, in exchange for an obligation to deliver a similar value of advertising spots.

During the six months ended June 30, 2026, SBG completed the acquisition and sale of certain television stations that included non-cash consideration as further described in *Acquisitions and Station Disposals* below.

Included in distributions to member, net within cash flows used in financing activities in SBG's consolidated statements of cash flows, were dividends to Sinclair to fund its portion of the dividends to Sinclair shareholders and parent company expenses of $59 million and $57 million for the six months ended June 30, 2026 and 2025, respectively.

Revenue Recognition

The following table presents SBG's revenue disaggregated by type for the local media segment (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Distribution revenue	$ 389	$ 380	$ 791	$ 775
Core advertising revenue	260	272	521	543
Political advertising revenue	59	6	77	12
Other media	23	21	43	43
Total revenue	$ 731	$ 679	$ 1,432	$ 1,373

Distribution Revenue. SBG generates distribution revenue through fees received from multi-channel video programming distributors ("MVPD") and virtual MVPDs ("vMVPD," and together with MVPDs, "Distributors") for the right to distribute SBG's stations and other properties. Distribution arrangements are generally governed by multi-year contracts and the underlying fees are based upon a contractual monthly rate per subscriber. These arrangements represent licenses of intellectual property; revenue is recognized as the signal or network programming is provided to SBG's customers (as usage occurs) which corresponds with the satisfaction of SBG's performance obligation. Revenue is calculated based upon the contractual rate multiplied by an estimated number of subscribers. SBG's customers will remit payments based upon actual subscribers a short time after the conclusion of a month, which generally does not exceed 120 days. Historical adjustments to subscriber estimates have not been material.

Core Advertising Revenue. SBG generates core advertising revenue primarily from the sale of non-political advertising spots/impressions within broadcast television and digital platforms.

Political Advertising Revenue. SBG generates political advertising revenue primarily from the sale of political advertising spots/impressions within broadcast television and digital platforms.

In accordance with ASC 606, SBG does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) distribution arrangements which are accounted for as a sales/usage-based royalty.

Deferred Revenue. SBG records deferred revenue when cash payments are received or due in advance of performance, including amounts which are refundable. SBG classifies deferred revenue as either current in other current liabilities or long-term in other long-term liabilities in SBG's consolidated balance sheets based on the timing of when SBG expects to satisfy performance obligations. Deferred revenue was $139 million and $145 million as of June 30, 2026 and December 31, 2025, respectively, of which $77 million and $88 million, respectively, was reflected in other long-term liabilities in SBG's consolidated balance sheets. Deferred revenue recognized for the six months ended June 30, 2026 and 2025, included in the deferred revenue balance as of December 31, 2025 and 2024, was $28 million and $34 million, respectively.

For the three months ended June 30, 2026, two customers accounted for 11% and 10%, respectively, of SBG's total revenue. For the six months ended June 30, 2026, two customers accounted for 11% and 10%, respectively, of SBG's total revenue. For the three months ended June 30, 2025, two customers accounted for 12% and 11%, respectively, of SBG's total revenue. For the six months ended June 30, 2025, two customers accounted for 12% and 11%, respectively, of SBG's total revenue. As of June 30, 2026, three customers accounted for 12%, 11%, and 10%, respectively, of SBG's accounts receivable, net. As of December 31, 2025, two customers accounted for 13% and 12%, respectively, of SBG's accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

Acquisitions and Station Disposals

In February 2026, SBG acquired the non-license assets of KMYT and KOKI in Tulsa, OK, along with a purchase option to acquire the four television stations that were previously sold in 2025 (as described below). The total consideration for the transaction was $52 million and included SBG transferring the non-license assets of KLEW in Spokane, WA and KEPR, KIMA, KUNW, KORX, and KVVK in Yakima, WA valued at $12 million, the forgiveness of certain outstanding promissory notes and working capital balances in the amount of $21 million, and cash payments (including cash payments related to certain holdbacks) of $19 million. The acquired assets and liabilities were recorded at fair value as of the closing date of the transaction. Based upon SBG's preliminary purchase price allocation, SBG recorded $20 million of definite-lived intangible assets, $10 million of property and equipment, $19 million of other assets, and $3 million of goodwill.

During the six months ended June 30, 2025, SBG entered into an asset purchase agreement with a counterparty to sell SBG's owned stations within Milwaukee, WI (WVTV), Springfield, IL (WICS/WICD), Ottumwa, IA (KTVO), and Quincy, IL (KHQA) for approximately $30 million and accrued the estimated loss SBG expected to recognize upon closing of the sale of approximately $17 million, which is included within loss on asset dispositions and other, net within SBG's consolidated statements of operations and SBG's local media segment within *Note 5. Segment Data* for the six months ended June 30, 2025 and was recorded to reflect the underlying assets at the lower of carrying value and fair value.

Income Taxes

SBG's income tax provision for all periods consists of federal and state income taxes. The tax provision for three and six months ended June 30, 2026 and 2025 is based on the estimated effective tax rate applicable for the full year after taking into account discrete tax items and the effects of the noncontrolling interests. SBG provides a valuation allowance for deferred tax assets if it is determined that it is more likely than not that some or all of the deferred tax assets will not be realized. In evaluating SBG's ability to realize net deferred tax assets, SBG considers all available evidence, both positive and negative, including past operating results, tax planning strategies, current and cumulative losses, and forecasts of future taxable income. In considering these sources of taxable income, SBG must make certain judgments that are based on the plans and estimates used to manage SBG's underlying businesses on a long-term basis. A valuation allowance has been provided for deferred tax assets related to a substantial amount of SBG's available state net operating loss carryforwards based on past operating results, expected timing of the reversals of existing temporary basis differences, alternative tax strategies, and projected future taxable income.

SBG's effective income tax rate for the three months ended June 30, 2026 was greater than the statutory rate primarily due to a substantial update of our full-year forecasted pre-tax book income causing a significant impact on many 2026 items. SBG's effective income tax rate for the six months ended June 30, 2026 was greater than the statutory rate primarily due to a 2026 release of a valuation allowance on certain state net operating losses resulting from a change in the filing methodology that impacted the realizability of the associated deferred tax assets. SBG's effective income tax rate for the three months ended June 30, 2025 was less than the statutory rate primarily due to the impact of state taxes. SBG's effective income tax rate for the six months ended June 30, 2025 approximated the statutory rate.

SBG does not believe that its liability for unrecognized tax benefits would be materially impacted, in the next twelve months, as a result of the expected statute of limitations expirations, the application of limits under available state administrative practice exceptions, and the resolution of examination issues and settlements with federal and certain state tax authorities.

Reclassifications

Certain reclassifications have been made to prior years' consolidated financial statements to conform to the current year's presentation.

2. OTHER ASSETS:

Other assets as of June 30, 2026 and December 31, 2025 consisted of the following (in millions):

	As of June 30, 2026	As of December 31, 2025
Investments	$ 34	$ 30
Income tax receivable	153	150
Other	63	57
Total other assets	$ 250	$ 237

Investments

SBG's investments, excluding equity method investments, are accounted for at fair value or, in situations where fair value is not readily determinable, SBG has the option to value investments at cost plus observable changes in value, less impairment. Additionally, certain investments were measured at net asset value ("NAV").

Investments measured at NAV were $15 million and $13 million as of June 30, 2026 and December 31, 2025, respectively.

Investments accounted for utilizing the measurement alternative were $19 million, net of $1 million of cumulative impairments, and $17 million as of June 30, 2026 and December 31, 2025, respectively. SBG recorded a $1 million loss related to one investment for the three and six months ended June 30, 2026. There were no adjustments to the carrying amount of investments accounted for utilizing the measurement alternative for the three and six months ended June 30, 2025.

3. NOTES PAYABLE, FINANCE LEASES, AND COMMERCIAL BANK FINANCING:

Credit Agreement and Notes

Sinclair Television Group, Inc. ("STG"), a wholly-owned subsidiary of SBG, is party to two bank credit agreements, the new credit agreement dated February 12, 2025 (the "New Credit Agreement") and an existing credit agreement that was amended as of February 12, 2025 (the "Amended Credit Agreement").

The New Credit Agreement includes a financial maintenance covenant, the first-out first lien leverage ratio (as defined in the New Credit Agreement), which requires such ratio not to exceed 3.5x, measured as of the end of each fiscal quarter, which is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the $575 million first-out first lien revolving commitments (the "First-Out Revolving Credit Facility"), measured as of the last day of each fiscal quarter, is utilized as of such date. Since there was no utilization under the First-Out Revolving Credit Facility as of June 30, 2026, STG was not subject to the financial maintenance covenant under the New Credit Agreement. As of June 30, 2026, the STG first-out first lien leverage ratio was below 3.5x. The New Credit Agreement contains other restrictions and covenants with which STG was in compliance as of June 30, 2026.

STG completed a series of financing transactions during the six months ended June 30, 2025. We recorded a gain on extinguishment of the 5.125% Senior Notes due 2027 of $4 million and $7 million for the three and six months ended June 30, 2025, respectively, a gain on extinguishment of the 4.125% Senior Secured Notes due 2030 of $5 million for the six months ended June 30, 2025, and a loss on extinguishment of the Term Loan B-2 of $6 million for the six months ended June 30, 2025.

In April 2026, STG repurchased $93 million aggregate principal amount of the Term Loan B-6 and $72 million aggregate principal amount of the Term Loan B-7 for consideration of $85 million and $65 million, respectively. SBG recorded a gain on extinguishment of the Term Loan B-6 and Term Loan B-7 of $8 million and $5 million, respectively, in both the three and six months ended June 30, 2026.

In July 2026, STG repurchased $25 million aggregate principal amount of the Term Loan B-7 and the remaining $3 million aggregate principal amount of the Term Loan B-3, both at discounts to face value. In addition, the remaining $38 million of available borrowing capacity under the Amended Credit Agreement was canceled.

Finance Leases to Affiliates

The current portion of notes payable, finance leases, and commercial bank financing in SBG's consolidated balance sheets includes finance leases to affiliates of $3 million as of both June 30, 2026 and December 31, 2025. Notes payable, finance leases, and commercial bank financing, less current portion, in SBG's consolidated balance sheets includes finance leases to affiliates of $5 million and $6 million as of June 30, 2026 and December 31, 2025, respectively. See *Note 7. Related Person Transactions*.

Debt of Variable Interest Entities and Guarantees of Third-Party Obligations

SBG jointly, severally, unconditionally, and irrevocably guaranteed $2 million of debt of certain third parties as of December 31, 2025, all of which related to consolidated VIEs and was included in SBG's consolidated balance sheet. SBG guarantees certain obligations of the Marquee Sports Network ("Marquee") subject to a maximum aggregate amount of $331 million for the years 2026 through 2029. As of both June 30, 2026 and December 31, 2025, SBG's estimated obligation was $15 million. Of this estimated obligation, SBG paid $5 million during the six months ended June 30, 2026 and $10 million during the year ended December 31, 2025. See *Note 4. Commitments and Contingencies* for further discussion.

Accounts Receivable Securitization Facility

On November 6, 2025, STG and one of its subsidiaries entered into a three-year, up to $375 million revolving accounts receivable securitization facility (the "A/R Facility") with Wells Fargo Bank, N.A., as administrative agent, which matures on November 6, 2028, in order to enable STG to raise incremental, low-cost capital. Amounts outstanding under the A/R Facility bear interest at SOFR plus 1.25%. The amount of actual availability under the A/R Facility is subject to change based on the level of eligible receivables sold by certain subsidiaries of STG identified therein (the "Originators") to STG. Eligibility of the receivables is determined by a variety of factors, including, but not limited to, credit ratings of the Originators' customers, customer concentration levels, and certain characteristics of the accounts receivable being transferred. In April 2026, STG paid down $150 million of the borrowings under the A/R Facility, which was available to re-borrow as of June 30, 2026. The total amount outstanding under the A/R Facility was $225 million and $375 million as of June 30, 2026 and December 31, 2025, respectively. Interest expense related to the A/R Facility was $3 million and $8 million for the three and six months ended June 30, 2026, respectively.

Interest Rate Collar

In March 2026, SBG entered into two interest collar agreements in order to manage a portion of SBG's exposure to variable interest rates. The first agreement has a notional amount of $100 million, an effective date of March 3, 2026, a termination date of August 31, 2027, an interest rate ceiling of 3.75%, and an interest rate floor of 2.67%. The second agreement has a notional amount of $100 million, an effective date of March 30, 2026, a termination date of March 30, 2027, an interest rate ceiling of 4.25%, and an interest rate floor of 3.65%. The activity associated with these agreements was immaterial for the three and six months ended June 30, 2026.

4. COMMITMENTS AND CONTINGENCIES:

Litigation, Claims, and Regulatory Matters

SBG is a party to lawsuits, claims, and regulatory matters from time to time in the ordinary course of business. Actions currently pending are in various stages and no material judgments or decisions have been rendered by hearing boards or courts in connection with such actions. Except as noted below, SBG does not believe the outcome of these matters, individually or in the aggregate, will have a material effect on SBG's financial statements.

FCC Matters

On May 22, 2020, the FCC released an Order and Consent Decree pursuant to which SBG agreed to pay $48 million to resolve the matters covered by a Notice of Apparent Liability for Forfeiture ("NAL") issued in December 2017 proposing a $13 million fine for alleged violations of the FCC's sponsorship identification rules by SBG and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with SBG's proposed acquisition of Tribune, and a retransmission related matter. SBG submitted the $48 million payment on August 19, 2020. As part of the consent decree, SBG also agreed to implement a four-year compliance plan, which terminated on May 29, 2024. Two petitions were filed on June 8, 2020 seeking reconsideration of the consent decree. SBG filed an opposition to the petitions on June 18, 2020, and the petitions remain pending.

On September 1, 2020, one of the individuals who filed a petition for reconsideration of the consent decree filed a petition to deny the license renewal application of WBFF(TV), Baltimore, MD, and the license renewal applications of two other Baltimore, MD stations: WUTB(TV), which SBG subsequently acquired from Deerfield Media in November 2025, and Cunningham Broadcasting Corporation ("Cunningham") station WNUV(TV), with which SBG has an LMA. On January 18, 2024, a motion was filed to request substitution of the petitioner, who is deceased. On June 27, 2025, the FCC (i) denied the motion for substitution; (ii) dismissed the petition to deny; and (iii) granted the license renewal applications of WBFF(TV), WUTB(TV), and WNUV(TV). An application for review of the FCC's decision was filed on July 28, 2025 on behalf of the individual who unsuccessfully sought to be substituted for the petitioner in the proceeding. SBG timely filed an opposition to the application for review and the matter remains pending. On April 14, 2025, the same attorney who filed the petition against the renewal applications filed a similar petition to deny, on behalf of a different client, against assignment applications filed by SBG seeking FCC consent to sell certain stations to a third party. On July 1, 2025, the FCC dismissed that petition to deny and granted the applications. An application for review of the decision to grant the assignment applications was filed on behalf of the petitioner on July 30, 2025. SBG timely filed an opposition to the application for review and the matter remains pending.

On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom SBG has LMAs, JSAs, and/or SSAs in response to a complaint regarding those stations' retransmission consent negotiations. The NAL proposed a $0.5 million penalty for each station, totaling $9 million. The licensees filed a response to the NAL on October 15, 2020, asking the FCC to dismiss the proceeding or, alternatively, to reduce the proposed forfeiture to $25,000 per station. On July 28, 2021, the FCC issued a forfeiture order in which the $0.5 million penalty was upheld for all but one station. A Petition for Reconsideration of the forfeiture order was filed on August 7, 2021. On March 14, 2022, the FCC released a Memorandum Opinion and Order and Order on Reconsideration, which reaffirmed the forfeiture order, dismissed (and in the alternative, denied) the Petition for Reconsideration, and stated that because the fines were not paid within the period stated in the July 2021 forfeiture order the FCC may refer the case to the U.S. Department of Justice ("DOJ") for enforcement of the forfeiture pursuant to Section 504 of the Communications Act. SBG's understanding is that this matter remains pending. SBG is not a party to this forfeiture order.

On September 21, 2022, the FCC released an NAL against the licensees of a number of stations, including 83 SBG stations and several stations with whom SBG has LMAs, JSAs, and/or SSAs (or with whom SBG had LMAs, JSAs, and/or SSAs and has since acquired), for violation of the FCC's limitations on commercial matter in children's television programming related to KidsClick network programming distributed by SBG in 2018. The NAL proposed a fine of $2.7 million against SBG, and fines ranging from $20,000 to $26,000 per station for the other licensees, including the LMA, JSA, and/or SSA stations, for a total of $3.4 million. On October 21, 2022, SBG filed a written response seeking reduction of the proposed fine amount. On September 6, 2024, the FCC issued a forfeiture order imposing the fine as proposed in the NAL. SBG and all other affected licensees filed a joint petition for reconsideration of the forfeiture order on October 7, 2024. On June 27, 2025, the FCC adopted an Order and Consent Decree pursuant to which SBG agreed to make a voluntary contribution of $500,000 to resolve, without any admission of liability, the forfeiture order (with respect to SBG stations), a closed captioning investigation of SBG station WUHF in Rochester, NY, and matters relating to certain of SBG's pending station renewal applications. As part of the consent decree, SBG also agreed to implement a two-year compliance plan relating to the FCC's limits on commercial matter in children's programming and closed captioning rules, and the FCC agreed to grant the license renewal applications of all SBG stations involved in the matters resolved by the consent decree. The consent decree states the forfeiture order will be resolved by separate action with respect to the non-SBG licensees named in the forfeiture order, and to SBG's knowledge all but one of such non-SBG licensees have entered into non-monetary consent decrees with the FCC and agreed to similar compliance plans with respect to the FCC's limits on commercial matter in children's programming. SBG made the $500,000 voluntary contribution on July 9, 2025.

Other Matters

On November 6, 2018, SBG agreed to enter into a proposed consent decree with the DOJ. This consent decree resolves the DOJ's investigation into the sharing of pacing information among certain stations in some local markets. The DOJ filed the consent decree and related documents in the U.S. District Court for the District of Columbia on November 13, 2018. The U.S. District Court for the District of Columbia entered the consent decree on May 22, 2019. The consent decree is not an admission of any wrongdoing by SBG and does not subject SBG to any monetary damages or penalties. SBG believes that even if the pacing information was shared as alleged, it would not have impacted any pricing of advertisements or the competitive nature of the market. The consent decree requires SBG to adopt certain antitrust compliance measures, including the appointment of an Antitrust Compliance Officer, consistent with what the DOJ has required in previous consent decrees in other industries. The consent decree also requires SBG's stations not to exchange pacing and certain other information with other stations in their local markets, which SBG's management had already instructed them not to do.

SBG is aware of twenty-two putative class action lawsuits that were filed against SBG following published reports of the DOJ investigation into the exchange of pacing data within the broadcast television industry. The actions were consolidated in the United States District Court for the Northern District of Illinois (the "Court") in October 2018. The plaintiffs allege that SBG and thirteen other broadcasters conspired to fix prices for broadcast television advertising and engaged in unlawful information sharing in violation of the Sherman Antitrust Act. The plaintiffs seek damages, attorneys' fees, costs and interest, as well as injunctive relief. The Court denied the defendants' motion to dismiss in November 2020. In December 2023, the Court approved settlements between the plaintiffs and four former defendants totaling $48 million, however the plaintiffs continue to pursue their claims against SBG and the remaining non-settling defendants. During 2025 and 2026, the Court issued various rulings concerning discovery, sanctions and privilege disputes. In November 2025, the Court imposed monetary sanctions on SBG for certain costs incurred by the plaintiffs in investigating the loss of certain cell phone data, while declining as premature the plaintiffs' request for additional sanctions. In May 2026, the plaintiffs filed a notice of settlement with Griffin Communications, LLC, which remains subject to Court approval. Fact discovery closed on June 1, 2026, and a trial is scheduled for November 1, 2027. SBG continues to believe the lawsuits are without merit and intends to vigorously defend itself against all such claims.

SBG has provided a guarantee that requires SBG to provide funding to Marquee under certain circumstances. On July 19, 2024, Marquee sent SBG a funding notice seeking $29 million under the Marquee guarantee by August 1, 2024 purportedly to make payments under certain agreements to affiliates of the Chicago Cubs, an affiliate of which is also a co-owner of Marquee. Based on the information provided to SBG by Marquee, Marquee has sufficient cash to make such payments without funding under the Marquee guarantee. For this and other reasons, SBG does not believe it is contractually required to provide funding under the Marquee guarantee at this time and has so informed Marquee. On August 2, 2024, Marquee sent SBG another letter claiming that SBG’s failure to timely pay the amounts subject to Marquee’s funding notice constitutes a breach of the Marquee guarantee and requesting payment of such amounts no later than August 17, 2024 at which time Marquee has stated it will pursue any and all available remedies pursuant to the Marquee guarantee. As of January 1, 2025, SBG determined it had no further obligations under the guarantee agreement. Marquee disputed this position, and on June 9, 2025, SBG entered into a binding term sheet to settle the matter. As part of the settlement, the parties agreed that the guarantee would be in effect through 2029; however, the maximum obligation under the guarantee agreement was reduced. As a result of the execution of this binding term sheet, SBG has concluded that SBG’s obligation to pay under a portion of the guarantee is probable and the loss related thereto could be reasonably estimated, thus recorded an estimated obligation related to this arrangement during the year ended December 31, 2025. See *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* for further information. Because loss contingencies are inherently unpredictable and unfavorable developments can occur, the assessment requires judgment about future events. Moreover, there is no assurance that contingencies will be satisfied and the ultimate loss may differ materially from the estimated obligation SBG has recorded.

On June 30, 2026, one of SBG's customers, Dish Network L.L.C. ("Dish"), commenced a bankruptcy case under Chapter 11 of Title 11 of the United States Code. Although Dish has announced its intention to continue normal business operations during the Chapter 11 process and to satisfy all general unsecured claims in full, Dish’s bankruptcy case remains ongoing and there can be no assurance regarding the ultimate recovery or timing of collection of amounts outstanding as of the petition date. Management continues to monitor the bankruptcy proceedings and assess the recoverability of the outstanding receivables associated with Dish. Based on the information available as of the date these financial statements were filed, SBG expects amounts due from Dish to be collected in the ordinary course, although this assessment may change as additional information becomes available or as bankruptcy proceedings progress. SBG continues to provide retransmission services to Dish under its existing contractual arrangements and continues to receive payments from Dish related to these services, which Dish has obtained authorization to continue to pay in the ordinary course as the bankruptcy proceedings progress. However, the outcome of the Chapter 11 proceedings remains subject to court approval and other uncertainties that could affect the ultimate collectability and timing of SBG's accounts receivable from Dish.

5. SEGMENT DATA:

SBG measures segment performance based on operating income (loss). For the quarter ended June 30, 2026, SBG had one reportable segment: local media. The local media segment includes SBG's television stations, original networks, and content and provides these through free over-the-air programming to television viewing audiences for stations in markets located throughout the continental United States, as well as distributes the content of these stations to MVPDs for distribution to their customers in exchange for contractual fees. See *Revenue Recognition* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further detail. Corporate is not a reportable segment but is included for reconciliation purposes. Corporate costs primarily include SBG's costs to operate as the parent company of its subsidiaries. All of SBG's businesses are located within the United States.

Segment financial information is included in the following tables for the periods presented (in millions):

As of June 30, 2026	Local Media	Corporate	Consolidated
Assets	$ 4,226	$ 56	$ 4,282

For the three months ended June 30, 2026	Local Media	Consolidated
Revenue	$ 731	$ 731
Media programming and production expenses	381	381
Media selling, general and administrative expenses	176	176
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	58	58
Amortization of program costs	18	18
Corporate general and administrative expenses	23	23
Loss on asset dispositions and other, net	5	5
Other segment items (a)	2	2
Operating income	$ 68	$ 68
Interest expense including amortization of debt discount and deferred financing costs	$ 80	$ 80
Gain on extinguishment of debt	13	13
Income before income taxes		$ 1

For the three months ended June 30, 2025	Local Media	Corporate	Consolidated
Revenue	$ 679	$ —	$ 679
Media programming and production expenses	380	—	380
Media selling, general and administrative expenses	162	—	162
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	54	—	54
Amortization of program costs	17	—	17
Corporate general and administrative expenses	27	—	27
(Gain) loss on asset dispositions and other, net	(28)	37	9
Other segment items (a)	2	—	2
Operating income (loss)	$ 65	$ (37)	$ 28
Interest expense including amortization of debt discount and deferred financing costs	$ 82	$ —	$ 82
Gain on extinguishment of debt	4	—	4
Other income, net	3	—	3
Loss before income taxes			$ (47)

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For the six months ended June 30, 2026	Local Media	Consolidated
Revenue	$ 1,432	$ 1,432
Media programming and production expenses	763	763
Media selling, general and administrative expenses	347	347
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	118	118
Amortization of program costs	36	36
Corporate general and administrative expenses	57	57
Loss on asset dispositions and other, net	4	4
Other segment items (a)	4	4
Operating income	$ 103	$ 103
Interest expense including amortization of debt discount and deferred financing costs	$ 165	$ 165
Gain on extinguishment of debt	13	13
Other income, net	4	4
Loss before income taxes		$ (45)

For the six months ended June 30, 2025	Local Media	Corporate	Consolidated
Revenue	$ 1,373	$ —	$ 1,373
Media programming and production expenses	770	—	770
Media selling, general and administrative expenses	332	—	332
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	110	—	110
Amortization of program costs	36	—	36
Corporate general and administrative expenses	64	—	64
(Gain) loss on asset dispositions and other, net	(20)	37	17
Other segment items (a)	4	—	4
Operating income (loss)	$ 77	$ (37)	$ 40
Interest expense including amortization of debt discount and deferred financing costs	$ 226	$ —	$ 226
Gain on extinguishment of debt	6	—	6
Other income, net	6	—	6
Loss before income taxes			$ (174)

(a) Other segment items relate primarily to non-media expenses.

6. VARIABLE INTEREST ENTITIES:

Certain of SBG's stations provide services to other station owners within the same respective market through agreements, such as LMAs, where SBG provides programming, sales, operational, and administrative services, and JSAs and SSAs, where SBG provides non-programming, sales, operational, and administrative services. In certain cases, SBG has also entered into purchase agreements or options to purchase the license related assets of the licensee. SBG typically owns the majority of the non-license assets of the stations, and in some cases where the licensee acquired the license assets concurrent with SBG's acquisition of the non-license assets of the station, SBG has provided guarantees to the bank for the licensee's acquisition financing. The terms of the agreements vary but generally have initial terms of over five years with several optional renewal terms. Based on the terms of the agreements and the significance of SBG's investment in the stations, SBG is the primary beneficiary when, subject to the ultimate control of the licensees, SBG has the power to direct the activities which significantly impact the economic performance of the VIE through the services SBG provides and SBG absorbs losses and returns that would be considered significant to the VIEs. The fees paid between SBG and the licensees pursuant to these arrangements are eliminated in consolidation.

The carrying amounts and classification of the assets and liabilities of the VIEs mentioned above, which have been included in SBG's consolidated balance sheets as of the dates presented, were as follows (in millions):

	As of June 30, 2026	As of December 31, 2025
ASSETS		
Current assets:		
Accounts receivable, net	$ 1	$ 5
Other current assets	—	2
Total current assets	1	7
Property and equipment, net	4	5
Goodwill and indefinite-lived intangible assets	1	13
Definite-lived intangible assets, net	10	5
Total assets	$ 16	$ 30
LIABILITIES		
Current liabilities:		
Other current liabilities	$ 1	$ 6
Notes payable, finance leases and commercial bank financing, less current portion	2	4
Other long-term liabilities	3	3
Total liabilities	$ 6	$ 13

The amounts above represent the combined assets and liabilities of the VIEs described above, for which SBG is the primary beneficiary. Total liabilities associated with certain outsourcing agreements and purchase options with certain VIEs, which are excluded from the above, were $116 million as of both June 30, 2026 and December 31, 2025, as these amounts are eliminated in consolidation. The assets of each of these consolidated VIEs can only be used to settle the obligations of the VIE. As of June 30, 2026, all of the liabilities are non-recourse to SBG except for the debt of certain VIEs. See *Debt of Variable Interest Entities and Guarantees of Third-Party Obligations* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* for further discussion. The risk and reward characteristics of the VIEs are similar.

7. RELATED PERSON TRANSACTIONS:

Transactions With SBG's Indirect Controlling Shareholders

David, Frederick, J. Duncan, and Robert Smith (collectively, the "Sinclair controlling shareholders") are brothers and hold substantially all of the Sinclair Class B Common Stock and some of the Sinclair Class A Common Stock and are on the Board of Managers of SBG. SBG engaged in the following transactions with them and/or entities in which they have substantial interests:

Leases. Certain assets used by SBG and SBG's operating subsidiaries are leased from entities owned by the Sinclair controlling shareholders. Lease payments made to these entities were $1 million and $3 million for the three and six months ended June 30, 2026 and $1 million and $3 million, for the three and six months ended June 30, 2025, respectively. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. SBG leased aircraft owned by certain Sinclair controlling shareholders. For all leases, SBG incurred expenses of $0.2 million for the six months ended June 30, 2025.

The Baltimore Sun. David Smith is the majority shareholder of The Baltimore Sun. STG has entered into agreements with The Baltimore Sun to provide independent contractor services, sales representation, news resource sharing, and content sharing. In relation to these agreements, SBG recorded revenue of $0.1 million and $0.3 million for the three and six months ended June 30, 2026, respectively, and less than $0.1 million for both the three and six months ended June 30, 2025.

Atlantic Automotive Corporation. SBG sells advertising time to Atlantic Automotive Corporation ("Atlantic Automotive"), a holding company that owns automobile dealerships and an automobile leasing company. David Smith has a controlling interest in, and is a member of the board of directors of, Atlantic Automotive. SBG received payments for advertising totaling less than $0.1 million for each of the three and six months ended June 30, 2026 and 2025.

Cunningham Broadcasting Corporation

Cunningham owns a portfolio of television stations, including: WNUV-TV Baltimore, Maryland; WRGT-TV Dayton, Ohio; WVAH-TV Charleston, West Virginia; WMYA-TV Anderson, South Carolina; WTTE-TV Columbus, Ohio; WDBB-TV Birmingham, Alabama; WBSF-TV Flint, Michigan; KRNV-DT/KENV-DT Reno, Nevada/Salt Lake City, Utah; and KTXD-TV in Dallas, Texas (collectively, the “Cunningham Stations”). Certain of SBG’s stations provide services to certain Cunningham Stations pursuant to LMAs or JSAs and SSAs. See *Note 6. Variable Interest Entities*, for further discussion of the scope of services provided under these types of arrangements. The agreements with KRNV-DT/KENV-DT, WBSF-TV and WDBB-TV expire between November 2029 and April 2030 and certain stations have renewal provisions for successive eight-year periods. On March 1, 2026, SBG exercised purchase options for WGTU-TV/WGTQ-TV Traverse City/Cadillac, Michigan; WEMT-TV Tri-Cities, Tennessee; WYDO-TV Greenville, North Carolina; KBVU-TV/KCVU-TV Eureka/Chico-Redding, California; and WPFO-TV Portland, Maine, which were previously owned by Cunningham (collectively, the “Purchased Stations”) and these stations are now owned and operated by SBG.

The services provided to WNUV-TV, WMYA-TV, WTTE-TV, WRGT-TV and WVAH-TV are governed by a master agreement which has a current term that expires on July 1, 2028 and there is one additional five-year renewal term remaining with final expiration on July 1, 2033. SBG also executed purchase agreements to acquire the license related assets of these stations from Cunningham, which grant SBG the right to acquire, and grant Cunningham the right to require SBG to acquire, subject to applicable FCC rules and regulations, 100% of the capital stock or the assets of these individual subsidiaries of Cunningham. Pursuant to the terms of this agreement SBG is obligated to pay Cunningham an annual fee for the television stations equal to the greater of (i) 3% of each station’s annual net broadcast revenue or (ii) $6 million. The aggregate purchase price of these television stations increases by 6% annually. A portion of the fee is required to be applied to the purchase price to the extent of the 6% increase. The cumulative prepayments made under these purchase agreements were $75 million and $73 million as of June 30, 2026 and December 31, 2025, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both June 30, 2026 and December 31, 2025, was approximately $54 million. Additionally, SBG provides services to WDBB-TV pursuant to an LMA, which expires April 22, 2030, and has a purchase option to acquire for $0.2 million. Under these agreements, SBG paid Cunningham $3 million and $6 million for the three and six months ended June 30, 2026, respectively, and $3 million and $6 million for the three and six months ended June 30, 2025, respectively.

As SBG consolidates the licensees as VIEs, the amounts SBG earns or pays under the arrangements are eliminated in consolidation and the gross revenue of the stations are reported in SBG’s consolidated statements of operations. SBG’s consolidated revenues included $3 million and $7 million for the three and six months ended June 30, 2026, respectively, and $31 million and $65 million for the three and six months ended June 30, 2025, respectively, related to the Cunningham Stations, and, prior to March 1, 2026, the Purchased Stations.

SBG has an agreement with Cunningham to provide master control equipment and provide master control services to a station in Johnstown, PA with which Cunningham has an LMA, that is operating on a month-to-month term until either party provides notice of termination. Under the agreement, Cunningham paid SBG an initial fee of $1 million and pays SBG $0.3 million annually for master control services plus the cost to maintain and repair the equipment. In addition, SBG has an agreement with Cunningham to provide a news share service with the Johnstown, PA station for an annual fee of $0.6 million, which increases by 2% on each anniversary and expires in November 2028.

SBG has multi-cast agreements with Cunningham Stations in the Anderson, South Carolina; Baltimore, Maryland; Charleston, West Virginia; and Dallas, Texas markets and, prior to March 1, 2026, with stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Portland, Maine; and Greenville, North Carolina markets. In exchange for carriage of these networks in their markets, SBG paid $0.3 million and $0.6 million for the three and six months ended June 30, 2026, respectively, and $0.3 million and $0.6 million for the three and six months ended June 30, 2025, respectively, under these agreements.

All of the non-voting stock of the Cunningham Stations is owned by trusts for the benefit of the children of the Sinclair controlling shareholders. SBG consolidates certain subsidiaries of Cunningham with which SBG has variable interests through various arrangements related to the Cunningham Stations.

WG Communications Group

The wife of Robert Weisbord, SBG's Chief Operating Officer and President of Local Media, has an ownership interest in WG Communications Group ("WGC"). SBG received revenue from advertisers represented by WGC of less than $0.1 million for both the three and six months ended June 30, 2026 and less than $0.1 million and $0.1 million for the three and six months ended June 30, 2025, respectively, and made payments to WGC of less than $0.1 million for both the three and six months ended June 30, 2025.

Sinclair, Inc.

Sinclair is the sole member of SBG.

SBG recorded revenue of $3 million and $5 million for the three and six months ended June 30, 2026, respectively, and $3 million and $6 million for the three and six months ended June 30, 2025, respectively, related to sales services provided by SBG to Sinclair, and certain of its direct and indirect subsidiaries.

SBG recorded expenses of $9 million and $17 million for the three and six months ended June 30, 2026, respectively, and $5 million and $9 million for the three and six months ended June 30, 2025 related to digital advertising services provided by Sinclair, and certain of its direct and indirect subsidiaries, to SBG.

SBG made net cash distributions of $23 million and $68 million to Sinclair, and certain of its direct and indirect subsidiaries, for the three and six months ended June 30, 2026, respectively. SBG made net cash distributions of $36 million and $82 million to Sinclair, and certain of its direct and indirect subsidiaries, for the three and six months ended June 30, 2025, respectively.

As of June 30, 2026 SBG had a payable to Sinclair, and certain of its direct and indirect subsidiaries, of $9 million, included within other current liabilities in SBG's consolidated balance sheets. As of December 31, 2025, SBG had a receivable from Sinclair, and certain of its direct and indirect subsidiaries, of $1 million, included within prepaid expenses and other current assets in SBG's consolidated balance sheets.

Employees

Jason Smith, an employee of SBG, is the son of Frederick Smith, who is a Vice President of SBG and a member of SBG's Board of Managers. Jason Smith received total compensation of $0.3 million for both the three months ended June 30, 2026 and 2025 and $1 million for both the six months ended June 30, 2026 and 2025, consisting of salary and bonus, and was granted 144,300 and 159,607 shares of restricted stock, vesting over two years, for the six months ended June 30, 2026 and 2025, respectively.

Ethan White, an employee of SBG, is the son-in-law of J. Duncan Smith, who is a Vice President of SBG and Secretary of SBG's Board of Directors. Ethan White received total compensation of $0.1 million for both the three months ended June 30, 2026 and 2025 and $0.1 million for both the six months ended June 30, 2026 and 2025, consisting of salary and bonus, and was granted 5,162 and 3,244 shares of restricted stock, vesting over two years, for the six months ended June 30, 2026 and 2025, respectively.

Ryan McCoy, an employee of SBG, is the son-in-law of J. Duncan Smith. Ryan McCoy received total compensation of less than $0.1 million for both the three months ended June 30, 2026 and 2025 and $0.1 million for both the six months ended June 30, 2026 and 2025, consisting of salary.

Amberly Thompson, an employee of SBG, is the daughter of Donald Thompson, who is an Executive Vice President and Chief Human Resources Officer of SBG. Amberly Thompson received total compensation of $0.1 million and less than $0.1 million for the three months ended June 30, 2026 and 2025, respectively, and $0.1 million for both the six months ended June 30, 2026 and 2025, consisting of salary and bonus, and was granted 285 shares of restricted stock, vesting over two years, for the six months ended June 30, 2025.

Frederick Smith is the brother of David Smith, Executive Chairman of SBG and a member of SBG's Board of Managers; Robert Smith, a member of SBG's Board of Managers; and J. Duncan Smith. Frederick Smith received total compensation of $0.2 million for both the three months ended June 30, 2026 and 2025, and $0.4 million for both the six months ended June 30, 2026 and 2025, consisting of salary and bonus.

J. Duncan Smith is the brother of David Smith, Frederick Smith, and Robert Smith. J. Duncan Smith received total compensation of $0.2 million for both the three months ended June 30, 2026 and 2025, and $0.4 million for both the six months ended June 30, 2026 and 2025, consisting of salary and bonus.

8. FAIR VALUE MEASUREMENTS:

Accounting guidance provides for valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). A fair value hierarchy using three broad levels prioritizes the inputs to valuation techniques used to measure fair value. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The following table sets forth the face value and fair value of SBG's financial assets and liabilities for the periods presented (in millions):

	As of June 30, 2026		As of December 31, 2025	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Money market funds	N/A	$ 6	N/A	$ 352
Level 2:				
STG (a):				
9.750% Second Lien Senior Secured Notes due 2033	$ 432	476	$ 432	474
8.125% First-Out First Lien Secured Notes due 2033	1,430	1,475	1,430	1,496
5.500% Senior Notes due 2030	485	421	485	440
4.375% Second-Out First Lien Secured Notes due 2032	238	185	238	189
4.125% Unsecured Notes due 2030	4	3	4	3
Term Loan B-3, due April 1, 2028	3	2	3	2
Term Loan B-6, due December 31, 2029 (b)	610	527	706	642
Term Loan B-7, due December 31, 2030 (b)	651	560	726	653
A/R Facility (c)	225	225	375	375
Debt of variable interest entities (a)	2	2	6	6

N/A - Not applicable

(a) Amounts are carried in SBG's consolidated balance sheets net of debt discount and deferred financing cost, which are excluded in the above table, of $50 million and $55 million as of June 30, 2026 and December 31, 2025, respectively.

(b) In April 2026, STG repurchased $93 million aggregate principal amount of the Term Loan B-6 and $72 million aggregate principal amount of the Term Loan B-7 for consideration of $85 million and $65 million, respectively.

(c) In April 2026, STG paid down $150 million of the borrowings under the A/R Facility.

SINCLAIR BROADCAST GROUP, LLC
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

The following Management's Discussion and Analysis provides qualitative and quantitative information about SBG's financial performance and condition and should be read in conjunction with SBG's consolidated financial statements and the accompanying notes to those statements. This discussion consists of the following sections:

Results of Operations — an analysis of SBG's revenue and expenses for the three and six months ended June 30, 2026 and 2025.

Liquidity and Capital Resources — a discussion of SBG's primary sources of liquidity and an analysis of SBG's cash flows from or used in operating activities, investing activities, and financing activities during the three and six months ended June 30, 2026.

RESULTS OF OPERATIONS

Any references to the first, third, or fourth quarters are to the three months ended March 31, September 30, or December 31, respectively, for the year being discussed. As of June 30, 2026, SBG had one reportable segment for accounting purposes, local media.

Seasonality / Cyclicality

The operating results of SBG's local media segment are usually subject to cyclical fluctuations from political advertising. In even numbered years, political spending is usually significantly higher than in odd numbered years due to advertising expenditures preceding local and national elections. Additionally, every four years, political spending is usually elevated further due to advertising expenditures preceding the presidential election. Also, the second and fourth quarter operating results are usually higher than the first and third quarters' operating results because advertising expenditures are increased in anticipation of certain seasonal and holiday spending by consumers.

Operating Data

The following table sets forth SBG's consolidated operating data for the periods presented (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Total media revenue	$ 731	$ 679	$ 1,432	$ 1,373
Media programming and production expenses	381	380	763	770
Media selling, general and administrative expenses	176	162	347	332
Depreciation and amortization expenses	58	54	118	110
Amortization of program costs	18	17	36	36
Non-media expenses	2	2	4	4
Corporate general and administrative expenses	23	27	57	64
Loss on asset dispositions and other, net	5	9	4	17
Operating income	$ 68	$ 28	$ 103	$ 40
Net loss attributable to SBG	$ (1)	$ (41)	$ (25)	$ (143)

Local Media Segment

The following table sets forth SBG's revenue and expenses for its local media segment for the periods presented (in millions):

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Percent Change Increase / (Decrease)	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Percent Change Increase / (Decrease)
Revenue:						
Distribution revenue	$ 389	$ 380	2%	$ 791	$ 775	2%
Core advertising revenue	260	272	(4)%	521	543	(4)%
Political advertising revenue	59	6	n/m	77	12	n/m
Other media revenue	23	21	10%	43	43	—%
Media revenue	$ 731	$ 679	8%	$ 1,432	$ 1,373	4%
Operating Expenses:						
Media programming and production expenses	$ 381	$ 380	—%	$ 763	$ 770	(1)%
Media selling, general and administrative expenses	176	162	9%	347	332	5%
Depreciation and amortization expenses	58	54	7%	118	110	7%
Amortization of program costs	18	17	6%	36	36	—%
Corporate general and administrative expenses	23	27	(15)%	57	64	(11)%
Non-media expenses	2	2	—%	4	4	—%
Loss (gain) on asset dispositions and other, net	5	(28)	n/m	4	(20)	n/m
Operating income	$ 68	$ 65	5%	$ 103	$ 77	34%
Interest expense including amortization of debt discount and deferred financing costs	$ 80	$ 82	(2)%	$ 165	$ 226	(27)%
Gain on extinguishment of debt	$ 13	$ 4	n/m	$ 13	$ 6	n/m
Other income, net	$ —	$ 3	n/m	$ 4	$ 6	(33)%

n/m - not meaningful

Revenue

Distribution revenue. Distribution revenue, which represents fees earned from Distributors for SBG's broadcast signals, increased $9 million or 2% and $16 million or 2% for the three and six months ended June 30, 2026, respectively, when compared to the same periods in 2025. Contractual rate increases favorably impacted period-over-period distribution revenue by mid-single digit percentages for each of the three and six months ended June 30, 2026, partially offset by subscriber decreases by low-single digit percentages.

Core advertising revenue. Core advertising revenue decreased $12 million and $22 million for the three and six months ended June 30, 2026, respectively, when compared to the same periods in 2025, with no particular product/services category dominating the variance.

Political advertising revenue. Political advertising revenue increased $53 million and $65 million for the three and six months ended June 30, 2026, respectively, when compared to the same periods in 2025, primarily due to 2026 being a midterm election year and therefore having a higher number of political races and correspondingly more political advertising spending compared to 2025, which was an off-year election cycle.

The following table sets forth SBG's primary types of programming and their approximate percentages of advertising revenue for the periods presented:

	Percent of Advertising Revenue for the			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Syndicated/Other programming	36%	41%	37%	40%
Local news	32%	31%	30%	29%
Sports programming (a)	11%	8%	13%	12%
Network programming (a)	17%	17%	16%	16%
Paid programming	4%	3%	4%	3%

(a) Sports programming includes both local and network sports programming. Network programming is exclusive of any network sports programming.

The following table sets forth SBG's affiliate percentages of advertising revenue for the periods presented:

		Percent of Advertising Revenue for the			
		Three Months Ended June 30,		Six Months Ended June 30,	
	# of Channels	2026	2025	2026	2025
ABC	41	33%	31%	30%	29%
FOX	61	21%	19%	21%	22%
CBS	32	20%	20%	20%	20%
NBC	25	14%	14%	16%	13%
CW	46	3%	5%	3%	5%
MNT	43	2%	3%	2%	3%
Other	399	7%	8%	8%	8%
Total	647				

Expenses

Media programming and production expenses. Media programming and production expenses remained relatively flat for the three months ended June 30, 2026, when compared to the same period in 2025. Media programming and production expenses decreased $7 million for the six months ended June 30, 2026, when compared to the same period in 2025, primarily due to a $3 million decrease related to costs associated with stations SBG historically operated under JSA or SSA arrangements but now own and operate, a $3 million decrease in legal and consulting expenses, and a $1 million decrease in employee compensation cost.

Media selling, general and administrative expenses. Media selling, general and administrative expenses increased $14 million for the three months ended June 30, 2026, when compared to the same period in 2025, primarily due to the FCC consent decree entered into in June 2025 which resulted in a reversal of $10 million previously expensed, as further discussed in *Litigation, Claims, and Regulatory Matters* under *Note 4. Commitments and Contingencies* within *SBG's Consolidated Financial Statements,* a $4 million increase in employee compensation cost, and a $3 million increase in both costs relating to SBG's digital business and national sales commissions, respectively, partially offset by a $5 million decrease in information technology costs.

Media selling, general and administrative expenses increased $15 million for the six months ended June 30, 2026, when compared to the same period in 2025, primarily due to the FCC consent decree entered into in June 2025 which resulted in a reversal of $10 million previously expensed, as further discussed in *Litigation, Claims, and Regulatory Matters* under *Note 4. Commitments and Contingencies* within *SBG's Consolidated Financial Statements,* a $6 million increase in employee compensation cost, a $4 million increase in costs relating to SBG's digital business, and a $3 million increase in costs related to national sales commissions, partially offset by a $7 million decrease in information technology costs.

Corporate general and administrative expenses. See explanation under *Corporate and Unallocated Expenses.*

Loss (gain) on asset dispositions and other, net. During the three and six months ended June 30, 2025, SBG recognized $30 million and $39 million, respectively, of proceeds related to its cyber and directors and officers insurance policies. During the six months ended June 30, 2025, SBG recognized a loss associated with the sale of certain local media assets of approximately $17 million. See *Acquisitions and Station Disposals* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements*.

Depreciation and amortization expenses. Depreciation of property and equipment and amortization of definite-lived intangibles and other assets increased $4 million and $8 million for the three and six months ended June 30, 2026, respectively, when compared to the same periods in 2025, primarily due to an increase in intangible assets related to SBG's acquisitions during the first quarter of 2026 and the third quarter of 2025, as well as amortization expense associated with SBG's FCC licenses which began on January 1, 2026. See *Acquisitions and Station Disposals* and *Changes in Accounting Estimates* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements.*

Interest expense including amortization of debt discount and deferred financing costs. Interest expense decreased $2 million for the three months ended June 30, 2026, when compared to the same period in 2025, primarily due to decreased interest expense related to SBG's variable rate debt resulting from lower interest rates and the repurchase of a portion of the Term Loan B-7 and Term Loan B-6 during the second quarter of 2026. Interest expense decreased $61 million for the six months ended June 30, 2026, when compared to the same period in 2025, primarily due to $68 million of one-time financing costs related to the financing transactions that occurred in the first quarter of 2025 as well as decreased interest expense related to SBG's variable rate debt resulting from lower interest rates and the repurchase of a portion of the Term Loan B-7 and Term Loan B-6 during the second quarter of 2026. See *Credit Agreement and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *SBG's Consolidated Financial Statements.*

Gain on extinguishment of debt. For both the three and six months ended June 30, 2026, STG repurchased $93 million aggregate principal amount of the Term Loan B-6 and $72 million aggregate principal amount of the Term Loan B-7 for consideration of $85 million and $65 million, respectively, and recorded a gain on extinguishment of the Term Loan B-6 and Term Loan B-7 of $8 million and $5 million, respectively. See *Credit Agreement and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *SBG's Consolidated Financial Statements*. For the three and six months ended June 30, 2025, SBG recorded a gain on extinguishment of the 5.125% Senior Notes due 2027 of $4 million and $7 million, respectively. For the six months ended June 30, 2025 SBG recorded a gain on extinguishment of the 4.125% Senior Secured Notes due 2030 of $5 million and a loss on extinguishment of the Term Loan B-2 of $6 million.

Corporate and Unallocated Expenses

The following table presents SBG's corporate and unallocated expenses for the periods presented (in millions):

	Three Months Ended June 30,		Percent Change Increase/ (Decrease)	Six Months Ended June 30,		Percent Change Increase/ (Decrease)
	2026	2025		2026	2025	
Corporate general and administrative expenses	$ 23	$ 27	(15)%	$ 57	$ 64	(11)%
Loss on asset dispositions and other, net	$ 5	$ 9	(44)%	$ 4	$ 17	(76)%
Income tax (provision) benefit	$ (1)	$ 8	n/m	$ 23	$ 34	(32)%

n/m - not meaningful

The table above and explanations that follow cover SBG's total consolidated corporate and unallocated expenses.

Corporate general and administrative expenses. Corporate general and administrative expenses decreased $4 million and $7 million for the three and six months ended June 30, 2026, respectively, when compared to the same periods in 2025, primarily due to a decrease in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 4. Commitments and Contingencies* within *SBG's Consolidated Financial Statements.*

Loss on asset dispositions and other, net. During the three months ended June 30, 2025, SBG recognized a loss of $37 million related to the Marquee guarantee, as discussed in *Debt of Variable Interest Entities and Guarantees of Third-Party Obligations* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *SBG's Consolidated Financial Statements,* offset by gains of $30 million related to proceeds from SBG's cyber and directors and officers insurance policies, which are further discussed in *Local Media Segment* above. During the six months ended June 30, 2025 SBG recognized a loss of $17 million related to its station sales and a loss of $37 million related to the Marquee guarantee, as discussed in *Debt of Variable Interest Entities and Guarantees of Third-Party Obligations* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *SBG's Consolidated Financial Statements,* which were partially offset by gains of $39 million related to proceeds from its cyber and directors and officers insurance policies, which are further discussed in *Local Media Segment* above.

Income tax (provision) benefit. The effective tax rate for the three months ended June 30, 2026 was a provision of 35.8% as compared to a benefit of 17.9% during the same period in 2025. The change from benefit to provision is primarily due to a small book income in 2026 compared to a book loss in 2025.

The effective tax rate for the six months ended June 30, 2026 was a benefit of 51.2% as compared to a benefit of 19.5% during the same period in 2025. The increase in the effective tax rate for the six months ended June 30, 2026, when compared to the same period in 2025, is primarily due to a 2026 release of a valuation allowance on certain state net operating losses resulting from a change in the filing methodology that impacted the realizability of the associated deferred tax assets.

Unrestricted Subsidiaries

As of June 30, 2026, the unrestricted subsidiaries (as defined in the New Credit Agreement, "Unrestricted Subsidiaries") represented 0% of SBG's total assets. For both the three and six months ended June 30, 2026, the Unrestricted Subsidiaries represented 0% of SBG's total revenue. For the three and six months ended June 30, 2026, the Unrestricted Subsidiaries decreased SBG's total operating income by 3% and 4%, respectively.

As of June 30, 2026 and for the three and six months ended June 30, 2026, there were no restricted subsidiaries that were non-guarantors (as defined in the New Credit Agreement).

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2026, SBG had net working capital of approximately $205 million, including $115 million in cash and cash equivalent balances, and $763 million of available borrowing capacity, including $575 million under the New Credit Agreement, $38 million under the Amended Credit Agreement, and $150 million under the A/R Facility. As of June 30, 2026, SBG expected cash on hand, cash generated by SBG's operations, and borrowing capacity under the New Credit Agreement and the A/R Facility to be used as its primary sources of liquidity. In July 2026, the remaining $38 million of available borrowing capacity under the Amended Credit Agreement was canceled.

The First-Out Revolving Credit Facility includes a financial maintenance covenant, the first-out first lien leverage ratio (as defined in the New Credit Agreement), which requires such ratio not to exceed 3.5x, measured as of the end of each fiscal quarter, which is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the First-Out Revolving Credit Facility, measured as of the last day of each fiscal quarter, is utilized as of such date. Since there was no utilization under the First-Out Revolving Credit Facility as of June 30, 2026, STG was not subject to the financial maintenance covenant under the New Credit Agreement. As of June 30, 2026, the STG first-out first lien leverage ratio was below 3.5x. The New Credit Agreement contains other restrictions and covenants with which STG was in compliance as of June 30, 2026.

In April 2026, STG repurchased $93 million aggregate principal amount of the Term Loan B-6 and $72 million aggregate principal amount of the Term Loan B-7, both at discounts of face value, and paid down $150 million of the borrowings under the revolving A/R Facility.

In July 2026, STG repurchased $25 million aggregate principal amount of the Term Loan B-7 and the remaining $3 million aggregate principal amount of the Term Loan B-3, both at discounts to face value.

During the six months ended June 30, 2026, there were no material changes to SBG's contractual cash obligations as of June 30, 2026.

SBG anticipates that existing cash and cash equivalents, cash flow from the local media segment's operations, and borrowing capacity under the New Credit Agreement and the A/R Facility will be sufficient to satisfy the local media segment's debt service obligations, capital expenditure requirements, and working capital needs for the next twelve months. However, certain factors, including but not limited to the war in Ukraine, conflict in the Middle East, other geopolitical matters, natural disasters, pandemics and their resulting effect on the economy, SBG's advertisers, and SBG's Distributors and their subscribers, could affect SBG's liquidity and first-out first lien leverage ratio which could affect SBG's ability to access the full borrowing capacity under the New Credit Agreement. In addition to the sources described above, SBG may rely upon various sources for long-term liquidity needs, such as but not limited to, the issuance of long-term debt, or the sale of assets. However, there can be no assurance that additional financing or capital or buyers of assets will be available, or that the terms of any transactions will be acceptable or advantageous to SBG.

Sources and Uses of Cash

The following table sets forth SBG's cash flows for the periods presented (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net cash flows from operating activities	$ 80	$ 79	$ 138	$ 113
Cash flows used in investing activities:				
Acquisition of property and equipment	$ (18)	$ (18)	$ (32)	$ (33)
Acquisition of businesses, net of cash acquired	—	—	(15)	—
Purchases of investments	—	(1)	—	(1)
Other, net	(1)	—	2	—
Net cash flows used in investing activities	$ (19)	$ (19)	$ (45)	$ (34)
Cash flows used in financing activities:				
Proceeds from notes payable and commercial bank financing	$ —	$ —	$ —	$ 1,430
Repayments of notes payable, commercial bank financing, and finance leases	(306)	(83)	$ (315)	$ (1,414)
Debt issuance costs	—	(11)	—	(110)
Distributions to member, net	(30)	(16)	(59)	(47)
Distributions to noncontrolling interests	(2)	(3)	(5)	(5)
Net cash flows used in financing activities	$ (338)	$ (113)	$ (379)	$ (146)

Operating Activities

Net cash flows from SBG's operating activities increased for the three months ended June 30, 2026, when compared to the same period in 2025, primarily due to an increase in cash collections related to political revenue, partially offset by a decrease in cash collections from Distributors and an increase in overhead costs. Net cash flows from SBG's operating activities increased for the six months ended June 30, 2026, when compared to the same period in 2025, primarily due to an increase in cash collections from Distributors, an increase in cash collections related to political revenue, and a decrease in production costs, partially offset by an increase in overhead costs.

Investing Activities

Net cash flows used in SBG's investing activities remained flat for the three months ended June 30, 2026, when compared to the same period in 2025. Net cash flows used in SBG's investing activities increased for the six months ended June 30, 2026, when compared to the same period in 2025, primarily due to the acquisition of the non-license assets of KMYT and KOKI in Tulsa, OK in the first quarter of 2026.

Financing Activities

Net cash flows used in SBG's financing activities increased for the three months ended June 30, 2026, when compared to the same period in 2025, primarily due to the repurchase of a portion of the Term Loan B-6 and Term Loan B-7 and the repayment of borrowings under the A/R Facility during the second quarter of 2026. Net cash flows used in SBG's financing activities increased for the six months ended June 30, 2026, when compared to the same period in 2025, primarily due to the repurchase of a portion of the Term Loan B-6 and Term Loan B-7 and the pay down of borrowings under the A/R Facility during the second quarter of 2026. See *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within SBG's *Consolidated Financial Statements* for further information.