

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

FORM 10-Q**

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____.

COMMISSION FILE NUMBER:
333-271072 (Sinclair, Inc.)
000-26076 (Sinclair Broadcast Group, LLC)

Sinclair, Inc.
Sinclair Broadcast Group, LLC
 (Exact name of Registrant as specified in its charter)

Maryland
Maryland
(State or other jurisdiction of Incorporation or organization)

92-1076143 (Sinclair, Inc.)
52-1494660 (Sinclair Broadcast Group, LLC)
 (I.R.S. Employer Identification No.)

10706 Beaver Dam Road
Hunt Valley, Maryland 21030
 (Address of principal executive office, zip code)

(410) 568-1500
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

Securities registered by Sinclair, Inc. pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$ 0.01 per share	SBGI	The NASDAQ Stock Market LLC

Securities registered by Sinclair Broadcast Group, LLC pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Sinclair, Inc. Yes ☒ No ☐

Sinclair Broadcast Group, LLC Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation ST (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such file).

Sinclair, Inc. Yes ☒ No ☐

Sinclair Broadcast Group, LLC Yes ☒ No ☐

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

Sinclair, Inc. Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

Sinclair Broadcast Group, LLC Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐ Emerging growth company ☐

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

Sinclair, Inc. ☐

Sinclair Broadcast Group, LLC ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Sinclair, Inc. Yes ☐ No ☒

Sinclair Broadcast Group,
LLC Yes ☐ No ☒

As of August 6, 2025, there were 45,871,818 shares of Sinclair, Inc. Class A Common Stock outstanding and 23,775,056 shares of Sinclair, Inc. Class B Common Stock outstanding

GENERAL

This combined report on Form 10-Q is filed by both Sinclair, Inc. ("Sinclair") and Sinclair Broadcast Group, LLC ("SBG"). Certain information contained in this document relating to SBG is filed by Sinclair and separately by SBG. SBG makes no representation as to information relating to Sinclair or its subsidiaries, except as it may relate to SBG and its subsidiaries. References in this report to "we," "us," "our," the "Company," and similar terms refer to Sinclair and its consolidated subsidiaries, including SBG, unless context indicates otherwise. SBG files reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act") solely to comply with Section 1018(a) of the indenture governing the 5.125% Senior Notes due 2027 of Sinclair Television Group, Inc. ("STG"), a wholly-owned subsidiary of SBG.

FORWARD-LOOKING STATEMENTS

This report includes or incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act, and the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about us, including, among other things, the following risks. All risk factors are deemed to be related to both Sinclair and its subsidiaries, including SBG. Any risks only applicable to Sinclair are denoted as such.

Industry risks

- Financial and economic conditions, including inflation, may have an adverse impact on our industry, customers, business, and results of operations or financial condition;
 - the performance of networks and syndicators that provide us with programming content, as well as the performance of internally originated programming;
 - multi-channel video programming distributors ("MVPD") and virtual MVPD's ("vMVPD," and together with MVPDs, "Distributors") subscriber churn due to the impact of technological changes, the proliferation of over-the-top ("OTT") direct-to-consumer platforms, the loss of key entertainment and sports programming previously exclusively available to subscribers, and economic conditions on consumers' desire to pay for subscription services;
 - the business conditions of the Distributors we do business with and their ability to pay to broadcast our content on their distribution platforms;
 - the loss of appeal of our local news, network content, syndicated program content, and sports programming, which may be unpredictable;
 - the availability and cost of programming from networks and syndicators, as well as the cost of internally originated programming;
 - for Sinclair, the availability and cost of rights to air professional tennis tournaments;
 - our relationships with networks and their strategies to distribute their programming via means other than their local television affiliates, such as OTT or direct-to-consumer content;
 - labor disputes and legislation and other union activity associated with film, acting, writing, music, and other guilds;
 - the broadcasting community's ability to develop and adopt a viable mobile digital broadcast television ("mobile DTV") strategy and platform, such as the adoption of a next generation broadcast standard ("NextGen TV"), the consumer's appetite for mobile television, and the industry's acceptance of data distribution services;
 - the impact of programming payments charged by networks pursuant to their affiliation agreements with broadcasters requiring compensation for network programming;
 - the effects of declining live/appointment viewership as reported through rating systems and local television efforts to adopt and receive credit for same day viewing plus viewing on-demand thereafter;
 - changes in television rating measurement methodologies that could negatively impact audience results;
 - the ability of advertisers to coordinate and determine local advertising rates as a consortium;
 - the lack of our ability to negotiate directly with vMVPD's for the distribution of much of our content;
 - the operation of low power devices in the broadcast spectrum, which could interfere with our broadcast; and
 - the impact of Distributors and OTTs offering "skinny" programming bundles that may not include television broadcast stations or other programming that we distribute.
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Regulatory risks

- The Federal Communications Commission ("FCC") proceeding regarding the roll-out of NextGen TV and the sunset of ATSC 1.0 could impact business-use cases for the NextGen TV technology and the timeframe for the discontinuance of ATSC 1.0;
- the potential for additional governmental regulation of broadcasting or changes in those regulations and court actions interpreting those regulations, including ownership regulations limiting over-the-air television's ability to compete effectively (including regulations relating to joint sales agreements ("JSA"), shared services agreements ("SSA"), local marketing agreements ("LMA"), cross ownership rules, the national ownership cap, and the UHF discount), arbitrary enforcement by the FCC including indecency regulations, retransmission consent regulations, and political or other advertising restrictions, such as payola rules;
- the impact of FCC and Congressional efforts which may restrict a television station's retransmission consent negotiations;
- the impact of FCC rules requiring broadcast stations to publish, among other information, political advertising rates online;
- the potential impact of deregulation allowing the networks to purchase additional stations in our markets;
- the potential impact from changes in lowest unit rate applicability associated with political advertising spots;
- our ability to obtain regulatory approval for transactions related to FCC licenses;
- the potential impact from changes in industry ownership and multicast rules;
- our response to corporate social responsibility considerations, and compliance with laws and regulations related thereto; and
- the impact of foreign government rules related to digital and online assets.

Risks specific to us

- Our ability to attract and maintain local, national, and network advertising and successfully participate in new sales channels such as programmatic and addressable advertising through business partnership ventures and the development of technology;
 - our ability to service our debt obligations and operate our business under restrictions contained in our financing agreements;
 - our use of derivative financial instruments to reduce interest rate risk may result in added volatility in the amount of interest expense recorded within our financial results and the amount of cash interest paid;
 - our ability to successfully implement and monetize our own content management system designed to provide our viewers significantly improved content via the internet and other digital platforms;
 - our ability to successfully negotiate retransmission consent and distribution agreements for our existing and any acquired businesses with favorable terms;
 - the ability of stations which we consolidate, but do not negotiate on their behalf, to successfully renegotiate retransmission consent and affiliation fees (cable network fees) agreements and comply with laws and regulations that apply to them;
 - our ability to renew our FCC licenses;
 - our ability to identify investment opportunities;
 - our ability to successfully integrate any acquired businesses, as well as the success of our new content and distribution initiatives in a competitive environment, including CHARGE!, ROAR, Comet, The Nest, podcasts, other original programming, mobile DTV, FAST channels, and direct-to-consumer platforms;
 - our ability to maintain our affiliation and programming service agreements with our networks and program service providers and, at renewal, to successfully negotiate these agreements with favorable terms;
 - our ability to generate synergies and leverage new revenue opportunities;
 - changes in the makeup of the population in the areas where our stations are located;
 - our ability to effectively respond to technology affecting our industry;
 - our ability to deploy NextGen TV nationwide, including the ability and appetite of manufacturers to install the technology within their products, as well as monetize the associated technology;
 - the strength of ratings for our local news broadcasts including our news sharing arrangements;
 - risks associated with the use or delayed use of artificial intelligence by us and third parties, including our use or delayed use in the operations of our business;
 - the results of prior year tax audits by taxing authorities;
 - for Sinclair, our ability to execute on our investment and growth strategies related to our subsidiary, Sinclair Ventures, LLC ("Ventures"); and
-

- our ability to monetize our investments in real estate, venture capital and private equity holdings, and direct strategic investments in companies.

General risks

- The impact of changes in national and regional economies and credit and capital markets, including the impact of potential tariffs and trade restrictions;
- loss of consumer confidence;
- the potential impact of changes in tax law;
- the activities of our competitors;
- risks associated with the inability of key suppliers and other third parties to provide services to us;
- geopolitical conditions, including the war in Ukraine, conflicts in the Middle East, potential tariffs and international trade sanctions, could negatively impact global supply prices and disrupt supply chain levels, which could negatively impact the operations of us, our customers', our vendors', and our Distributors';
- natural disasters and pandemics (such as the outbreak and worldwide spread of COVID-19) that impact our employees, Distributors, advertisers, suppliers, stations, and networks; and
- cybersecurity incidents, data privacy, and other information technology failures related to us, our vendors and those within our vendors' supply chain have and in the future may, adversely affect us and disrupt our operations.

Other matters set forth in this report, including the *Risk Factors* set forth in Item 1A of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2024, may also cause actual results in the future to differ materially from those described in the forward-looking statements. However, additional factors and risks not currently known to us or that we currently deem immaterial may also cause actual results in the future to differ materially from those described in the forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In light of these risks, uncertainties, and assumptions, events described in the forward-looking statements discussed in this report might not occur.

PART I. FINANCIAL INFORMATION

SINCLAIR, INC.
SINCLAIR BROADCAST GROUP, LLC

FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2025

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ITEM 1. FINANCIAL STATEMENTS

This report includes the Consolidated Financial Statements of Sinclair and SBG in Item 1A and Item 1B, respectively.

ITEM 1A. FINANCIAL STATEMENTS OF SINCLAIR, INC.

SINCLAIR, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share data) (Unaudited)

	As of June 30, 2025	As of December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 616	\$ 697
Accounts receivable, net of allowance for doubtful accounts of \$5 and \$6, respectively	624	637
Income taxes receivable	—	5
Prepaid expenses and other current assets	186	146
Assets held-for-sale	33	—
Total current assets	1,459	1,485
Property and equipment, net	665	705
Operating lease assets	117	123
Goodwill	2,087	2,082
Indefinite-lived intangible assets	149	150
Customer relationships, net	289	302
Other definite-lived intangible assets, net	287	328
Other assets	617	710
Total assets (a)	<u>\$ 5,670</u>	<u>\$ 5,885</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 558	\$ 416
Income taxes payable	47	—
Current portion of notes payable, finance leases, and commercial bank financing	25	38
Current portion of operating lease liabilities	23	22
Current portion of program contracts payable	41	69
Other current liabilities	74	60
Liabilities held-for-sale	4	—
Total current liabilities	772	605
Notes payable, finance leases, and commercial bank financing, less current portion	4,081	4,091
Operating lease liabilities, less current portion	122	130
Program contracts payable, less current portion	10	13
Deferred tax liabilities	193	335
Other long-term liabilities	199	195
Total liabilities (a)	5,377	5,369
Commitments and contingencies (See Note 4)		
Shareholders' equity:		
Class A Common Stock, \$.01 par value, 500,000,000 shares authorized, 45,891,572 and 42,642,126 shares issued and outstanding, respectively	1	1
Class B Common Stock, \$.01 par value, 140,000,000 shares authorized, 23,775,056 and 23,775,056 shares issued and outstanding, respectively, convertible into Class A Common Stock	—	—
Additional paid-in capital	603	570
(Accumulated deficit) retained earnings	(244)	10
Accumulated other comprehensive income	1	2
Total Sinclair shareholders' equity	361	583
Noncontrolling interests	(68)	(67)
Total equity	293	516
Total liabilities and equity	<u>\$ 5,670</u>	<u>\$ 5,885</u>

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

- (a) Our consolidated total assets as of June 30, 2025 and December 31, 2024 include total assets of variable interest entities ("VIE") of \$61 million and \$70 million, respectively, which can only be used to settle the obligations of the VIEs. Our consolidated total liabilities as of June 30, 2025 and December 31, 2024 include total liabilities of VIEs of \$7 million and \$16 million, respectively, for which the creditors of the VIEs have no recourse to us. See Note 7. *Variable Interest Entities*.

SINCLAIR, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except share and per share data) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
REVENUES:				
Media revenues	\$ 777	\$ 819	\$ 1,547	\$ 1,611
Non-media revenues	7	10	13	16
Total revenues	784	829	1,560	1,627
OPERATING EXPENSES:				
Media programming and production expenses	420	425	838	833
Media selling, general and administrative expenses	200	194	392	390
Amortization of program costs	17	18	36	37
Non-media expenses	13	13	24	25
Depreciation of property and equipment	24	25	50	50
Corporate general and administrative expenses	45	50	97	108
Amortization of definite-lived intangible assets	35	38	71	76
Loss on asset dispositions and other, net	9	2	17	2
Total operating expenses	763	765	1,525	1,521
Operating income	21	64	35	106
OTHER INCOME (EXPENSE):				
Interest expense including amortization of debt discount and deferred financing costs	(82)	(76)	(226)	(152)
Gain on extinguishment of debt	4	—	6	1
(Loss) income from equity method investments	(1)	78	(7)	92
Other expense, net	(18)	(42)	(84)	(2)
Total other expense, net	(97)	(40)	(311)	(61)
(Loss) income before income taxes	(76)	24	(276)	45
INCOME TAX BENEFIT (PROVISION)	14	(5)	60	(1)
NET (LOSS) INCOME	(62)	19	(216)	44
Net income attributable to the noncontrolling interests	(2)	(2)	(4)	(4)
NET (LOSS) INCOME ATTRIBUTABLE TO SINCLAIR	<u>\$ (64)</u>	<u>\$ 17</u>	<u>\$ (220)</u>	<u>\$ 40</u>
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:				
Basic earnings per share	<u>\$ (0.91)</u>	<u>\$ 0.27</u>	<u>\$ (3.20)</u>	<u>\$ 0.61</u>
Diluted earnings per share	<u>\$ (0.91)</u>	<u>\$ 0.27</u>	<u>\$ (3.20)</u>	<u>\$ 0.61</u>
Basic weighted average common shares outstanding (in thousands)	<u>69,589</u>	<u>66,189</u>	<u>68,545</u>	<u>65,172</u>
Diluted weighted average common and common equivalent shares outstanding (in thousands)	<u>69,589</u>	<u>66,189</u>	<u>68,545</u>	<u>65,296</u>

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

SINCLAIR, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in millions) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (62)	\$ 19	\$ (216)	\$ 44
Unrealized gain (loss) on interest rate swap, net of tax	—	1	(1)	5
Comprehensive (loss) income	(62)	20	(217)	49
Comprehensive income attributable to the noncontrolling interests	(2)	(2)	(4)	(4)
Comprehensive (loss) income attributable to Sinclair	<u>\$ (64)</u>	<u>\$ 18</u>	<u>\$ (221)</u>	<u>\$ 45</u>

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

SINCLAIR, INC.
CONSOLIDATED STATEMENTS OF EQUITY AND NONCONTROLLING INTERESTS
(in millions, except share and per share data) (Unaudited)

Three Months Ended June 30, 2024

	Three Months Ended June 30, 2024								
	Sinclair Shareholders								Total Equity
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	
	Shares	Values	Shares	Values					
BALANCE, March 31, 2024	42,305,323	\$ 1	23,775,056	\$ —	\$ 554	\$ (227)	\$ 5	\$ (64)	\$ 269
Dividends declared and paid on Class A and Class B Common Stock (\$0.25 per share)	—	—	—	—	—	(17)	—	—	(17)
Class A Common Stock issued pursuant to employee benefit plans	200,448	—	—	—	6	—	—	—	6
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(3)	(3)
Other comprehensive income	—	—	—	—	—	—	1	—	1
Net income	—	—	—	—	—	17	—	2	19
BALANCE, June 30, 2024	42,505,771	\$ 1	23,775,056	\$ —	\$ 560	\$ (227)	\$ 6	\$ (65)	\$ 275

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024									
	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
	Shares	Values	Shares	Values					
BALANCE, December 31, 2023	39,737,682	\$ 1	23,775,056	\$ —	\$ 517	\$ (234)	\$ 1	\$ (64)	\$ 221
Dividends declared and paid on Class A and Class B Common Stock (\$0.50 per share)	—	—	—	—	—	(33)	—	—	(33)
Class A Common Stock issued pursuant to employee benefit plans	2,768,089	—	—	—	43	—	—	—	43
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(5)	(5)
Other comprehensive income	—	—	—	—	—	—	5	—	5
Net income	—	—	—	—	—	40	—	4	44
BALANCE, June 30, 2024	42,505,771	\$ 1	23,775,056	\$ —	\$ 560	\$ (227)	\$ 6	\$ (65)	\$ 275

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

SINCLAIR, INC.
CONSOLIDATED STATEMENTS OF EQUITY AND NONCONTROLLING INTERESTS
(in millions, except share and per share data) (Unaudited)

Three Months Ended June 30, 2025

	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
	Shares	Values	Shares	Values					
BALANCE, March 31, 2025	45,756,209	\$ 1	23,775,056	\$ —	\$ 597	\$ (163)	\$ 1	\$ (68)	\$ 368
Dividends declared and paid on Class A and Class B Common Stock (\$0.25 per share)	—	—	—	—	—	(17)	—	—	(17)
Class A Common Stock issued pursuant to employee benefit plans	135,363	—	—	—	7	—	—	—	7
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(3)	(3)
Acquisition of noncontrolling interests	—	—	—	—	(1)	—	—	1	—
Net (loss) income	—	—	—	—	—	(64)	—	2	(62)
BALANCE, June 30, 2025	45,891,572	\$ 1	23,775,056	\$ —	\$ 603	\$ (244)	\$ 1	\$ (68)	\$ 293

Six Months Ended June 30, 2025

	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
	Shares	Values	Shares	Values					
BALANCE, December 31, 2024	42,642,126	\$ 1	23,775,056	\$ —	\$ 570	\$ 10	\$ 2	\$ (67)	\$ 516
Dividends declared and paid on Class A and Class B Common Stock (\$0.50 per share)	—	—	—	—	—	(34)	—	—	(34)
Class A Common Stock issued pursuant to employee benefit plans	3,249,446	—	—	—	34	—	—	—	34
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(6)	(6)
Other comprehensive loss	—	—	—	—	—	—	(1)	—	(1)
Acquisition of noncontrolling interests	—	—	—	—	(1)	—	—	1	—
Net (loss) income	—	—	—	—	—	(220)	—	4	(216)
BALANCE, June 30, 2025	45,891,572	\$ 1	23,775,056	\$ —	\$ 603	\$ (244)	\$ 1	\$ (68)	\$ 293

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

SINCLAIR, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions) (Unaudited)

	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net (loss) income	\$ (216)	\$ 44
Adjustments to reconcile net (loss) income to net cash flows from (used in) operating activities:		
Amortization of definite-lived intangible and other assets	71	76
Depreciation of property and equipment	50	50
Amortization of program costs	36	37
Stock-based compensation	33	37
Deferred tax (benefit) provision	(141)	9
Loss on asset dispositions and other, net	17	2
Loss (income) from equity method investments	7	(92)
Loss from investments	103	20
Distributions from investments	3	2
Gain on extinguishment of debt	(6)	(1)
Debt issuance costs	68	—
Change in assets and liabilities, net of acquisitions:		
Decrease (increase) in accounts receivable	15	(48)
Increase in prepaid expenses and other current assets	(38)	(8)
Increase (decrease) in accounts payable and accrued and other current liabilities	104	(382)
Net change in net income taxes payable/receivable	49	(10)
Decrease in program contracts payable	(37)	(41)
Other, net	9	(5)
Net cash flows from (used in) operating activities	127	(310)
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(33)	(44)
Acquisition of businesses, net of cash acquired	(25)	—
Purchases of investments	(20)	(32)
Distributions and proceeds from investments	13	184
Other, net	—	2
Net cash flows (used in) from investing activities	(65)	110
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	(1,414)	(43)
Dividends paid on Class A and Class B Common Stock	(34)	(33)
Debt issuance costs	(110)	—
Distributions to noncontrolling interests	(6)	(5)
Other, net	(9)	(3)
Net cash flows used in financing activities	(143)	(84)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(81)	(284)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	697	662
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	\$ 616	\$ 378

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

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Operations

Sinclair, Inc. ("Sinclair") is a diversified media company with national reach and a strong focus on providing high-quality content on our local television stations and digital platforms. The content, distributed through our broadcast platform and third-party platforms, consists of programming provided by third-party networks and syndicators, local news, other original programming produced by us and our owned networks and professional sports. Additionally, we own digital media companies that are complementary to our extensive portfolio of television station related digital properties and we have interests in, own, manage, and/or operate technical and software services companies, research and development companies for the advancement of broadcast technology, and other media and non-media related businesses and assets, including real estate, venture capital, private equity, and direct investments.

For the quarter ended June 30, 2025, we had two reportable segments: local media and tennis. The local media segment consists primarily of our 185 broadcast television stations in 85 markets, which we own, provide programming and operating services pursuant to agreements commonly referred to as local marketing agreements ("LMA"), or provide 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 646 channels as of June 30, 2025. For the purpose of this report, these 185 stations and 646 channels are referred to as "our" stations and channels. The tennis segment consists of Tennis Channel, a cable network which includes coverage of many of tennis' top tournaments and original professional sports and tennis lifestyle shows; Tennis Channel International streaming service; Tennis Channel streaming service; TennisChannel 2, a 24-hour a day free ad-supported streaming television channel; and Tennis.com.

Principles of Consolidation

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

We consolidate VIEs when we are the primary beneficiary. We are the primary beneficiary of a VIE when we have the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and have the obligation to absorb losses or the right to receive returns that would be significant to the VIE. See *Note 7. Variable Interest Entities* for more information on our VIEs.

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

Interim Financial Statements

The consolidated financial statements for the three and six months ended June 30, 2025 and 2024 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 equity and noncontrolling interests, and consolidated statements of cash flows for these periods as adjusted for the adoption of recent accounting pronouncements.

As permitted under the applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), the consolidated financial statements do not include all disclosures normally included with audited consolidated financial statements and, accordingly, should be read together with the audited consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC. The consolidated statements of operations presented in the accompanying consolidated financial statements are not necessarily representative of operations for an entire year.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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, revenues, and expenses in the consolidated financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In December 2023, the FASB issued guidance to enhance the transparency and decision usefulness of income tax disclosures, requiring annual disclosure of consistent categories and greater disaggregation of information in the rate reconciliation table; additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate); income taxes paid disaggregated by jurisdiction; and income or loss before income tax disaggregated between foreign and domestic. The guidance is effective for annual periods beginning after December 15, 2024, applied prospectively. Early adoption is permitted. We are currently evaluating the impact of this guidance but do not expect it to have a material impact on our consolidated financial statements.

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. We are currently evaluating the impact of this guidance.

Broadcast Television Programming

We have 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.

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

Hedge Accounting

We entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of our exposure to variable interest rates. The swap agreement has a notional amount of \$600 million, bears a fixed interest rate of 3.9%, and we receive a floating rate of interest based on the Secured Overnight Financing Rate ("SOFR").

We have determined that the interest rate swap meets the criteria for hedge accounting. The initial value of the interest rate swap and any changes in value in subsequent periods is included in accumulated other comprehensive income, with a corresponding change recorded in assets or liabilities depending on the position of the swap. Gains or losses on the monthly settlement of the interest rate swap are reflected in interest expense in our consolidated statements of operations. Cash flows related to the interest rate swap are classified as operating activities in our consolidated statements of cash flows. See *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* for further discussion.

SINCLAIR, INC.
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Non-cash Investing and Financing Activities

Leased assets obtained in exchange for new operating lease liabilities were \$4 million and \$3 million for the six months ended June 30, 2025 and 2024, respectively. Leased assets obtained in exchange for new finance lease liabilities were \$7 million for the six months ended June 30, 2024. Non-cash investing activities included property and equipment purchases of \$5 million for both the six months ended June 30, 2025 and 2024.

We received equity shares in investments valued at \$17 million and \$4 million for the six months ended June 30, 2025 and 2024, respectively, in exchange for an obligation to deliver a similar value of advertising spots.

Revenue Recognition

The following table presents our revenue disaggregated by type and segment (in millions):

For the three months ended June 30, 2025	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	\$ 380	\$ 54	\$ —	\$ —	\$ 434
Core advertising revenue	272	13	38	(7)	316
Political advertising revenue	6	—	—	—	6
Other media, non-media, and intercompany revenues	21	1	8	(2)	28
Total revenues	\$ 679	\$ 68	\$ 46	\$ (9)	\$ 784
For the six months ended June 30, 2025	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	\$ 775	\$ 110	\$ —	\$ —	\$ 885
Core advertising revenue	543	24	53	(12)	608
Political advertising revenue	12	—	—	—	12
Other media, non-media, and intercompany revenues	43	2	14	(4)	55
Total revenues	\$ 1,373	\$ 136	\$ 67	\$ (16)	\$ 1,560
For the three months ended June 30, 2024	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	\$ 384	\$ 51	\$ —	\$ —	\$ 435
Core advertising revenue	285	14	9	(5)	303
Political advertising revenue	40	—	—	—	40
Other media, non-media, and intercompany revenues	41	2	11	(3)	51
Total revenues	\$ 750	\$ 67	\$ 20	\$ (8)	\$ 829
For the six months ended June 30, 2024	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	\$ 768	\$ 103	\$ —	\$ —	\$ 871
Core advertising revenue	569	24	15	(8)	600
Political advertising revenue	64	—	—	—	64
Other media, non-media, and intercompany revenues	76	3	20	(7)	92
Total revenues	\$ 1,477	\$ 130	\$ 35	\$ (15)	\$ 1,627

Distribution Revenue. We generate distribution revenue through fees received from these Distributors for the right to distribute our 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 our customers (as usage occurs) which corresponds with the satisfaction of our performance obligation. Revenue is calculated based upon the contractual rate multiplied by an estimated number of subscribers. Our 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.

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

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

In accordance with ASC 606, we do 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. We record deferred revenue when cash payments are received or due in advance of our performance, including amounts which are refundable. We classify deferred revenue as either current in other current liabilities or long-term in other long-term liabilities in our consolidated balance sheets based on the timing of when we expect to satisfy our performance obligations. Deferred revenue was \$175 million and \$170 million as of June 30, 2025 and December 31, 2024, respectively, of which \$101 million and \$112 million, respectively, was reflected in other long-term liabilities in our consolidated balance sheets. Deferred revenue recognized for the six months ended June 30, 2025 and 2024, included in the deferred revenue balance as of December 31, 2024 and 2023, was \$38 million and \$30 million, respectively.

For the three months ended June 30, 2025, two customers accounted for 11% and 11%, respectively, of our total revenues. For the six months ended June 30, 2025, two customers accounted for 11% and 11%, respectively, of our total revenues. For the three months ended June 30, 2024, two customers accounted for 11% and 10%, respectively, of our total revenues. For the six months ended June 30, 2024, two customers accounted for 11% and 11%, respectively, of our total revenues. As of June 30, 2025, two customers accounted for 12% and 10%, respectively, of our accounts receivable, net. As of December 31, 2024, four customers accounted for 11%, 11%, 10%, and 10%, respectively, of our accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

Business Combinations and Station Disposals

In March 2025, Sinclair Ventures, LLC ("Ventures") completed the acquisition of CPX Interactive LLC ("Digital Remedy") for approximately \$30 million in cash, net of cash acquired of \$5 million, in which Ventures acquired the remaining 75% of the business they did not already own. The acquired assets and liabilities were recorded at fair value as of the closing date of the transactions, which included \$22 million of definite-lived intangible assets and \$17 million of goodwill.

In March 2025, we entered into an asset purchase agreement with a counterparty to sell our owned stations within Milwaukee, WI (WVTV), Springfield, IL (WICS/WICD), Ottumwa, IA (KTVO), and Quincy, IL (KHQA) for approximately \$30 million. As of June 30, 2025, we classified the related assets and liabilities as held-for-sale in our consolidated balance sheets. As of June 30, 2025, amounts classified as assets held-for-sale in our consolidated balance sheets primarily consist of accounts receivable of \$9 million and property and equipment of \$23 million and amounts classified as liabilities held-for-sale in our consolidated balance sheets primarily consists of accounts payable and accrued liabilities of \$2 million and current portion of program contracts payable of \$1 million. Additionally, during the six months ended June 30, 2025, we accrued the estimated loss we expect to recognize upon closing of the sale of approximately \$17 million, which is included within loss on asset dispositions and other, net within our consolidated statements of operations and our local media segment within *Note 6. Segment Data* and was recorded to reflect the underlying assets at the lower of carrying value and fair value. The sale was completed on July 8, 2025.

Income Taxes

Our income tax provision for all periods consists of federal and state income taxes. The tax provision for the three and six months ended June 30, 2025 and 2024 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. We provide a valuation allowance for deferred tax assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized. In evaluating our ability to realize net deferred tax assets, we consider all available evidence, both positive and negative, including our past operating results, tax planning strategies, current and cumulative losses, and forecasts of future taxable income. In considering these sources of taxable income, we must make certain judgments that are based on the plans and estimates used to manage our underlying businesses on a long-term basis. A valuation allowance has been provided for deferred tax assets related to a substantial amount of our 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.

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On July 4, 2025, the One Big, Beautiful Bill ("OB BB") was enacted. The OB BB is a comprehensive tax reform package that includes significant changes to corporate tax policy. While the Company is currently evaluating the full impact of OB BB, it does not expect a material impact on its financial statements. The Company will continue to assess the implications of OB BB and will provide further update in its subsequent quarterly filings.

Our 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. Our effective income tax rate for the six months ended June 30, 2025 approximated the statutory rate. Our effective income tax rate for the three months ended June 30, 2024 was less than the statutory rate primarily due to accrual of interest income attributable to prior years' pending income tax refund claims offset by non-deductible expenses. Our effective income tax rate for the six months ended June 30, 2024 was less than the statutory rate primarily due to an immaterial \$7.5 million correcting adjustment related to the accrual of interest income attributable to prior years' pending income tax refund claims.

We believe that our liability for unrecognized tax benefits could be reduced by up to \$3 million, 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.

Subsequent Events

In August 2025, our Board of Directors declared a quarterly dividend of \$0.25 per share, payable on September 15, 2025 to holders of record at the close of business on August 29, 2025.

2. OTHER ASSETS:

Other assets as of June 30, 2025 and December 31, 2024 consisted of the following (in millions):

	As of June 30, 2025	As of December 31, 2024
Equity method investments	\$ 32	\$ 48
Other investments	298	382
Notes receivable	29	27
Income tax receivable	147	144
Post-retirement plan assets	49	47
Other	62	62
Total other assets	<u>\$ 617</u>	<u>\$ 710</u>

Equity Method Investments

We have a portfolio of investments in a number of entities that are primarily focused on the development of real estate and other media and non-media businesses. No investments were individually significant for the periods presented.

Other Investments

We measure our investments, excluding equity method investments, at fair value or, in situations where fair value is not readily determinable, we have the option to value investments at cost plus observable changes in value, less impairment. Additionally, certain investments are measured at net asset value ("NAV").

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As of June 30, 2025 and December 31, 2024, we held \$113 million and \$228 million, respectively, in investments measured at fair value. As of June 30, 2025 and December 31, 2024, we held \$137 million and \$116 million, respectively, in investments measured at NAV. We recognized fair value adjustment losses of \$ 30 million and \$103 million for the three and six months ended June 30, 2025, respectively, and fair value adjustment losses of \$45 million and \$43 million for the three and six months ended June 30, 2024, respectively, associated with these investments, which are reflected in other expense, net in our consolidated statements of operations. As of June 30, 2025 and December 31, 2024, our unfunded commitments related to our investments valued using the NAV practical expedient totaled \$48 million and \$60 million, respectively.

Investments accounted for utilizing the measurement alternative were \$48 million and \$38 million as of June 30, 2025 and December 31, 2024, respectively. 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. We recorded a \$2 million impairment related to one investment for the three and six months ended June 30, 2024, which is reflected in other expense, net in our consolidated statements of operations.

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

Credit Agreement and Notes

During the first quarter of 2025, Sinclair Television Group, Inc. ("STG"), a wholly-owned subsidiary of Sinclair Broadcast Group, LLC ("SBG"), completed a series of financing transactions (the "Transactions") as follows:

Exchanged \$711.4 million aggregate principal amount outstanding of the \$714 million Term Loan B-3, which mature April 1, 2028 and bear interest at SOFR plus 3.00%, into second-out first lien Term Loan B-6 issued under a new credit agreement dated February 12, 2025 (the "New Credit Agreement"), which mature December 31, 2029 and bear interest at SOFR plus 3.30%. Exchanged all of the \$731.3 million aggregate principal amount outstanding of Term Loan B-4, which matured on April 21, 2029 and bore interest at SOFR plus 3.75%, into second-out first lien Term Loan B-7 issued under the New Credit Agreement, which mature December 31, 2030 and bear interest at SOFR plus 4.10%.

Exchanged \$575 million of commitments under the existing revolving credit facility into \$575 million first-out first lien revolving commitments (the "First-Out Revolving Credit Facility") under the New Credit Agreement, which mature February 12, 2030 and borrowings thereunder will bear interest at SOFR plus 2.00%.

The existing bank credit agreement was amended as of February 12, 2025 (the "Amended Credit Agreement") concurrent with the Transactions and entering into the New Credit Agreement, subordinating the secured obligations thereunder and eliminating substantially all covenants and certain events of default. As a result, the remaining \$3 million of Term Loan B-3 and the remaining \$75 million of commitments under the existing revolving credit facility are ranked as third lien obligations.

STG issued \$1,430 million aggregate principal amount of 8.125% first-out first lien secured notes due 2033 (the "8.125% First-Out Notes"), which mature on February 15, 2033. The proceeds from the 8.125% First-Out Notes were used to repay in full the \$1,175 million aggregate principal amounts outstanding of Term Loan B-2 due 2026, approximately \$63.6 million aggregate principal amount of 4.125% Senior Secured Notes due 2030 at 84% of the principal amount, and approximately \$104 million aggregate principal amount of 5.125% Senior Notes due 2027 at 97% of the principal amount and to pay fees and expenses related to the Transactions.

Exchanged \$432 million aggregate principal amount of the existing 4.125% Senior Secured Notes due 2030 into 9.750% senior secured second lien notes due 2033 (the "9.750% Second Lien Notes"), which mature on February 15, 2033. Exchanged \$238 million aggregate principal amount of the existing 4.125% Senior Secured Notes due 2030 into 4.375% second-out first lien secured notes due 2032 (the "4.375% Second-Out Notes"), which mature on December 31, 2032. The remaining 4.125% Senior Secured Notes due 2030 of \$4 million became unsecured obligations as the related indenture was amended to release all liens on the collateral and eliminate substantially all covenants and certain events of default.

For the six months ended June 30, 2025, we recognized a gain on extinguishment of the 4.125% Senior Secured Notes due 2030 and 5.125% Senior Notes due 2027 of \$5 million and \$3 million, respectively, and a loss on extinguishment of the Term Loan B-2 of \$6 million.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The New Credit Agreement and the indentures for the 8.125% First-Out Notes, 4.375% Second-Out Notes, and 9.750% Second Lien Notes (collectively, the "New Indentures") contain certain restrictive covenants including, but not limited to, restrictions on indebtedness, liens, restricted payments (including repayment of certain subordinated debt), investments, mergers, consolidations, sales and other dispositions of assets and affiliate transactions. These covenants are subject to a number of exceptions and limitations as described in the New Credit Agreement and New Indentures. The New Credit Agreement and New Indentures also include events of default, including certain cross-default and cross-acceleration provisions with other debt of STG, customary for agreements of its type.

Prior to February 15, 2028, December 1, 2025, and February 15, 2027, we may redeem the 8.125% First-Out Notes, 4.375% Second-Out Notes, and 9.750% Second Lien Notes, respectively, in whole or in part, at any time or from time to time at a price equal to 100% of the principal amount of the respective notes, plus accrued and unpaid interest, if any, to the redemption date, plus a "make-whole" premium as set forth in the New Indentures. On or prior to February 15, 2028 and February 15, 2027, we may redeem up to 40% of the aggregate principal amount of the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, at a price equal to 108.125% and 109.750% of the principal amount of the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, plus accrued and unpaid interest, if any, to, but not including, the date of redemption using the proceeds of certain equity offerings. Prior to February 15, 2028 and February 15, 2027, we may redeem the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, in whole but not in part, at a redemption price equal to 108.125% and 109.750% of the principal amount of the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, plus accrued and unpaid interest, if any, to, but not including, the redemption date upon certain change of control transactions or certain significant acquisitions. Beginning on December 1, 2025, we may redeem some or all of the 4.375% Second-Out Notes at any time or from time to time at the redemption prices set forth in the New Indentures, plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, upon the sale of certain of STG's assets or certain changes of control, we may be required to offer to repurchase some or all of the 8.125% First-Out Notes, 4.375% Second-Out Notes, and 9.750% Second Lien Notes.

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, 2025, STG was not subject to the financial maintenance covenant under the New Credit Agreement. As of June 30, 2025, 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, 2025.

During the three months ended June 30, 2025, we repurchased \$81 million aggregate principal amount of the 5.125% Senior Notes due 2027 for consideration of \$77 million. The 5.125% Senior Notes due 2027 acquired were canceled immediately following their acquisition. We recognized a gain on extinguishment of the 5.125% Senior Notes due 2027 of \$4 million for both the three and six months ended June 30, 2025.

During the six months ended June 30, 2024, we repurchased \$27 million aggregate principal amount of Term Loan B-2 for consideration of \$25 million. The portions of Term Loan B-2 purchased were canceled immediately following their acquisition. We recognized a gain on extinguishment of the Term Loan B-2 of \$1 million for the six months ended June 30, 2024.

Finance Leases to Affiliates

The current portion of notes payable, finance leases, and commercial bank financing in our consolidated balance sheets includes finance leases to affiliates of \$3 million as of both June 30, 2025 and December 31, 2024. Notes payable, finance leases, and commercial bank financing, less current portion, in our consolidated balance sheets includes finance leases to affiliates of \$8 million and \$9 million as of June 30, 2025 and December 31, 2024, respectively. See *Note 8. Related Person Transactions*.

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

STG jointly, severally, unconditionally, and irrevocably guaranteed \$2 million of debt of certain third parties as of both June 30, 2025 and December 31, 2024, all of which related to consolidated VIEs and is included in our consolidated balance sheets as of both June 30, 2025 and December 31, 2024. We provide a guarantee of certain obligations of the Marquee Sports Network ("Marquee") subject to a maximum aggregate amount of \$455 million for the years 2025 through 2029. We accrued \$37 million related to this obligation for both the three and six months ended June 30, 2025, included in loss on asset dispositions and other, net in our consolidated statements of operations. As of June 30, 2025, \$24 million and \$13 million of this obligation are reflected in accounts payable and accrued liabilities and other long-term liabilities, respectively, in our consolidated balance sheets. See *Note 4. Commitments and Contingencies* for further discussion.

Interest Rate Swap

We entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of our exposure to variable interest rates. The swap agreement has a notional amount of \$600 million, bears a fixed interest rate of 3.9%, and we receive a floating rate of interest based on SOFR. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further discussion. The fair value of the interest rate swap was an asset of \$1 million as of June 30, 2025, which is recorded in prepaid expenses and other current assets in our consolidated balance sheets, and an asset of \$1 million as of December 31, 2024, which is recorded in other assets in our consolidated balance sheets.

4. COMMITMENTS AND CONTINGENCIES:

Litigation, Claims, and Regulatory Matters

We are 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, we do not believe the outcome of these matters, individually or in the aggregate, will have a material effect on our financial statements.

FCC Matters

On May 22, 2020, the Federal Communications Commission ("FCC") released an Order and Consent Decree pursuant to which the Company 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 the Company and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with the Company's proposed acquisition of Tribune, and a retransmission related matter. The Company submitted the \$48 million payment on August 19, 2020. As part of the consent decree, the Company 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 Order and Consent Decree. The Company 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 Order and 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 with which the Company has a JSA or LMA, Deerfield Media station WUTB(TV) and Cunningham Broadcasting Corporation ("Cunningham") station WNUV(TV). The Company filed an opposition to the petition on October 1, 2020. On January 18, 2024, a motion was filed to request substitution of the petitioner, who is deceased. On January 29, 2024, the Company filed (1) an opposition to the motion for substitution and (2) a motion to dismiss the petition to deny the renewal applications. An opposition was filed to the motion to dismiss on February 5, 2024, and the Company timely filed its reply on February 13, 2024. 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). On April 14, 2025, the same attorney who filed the earlier petition against WBFF(TV), on behalf of a different client, filed a similar petition to deny the renewal applications by the Company seeking FCC consent to sell certain stations to a third party. The Company timely opposed the petition on April 24, 2025, the petitioner filed a reply on May 1, 2025. On July 1, 2025, the FCC dismissed that petition to deny and granted the applications.

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On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom the Company 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. Our understanding is that enforcement remains pending. The Company 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 Company stations and several stations with whom the Company has LMAs, JSAs, and/or SSAs, for violation of the FCC's limitations on commercial matter in children's television programming related to KidsClick network programming distributed by the Company in 2018. The NAL proposed a fine of \$2.7 million against the Company, 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, the Company 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. The Company 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 the Company agreed to make a voluntary contribution of \$500,000 to resolve, without any admission of liability, the forfeiture order (with respect to Company stations), a closed captioning investigation of Company station WUHF in Rochester, NY, and matters relating to certain of the Company's pending station renewal applications. The consent decree states the forfeiture order will be resolved by separate action with respect to the non-Company licensees. As part of the consent decree, the Company 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 Company stations involved in the matters resolved by the consent decree. The Company made the \$500,000 voluntary contribution on July 9, 2025.

Other Matters

On November 6, 2018, the Company 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 the Company and does not subject the Company to any monetary damages or penalties. The Company 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 the Company 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 the Company's stations not to exchange pacing and certain other information with other stations in their local markets, which the Company's management had already instructed them not to do.

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The Company is aware of twenty-two putative class action lawsuits that were filed against the Company following published reports of the DOJ investigation into the exchange of pacing data within the industry. On October 3, 2018, these lawsuits were consolidated in the Northern District of Illinois. The consolidated action alleges that the Company and thirteen other broadcasters conspired to fix prices for commercials to be aired on broadcast television stations throughout the United States and engaged in unlawful information sharing, in violation of the Sherman Antitrust Act. The consolidated action seeks damages, attorneys' fees, costs and interest, as well as injunctions against adopting practices or plans that would restrain competition in the ways the plaintiffs have alleged. The Court denied the defendants' motion to dismiss on November 6, 2020. Discovery commenced shortly after that and is continuing. On December 8, 2023, the Court granted final approval of the settlements the plaintiffs had reached with four of the original defendants (CBS, Fox, Cox Media, and ShareBuilders), who agreed to pay a total of \$48 million to settle the plaintiffs' claims against them. The plaintiffs are continuing to pursue their claims against the Company and the other non-settling defendants. Under the current schedule set by the Court, fact discovery is scheduled to close 90 days after a Special Master completes his review of the plaintiffs' objections to the defendants' privilege claims. On December 6, 2024, the plaintiffs filed a motion seeking sanctions against the Company in connection with the loss of certain cell phone data. On February 4, 2025, following briefing on that motion, the Court heard arguments and took the motion under advisement. On February 20, 2025, the Special Master issued Report and Recommendation No. 3 addressing plaintiffs' challenges to certain of defendants' privilege log entries ("R&R No. 3"), which compelled disclosure of certain documents Sinclair and the other non-settling defendants withheld from discovery based on assertions of privilege. Sinclair and the other co-defendants filed objections to R&R No. 3 and appeared at a status conference on March 18, 2025 during which they argued in favor of their objections to R&R No. 3. The Court took the objections under advisement. At the March 18, 2025 status conference, the Court also set a tentative trial date of April 1, 2026, and stated its expectations that depositions will resume. Although a trial date has been tentatively set, the Court has not issued an amended Scheduling Order, and the Special Master's review of plaintiffs' challenges to the defendants' privilege claims remains ongoing. The Company continues to believe the lawsuits are without merit and intends to vigorously defend itself against all such claims.

On July 19, 2023, as part of the bankruptcy proceedings of Diamond Sports Group, LLC ("DSG"), at such time, an independently managed and unconsolidated subsidiary of Sinclair, DSG and its wholly-owned subsidiary, Diamond Sports Net, LLC, filed a complaint (the "Diamond Litigation"), under seal, in the United States Bankruptcy Court for the Southern District of Texas naming certain subsidiaries of Sinclair, including SBG and STG and certain officers of SBG and STG, as defendants.

In the complaint, plaintiffs challenged a series of transactions involving SBG and certain of its subsidiaries, on the one hand, and DSG and its subsidiaries, on the other hand, since SBG acquired the former Fox Sports regional sports networks from The Walt Disney Company in August 2019. The complaint alleged, among other things, that the management services agreement (the "MSA") entered into by STG and DSG was not fair to DSG and was designed to benefit STG and SBG; that the Bally's Corporation ("Bally's") transaction in November 2020 through which Bally's acquired naming rights to certain regional sports networks was not fair to DSG and was designed to benefit STG and SBG; and that certain distributions made by DSG that were used to pay down preferred equity of DSH, were inappropriate and were conducted at a time when DSG was insolvent. The complaint also alleged that SBG and its subsidiaries (other than DSG and its subsidiaries) received payments or indirect benefits of approximately \$1.5 billion as a result of the alleged misconduct. The complaint asserted a variety of claims, including certain fraudulent transfers of assets, unlawful distributions and payments, breaches of contracts, unjust enrichment and breaches of fiduciary duties. The plaintiffs sought, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined.

On March 1, 2024, the court approved a global settlement and release of all claims associated with the Diamond Litigation, which settlement included an amendment to the MSA. Sinclair entered into the settlement, without admitting any fault or wrongdoing. The settlement terms included, among other things, DSG's dismissal with prejudice of its \$1.5 billion litigation against Sinclair and all other defendants, along with the full and final satisfaction and release of all claims in that litigation against all defendants, including Sinclair and its subsidiaries, in exchange for Sinclair's cash payment to DSG of \$495 million. Additionally, under the terms of the settlement, Sinclair would provide transition services to DSG to allow DSG to become a self-standing entity going forward. During the first quarter of 2024, we paid \$50 million related to the settlement. The final settlement payment was made during the second quarter of 2024 and of the total \$495 million settlement amount paid, \$347 million was paid by STG and \$148 million was paid by Ventures. On January 2, 2025, DSG announced that it had emerged from bankruptcy, at which time, Sinclair's equity interest in DSG was terminated.

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We have provided a guarantee that requires us to provide funding to Marquee under certain circumstances. On July 19, 2024, Marquee sent us 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 us by Marquee, Marquee has sufficient cash to make such payments without funding under the Marquee guarantee. For this and other reasons, we do not believe we are contractually required to provide funding under the Marquee guarantee at this time and have so informed Marquee. On August 2, 2024, Marquee sent us another letter claiming that our 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, we determined we had no further obligations under the guarantee agreement. Marquee disputed this position, and on June 9, 2025, we 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, we have concluded that our 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 three months ended June 30, 2025 (as further discussed in *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*). 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 we have recorded.

5. EARNINGS PER SHARE:

The following table reconciles income (numerator) and shares (denominator) used in our computations of basic and diluted earnings per share for the periods presented (in millions, except share amounts which are reflected in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Income (Numerator)				
Net (loss) income	\$ (62)	\$ 19	\$ (216)	\$ 44
Net income attributable to the noncontrolling interests	(2)	(2)	(4)	(4)
Numerator for basic and diluted earnings per common share available to common shareholders	<u>\$ (64)</u>	<u>\$ 17</u>	<u>\$ (220)</u>	<u>\$ 40</u>
Shares (Denominator)				
Basic weighted-average common shares outstanding	69,589	66,189	68,545	65,172
Dilutive effect of stock-settled appreciation rights and outstanding stock options	—	—	—	124
Diluted weighted-average common and common equivalent shares outstanding	<u>69,589</u>	<u>66,189</u>	<u>68,545</u>	<u>65,296</u>

The following table shows the weighted-average stock-settled appreciation rights and outstanding stock options (in thousands) that are excluded from the calculation of diluted earnings per common share as the inclusion of such shares would be anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Weighted-average stock-settled appreciation rights and outstanding stock options excluded	<u>5,226</u>	<u>8,745</u>	<u>5,330</u>	<u>6,932</u>

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6. SEGMENT DATA:

We measure segment performance based on operating income (loss). For the quarter ended June 30, 2025, we had two reportable segments, local media and tennis. Our local media segment includes our 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. Our tennis segment provides viewers coverage of many of tennis' top tournaments and original professional sport and tennis lifestyle shows. Other and corporate are not reportable segments but are included for reconciliation purposes. Other primarily consists of non-broadcast digital and internet solutions, technical services, and non-media investments. Corporate costs primarily include our costs to operate as a public company and to operate our corporate headquarters location. All our businesses are located within the United States. The local media segment assets are owned and operated by SBG, the assets of the tennis segment are owned and operated by Ventures, and the assets in other and corporate are owned and operated by Ventures.

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

As of June 30, 2025	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Assets	\$ 4,416	\$ 286	\$ 969	\$ (1)	\$ 5,670

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For the three months ended June 30, 2025	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	\$ 679	\$ 68	\$ 46	\$ (9) (b)	\$ 784
Media programming and production expenses	380	39	1	—	420
Media selling, general and administrative expenses	162	15	31	(8)	200
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	54	5	—	—	59
Amortization of program costs	17	—	—	—	17
Corporate general and administrative expenses	27	1	17	—	45
(Gain) loss on asset dispositions and other, net	(28)	—	37	—	9
Other segment items (a)	2	—	12	(1)	13
Operating income (loss)	\$ 65	\$ 8	\$ (52)	\$ —	\$ 21
Interest expense including amortization of debt discount and deferred financing costs	\$ 82	\$ —	\$ —	\$ —	\$ 82
Loss from equity method investments	—	(1)	—	—	(1)
Gain on extinguishment of debt	4	—	—	—	4
Other income (expense), net	3	—	(21)	—	(18)
Loss before income taxes					<u><u>\$ (76)</u></u>
For the six months ended June 30, 2025	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	\$ 1,373	\$ 136	\$ 67	\$ (16) (b)	\$ 1,560
Media programming and production expenses	770	66	2	—	838
Media selling, general and administrative expenses	332	33	42	(15)	392
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	110	10	1	—	121
Amortization of program costs	36	—	—	—	36
Corporate general and administrative expenses	64	1	32	—	97
(Gain) loss on asset dispositions and other, net	(20)	—	37	—	17
Other segment items (a)	4	—	21	(1)	24
Operating income (loss)	\$ 77	\$ 26	\$ (68)	\$ —	\$ 35
Interest expense including amortization of debt discount and deferred financing costs	\$ 226	\$ —	\$ —	\$ —	\$ 226
Loss from equity method investments	—	(2)	(5)	—	(7)
Gain on extinguishment of debt	6	—	—	—	6
Other income (expense), net	6	—	(90)	—	(84)
Loss before income taxes					<u><u>\$ (276)</u></u>

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For the three months ended June 30, 2024	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	\$ 750	\$ 67	\$ 20	\$ (8) (b)	\$ 829
Media programming and production expenses	382	43	—	—	425
Media selling, general and administrative expenses	178	17	5	(6)	194
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	58	6	—	(1)	63
Amortization of program costs	18	—	—	—	18
Corporate general and administrative expenses	29	—	21	—	50
Loss on asset dispositions and other, net	—	—	2	—	2
Other segment items (a)	2	—	12	(1)	13
Operating income (loss)	\$ 83	\$ 1	\$ (20)	\$ —	\$ 64
Interest expense including amortization of debt discount and deferred financing costs	\$ 76	\$ —	\$ —	\$ —	\$ 76
Income from equity method investments	—	—	78	—	78
Other income (expense), net	2	—	(44)	—	(42)
Income before income taxes					\$ 24

For the six months ended June 30, 2024	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	\$ 1,477	\$ 130	\$ 35	\$ (15) (b)	\$ 1,627
Media programming and production expenses	765	68	—	—	833
Media selling, general and administrative expenses	361	29	10	(10)	390
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	116	11	1	(2)	126
Amortization of program costs	37	—	—	—	37
Corporate general and administrative expenses	70	1	37	—	108
Loss on asset dispositions and other, net	—	—	2	—	2
Other segment items (a)	4	—	24	(3)	25
Operating income (loss)	\$ 124	\$ 21	\$ (39)	\$ —	\$ 106
Interest expense including amortization of debt discount and deferred financing costs	\$ 152	\$ —	\$ —	\$ —	\$ 152
(Loss) income from equity method investments	—	(1)	93	—	92
Gain on extinguishment of debt	1	—	—	—	1
Other income (expense), net	33	—	(35)	—	(2)
Income before income taxes					\$ 45

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

(b) Includes \$5 million and \$9 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, of revenue for services provided by other to local media, which is eliminated in consolidation.

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7. VARIABLE INTEREST ENTITIES:

Certain of our stations provide services to other station owners within the same respective market through agreements, such as LMAs, where we provide programming, sales, operational, and administrative services, and JSAs and SSAs, where we provide non-programming, sales, operational, and administrative services. In certain cases, we have also entered into purchase agreements or options to purchase the license related assets of the licensee. We typically own the majority of the non-license assets of the stations, and in some cases where the licensee acquired the license assets concurrent with our acquisition of the non-license assets of the station, we have 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 our investment in the stations, we are the primary beneficiary when, subject to the ultimate control of the licensees, we have the power to direct the activities which significantly impact the economic performance of the VIE through the services we provide and we absorb losses and returns that would be considered significant to the VIEs. The fees paid between us 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 our consolidated balance sheets as of the dates presented, were as follows (in millions):

	As of June 30, 2025	As of December 31, 2024
ASSETS		
Current assets:		
Accounts receivable, net	\$ 17	\$ 18
Other current assets	1	3
Total current assets	18	21
Property and equipment, net	7	8
Goodwill and indefinite-lived intangible assets	15	15
Definite-lived intangible assets, net	21	26
Total assets	<u>\$ 61</u>	<u>\$ 70</u>
LIABILITIES		
Current liabilities:		
Other current liabilities	\$ 5	\$ 13
Notes payable, finance leases and commercial bank financing, less current portion	4	5
Other long-term liabilities	3	3
Total liabilities	<u>\$ 12</u>	<u>\$ 21</u>

The amounts above represent the combined assets and liabilities of the VIEs described above, for which we are the primary beneficiary. Total liabilities associated with certain outsourcing agreements and purchase options with certain VIEs, which are excluded from the above, were \$127 million as of June 30, 2025 and \$128 million as of December 31, 2024, 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, 2025, all of the liabilities are non-recourse to us 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.

Other VIEs

We have several investments in entities which are considered VIEs. However, we do not participate in the management of these entities, including the day-to-day operating decisions or other decisions which would allow us to control the entity, and therefore, we are not considered the primary beneficiary of these VIEs.

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The carrying amounts of our investments in these VIEs for which we are not the primary beneficiary were \$77 million and \$79 million as of June 30, 2025 and December 31, 2024, respectively, and are included in other assets in our consolidated balance sheets. See *Note 2. Other Assets* for more information related to our equity investments. Our maximum exposure is equal to the carrying value of our investments. The income and loss related to equity method investments and other investments are recorded in (loss) income from equity method investments and other expense, net, respectively, in our consolidated statements of operations. We recorded losses of \$1 million and \$2 million for the three and six months ended June 30, 2025, respectively, and losses of \$22 million and \$23 million for the three and six months ended June 30, 2024, respectively, related to these investments.

8. RELATED PERSON TRANSACTIONS:

Transactions With Our Controlling Shareholders

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

Leases. Certain assets used by us and our operating subsidiaries are leased from entities owned by the controlling shareholders. Lease payments made to these entities were \$1 million and \$3 million for the three and six months ended June 30, 2025, respectively, and \$1 million and \$3 million for the three and six months ended June 30, 2024, respectively. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. We lease aircraft owned by certain controlling shareholders. For all leases, we incurred expenses of \$0.2 million for the six months ended June 30, 2025 and less than \$0.1 million for both the three and six months ended June 30, 2024.

The Baltimore Sun. David Smith is the majority shareholder of The Baltimore Sun. We have 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, we recorded revenue of \$0.2 million and \$0.3 million for the three and six months ended June 30, 2025, respectively.

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; 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; WPFO-TV Portland, Maine; KRNV-DT/KENV-DT Reno, Nevada/Salt Lake City, Utah; and KTXD-TV in Dallas, Texas (collectively, the "Cunningham Stations"). Certain of our stations provide services to the Cunningham Stations pursuant to LMAs or JSAs and SSAs. See *Note 7. Variable Interest Entities*, for further discussion of the scope of services provided under these types of arrangements.

All the non-voting stock of the Cunningham Stations is owned by trusts for the benefit of the children of our controlling shareholders. We consolidate certain subsidiaries of Cunningham with which we have variable interests through various arrangements related to the Cunningham Stations.

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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. We also executed purchase agreements to acquire the license related assets of these stations from Cunningham, which grant us the right to acquire, and grant Cunningham the right to require us 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 we are 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 \$71 million and \$69 million as of June 30, 2025 and December 31, 2024, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both June 30, 2025 and December 31, 2024, was approximately \$54 million. Additionally, we provide services to WDBB-TV pursuant to an LMA, which expires April 22, 2030, and have a purchase option to acquire for \$0.2 million. Under these agreements, we paid Cunningham \$3 million and \$6 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$6 million for the three and six months ended June 30, 2024, respectively.

The agreements with KBVU-TV/KCVU-TV, KRNV-DT/KENV-DT, WBSF-TV, WDBB-TV, WEMT-TV, WGTU-TV/WGTQ-TV, WPFO-TV, and WYDO-TV expire between August 2025 and April 2030 and certain stations have renewal provisions for successive eight-year periods.

As we consolidate the licensees as VIEs, the amounts we earn or pay under the arrangements are eliminated in consolidation and the gross revenues of the stations are reported in our consolidated statements of operations. Our consolidated revenues include \$31 million and \$65 million for the three and six months ended June 30, 2025, respectively, and \$34 million and \$68 million for the three and six months ended June 30, 2024, respectively, related to the Cunningham Stations.

We have 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 expires in December 2025. Under the agreement, Cunningham paid us an initial fee of \$1 million and pays us \$0.3 million annually for master control services plus the cost to maintain and repair the equipment. In addition, we have 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 3% on each anniversary and expires in November 2025.

We have multi-cast agreements with Cunningham Stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Anderson, South Carolina; Baltimore, Maryland; Portland, Maine; Charleston, West Virginia; Dallas, Texas; and Greenville, North Carolina markets. In exchange for carriage of these networks in their markets, we paid \$0.3 million and \$0.6 million for the three and six months ended June 30, 2025, respectively, and \$0.5 million and \$1.0 million for the three and six months ended June 30, 2024, respectively, under these agreements.

Leased Property by Real Estate Ventures

Prior to September 2024, certain of our real estate ventures entered into leases with entities owned by members of the Smith Family. Total rent payments received under these leases were \$0.3 million and \$0.7 million for the three and six months ended June 30, 2024, respectively.

WG Communications Group

The wife of Robert Weisbord, our Chief Operating Officer and President of Local Media, has an ownership interest in WG Communications Group ("WGC"). We received revenue from advertisers represented by WGC of less than \$0.1 million and \$0.1 million for the three and six months ended June 30, 2025, respectively, and \$0.1 million and \$0.2 million for the three and six months ended June 30, 2024, respectively, and made payments to WGC of less than \$0.1 million for all of the three and six months ended June 30, 2025 and 2024.

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Employees

Jason Smith, an employee of the Company, is the son of Frederick Smith, who is a Vice President of the Company and a member of the Company's Board of Directors. Jason Smith received total compensation of \$0.3 million for both the three months ended June 30, 2025 and 2024 and \$0.7 million and \$0.5 million for the six months ended June 30, 2025 and 2024, respectively, consisting of salary and bonus, and was granted 159,607 and 37,566 shares of restricted stock, vesting over two years, for the six months ended June 30, 2025 and 2024, respectively, and 500,000 stock appreciation rights, vesting over two years, for the six months ended June 30, 2024.

Ethan White, an employee of the Company, is the son-in-law of J. Duncan Smith, who is a Vice President of the Company and Secretary of the Company's Board of Directors. Ethan White received total compensation of \$0.1 million for both the three months ended June 30, 2025 and 2024 and \$0.1 million for both the six months ended June 30, 2025 and 2024, consisting of salary, and was granted 3,244 and 1,503 shares of restricted stock, vesting over two years, for the six months ended June 30, 2025 and 2024, respectively.

Ryan McCoy, an employee of the Company, 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, 2025 and 2024 and \$0.1 million for both the six months ended June 30, 2025 and 2024, consisting of salary.

Amberly Thompson, an employee of the Company, is the daughter of Donald Thompson, who is an Executive Vice President and Chief Human Resources Officer of the Company. Amberly Thompson received total compensation of less than \$0.1 million for both the three months ended June 30, 2025 and 2024 and \$0.1 million for both the six months ended June 30, 2025 and 2024, consisting of salary, and was granted 285 shares of restricted stock, vesting over two years, during the six months ended June 30, 2025.

Frederick Smith is the brother of David Smith, Executive Chairman of the Company and Chairman of the Company's Board of Directors; Robert Smith, a member of the Company's Board of Directors; and J. Duncan Smith. Frederick Smith received total compensation of \$0.2 million for both the three months ended June 30, 2025 and 2024 and \$0.4 million for both the six months ended June 30, 2025 and 2024, 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, 2025 and 2024 and \$0.4 million for both the six months ended June 30, 2025 and 2024, consisting of salary and bonus.

9. 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.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

	As of June 30, 2025		As of December 31, 2024	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Investments in equity securities	N/A	\$ —	N/A	\$ 19
Money market funds	N/A	440	N/A	601
Deferred compensation assets	N/A	49	N/A	47
Deferred compensation liabilities	N/A	44	N/A	46
Level 2:				
Investments in equity securities (a)	N/A	111	N/A	141
Interest rate swap (b)	N/A	1	N/A	1
STG (c):				
9.750% Second Lien Senior Secured Notes due 2033 (d)	\$ 432	462	\$ —	—
8.125% First-Out First Lien Secured Notes due 2033 (d)	1,430	1,449	—	—
5.500% Senior Notes due 2030	485	394	485	328
5.125% Senior Notes due 2027 (d)	89	86	274	249
4.375% Second-Out First Lien Secured Notes due 2032 (d)	238	168	—	—
4.125% Senior Secured Notes due 2030 (d)	—	—	737	546
4.125% Unsecured Notes due 2030 (d)	4	3	—	—
Term Loan B-2, due September 30, 2026 (d)	—	—	1,175	1,160
Term Loan B-3, due April 1, 2028 (d)	3	2	714	575
Term Loan B-4, due April 21, 2029 (d)	—	—	731	589
Term Loan B-6, due December 31, 2029 (d)	710	607	—	—
Term Loan B-7, due December 31, 2030 (d)	729	624	—	—
Debt of variable interest entities (c)	6	6	7	7
Level 3:				
Investments in equity securities (e)	N/A	2	N/A	68

N/A - Not applicable

- (a) Consists of warrants to acquire marketable common equity securities. The fair value of the warrants are derived from the quoted trading prices of the underlying common equity securities less the exercise price.
- (b) The fair value of the interest rate swap was an asset as of both June 30, 2025 and December 31, 2024. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.
- (c) Amounts are carried in our consolidated balance sheets net of debt discount and deferred financing cost, which are excluded in the above table, of \$58 million and \$36 million as of June 30, 2025 and December 31, 2024, respectively.
- (d) STG completed a series of financing transactions, including a new money financing and debt recapitalization, during the six months ended June 30, 2025. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.
- (e) Amounts primarily relate to warrants and options to acquire common equity in Bally's. We recorded a fair value adjustment loss of \$8 million for the six months ended June 30, 2025 and losses of \$7 million and \$8 million for the three and six months ended June 30, 2024, respectively. The fair value of the warrants is primarily derived from the quoted trading prices of the underlying common equity. The fair value of the options is derived utilizing the Black Scholes valuation model. The most significant inputs include the trading price of the underlying common stock and the exercise price of the options, which range from \$30 to \$45 per share. During the six months ended June 30, 2025 all outstanding awards to acquire common equity in Bally's were converted to warrants and transferred to Level 2.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the changes in financial assets measured at fair value on a recurring basis and categorized as Level 3 under the fair value hierarchy for the three and six months ended June 30, 2025 and 2024 (in millions):

Three Months Ended June 30, 2025		
Fair value at March 31, 2025	\$	2
Fair value at June 30, 2025	\$	2
Six Months Ended June 30, 2025		
Fair value at December 31, 2024	\$	68
Transfer to Level 2		(58)
Measurement adjustments		(8)
Fair value at June 30, 2025	\$	2
Three Months Ended June 30, 2024		
Fair value at March 31, 2024	\$	45
Measurement adjustments		(3)
Fair value at June 30, 2024	\$	42
Six Months Ended June 30, 2024		
Fair value at December 31, 2023	\$	46
Measurement adjustments		(4)
Fair value at June 30, 2024	\$	42

ITEM 1B. FINANCIAL STATEMENTS OF SINCLAIR BROADCAST GROUP, LLC

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

	As of June 30, 2025	As of December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 224	\$ 291
Accounts receivable, net of allowance for doubtful accounts of \$4 and \$5, respectively	541	582
Income taxes receivable	—	29
Prepaid expenses and other current assets	108	104
Assets held-for-sale	33	—
Total current assets	906	1,006
Property and equipment, net	651	692
Operating lease assets	116	123
Goodwill	2,004	2,016
Indefinite-lived intangible assets	122	123
Customer relationships, net	169	191
Other definite-lived intangible assets, net	284	326
Other assets	232	212
Total assets (a)	<u>\$ 4,484</u>	<u>\$ 4,689</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 458	\$ 374
Income taxes payable	13	—
Current portion of notes payable, finance leases, and commercial bank financing	25	38
Current portion of operating lease liabilities	22	22
Current portion of program contracts payable	41	69
Other current liabilities	70	56
Liabilities held-for-sale	4	—
Total current liabilities	633	559
Notes payable, finance leases, and commercial bank financing, less current portion	4,081	4,091
Operating lease liabilities, less current portion	121	130
Program contracts payable, less current portion	10	13
Deferred tax liabilities	267	373
Other long-term liabilities	155	149
Total liabilities (a)	5,267	5,315
Commitments and contingencies (See Note 4)		
SBG member's deficit:		
Accumulated deficit	(715)	(560)
Accumulated other comprehensive income	1	2
Total SBG member's deficit	(714)	(558)
Noncontrolling interests	(69)	(68)
Total deficit	(783)	(626)
Total liabilities and deficit	<u>\$ 4,484</u>	<u>\$ 4,689</u>

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, 2025 and December 31, 2024 include total assets of variable interest entities ("VIE") of \$61 million and \$70 million, respectively, which can only be used to settle the obligations of the VIEs. SBG's consolidated total liabilities as of June 30, 2025 and December 31, 2024 include total liabilities of VIEs of \$7 million and \$16 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,	
	2025	2024	2025	2024
REVENUES:				
Media revenues	\$ 679	\$ 750	\$ 1,373	\$ 1,477
OPERATING EXPENSES:				
Media programming and production expenses	380	382	770	765
Media selling, general and administrative expenses	162	178	332	361
Amortization of program costs	17	18	36	37
Non-media expenses	2	2	4	4
Depreciation of property and equipment	25	26	50	51
Corporate general and administrative expenses	27	35	64	76
Amortization of definite-lived intangible assets	29	32	60	65
Loss on asset dispositions and other, net	9	—	17	—
Total operating expenses	651	673	1,333	1,359
Operating income	28	77	40	118
OTHER INCOME (EXPENSE):				
Interest expense including amortization of debt discount and deferred financing costs	(82)	(76)	(226)	(152)
Gain on extinguishment of debt	4	—	6	1
Other income, net	3	2	6	33
Total other expense, net	(75)	(74)	(214)	(118)
(Loss) income before income taxes	(47)	3	(174)	—
INCOME TAX BENEFIT	8	1	34	10
NET (LOSS) INCOME	(39)	4	(140)	10
Net income attributable to the noncontrolling interests	(2)	(2)	(3)	(3)
NET (LOSS) INCOME ATTRIBUTABLE TO SBG	<u>\$ (41)</u>	<u>\$ 2</u>	<u>\$ (143)</u>	<u>\$ 7</u>

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (39)	\$ 4	\$ (140)	\$ 10
Unrealized gain (loss) on interest rate swap, net of tax	—	1	(1)	5
Comprehensive (loss) income	(39)	5	(141)	15
Comprehensive income attributable to the noncontrolling interests	(2)	(2)	(3)	(3)
Comprehensive (loss) income attributable to Sinclair	<u>\$ (41)</u>	<u>\$ 3</u>	<u>\$ (144)</u>	<u>\$ 12</u>

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, 2024				
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Deficit
BALANCE, March 31, 2024	\$ (795)	\$ 5	\$ (65)	\$ (855)
Contributions from member, net	79	—	—	79
Distributions to noncontrolling interests	—	—	(3)	(3)
Other comprehensive income	—	1	—	1
Net income	2	—	2	4
BALANCE, June 30, 2024	<u>\$ (714)</u>	<u>\$ 6</u>	<u>\$ (66)</u>	<u>\$ (774)</u>

Six Months Ended June 30, 2024				
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Deficit
BALANCE, December 31, 2023	\$ (865)	\$ 1	\$ (64)	\$ (928)
Contributions from member, net	144	—	—	144
Distributions to noncontrolling interests	—	—	(5)	(5)
Other comprehensive income	—	5	—	5
Net income	7	—	3	10
BALANCE, June 30, 2024	<u>\$ (714)</u>	<u>\$ 6</u>	<u>\$ (66)</u>	<u>\$ (774)</u>

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	(1)	—	1	—
Net (loss) income	(41)	—	2	(39)
BALANCE, June 30, 2025	<u>\$ (715)</u>	<u>\$ 1</u>	<u>\$ (69)</u>	<u>\$ (783)</u>

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	(1)	—	1	—
Other comprehensive loss	—	(1)	—	(1)
Net (loss) income	(143)	—	3	(140)
BALANCE, June 30, 2025	<u>\$ (715)</u>	<u>\$ 1</u>	<u>\$ (69)</u>	<u>\$ (783)</u>

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,	
	2025	2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net (loss) income	\$ (140)	\$ 10
Adjustments to reconcile net (loss) income to net cash flows from (used in) operating activities:		
Amortization of definite-lived intangible and other assets	60	65
Depreciation of property and equipment	50	51
Amortization of program costs	36	37
Equity-based compensation	32	34
Deferred tax benefit	(106)	—
Loss on asset dispositions and other, net	17	—
Income from investments	—	(25)
Gain on extinguishment of debt	(6)	(1)
Debt issuance costs	68	—
Change in assets and liabilities, net of acquisitions:		
Decrease (increase) in accounts receivable	23	(37)
Decrease in prepaid expenses and other current assets	7	14
Net change in due to/from member	1	39
Increase (decrease) in accounts payable and accrued and other current liabilities	56	(403)
Net change in net income taxes payable/receivable	40	(12)
Decrease in program contracts payable	(37)	(41)
Other, net	12	(43)
Net cash flows from (used in) operating activities	113	(312)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Acquisition of property and equipment	(33)	(44)
Purchases of investments	(1)	(2)
Distributions and proceeds from investments	—	26
Other, net	—	2
Net cash flows used in investing activities	(34)	(18)
CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES:		
Proceeds from notes payable and commercial bank financing	1,430	—
Repayments of notes payable, commercial bank financing, and finance leases	(1,414)	(43)
Debt issuance costs	(110)	—
(Distributions to) contributions from member, net	(47)	111
Distributions to noncontrolling interests	(5)	(5)
Net cash flows (used in) from financing activities	(146)	63
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(67)	(267)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	291	319
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	\$ 224	\$ 52

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, 2025, SBG had one reportable segment: local media. The local media segment consists primarily of SBG's 185 broadcast television stations in 85 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 646 channels as of June 30, 2025. For the purpose of this report, these 185 stations and 646 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, 2025 and 2024 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.

As permitted under the applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), SBG's consolidated financial statements do not include all disclosures normally included with audited consolidated financial statements and, accordingly, should be read together with the audited consolidated financial statements and notes thereto in Sinclair's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC. SBG's 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, revenues, and expenses in the consolidated financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

SINCLAIR BROADCAST GROUP, LLC
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Recent Accounting Pronouncements

In December 2023, the FASB issued guidance to enhance the transparency and decision usefulness of income tax disclosures, requiring annual disclosure of consistent categories and greater disaggregation of information in the rate reconciliation table; additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate); income taxes paid disaggregated by jurisdiction; and income or loss before income tax disaggregated between foreign and domestic. The guidance is effective for annual periods beginning after December 15, 2024, applied prospectively. Early adoption is permitted. SBG is currently evaluating the impact of this guidance but does not expect it to have a material impact on SBG's consolidated financial statements.

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.

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.

Hedge Accounting

SBG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of SBG's exposure to variable interest rates. The swap agreement has a notional amount of \$600 million, bears a fixed interest rate of 3.9%, and SBG receives a floating rate of interest based on the Secured Overnight Financing Rate ("SOFR").

SBG has determined that the interest rate swap meets the criteria for hedge accounting. The initial value of the interest rate swap and any changes in value in subsequent periods is included in accumulated other comprehensive income, with a corresponding change recorded in assets or liabilities depending on the position of the swap. Gains or losses on the monthly settlement of the interest rate swap are reflected in interest expense in SBG's consolidated statements of operations. Cash flows related to the interest rate swap are classified as operating activities in SBG's consolidated statements of cash flows. See *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* for further discussion.

SINCLAIR BROADCAST GROUP, LLC
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Supplemental Information - Statements of Cash Flows

Leased assets obtained in exchange for new operating lease liabilities were \$4 million and \$3 million for the six months ended June 30, 2025 and 2024, respectively. Leased assets obtained in exchange for new finance lease liabilities were \$7 million for the six months ended June 30, 2024. Non-cash investing activities included property and equipment purchases of \$5 million for both the six months ended June 30, 2025 and 2024.

SBG received equity shares in investments valued at \$17 million and \$4 million for the six months ended June 30, 2025 and 2024, respectively, in exchange for an obligation to deliver a similar value of advertising spots.

Included in (distributions to) contributions from member, net within cash flows (used in) from 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 \$57 million and \$52 million for the six months ended June 30, 2025 and 2024, respectively. These dividends were offset by a contribution from member related to \$11 million from Sinclair Ventures, LLC ("Ventures") related to cash tax payments associated with the emergence of Diamond Sports Group, LLC ("DSG") from Chapter 11 bankruptcy protection for the six months ended June 30, 2025 and \$148 million from Ventures related to the DSG litigation settlement (see *Note 4. Commitments and Contingencies* for further detail) for the six months ended June 30, 2024.

SINCLAIR BROADCAST GROUP, LLC
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Revenue Recognition

The following table presents SBG's revenue disaggregated by type and segment (in millions):

For the three months ended June 30, 2025	Local Media
Distribution revenue	\$ 380
Core advertising revenue	272
Political advertising revenue	6
Other media	21
Total revenues	<u>\$ 679</u>
For the six months ended June 30, 2025	Local Media
Distribution revenue	\$ 775
Core advertising revenue	543
Political advertising revenue	12
Other media	43
Total revenues	<u>\$ 1,373</u>
For the three months ended June 30, 2024	Local Media
Distribution revenue	\$ 384
Core advertising revenue	285
Political advertising revenue	40
Other media	41
Total revenues	<u>\$ 750</u>
For the six months ended June 30, 2024	Local Media
Distribution revenue	\$ 768
Core advertising revenue	569
Political advertising revenue	64
Other media	76
Total revenues	<u>\$ 1,477</u>

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.

SINCLAIR BROADCAST GROUP, LLC
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 \$168 million and \$163 million as of June 30, 2025 and December 31, 2024, respectively, of which \$101 million and \$112 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, 2025 and 2024, included in the deferred revenue balance as of December 31, 2024 and 2023, was \$34 million and \$26 million, respectively.

For the three months ended June 30, 2025, two customers accounted for 12% and 11%, respectively, of SBG's total revenues. For the six months ended June 30, 2025, two customers accounted for 12% and 11%, respectively, of SBG's total revenues. For the three months ended June 30, 2024, two customers accounted for 12% and 10%, respectively, of SBG's total revenues. For the six months ended June 30, 2024, two customers accounted for 11% and 10%, respectively, of SBG's total revenues. As of June 30, 2025, three customers accounted for 13%, 10%, and 10%, respectively, of SBG's accounts receivable, net. As of December 31, 2024, four customers accounted for 11%, 10%, 10%, and 10%, respectively, of SBG's accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

Station Disposals

In March 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. As of June 30, 2025, SBG classified the related assets and liabilities as held-for-sale in SBG's consolidated balance sheets. As of June 30, 2025, amounts classified as assets held-for-sale in SBG's consolidated balance sheets primarily consist of accounts receivable of \$9 million and property and equipment of \$23 million and amounts classified as liabilities held-for-sale in SBG's consolidated balance sheets primarily consist of accounts payable and accrued liabilities of \$2 million and current portion of program contracts payable of \$1 million. Additionally, during the six months ended June 30, 2025, SBG accrued the estimated loss expected to be recognized 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* and was recorded to reflect the underlying assets at the lower of carrying value and fair value. The sale was completed on July 8, 2025.

Income Taxes

SBG's income tax provision for all periods consists of federal and state income taxes. The tax provision for the three and six months ended June 30, 2025 and 2024 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.

On July 4, 2025, the One Big, Beautiful Bill ("OBBB") was enacted. The OBBB is a comprehensive tax reform package that includes significant changes to corporate tax policy. While the Company is currently evaluating the full impact of OBBB, it does not expect a material impact on its financial statements. The Company will continue to assess the implications of OBBB and will provide further update in its subsequent quarterly filings.

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's effective income tax rate for the three months ended June 30, 2024 was greater than the statutory rate primarily due to accrual of interest income attributable to prior years' pending income tax refund claims. SBG's effective income tax rate for the six months ended June 30, 2024 was less than the statutory rate primarily due to an immaterial \$7.5 million correcting adjustment related to the accrual of interest income attributable to prior years' pending income tax refund claims.

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SBG believes that its liability for unrecognized tax benefits could be reduced by up to \$3 million, 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, 2025 and December 31, 2024 consisted of the following (in millions):

	As of June 30, 2025	As of December 31, 2024
Investments	\$ 31	\$ 14
Income tax receivable	147	144
Other	54	54
Total other assets	<u>\$ 232</u>	<u>\$ 212</u>

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 \$12 million and \$5 million as of June 30, 2025 and December 31, 2024, respectively.

Investments accounted for utilizing the measurement alternative were \$17 million and \$8 million as of June 30, 2025 and December 31, 2024, respectively. There were no adjustments to the carrying amount of investments accounted for utilizing the measurement alternative for any of the three and six months ended June 30, 2025 and 2024.

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

Credit Agreement and Notes

During the first quarter of 2025, Sinclair Television Group, Inc. ("STG"), a wholly-owned subsidiary of Sinclair Broadcast Group, LLC ("SBG"), completed a series of financing transactions (the "Transactions") as follows:

Exchanged \$711.4 million aggregate principal amount outstanding of \$714 million Term Loan B-3, which mature April 1, 2028 and bear interest at SOFR plus 3.00%, into second-out first lien Term Loan B-6 issued under a new credit agreement dated February 12, 2025 (the "New Credit Agreement"), which mature December 31, 2029 and bear interest at SOFR plus 3.30%. Exchanged all of the \$731.3 million aggregate principal amount outstanding of Term Loan B-4, which matured on April 21, 2029, and bore interest at SOFR plus 3.75%, into second-out first lien Term Loan B-7 issued under the New Credit Agreement, which mature December 31, 2030 and bear interest at SOFR plus 4.10%.

Exchanged \$575 million of commitments under the existing revolving credit facility into \$575 million first-out first lien revolving commitments (the "First-Out Revolving Credit Facility") under the New Credit Agreement, which mature February 12, 2030 and borrowings thereunder will bear interest at SOFR plus 2.00%.

The existing bank credit agreement was amended as of February 12, 2025 (the "Amended Credit Agreement") concurrent with the Transactions and entering into the New Credit Agreement, subordinating the secured obligations thereunder and eliminating substantially all covenants and certain events of default. As a result, the remaining \$3 million of Term Loan B-3 and the remaining \$75 million of commitments under the existing revolving credit facility are ranked as third lien obligations.

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STG issued \$1,430 million aggregate principal amount of 8.125% first-out first lien secured notes due 2033 (the "8.125% First-Out Notes"), which mature on February 15, 2033. The proceeds from the 8.125% First-Out Notes were used to repay in full the \$1,175 million aggregate principal amounts outstanding of Term Loan B-2 due 2026, approximately \$63.6 million aggregate principal amount of 4.125% Senior Secured Notes due 2030 at 84% of the principal amount, and approximately \$104 million aggregate principal amount of 5.125% Senior Notes due 2027 at 97% of the principal amount and to pay fees and expenses related to the Transactions.

Exchanged \$432 million aggregate principal amount of the existing 4.125% Senior Secured Notes due 2030 into 9.750% senior secured second lien notes due 2033 (the "9.750% Second Lien Notes"), which mature on February 15, 2033. Exchanged \$238 million aggregate principal amount of the existing 4.125% Senior Secured Notes due 2030 into 4.375% second-out first lien secured notes due 2032 (the "4.375% Second-Out Notes"), which mature on December 31, 2032. The remaining 4.125% Senior Secured Notes due 2030 of \$4 million became unsecured obligations as the related indenture was amended to release all liens on the collateral and eliminate substantially all covenants and certain events of default.

For the six months ended June 30, 2025, SBG recognized a gain on extinguishment of the 4.125% Senior Secured Notes due 2030 and 5.125% Senior Notes due 2027 of \$5 million and \$3 million, respectively, and a loss on extinguishment of the Term Loan B-2 of \$6 million.

The New Credit Agreement and the indentures for the 8.125% First-Out Notes, 4.375% Second-Out Notes, and 9.750% Second Lien Notes (collectively, the "New Indentures") contain certain restrictive covenants including, but not limited to, restrictions on indebtedness, liens, restricted payments (including repayment of certain subordinated debt), investments, mergers, consolidations, sales and other dispositions of assets and affiliate transactions. These covenants are subject to a number of exceptions and limitations as described in the New Credit Agreement and New Indentures. The New Credit Agreement and New Indentures also include events of default, including certain cross-default and cross-acceleration provisions with other debt of STG, customary for agreements of its type.

Prior to February 15, 2028, December 1, 2025, and February 15, 2027, STG may redeem the 8.125% First-Out Notes, 4.375% Second-Out Notes, and 9.750% Second Lien Notes, respectively, in whole or in part, at any time or from time to time at a price equal to 100% of the principal amount of the respective notes, plus accrued and unpaid interest, if any, to the redemption date, plus a "make-whole" premium as set forth in the New Indentures. On or prior to February 15, 2028 and February 15, 2027, STG may redeem up to 40% of the aggregate principal amount of the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, at a price equal to 108.125% and 109.750% of the principal amount of the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, plus accrued and unpaid interest, if any, to, but not including, the date of redemption using the proceeds of certain equity offerings. Prior to February 15, 2028 and February 15, 2027, STG may redeem the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, in whole but not in part, at a redemption price equal to 108.125% and 109.750% of the principal amount of the 8.125% First-Out Notes and 9.750% Second Lien Notes, respectively, plus accrued and unpaid interest, if any, to, but not including, the redemption date upon certain change of control transactions or certain significant acquisitions. Beginning on December 1, 2025, STG may redeem some or all of the 4.375% Second-Out Notes at any time or from time to time at the redemption prices set forth in the New Indentures, plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, upon the sale of certain of STG's assets or certain changes of control, STG may be required to offer to repurchase some or all of the 8.125% First-Out Notes, 4.375% Second-Out Notes, and 9.750% Second Lien Notes.

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, 2025, STG was not subject to the financial maintenance covenant under the New Credit Agreement. As of June 30, 2025, 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, 2025.

During the three months ended June 30, 2025, STG repurchased \$81 million aggregate principal amount of the 5.125% Senior Notes due 2027 for consideration of \$77 million. The 5.125% Senior Notes due 2027 acquired were canceled immediately following their acquisition. SBG recognized a gain on extinguishment of the 5.125% Senior Notes due 2027 of \$4 million for both the three and six months ended June 30, 2025.

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During the six months ended June 30, 2024, STG purchased \$27 million aggregate principal amount of Term Loan B-2, due September 30, 2026, for consideration of \$25 million. The portions of Term Loan B-2 purchased were canceled immediately following their acquisition. SBG recognized a gain on extinguishment of the Term Loan B-2 of \$1 million for the six months ended June 30, 2024.

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, 2025 and December 31, 2024. Notes payable, finance leases, and commercial bank financing, less current portion, in SBG's consolidated balance sheets includes finance leases to affiliates of \$8 million and \$9 million as of June 30, 2025 and December 31, 2024, respectively. See *Note 7. Related Person Transactions*.

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

STG jointly, severally, unconditionally, and irrevocably guaranteed \$2 million of debt of certain third parties as of both June 30, 2025 and December 31, 2024, all of which related to consolidated VIEs and is included in our consolidated balance sheets as of both June 30, 2025 and December 31, 2024. We provide a guarantee of certain obligations of the Marquee Sports Network ("Marquee") subject to a maximum aggregate amount of \$455 million for the years 2025 through 2029. We accrued \$37 million related to this obligation for both the three and six months ended June 30, 2025, included in loss on asset dispositions and other, net in SBG's consolidated statements of operations. As of June 30, 2025, \$24 million and \$13 million of this obligation are reflected in accounts payable and accrued liabilities and other long-term liabilities, respectively, in SBG's consolidated balance sheets. See *Note 4. Commitments and Contingencies* for further discussion.

Interest Rate Swap

SBG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of SBG's exposure to variable interest rates. The swap agreement has a notional amount of \$600 million, bears a fixed interest rate of 3.9%, and SBG receives a floating rate of interest based on SOFR. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further discussion. The fair value of the interest rate swap was an asset of \$1 million as of June 30, 2025, which is recorded in prepaid expenses and other current assets in SBG's consolidated balance sheets, and an asset of \$1 million as of December 31, 2024, which is recorded in other assets in SBG's consolidated balance sheets.

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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 Federal Communications Commission ("FCC") released an Order and Consent Decree pursuant to which the Company 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 the Company and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with the Company's proposed acquisition of Tribune, and a retransmission related matter. The Company submitted the \$48 million payment on August 19, 2020. As part of the consent decree, the Company 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 Order and Consent Decree. The Company 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 Order and 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 with which the Company has a JSA or LMA, Deerfield Media station WUTB(TV) and Cunningham Broadcasting Corporation ("Cunningham") station WNUV(TV). The Company filed an opposition to the petition on October 1, 2020. On January 18, 2024, a motion was filed to request substitution of the petitioner, who is deceased. On January 29, 2024, the Company filed (1) an opposition to the motion for substitution and (2) a motion to dismiss the petition to deny the renewal applications. An opposition was filed to the motion to dismiss on February 5, 2024, and the Company timely filed its reply on February 13, 2024. 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). On April 14, 2025, the same attorney who filed the earlier petition against WBFF(TV), on behalf of a different client, filed a similar petition to deny the renewal applications by the Company seeking FCC consent to sell certain stations to a third party. The Company timely opposed the petition on April 24, 2025, the petitioner filed a reply on May 1, 2025. On July 1, 2025, the FCC dismissed that petition to deny and granted the applications.

On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom the Company 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. Our understanding is that enforcement remains pending. The Company is not a party to this forfeiture order.

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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, for violation of the FCC's limitations on commercial matter in children's television programming related to KidsClick network programming distributed by the Company 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, the Company 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. The Company 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 the Company 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. The consent decree states the forfeiture order will be resolved by separate action with respect to the non-SBG licensees. As part of the consent decree, the Company 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 Company made the \$500,000 voluntary contribution on July 9, 2025.

Other Matters

On November 6, 2018, the Company 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 the Company and does not subject the Company to any monetary damages or penalties. The Company 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 the Company 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 the Company's stations not to exchange pacing and certain other information with other stations in their local markets, which the Company's management had already instructed them not to do.

The Company is aware of twenty-two putative class action lawsuits that were filed against the Company following published reports of the DOJ investigation into the exchange of pacing data within the industry. On October 3, 2018, these lawsuits were consolidated in the Northern District of Illinois. The consolidated action alleges that the Company and thirteen other broadcasters conspired to fix prices for commercials to be aired on broadcast television stations throughout the United States and engaged in unlawful information sharing, in violation of the Sherman Antitrust Act. The consolidated action seeks damages, attorneys' fees, costs and interest, as well as injunctions against adopting practices or plans that would restrain competition in the ways the plaintiffs have alleged. The Court denied the defendants' motion to dismiss on November 6, 2020. Discovery commenced shortly after that and is continuing. On December 8, 2023, the Court granted final approval of the settlements the plaintiffs had reached with four of the original defendants (CBS, Fox, Cox Media, and ShareBuilders), who agreed to pay a total of \$48 million to settle the plaintiffs' claims against them. The plaintiffs are continuing to pursue their claims against the Company and the other non-settling defendants. Under the current schedule set by the Court, fact discovery is scheduled to close 90 days after a Special Master completes his review of the plaintiffs' objections to the defendants' privilege claims. On December 6, 2024, the plaintiffs filed a motion seeking sanctions against the Company in connection with the loss of certain cell phone data. On February 4, 2025, following briefing on that motion, the Court heard arguments and took the motion under advisement. On February 20, 2025, the Special Master issued Report and Recommendation No. 3 addressing plaintiffs' challenges to certain of defendants' privilege log entries ("R&R No. 3"), which compelled disclosure of certain documents Sinclair and the other non-settling defendants withheld from discovery based on assertions of privilege. Sinclair and the other co-defendants filed objections to R&R No. 3 and appeared at a status conference on March 18, 2025 during which they argued in favor of their objections to R&R No. 3. The Court took the objections under advisement. At the March 18, 2025 status conference, the Court also set a tentative trial date of April 1, 2026, and stated its expectations that depositions will resume. Although a trial date has been tentatively set, the Court has not issued an amended Scheduling Order, and the Special Master's review of plaintiffs' challenges to the defendants' privilege claims remains ongoing. The Company continues to believe the lawsuits are without merit and intends to vigorously defend itself against all such claims.

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On July 19, 2023, as part of the bankruptcy proceedings of DSG, at such time, an independently managed and unconsolidated subsidiary of Sinclair, DSG and its wholly-owned subsidiary, Diamond Sports Net, LLC, filed a complaint (the "Diamond Litigation"), under seal, in the United States Bankruptcy Court for the Southern District of Texas naming certain subsidiaries of Sinclair, including SBG and STG and certain officers of SBG and STG, as defendants.

In the complaint, plaintiffs challenged a series of transactions involving SBG and certain of its subsidiaries, on the one hand, and DSG and its subsidiaries, on the other hand, since SBG acquired the former Fox Sports regional sports networks from The Walt Disney Company in August 2019. The complaint alleged, among other things, that the management services agreement (the "MSA") entered into by STG and DSG was not fair to DSG and was designed to benefit STG and SBG; that the Bally's Corporation ("Bally's") transaction in November 2020 through which Bally's acquired naming rights to certain regional sports networks was not fair to DSG and was designed to benefit STG and SBG; and that certain distributions made by DSG that were used to pay down preferred equity of DSH, were inappropriate and were conducted at a time when DSG was insolvent. The complaint also alleged that SBG and its subsidiaries (other than DSG and its subsidiaries) received payments or indirect benefits of approximately \$1.5 billion as a result of the alleged misconduct. The complaint asserted a variety of claims, including certain fraudulent transfers of assets, unlawful distributions and payments, breaches of contracts, unjust enrichment and breaches of fiduciary duties. The plaintiffs sought, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined.

On March 1, 2024, the court approved a global settlement and release of all claims associated with the Diamond Litigation, which settlement included an amendment to the MSA. Sinclair entered into the settlement, without admitting any fault or wrongdoing. The settlement terms included, among other things, DSG's dismissal with prejudice of its \$1.5 billion litigation against Sinclair and all other defendants, along with the full and final satisfaction and release of all claims in that litigation against all defendants, including Sinclair and its subsidiaries, in exchange for Sinclair's cash payment to DSG of \$495 million. Additionally, under the terms of the settlement, Sinclair would provide transition services to DSG to allow DSG to become a self-standing entity going forward. During the first quarter of 2024, SBG paid \$50 million related to the settlement. The final settlement payment was made during the second quarter of 2024 and of the total \$495 million settlement amount paid, \$347 million was paid by STG and \$148 million was paid by Sinclair Ventures, LLC ("Ventures"). On January 2, 2025, DSG announced that it had emerged from bankruptcy, at which time, SBG's equity interest in DSG was terminated.

SBG has provided a guarantee that requires SBG to provide funding to Marquee. 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 SBG 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 three months ended June 30, 2025 (as further discussed in *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*). 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.

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5. SEGMENT DATA:

SBG measures segment performance based on operating income (loss). For the quarter ended June 30, 2025, 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, 2025	Local Media	Corporate	Consolidated
Assets	\$ 4,423	\$ 61	\$ 4,484

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)

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)

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For the three months ended June 30, 2024	Local Media	Corporate	Consolidated
Revenue	\$ 750	\$ —	\$ 750
Media programming and production expenses	382	—	382
Media selling, general and administrative expenses	178	—	178
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	29	6	35
Other segment items (a)	2	—	2
Operating income (loss)	\$ 83	\$ (6)	\$ 77
Interest expense including amortization of debt discount and deferred financing costs	\$ 76	\$ —	\$ 76
Other income, net	2	—	2
Income before income taxes			\$ 3
For the six months ended June 30, 2024			
Revenue	\$ 1,477	\$ —	\$ 1,477
Media programming and production expenses	765	—	765
Media selling, general and administrative expenses	361	—	361
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	116	—	116
Amortization of program costs	37	—	37
Corporate general and administrative expenses	70	6	76
Other segment items (a)	4	—	4
Operating income (loss)	\$ 124	\$ (6)	\$ 118
Interest expense including amortization of debt discount and deferred financing costs	\$ 152	\$ —	\$ 152
Gain on extinguishment of debt	1	—	1
Other income, net	33	—	33
Income before income taxes			\$ —

(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.

SINCLAIR BROADCAST GROUP, LLC
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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, 2025	As of December 31, 2024
ASSETS		
Current assets:		
Accounts receivable, net	\$ 17	\$ 18
Other current assets	1	3
Total current assets	18	21
Property and equipment, net	7	8
Goodwill and indefinite-lived intangible assets	15	15
Definite-lived intangible assets, net	21	26
Total assets	\$ 61	\$ 70
LIABILITIES		
Current liabilities:		
Other current liabilities	\$ 5	\$ 13
Notes payable, finance leases and commercial bank financing, less current portion	4	5
Other long-term liabilities	3	3
Total liabilities	\$ 12	\$ 21

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 \$127 million as of June 30, 2025 and \$128 million as of December 31, 2024, 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, 2025, 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, 2025, respectively, and \$1 million and \$3 million for the three and six months ended June 30, 2024, respectively. For further information, see Note 3. *Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. SBG leases 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 and less than \$0.1 million for both the three and six months ended June 30, 2024.

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 less than \$0.1 million for both the three and six months ended June 30, 2025.

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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; 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; WPFO-TV Portland, Maine; 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 the 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.

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.

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 \$71 million and \$69 million as of June 30, 2025 and December 31, 2024, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both June 30, 2025 and December 31, 2024, 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. SBG paid Cunningham, under these agreements, \$3 million and \$6 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$6 million for the three and six months ended June 30, 2024, respectively.

The agreements with KBVU-TV/KCVU-TV, KRNV-DT/KENV-DT, WBSF-TV, WDBB-TV, WEMT-TV, WGTU-TV/WGTQ-TV, WPFO-TV, and WYDO-TV expire between August 2025 and April 2030 and certain stations have renewal provisions for successive eight-year periods.

As SBG consolidates the licensees as VIEs, the amounts SBG earns or pays under the arrangements are eliminated in consolidation and the gross revenues of the stations are reported in SBG's consolidated statements of operations. SBG's consolidated revenues include \$31 million and \$65 million for the three and six months ended June 30, 2025, respectively, and \$34 million and \$68 million for the three and six months ended June 30, 2024, respectively, related to the Cunningham 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 expires in December 2025. 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 3% on each anniversary and expires in November 2025.

SBG has multi-cast agreements with Cunningham Stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Anderson, South Carolina; Baltimore, Maryland; Portland, Maine; Charleston, West Virginia; Dallas, Texas; 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, 2025, respectively, and \$0.5 million and \$1.0 million for the three and six months ended June 30, 2024, respectively, under these agreements.

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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 and \$0.1 million for the three and six months ended June 30, 2025, respectively, and \$0.1 million and \$0.2 million for the three and six months ended June 30, 2024, respectively, and made payments to WGC of less than \$0.1 million for all of the three and six months ended June 30, 2025 and 2024.

Sinclair, Inc.

Sinclair is the sole member of SBG.

SBG recorded revenue of \$3 million and \$6 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, related to sales services provided by SBG to Sinclair, and certain of its direct and indirect subsidiaries.

SBG recorded expenses of \$5 million and \$9 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, related to digital advertising services provided by Sinclair, and certain of its direct and indirect subsidiaries, to SBG.

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. SBG received net cash payments of \$57 million and \$72 million from Sinclair, and certain of its direct and indirect subsidiaries, for the three and six months ended June 30, 2024, respectively.

As of both June 30, 2025 and December 31, 2024, SBG had a payable to Sinclair, and certain of its direct and indirect subsidiaries, of \$3 million, included within other current liabilities 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, 2025 and 2024 and \$0.7 million and \$0.5 million for the six months ended June 30, 2025 and 2024, respectively, consisting of salary and bonus, and was granted 159,607 and 37,566 shares of restricted stock, vesting over two years, for the six months ended June 30, 2025 and 2024, respectively, and 500,000 stock appreciation rights, vesting over two years, for the six months ended June 30, 2024.

Ethan White, an employee of SBG, is the son-in-law of J. Duncan Smith, who is a Vice President of SBG and a member of SBG's Board of Managers. Ethan White received total compensation of \$0.1 million for both the three months ended June 30, 2025 and 2024 and \$0.1 million for both the six months ended June 30, 2025 and 2024, consisting of salary, and was granted 3,244 and 1,503 shares of restricted stock, vesting over two years, for the six months ended June 30, 2025 and 2024, 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, 2025 and 2024 and \$0.1 million for both the six months ended June 30, 2025 and 2024, 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 less than \$0.1 million for both the three months ended June 30, 2025 and 2024 and \$0.1 million for both the six months ended June 30, 2025 and 2024, consisting of salary, and was granted 285 shares of restricted stock, vesting over two years, for the six months ended June 30, 2025.

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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, 2025 and 2024 and \$0.4 million for both the six months ended June 30, 2025 and 2024, 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, 2025 and 2024 and \$0.4 million for both the six months ended June 30, 2025 and 2024, 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, 2025		As of December 31, 2024	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Money market funds	N/A	\$ 200	N/A	\$ 253
Level 2:				
Interest rate swap (a)	N/A	1	N/A	1
STG (b):				
9.750% Second Lien Senior Secured Notes due 2033 (c)	\$ 432	462	\$ —	—
8.125% First-Out First Lien Secured Notes due 2033 (c)	1,430	1,449	—	—
5.500% Senior Notes due 2030	485	394	485	328
5.125% Senior Notes due 2027 (c)	89	86	274	249
4.375% Second-Out First Lien Secured Notes due 2032 (c)	238	168	—	—
4.125% Senior Secured Notes due 2030 (c)	—	—	737	546
4.125% Unsecured Notes due 2030 (c)	4	3	—	—
Term Loan B-2, due September 30, 2026 (c)	—	—	1,175	1,160
Term Loan B-3, due April 1, 2028 (c)	3	2	714	575
Term Loan B-4, due April 21, 2029 (c)	—	—	731	589
Term Loan B-6, due December 31, 2029 (c)	710	607	—	—
Term Loan B-7, due December 31, 2030 (c)	729	624	—	—
Debt of variable interest entities (b)	6	6	7	7

N/A - Not applicable

- (a) The fair value of the interest rate swap was an asset as of both June 30, 2025 and December 31, 2024. For further information, see *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.
- (b) 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 \$58 million and \$36 million as of June 30, 2025 and December 31, 2024, respectively.
- (c) STG completed a series of financing transactions, including a new money financing and debt recapitalization, during the six months ended June 30, 2025. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

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

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

Summary of Significant Events — financial events during the three months ended June 30, 2025 and through the date this Report on Form 10-Q is filed.

Results of Operations — an analysis of Sinclair's and SBG's revenues and expenses for the three and six months ended June 30, 2025 and 2024.

Liquidity and Capital Resources — a discussion of Sinclair's and SBG's primary sources of liquidity and an analysis of Sinclair's and SBG's cash flows from or used in operating activities, investing activities, and financing activities during the three and six months ended June 30, 2025.

SUMMARY OF SIGNIFICANT EVENTS

Content and Distribution

- In April 2025, SBG launched BFFR, a weekly podcast from AMP Media hosted by women's soccer icons Sydney Leroux and Ali Riley, across all major podcast platforms.
- In April 2025, Sinclair announced that the Federal Aviation Administration ("FAA") accepted Sinclair's Declaration of Compliance for Operations Over People, making Sinclair the first broadcast company authorized to fly drones over individuals and moving vehicles without needing an FAA waiver for news gathering under FAA rules.
- In April 2025, Tennis Channel and the International Tennis Federation announced a multi-year extension of their long-running partnership with the Billie Jean King Cup by Gainbridge™ and Davis Cup, the World Cup of Tennis events for women and men, respectively.
- In June 2025, WTA Ventures (Womens Tennis Association) and Tennis Channel announced a new six-year media rights deal ensuring that Tennis Channel platforms will continue to be the exclusive home of WTA tennis in the United States through 2032.
- In June, SBG launched two local sports podcasts: "The Script", a podcast on the Ohio State Buckeyes with former Ohio State stars Cardale Jones and Chris "Beanie" Wells, along with ABC6/FOX28 Sports Director Dave Holmes; and "The Dynasty", a podcast on the Alabama Crimson Tide with former Alabama stars AJ McCarron and Trent Richardson, along with Chris Stewart, the voice of Alabama football.

Corporate Social Responsibility Practices

- To date in 2025, SBG's newsrooms have won a total of 208 journalism awards, including 25 RTDNA regional Edward R. Murrow Awards.
- In April 2025, Sinclair held its third annual Sinclair Day of Service, whereby all employees were encouraged to volunteer that day for charitable causes. Over 1,300 employees volunteered a total of more than 3,600 hours that day.
- In July 2025, Sinclair Cares ran two campaigns, one raising nearly \$200,000 in support of Texas Flood relief and another partnering with the American Cancer Society to raise awareness and support free rides to medical treatments.

NextGen Broadcast (ATSC 3.0)

- In July 2025, SBG launched WKOF in Syracuse, New York as an ATSC 3.0 lighthouse, marking the first time a television license was initiated under the NextGen Broadcast (ATSC 3.0) standard.

Transactions

- In June 2025, SBG purchased the broadcast assets of WSJV in South Bend-Elkhart, IN from Gray Television, Inc. ("Gray"), and sold the broadcast assets of WHOI in Peoria/Bloomington, IL to Gray.
- In June 2025, SBG acquired the license assets of KXVO in Omaha, NE, from Mitts Telecasting Company. SBG previously oversaw operations of the station under a LMA.

- In June 2025, Sinclair's digital market agency rebranded under the Digital Remedy brand.
- In July 2025, SBG sold four owned stations within Milwaukee, WI (WVTV), Springfield, IL (WICS/WICD), Ottumwa, IA (KTVO), and Quincy, IL (KHQA).
- In August 2025, SBG acquired the license assets of WOLF in Hazleton, PA and WGFL in High Springs, FL from New Age Media, LLC. The Company previously oversaw the operations of the stations under MSAs.
- In August 2025, SBG acquired the license assets of KMEG in Sioux City, IA from Waitt Broadcasting. The Company previously oversaw the operations of the stations under a JSAs.

Financing, Capital Allocation, and Shareholder Returns

- In May 2025, Sinclair declared a quarterly dividend of \$0.25 per share. In August 2025, Sinclair declared a quarterly dividend of \$0.25 per share.
- In the second quarter of 2025, STG repurchased \$81 million aggregate principal amount of the 5.125% Senior Notes due 2027 for consideration of \$77 million. The 5.125% Senior Notes due 2027 acquired in the second quarter of 2025 were canceled immediately following their acquisition.

Other Events

- In June 2025, Sinclair announced the appointment of Conrad Clemson as Chief Executive Officer of EdgeBeam Wireless, Sinclair's NextGen Broadcast Joint Venture with industry peers.
- In July 2025, Sinclair announced the appointment of Narinder Sahai as Executive Vice President and Chief Financial Officer, effective immediately.

SINCLAIR, INC. RESULTS OF OPERATIONS

SINCLAIR, INC. 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, 2025, we had two reportable segments for accounting purposes, local media and tennis.

Seasonality / Cyclical

The operating results of our 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' because advertising expenditures are increased in anticipation of certain seasonal and holiday spending by consumers.

The operating results of our tennis segment are usually subject to cyclical fluctuations due to the number and significance of tournaments that take place in the respective quarters during the year. The first and fourth quarter operating results are usually higher than the second and third quarters' because of the number and significance of tournaments that are played during those periods.

Operating Data

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Media revenues	\$ 777	\$ 819	\$ 1,547	\$ 1,611
Non-media revenues	7	10	13	16
Total revenues	784	829	1,560	1,627
Media programming and production expenses	420	425	838	833
Media selling, general and administrative expenses	200	194	392	390
Depreciation and amortization expenses	59	63	121	126
Amortization of program costs	17	18	36	37
Non-media expenses	13	13	24	25
Corporate general and administrative expenses	45	50	97	108
Loss on asset dispositions and other, net	9	2	17	2
Operating income	\$ 21	\$ 64	\$ 35	\$ 106
Net (loss) income attributable to Sinclair	\$ (64)	\$ 17	\$ (220)	\$ 40

SINCLAIR, INC. RESULTS OF OPERATIONS

Local Media Segment

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

	Three Months Ended June 30,		Percent Change Increase / (Decrease)	Six Months Ended June 30,		Percent Change Increase / (Decrease)
	2025	2024		2025	2024	
Revenue:						
Distribution revenue	\$ 380	\$ 384	(1)%	\$ 775	\$ 768	1%
Core advertising revenue	272	285	(5)%	543	569	(5)%
Political advertising revenue	6	40	(85)%	12	64	(81)%
Other media revenues	21	41	(49)%	43	76	(43)%
Media revenues (a)	<u>\$ 679</u>	<u>\$ 750</u>	(9)%	<u>\$ 1,373</u>	<u>\$ 1,477</u>	(7)%
Operating Expenses:						
Media programming and production expenses	\$ 380	\$ 382	(1)%	\$ 770	\$ 765	1%
Media selling, general and administrative expenses (b)	162	178	(9)%	332	361	(8)%
Depreciation and amortization expenses	54	58	(7)%	110	116	(5)%
Amortization of program costs	17	18	(6)%	36	37	(3)%
Corporate general and administrative expenses	27	29	(7)%	64	70	(9)%
Non-media expenses	2	2	—%	4	4	—%
Gain on asset dispositions and other, net	(28)	—	n/m	(20)	—	n/m
Operating income	<u>\$ 65</u>	<u>\$ 83</u>	(22)%	<u>\$ 77</u>	<u>\$ 124</u>	(38)%
Interest expense including amortization of debt discount and deferred financing costs	\$ 82	\$ 76	8%	\$ 226	\$ 152	49%
Gain on extinguishment of debt	\$ 4	\$ —	n/m	\$ 6	\$ 1	n/m
Other income, net	\$ 3	\$ 2	50%	\$ 6	\$ 33	(82)%

n/m - not meaningful

(a) Includes \$3 million and \$6 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, of intercompany revenue related to certain services provided to the tennis segment, which is eliminated in consolidation.

(b) Includes \$5 million and \$9 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, of intercompany expense related to certain services provided by other, which is eliminated in consolidation.

Revenue

Distribution revenue. Distribution revenue, which represents fees earned from Distributors for our broadcast signals, decreased \$4 million or 1% for the three months ended June 30, 2025, when compared to the same period in 2024. Subscriber decreases impacted period-over-period distribution revenue by low-teen percentages for the three months ended June 30, 2025, partially offset by favorable contractual rate increases by low-teen percentages. Distribution revenue increased \$7 million or 1% for the six months ended June 30, 2025, when compared to the same period in 2024. Contractual rate increases favorably impacted period-over-period distribution revenue by low-teen percentages for the six months ended June 30, 2025, which was offset by a decrease in subscribers by low-teen percentages for the period.

Core advertising revenue. Core advertising revenue decreased \$13 million and \$26 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, with no particular product/services category dominating the variance.

Political advertising revenue. Political advertising revenue decreased \$34 million and \$52 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to 2025 being an off-year election cycle, and therefore having only a small number of political races and correspondingly less political advertising spending compared to 2024 which was a presidential political year.

SINCLAIR, INC. RESULTS OF OPERATIONS

Other media revenues. Other media revenues decreased \$20 million and \$33 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to a decrease related to certain services provided under management services agreements.

The following table sets forth our 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,	
	2025	2024	2025	2024
Syndicated/Other programming	41%	41%	40%	39%
Local news	31%	32%	29%	30%
Network programming (a)	17%	17%	16%	17%
Sports programming (a)	8%	6%	12%	10%
Paid programming	3%	4%	3%	4%

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

The following table sets forth our affiliate percentages of advertising revenue for the periods presented:

	# of Channels	Percent of Advertising Revenue for the			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
ABC	40	31%	31%	29%	29%
FOX	55	19%	21%	22%	21%
CBS	31	20%	19%	20%	21%
NBC	24	14%	14%	13%	13%
CW	46	5%	5%	5%	5%
MNT	39	3%	4%	3%	4%
Other	411	8%	6%	8%	7%
Total	646				

Expenses

Media programming and production expenses. Media programming and production expenses decreased \$2 million for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to a decrease in litigation and consulting expenses of \$6 million, of which, the litigation item related to the reversal of approximately \$3 million previously expensed as a result of the FCC consent decree that is further discussed in *Litigation, Claims, and Regulatory Matters* under *Note 4. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements*, which were offset by an increase in fees pursuant to network affiliation agreements and other programming contracts of \$4 million as a result of increased contractual rates. Media programming and production expenses increased \$5 million for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to an increase in fees pursuant to network affiliation agreements and other programming contracts of \$8 million as a result of increased contractual rates, which was offset by a decrease in litigation related expenses of \$3 million as a result of the reversal of amounts previously expensed related to the FCC consent decree that is further discussed in *Litigation, Claims, and Regulatory Matters* under *Note 4. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements*.

SINCLAIR, INC. RESULTS OF OPERATIONS

Media selling, general and administrative expenses. Media selling, general and administrative expenses decreased \$16 million for the three months ended June 30, 2025, when compared to the same period in 2024, 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 *Sinclair's Consolidated Financial Statements*, a \$3 million decrease in employee compensation cost, and a \$2 million decrease in national sales commissions. Media selling, general and administrative expenses decreased \$29 million for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to a \$10 million decrease related to the FCC consent decree, as further discussed in *Litigation, Claims, and Regulatory Matters* under *Note 4. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements*, a \$9 million decrease in trade related expenses, a \$6 million decrease in employee compensation cost, and a \$3 million decrease in national sales commissions.

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

Gain on asset dispositions and other, net. During the three and six months ended June 30, 2025, we recognized \$30 million and \$39 million, respectively, of proceeds related to our cyber and directors and officers insurance policies. During the six months ended June 30, 2025, we recognized an estimated loss expected to be recognized upon closing of the stations sale of approximately \$17 million. See *Business Combinations and Station Disposals* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair's Consolidated Financial Statements*.

Interest expense including amortization of debt discount and deferred financing costs. Interest expense increased \$6 million and \$74 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to the Transactions, as described in *Credit Agreement and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *Sinclair's Consolidated Financial Statements*. Included in interest expense for the six months ended June 30, 2025 is \$68 million of one-time financing costs that will not recur in future periods.

Gain on extinguishment of debt. During the three months ended June 30, 2025, we repurchased \$81 million aggregate principal amount of the 5.125% Senior Notes due 2027 for consideration of \$77 million and recognized a gain on extinguishment of \$4 million for both the three and six months ended June 30, 2025. For the six months ended June 30, 2025, in connection with the Transactions, we recognized a gain on extinguishment of the 4.125% Senior Secured Notes due 2030 and 5.125% Senior Notes due 2027 of \$5 million and \$3 million, respectively, and a loss on extinguishment of the Term Loan B-2 of \$6 million. See *Credit Agreement and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *Sinclair's Consolidated Financial Statements*.

Other income, net. During the six months ended June 30, 2024, we recognized a \$26 million gain related to the sale of certain broadcast related assets and \$8 million in interest income.

SINCLAIR, INC. RESULTS OF OPERATIONS

Tennis Segment

The following table sets forth our revenue and expenses for our tennis segment for the periods presented (in millions):

	Three Months Ended June 30,		Percent Change Increase / (Decrease)	Six Months Ended June 30,		Percent Change Increase / (Decrease)
	2025	2024		2025	2024	
Revenue:						
Distribution revenue	\$ 54	\$ 51	6%	\$ 110	\$ 103	7%
Core advertising revenue	13	14	(7)%	24	24	—%
Other media revenues	1	2	(50)%	2	3	(33)%
Media revenues	<u>\$ 68</u>	<u>\$ 67</u>	1%	<u>\$ 136</u>	<u>\$ 130</u>	5%
Operating Expenses:						
Media programming and production expenses	\$ 39	\$ 43	(9)%	\$ 66	\$ 68	(3)%
Media selling, general and administrative expenses (a)	15	17	(12)%	33	29	14%
Depreciation and amortization expenses	5	6	(17)%	10	11	(9)%
Corporate general and administrative expenses	1	—	n/m	1	1	—%
Operating income	<u>\$ 8</u>	<u>\$ 1</u>	n/m	<u>\$ 26</u>	<u>\$ 21</u>	24%

n/m - not meaningful

(a) Includes \$3 million and \$6 million for the three and six months ended June 30, 2025, respectively, and \$3 million and \$5 million for the three and six months ended June 30, 2024, respectively, of intercompany expense related to certain services provided by the local media segment, which is eliminated in consolidation.

Revenue

Distribution revenue. Distribution revenue, which represents fees earned from Distributors for the right to distribute Tennis Channel, increased \$3 million or 6% for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to high-teen percentage increases in contractual rates for the three months ended June 30, 2025 and a high single-digit percentage increase in direct-to-consumer ("DTC") subscriptions, partially offset by a decrease in subscribers by mid-teen percentages for the period. Distribution revenue increased \$7 million or 7% for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to low double-digit percentage increases in contractual rates for the six months ended June 30, 2025 and a high single-digit percentage increase in DTC subscriptions, partially offset by a decrease in subscribers by low double-digit percentages for the period.

Core advertising revenue. Core advertising revenue is primarily generated from sales of commercial time within Tennis Channel programming. Core advertising revenue decreased \$1 million for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to shifts in the 2025 tournament calendar compared to the 2024 tournament calendar. Core advertising revenue remained flat for the six months ended June 30, 2025, when compared to the same period in 2024.

Expenses

Media programming and production expenses. Media programming and production expenses decreased \$4 million and \$2 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to a decrease in tournament production costs primarily related to a shift in the 2025 tournament calendar.

Media selling, general and administrative expenses. Media selling, general and administrative expenses increased \$4 million for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to an increase in costs associated with the launch of the DTC platform.

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

SINCLAIR, INC. RESULTS OF OPERATIONS

Other

The following table sets forth our revenues and expenses for our non-broadcast digital and internet solutions, technical services, and non-media investments (collectively, other) for the periods presented (in millions):

	Three Months Ended June 30,		Percent Change Increase / (Decrease)	Six Months Ended June 30,		Percent Change Increase/(Decrease)
	2025	2024		2025	2024	
Revenue:						
Media revenues (a)	\$ 38	\$ 9	n/m	\$ 53	\$ 15	n/m
Non-media revenues (b)	\$ 8	\$ 11	(27)%	\$ 14	\$ 20	(30)%
Operating Expenses:						
Media expenses	\$ 32	\$ 5	n/m	\$ 44	\$ 10	n/m
Non-media expenses (c)	\$ 12	\$ 12	—%	\$ 21	\$ 24	(13)%
Operating income (loss)	\$ 1	\$ —	n/m	\$ —	\$ (3)	n/m
Income (loss) from equity method investments	\$ —	\$ 78	n/m	\$ (5)	\$ 93	n/m
Other expense, net	\$ (24)	\$ (43)	(44)%	\$ (93)	\$ (37)	n/m

n/m - not meaningful

(a) Media revenues for the three and six months ended June 30, 2025 include \$5 million and \$9 million, respectively, and for the three and six months ended June 30, 2024 include \$3 million and \$5 million, respectively, of intercompany revenue related to certain services and sales provided to the local media segment, which is eliminated in consolidation.

(b) Non-media revenues for both the three and six months ended June 30, 2025 include \$1 million and for the three and six months ended June 30, 2024 include \$1 million and \$4 million, respectively, of intercompany revenue related to certain services and sales provided to the local media segment, which is eliminated in consolidation.

(c) Non-media expenses for both the three and six months ended June 30, 2025 include \$1 million and for the three and six months ended June 30, 2024 include \$1 million and \$3 million, respectively, of intercompany expense related to certain services and sales provided by the local media segment, which is eliminated in consolidation.

Revenue. Media revenues increased \$29 million and \$38 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to an increase in advertising revenue related to the acquisition of Digital Remedy, as discussed in *Business Combinations and Station Disposals* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair's Consolidated Financial Statements*. Non-media revenues decreased \$3 million and \$6 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to a decrease in broadcast equipment sales.

Expenses. Media expenses increased \$27 million and \$34 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to an increase in selling, general and administrative expenses related to the acquisition of Digital Remedy, as discussed in *Business Combinations and Station Disposals* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair's Consolidated Financial Statements*. Non-media expenses remained flat for the three months ended June 30, 2025 and decreased \$3 million for the six months ended June 30, 2025, when compared to the same periods in 2024, primarily due to a decrease in expenses associated with lower broadcast equipment sales and a decrease in expenses related to our technical services business.

Income (loss) from equity method investments. During the three and six months ended June 30, 2024, we recognized gains of \$78 million and \$93 million, respectively, primarily related to the sales of certain of our investments, which is included in (loss) income from equity method investments in our consolidated statements of operations.

Other expense, net. During the three months ended June 30, 2025 and 2024, we recognized fair value adjustment losses of \$30 million and \$45 million, respectively, associated with investments measured at fair value and NAV. During the six months ended June 30, 2025 and 2024, we recognized fair value adjustment losses of \$103 million and \$43 million, respectively, associated with investments measured at fair value and NAV.

SINCLAIR, INC. RESULTS OF OPERATIONS

Corporate and Unallocated Expenses

The following table presents our 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)
	2025	2024		2025	2024	
Corporate general and administrative expenses	\$ 45	\$ 50	(10)%	\$ 97	\$ 108	(10)%
Loss on asset dispositions and other, net	\$ 9	\$ 2	n/m	\$ 17	\$ 2	n/m
Income tax benefit (provision)	\$ 14	\$ (5)	n/m	\$ 60	\$ (1)	n/m

n/m - not meaningful

Corporate general and administrative expenses. The table above and the explanation that follows cover total consolidated corporate general and administrative expenses. Corporate general and administrative expenses decreased \$5 million and \$11 million for the three and six months ended June 30, 2025, respectively, when compared to the same periods in 2024, primarily due to a decrease in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 4. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements* and a decrease in employee compensation cost for the six months ended June 30, 2025.

Loss on asset dispositions and other, net. During the three months ended June 30, 2025, we 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 *Sinclair's Consolidated Financial Statements* offset by gains of \$30 million related to proceeds from our cyber and directors and officers insurance policies, which are further discussed in *Local Media Segment* under *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations*. During the six months ended June 30, 2025 we recognized an estimated loss of \$17 million related to our 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 *Sinclair's Consolidated Financial Statements*, which was partially offset by gains of \$39 million related to proceeds from our cyber and directors and officers insurance policies.

Income tax benefit (provision). The effective tax rate for the three months ended June 30, 2025 was a benefit of 18.9% as compared to a provision of 19.0% during the same period in 2024. The change from provision to benefit is primarily due to a book loss in 2025 compared to book income in 2024.

The effective tax rate for the six months ended June 30, 2025 was a benefit of 21.8% as compared to a provision of 1.7% during the same period in 2024. The increase in the effective tax rate for the six months ended June 30, 2025, as compared to the same period in 2024, is primarily due to an immaterial \$7.5 million correcting adjustment related to the accrual of interest income attributable to prior years' pending income tax refund claims in 2024.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

SINCLAIR BROADCAST GROUP, LLC 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, 2025, SBG had one reportable segment for accounting purposes, local media.

Seasonality / Cyclicity

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' 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,	
	2025	2024	2025	2024
Total media revenues	\$ 679	\$ 750	\$ 1,373	\$ 1,477
Media programming and production expenses	380	382	770	765
Media selling, general and administrative expenses	162	178	332	361
Depreciation and amortization expenses	54	58	110	116
Amortization of program costs	17	18	36	37
Non-media expenses	2	2	4	4
Corporate general and administrative expenses	27	35	64	76
Loss on asset dispositions and other, net	9	—	17	—
Operating income	\$ 28	\$ 77	\$ 40	\$ 118
Net (loss) income attributable to SBG	\$ (41)	\$ 2	\$ (143)	\$ 7

Local Media Segment

Refer to *Local Media Segment* above under *Sinclair, Inc.'s Results of Operations* for a discussion of SBG's local media segment, which is the same as Sinclair's local media segment for the three and six months ended June 30, 2025 and 2024.

As of June 30, 2025, 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, 2025, the Unrestricted Subsidiaries represented 0% of SBG's total revenues. For the three and six months ended June 30, 2025, the Unrestricted Subsidiaries decreased SBG's total operating income by 8% and 11%, respectively.

As of June 30, 2025 and for the three and six months ended June 30, 2025 there were no restricted subsidiaries that were non-guarantors (as defined in the New Credit Agreement) of SBG.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

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)
	2025	2024		2025	2024	
Corporate general and administrative expenses	\$ 27	\$ 35	(23)%	\$ 64	\$ 76	(16)%
Loss on asset dispositions and other, net	\$ 9	\$ —	n/m	\$ 17	\$ —	n/m
Income tax benefit	\$ 8	\$ 1	n/m	\$ 34	\$ 10	n/m

n/m - not meaningful

Corporate general and administrative expenses. The table above and the explanation that follows cover total consolidated corporate general and administrative expenses. Corporate general and administrative expenses decreased by \$8 million and \$12 million for the three months ended June 30, 2025, respectively, when compared to the same periods in 2024, 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* and a decrease in employee compensation cost for the six months ended June 30, 2025.

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 our cyber and directors and officers insurance policies, which are further discussed in *Local Media Segment* under *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* under *Sinclair, Inc.'s Results of Operations*. During the six months ended June 30, 2025 we recognized an estimated loss of \$17 million related to our 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 was partially offset by gains of \$39 million related to proceeds from our cyber and directors and officers insurance policies, which are further discussed in *Local Media Segment* under *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations* under *Sinclair, Inc.'s Results of Operations*.

Income tax benefit. The effective tax rate for the three months ended June 30, 2025 was a benefit of 17.9% as compared to a benefit of 38.5% during the same period in 2024. The decrease in the effective tax rate for the three months ended June 30, 2025, as compared to the same period in 2024, is primarily due to accrual of interest income attributable to prior years' pending income tax refund claims.

The effective tax rate for the six months ended June 30, 2025 was a benefit of 19.5% as compared to a benefit of 1717.7% during the same period in 2024. The decrease in the effective tax rate for the six months ended June 30, 2025, as compared to the same period in 2024, is primarily due to an immaterial \$7.5 million correcting adjustment related to the accrual of interest income attributable to prior years' pending income tax refund claims in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

As of June 30, 2025, Sinclair had net working capital of approximately \$687 million, including \$616 million in cash and cash equivalent balances, and \$650 million of available borrowing capacity, including \$575 million under the New Credit Agreement and \$75 million under the Amended Credit Agreement. Cash on hand, cash generated by Sinclair's operations, and borrowing capacity under the New Credit Agreement and the Amended Credit Agreement are used as Sinclair's primary sources of liquidity.

As of June 30, 2025, SBG had net working capital of approximately \$273 million, including \$224 million in cash and cash equivalent balances, and \$650 million of available borrowing capacity, including \$575 million under the New Credit Agreement and \$75 million under the Amended Credit Agreement. Cash on hand, cash generated by SBG's operations, and borrowing capacity under the New Credit Agreement and the Amended Credit Agreement are used as SBG's primary sources of liquidity.

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, 2025, STG was not subject to the financial maintenance covenant under the New Credit Agreement. As of June 30, 2025, 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, 2025.

During the six months ended June 30, 2025, STG completed the Transactions, including a new money financing and debt recapitalization, which strengthened the Company's balance sheet and better positioned it for long-term growth. STG's nearest term maturity, Term Loan B-2 due 2026, was repaid with proceeds from the issuance of a new first-out first lien secured bond, along with the extension of maturities of other debt tranches, which significantly extended STG's maturity profile. See *Credit Agreements and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *Sinclair's Consolidated Financial Statements* and *Credit Agreements and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *SBG's Consolidated Financial Statements*, for further information.

During the three months ended June 30, 2025, STG repurchased \$81 million aggregate principal amount of the 5.125% Senior Notes due 2027 for consideration of \$77 million. The 5.125% Senior Notes due 2027 acquired in April 2025 were canceled immediately following their acquisition.

During the six months ended June 30, 2025, Sinclair entered into agreements which increased estimated contractual amounts owed for tennis programming rights by \$163 million which have terms that extend into 2032. There were no other material changes to Sinclair's or SBG's contractual cash obligations as of June 30, 2025.

Sinclair and SBG anticipate 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 Amended Credit Agreement 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. Sinclair anticipates that existing cash and cash equivalents and cash flow from SBG, the tennis segment, and other's operations will be sufficient to satisfy SBG, the tennis segment, and other'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 potential tariffs and trade restrictions and their resulting effect on the economy, Sinclair's and SBG's advertisers, and Sinclair's and SBG's Distributors and their subscribers, could affect Sinclair's and SBG's liquidity and first-out first lien leverage ratio which could affect Sinclair's and SBG's ability to access the full borrowing capacity under the New Credit Agreement. In addition to the sources described above, Sinclair and SBG may rely upon various sources for long-term liquidity needs, such as but not limited to, the issuance of long-term debt (including, for example, an accounts receivable securitization facility), the issuance of Sinclair equity, for Sinclair only, the issuance of Ventures equity or debt, or other instruments convertible into or exchangeable for Sinclair equity, 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 Sinclair or SBG.

LIQUIDITY AND CAPITAL RESOURCES

Sinclair, Inc. Sources and Uses of Cash

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net cash flows from (used in) operating activities	\$ 122	\$ (306)	\$ 127	\$ (310)
Cash flows (used in) from investing activities:				
Acquisition of property and equipment	\$ (17)	\$ (23)	\$ (33)	\$ (44)
Acquisition of businesses, net of cash acquired	—	—	(25)	—
Purchases of investments	(12)	(29)	(20)	(32)
Distributions and proceeds from investments	6	107	13	184
Other, net	—	1	—	2
Net cash flows (used in) from investing activities	\$ (23)	\$ 56	\$ (65)	\$ 110
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	(83)	(9)	(1,414)	(43)
Debt issuance costs	(11)	—	(110)	—
Dividends paid on Class A and Class B Common Stock	(17)	(17)	(34)	(33)
Distributions to noncontrolling interests	(3)	(3)	(6)	(5)
Other, net	—	2	(9)	(3)
Net cash flows used in financing activities	\$ (114)	\$ (27)	\$ (143)	\$ (84)

Operating Activities

Net cash flows from Sinclair's operating activities increased for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to an increase in cash collections from Distributors, the DSG settlement payment that occurred in the prior period, and a decrease in production costs, partially offset by a decrease in cash collections related to political revenue and an increase in overhead costs. Net cash flows from Sinclair's operating activities increased for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to an increase in cash collections from Distributors and the DSG settlement payment that occurred in the prior period, partially offset by a decrease in cash collections related to political revenue and an increase in production and overhead costs.

Investing Activities

Net cash flows used in Sinclair's investing activities increased for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to a decrease in distributions and proceeds from investments. Net cash flows used in Sinclair's investing activities increased for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to a decrease in the distributions and proceeds from investments and the acquisition of Digital Remedy in the first quarter of 2025.

Financing Activities

Net cash flows used in Sinclair's financing activities increased for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to the repurchase of the 5.125% Senior Notes due 2027 during the current period. Net cash flows used in Sinclair's financing activities increased for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to the Transactions during the first quarter of 2025 and the repurchase of the 5.125% Senior Notes due 2027 during the second quarter of 2025. See *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *Sinclair's Consolidated Financial Statements* for further information related to the Transactions.

Sinclair declared a quarterly dividend of \$0.25 per share in May 2025 and \$0.25 per share in August 2025. Future dividends on Sinclair's shares of common stock, if any, will be at the discretion of Sinclair's Board of Directors and will depend on several factors including Sinclair's results of operations, cash requirements and surplus, financial condition, covenant restrictions, and other factors that Sinclair's Board of Directors may deem relevant.

LIQUIDITY AND CAPITAL RESOURCES

Sinclair Broadcast Group, LLC 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,	
	2025	2024	2025	2024
Net cash flows from (used in) operating activities	\$ 79	\$ (329)	\$ 113	\$ (312)
Cash flows used in investing activities:				
Acquisition of property and equipment	\$ (18)	\$ (22)	\$ (33)	\$ (44)
Purchases of investments	(1)	(2)	(1)	(2)
Distributions and proceeds from investments	—	—	—	26
Other, net	—	1	—	2
Net cash flows used in investing activities	\$ (19)	\$ (23)	\$ (34)	\$ (18)
Cash flows (used in) from financing activities:				
Proceeds from notes payable and commercial bank financing	\$ —	\$ —	\$ 1,430	\$ —
Repayments of notes payable, commercial bank financing, and finance leases	(83)	(9)	(1,414)	(43)
Debt issuance costs	(11)	—	(110)	—
Distributions to noncontrolling interests	(3)	(3)	(5)	(5)
(Distributions to) contributions from member, net	(16)	79	(47)	111
Net cash flows (used in) from financing activities	\$ (113)	\$ 67	\$ (146)	\$ 63

Operating Activities

Net cash flows from SBG's operating activities increased for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to an increase in cash collections from Distributors, the DSG settlement payment that occurred in the prior period, and a decrease in production and overhead costs, partially offset by a decrease in cash collections related to political revenue. Net cash flows from SBG's operating activities increased for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to an increase in cash collections from Distributors, the DSG settlement payment that occurred in the prior period, and a decrease in overhead costs, partially offset by a decrease in cash collections related to political revenue and an increase in production costs.

Investing Activities

Net cash flows used in SBG's investing activities decreased for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to a decrease in the acquisition of property and equipment in the current period. Net cash flows used in SBG's investing activities increased for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to a decrease in distributions and proceeds from the sale of broadcast investments, partially offset by a decrease in the acquisition of property and equipment in the current period.

Financing Activities

Net cash flows used in SBG's financing activities increased for the three months ended June 30, 2025, when compared to the same period in 2024, primarily due to the repurchase of the 5.125% Senior Notes due 2027 during the current period. Net cash flows used in SBG's financing activities increased for the six months ended June 30, 2025, when compared to the same period in 2024, primarily due to the Transactions during the first quarter of 2025, the repurchase of the 5.125% Senior Notes due 2027 during the second quarter of 2025, and an increase in distributions to member, net. See *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within SBG's Consolidated Financial Statements for further information related to the Transactions.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There were no changes to the critical accounting policies and estimates from those disclosed in *Critical Accounting Policies and Estimates* under *Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* within our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the quantitative and qualitative discussion about market risk previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Each of Sinclair's and SBG's management, under the supervision and with the participation of its respective Chief Executive Officer and Chief Financial Officer, evaluated the design and effectiveness of its disclosure controls and procedures as of June 30, 2025.

The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Assessment of Effectiveness of Disclosure Controls and Procedures

Based on the evaluation of its disclosure controls and procedures as of June 30, 2025, each of Sinclair's and SBG's Chief Executive Officer and Chief Financial Officer concluded that, as of such date, Sinclair's and SBG's disclosure controls and procedures, respectively, were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in either Sinclair's or SBG's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Limitations on the Effectiveness of Controls

Management, including each of Sinclair's and SBG's Chief Executive Officer and Chief Financial Officer, do not expect that Sinclair's and SBG's disclosure controls and procedures or its internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within each company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management's override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Sinclair and SBG are party to lawsuits and claims 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.

See *Litigation, Claims, and Regulatory Matters* under [Note 4. Commitments and Contingencies](#) within *Sinclair's Consolidated Financial Statements* for discussion related to certain pending lawsuits.

See *Litigation, Claims, and Regulatory Matters* under [Note 4. Commitments and Contingencies](#) within *SBG's Consolidated Financial Statements* for discussion related to certain pending lawsuits.

ITEM 1A. RISK FACTORS

As of the date of this report, there have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

During the three months ended June 30, 2025, none of Sinclair's or SBG's directors, managers, or officers, as applicable, adopted or terminated any contract, instruction, or written plan for the purchase or sale of Sinclair's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1†	Articles of Amendment and Restatement of Sinclair, Inc., effective June 1, 2023, as amended by the Amendment to the Articles of Amendment and Restatement of Sinclair, Inc., effective June 6, 2025.
10.1†	Employment agreement among Sinclair, Inc., Sinclair Broadcast Group, LLC, and Narinder Sahai dated July 7, 2025.
31.1	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair, Inc., pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
31.2	Certification by Narinder K. Sahai, as Chief Financial Officer of Sinclair, Inc., pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
31.3	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
31.4	Certification by Narinder K. Sahai, as Chief Financial Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
32.1**	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair, Inc., pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
32.2**	Certification by Narinder K. Sahai, as Chief Financial Officer of Sinclair, Inc., pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
32.3**	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
32.4**	Certification by Narinder K. Sahai, as Chief Financial Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
99.1†	Stockholders' Agreement dated as of March 3, 2025 by and among the Smith Brothers.
101†	The Company's Consolidated Financial Statements and related Notes for the quarter ended June 30, 2025 from this Quarterly Report on Form 10-Q, formatted in iXBRL (Inline eXtensible Business Reporting Language).
104	Cover Page Interactive Data File (included in Exhibit 101).

† Filed herewith.

** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized on the 8th day of August 2025.

SINCLAIR, INC.
SINCLAIR BROADCAST GROUP, LLC

By: /s/ David R. Bochenek
David R. Bochenek
Senior Vice President/Chief Accounting Officer
(Authorized Officer and Chief Accounting Officer)

SINCLAIR, INC.

ARTICLES OF AMENDMENT AND RESTATEMENT

THIS IS TO CERTIFY THAT:

FIRST: Sinclair, Inc., a Maryland corporation (the "Corporation"), desires to amend and restate its Charter as currently in effect and as hereinafter amended.

SECOND: These Articles of Amendment and Restatement shall be effective as of 12:00 a.m. Eastern Time on June 1, 2023.

THIRD: The following provisions are all of the provisions of the Charter currently in effect and as hereinafter amended:

ARTICLE FIRST: Name. The name of the Corporation is:

Sinclair, Inc.

ARTICLE SECOND: Purpose. The purpose for which the Corporation is formed and the business or object to be carried on and promoted by it are as follows: to engage in any lawful business or other activity for which corporations may be organized under the laws of the State of Maryland, including to do anything permitted by Section 2-103 of the Maryland General Corporation Law.

ARTICLE THIRD: Capital Structure. The total number of shares of all classes of stock which the Corporation has authority to issue is six hundred and ninety million (690,000,000) shares, having an aggregate par value of six million nine hundred thousand dollars (\$6,900,000.00), consisting of five hundred million (500,000,000) shares of Class A Common Stock with a par value of one cent (\$.01) per share (the "Class A Common Stock"), one hundred and forty million (140,000,000) shares of Class B Common Stock with a par value of one cent (\$.01) per share (the "Class B Common Stock"), and fifty million (50,000,000) shares of Preferred Stock with a par value of one cent (\$.01) per share (the "Preferred Stock"). Class A Common Stock and Class B Common Stock are hereinafter collectively referred to as "Common Shares".

ARTICLE FOURTH: Voting Rights.

(a) Holders of Class A Common Stock are entitled to one (1) vote per share of such stock held and, except as provided below, holders of Class B Common Stock are entitled to ten (10) votes per share of such stock held with respect to matters properly submitted for the vote of holders of Common Shares at any duly constituted meeting of stockholders. The holders of Common Shares will vote together as a single class on all matters properly presented to the stockholders for their vote unless otherwise required by law. The holders of the Common Shares are not entitled to cumulate votes in the election of any directors.

(b) Notwithstanding the foregoing, holders of Class B Common Stock shall be entitled to one (1) vote per share with respect to: (i) any proposed "Rule 13e-3 transaction," as that term is defined in Rule 13e-3 promulgated under the Securities Exchange Act of 1934, as amended, between the Corporation and any of David D. Smith, Frederick G. Smith, J. Duncan Smith and Robert E. Smith (the "Controlling Stockholders"), any Affiliate (as such term is defined below) of the Controlling Stockholders, or any group which the Controlling Stockholders are an Affiliate or which the Controlling Stockholders are a member; (ii) any disposition of all or substantially all of the Corporation's assets; (iii) any sale or transfer or other disposition of assets which would cause a fundamental change in the nature of the Corporation's business; and (iv) a merger or a consolidation of the Corporation subsequent to which the holders of the Common Shares will own less than 50% of the common stock of the Corporation following such transaction.

For the purpose of paragraph (b) above, an "Affiliate" is defined as: (i) any individual or entity that, directly or indirectly, controls, is controlled by, or is under the common control of the Controlling Stockholders; (ii) any corporation or organization (other than the Corporation or a majority owned subsidiary of the Corporation) of which any of the Controlling Stockholders is an owner or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of voting securities or in which any of the Controlling Stockholders has a substantial beneficial interest; (iii) a voting trust or similar arrangement pursuant to which any of the Controlling Stockholders serves as a trustee or in a similar fiduciary capacity; or (v) any relative or spouse of the Controlling Stockholders or any relative of such spouse provided such spouse has the same residence as the Controlling Stockholder.

ARTICLE FIFTH: Conversion of Class B Common Stock.

(a) In the event that the number of shares of the Corporation's Common Shares held in the aggregate by Controlling Stockholders falls to below ten percent (10%) of the total number of Common Shares outstanding, each outstanding share of Class B Common Stock shall at that time be automatically converted to one (1) fully paid and non-assessable share of Class A Common Stock.

(b) Upon the sale or other transfer by a holder of Class B Common Stock to a person or entity other than a Permitted Transferee (as such term is defined below), such shares of Class B Common Stock shall be automatically converted into an equal number of shares of Class A Common Stock. Promptly upon such sale or other transfer, the holder of Class B Common Stock shall surrender the certificate or certificates therefor, duly endorsed in blank or accompanied by proper instruments of transfer, at the office of the Corporation or of any transfer agent for the Class A Common Stock, and shall give written notice to the Corporation at such office: (i) stating that the shares are being converted pursuant to this paragraph, (ii) identifying the number of shares of Class B Common Stock being converted, and (iii) setting out the name or names (with addresses) and denominations in which the certificate or certificates for Class A Common Stock shall be issued and shall include instructions for delivery thereof. Delivery of such notice together with the certificates representing the Class B Common Stock shall obligate the Corporation or its transfer agent to issue and deliver at such stated address to such stated transferee a certificate or certificates for the number of Class A Common Stock to which such transferee is entitled, registered in the name of such transferee. In the event of a sale or other transfer of less than all of the Class B Common Stock evidenced by a certificate surrendered to the Corporation in the accordance with the above procedures, the Corporation shall execute and deliver to the transferor, without charge, a new certificate evidencing the number of shares of Class B Common Stock not sold or otherwise transferred.

For the purpose of paragraph (b) above, a "Permitted Transferee" is defined as:

- (i) (A) any Controlling Stockholder; (B) the estate of a Controlling Stockholder; (C) the spouse or former spouse of a Controlling Stockholder; (D) any lineal descendant of a Controlling Stockholder, any spouse of such lineal descendant, a Controlling Stockholder's grandparent, parent, brother or sister or a Controlling Stockholder's spouse's brother or sister; (E) any guardian or custodian (including a custodian for purposes of the Uniform Gift to Minors Act or Uniform Transfers to Minors Act) for, or any conservator or other legal representative of, one or more Permitted Transferees; or (F) any trust or savings or retirement account, including an individual retirement account for purposes of federal income tax laws, whether or not involving a trust, principally for the benefit of one or more Permitted Transferees, including any trust in respect of which a Permitted Transferee has any general or special testamentary power of appointment or general or special non-testamentary power of appointment which is limited to any other Permitted Transferee;
- (ii) the Corporation;
- (iii) any employee benefit plan or trust thereunder sponsored by the Corporation or any of its subsidiaries;
- (iv) any trust principally for the benefit of one or more of the individuals, persons, firms or entities ("Persons") referred to in (i) through (iii) above;
- (v) any corporation, partnership, or other entity if all of the beneficial ownership is held by one or more of the Persons referred to in (i) through (iv) above;
- (vi) any voting trust for the benefit of one or more of the Persons referred to in (i) through (iv) above; and
- (vii) any broker or dealer in securities, clearing house, bank, trust company, savings and loan association or other financial institution which holds the Class B Common Stock for the benefit of a Controlling Stockholder or Permitted Transferee thereof.

(c) Notwithstanding anything to the contrary set forth herein, any holder of Class B Common Stock may pledge his shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of such shares as collateral security for

indebtedness due to the pledgee without causing an automatic conversion of such shares into Class A Common Stock, provided that such shares may not be transferred to or registered in the name of the pledgee unless such pledgee is a Permitted Transferee. In the event of foreclosure or other similar action by a pledgee who is not a Permitted Transferee, such pledged shares of Class B Common Stock shall be converted automatically, without any act or deed on the part of the Corporation or any other person, into shares of Class A Common Stock as provided above.

(d) Each share of Class B Common Stock shall be convertible, at the option of its holder, into one fully paid and non-assessable share of Class A Common Stock at any time. In the event of such voluntary conversion, the procedures set forth in paragraph (a) above shall be followed.

(e) Shares of Class B Common Stock that are converted into shares of Class A Common Stock due to a sale, transfer, or voluntary conversion shall continue to be authorized shares of Class B Common Stock and available for reissue by the Corporation as determined by the Board of Directors.

(f) The Corporation hereby reserves and shall at all times reserve and keep available, out of its authorized and unissued Class A Common Stock, for the purpose of effecting the conversions provided for herein, a sufficient number of shares of Class A Common stock to effect the conversion of all Class B Common Stock. All of the Common Stock so issuable shall, when issued, be duly and validly issued, fully paid and non-assessable, and free from liens and charges with respect to the issue. The Corporation will take such action as may be necessary to ensure that all such Common Stock may be so issued without violation of any applicable law or regulation, or of any requirements of any stock exchange or market on which any of the Common Shares are listed or quoted.

(g) In any merger, consolidation, or business combination, the consideration to be received per share by the holders of Class A Common Stock and Class B Common Stock must be identical for each class of stock, except that in any such transaction in which shares of common stock are to be distributed, such shares may differ as to voting rights to the extent that voting rights differ among Class A Common Stock and Class B Common Stock as provided herein.

ARTICLE SIXTH: Preferred Stock.

The Board of Directors shall have authority to classify and reclassify any of the unissued shares of Preferred Stock from time to time by setting or changing in any one or more respects the liquidation or dividend preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of redemption of the Preferred Stock; provided, however, that the Board of Directors shall not classify or reclassify any such shares into Common Shares, or into any class or series of stock which has the same or lower liquidation priority as the Common Shares. Any and all shares issued and for which full consideration has been paid or delivered shall be deemed fully paid stock, and the holder thereof shall not be liable for any further payment thereon. Notwithstanding anything in these Articles to the contrary, as long as any of the Common Shares shall be listed and quoted on the NASDAQ National Market System, no Preferred Stock may be issued pursuant to the provisions of this Article SIXTH which would violate the applicable Voting Rights Policy of the NASDAQ National Market System, as the same may be amended from time to time.

ARTICLE SEVENTH: Other Stock Rights.

(a) Except as provided hereinabove, each of the Common Shares issued and outstanding shall be identical in all respects, and no dividends shall be paid on any of the Common Shares unless the same dividend is paid on all of the Common Shares at the time of such payment. Except for and subject to those special voting rights expressly granted herein to the holders of the Class B Common Stock, the holders of the Common Shares shall have exclusively all other rights of stockholders including, but not limited to, (i) the right to receive dividends, when and as declared by the Board of Directors out of assets lawfully available therefor, and (ii) in the event of any distribution of assets upon liquidation, dissolution or winding up of the Corporation or otherwise, the right to receive ratably all of the assets and funds of the Corporation remaining after the payment to the creditors of the Corporation.

(b) Stock Splits and Combinations. If the Corporation shall in any manner subdivide (by stock split, reclassification, stock dividend, recapitalization, or otherwise) or combine (by reverse stock split or otherwise) the outstanding shares of Class A Common Stock or Class B Common Stock, then the outstanding shares of each other class of Common Shares shall be subdivided or combined, as the case may be, to the same extent, share and share alike.

(c) As long as any of the Common Shares shall be listed and quoted on the NASDAQ National Market, the Board of Directors of the Corporation shall ensure, and shall have all powers necessary to ensure, that the membership of the Board of

Directors shall at all times include such number of "Independent Directors" (as such term is defined in Part III, Section 6(c) of Schedule D to the By-Laws of the National Association of Securities Dealers, Inc. "NASD"), as the same may be amended from time to time) as shall be required by the By-Laws of the NASD for the Common Shares to be eligible for listing and quotation of the NASDAQ National Market. In the event that the Common Shares shall cease to be listed and quoted on the NASDAQ National Market, and subsequently are listed and quoted on an exchange or other trading system, the Board of Directors of the Corporation shall ensure, and shall have all powers necessary to ensure, that the membership of the Board of Directors shall at all times be consistent with the applicable rules and regulations, if any, for the Common Shares to be eligible for listing and quotation on such exchange or other trading system.

(d) No holder of Common Shares or Preferred Shares shall be entitled to preemptive or subscription rights.

ARTICLE EIGHTH: Principal Office & Resident Agent. The post office address of the principal office of the Corporation in this State is 10706 Beaver Dam Road, Hunt Valley, MD 21030. The name and post office address of the resident agent of the Corporation in this State is The Corporation Trust Incorporated and its address is 2405 York Rd., Suite 201, Baltimore County, Lutherville Timonium, Maryland 21093-2264.

ARTICLE NINTH: Participation of Non-Citizens. The following provisions are included for the purpose of ensuring that control and management of the Corporation remains with citizens of the United States and/or corporations formed under the laws of the United States or any of the states of the United States, as required by the Communications Act of 1934, as the same may be amended from time to time:

(a) The Corporation shall not issue to (i) a person who is a citizen of a country other than the United States; (ii) any entity organized under the laws of a government other than the government of the United States or any state, territory, or possession of the United States; (iii) a government other than the government of the United States or of any state, territory, or possession of the United States; or (iv) a representative of, or an individual or entity controlled by, any of the foregoing (individually, an "Alien"; collectively, "Aliens") any shares of capital stock of the Corporation if such issuance would result in the total number of shares of such capital stock held or voted by Aliens exceeding 25% of (i) the total number of all shares of such capital stock outstanding at any time and from time to time, or (ii) the total voting power of all shares of such capital stock outstanding and entitled to vote at any time and from time to time and shall not permit the transfer on the books of the Corporation of any capital stock to any Alien that would result in the total number of shares of such capital stock held or voted by Aliens exceeding such 25% limits as such limits greater or lesser than 25% may subsequently be imposed by statute or regulation.

(b) No Alien or Aliens, individually or collectively, shall be entitled to vote or direct or control the vote of more than 25% of (i) the total number of all shares of capital stock of the Corporation outstanding at any time and from time to time, or (ii) the total voting power of all shares of capital stock of the Corporation outstanding and entitled to vote at any time and from time to time as such limits greater or lesser than 25% may subsequently be imposed by statute or regulation.

(c) No Alien shall be qualified to act as an officer of the Corporation and no more than one-fourth of the total number of directors of the Corporation at any time may be Aliens except as may be permitted by law or regulation.

(d) The Board of Directors shall have all powers necessary to implement the provisions of this ARTICLE NINTH and to ensure compliance with the alien ownership restrictions (the "Alien Ownership Restrictions") of the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time (collectively, the "Communications Act"), including, without limitation, the power to prohibit the transfer of any shares of capital stock of the Corporation to any Alien and to take or cause to be taken such action as it deems appropriate to implement such prohibition.

(e) Without limiting the generality of the foregoing and notwithstanding any other provision of this Charter to the contrary, any shares of capital stock of the Corporation determined by the Board of Directors to be owned beneficially by an Alien or Aliens shall always be subject to redemption by the Corporation by action of the Board of Directors, pursuant to Section 2-310 of the Maryland General Corporation Law, or any other applicable provision of law, to the extent necessary in the judgment of the Board of Directors to comply with the Alien Ownership Restrictions. The terms and conditions of such redemption shall be as follows:

(i) the redemption price of the shares to be redeemed pursuant to this ARTICLE NINTH shall be equal to the fair market value of the shares to be redeemed, as determined by reference to the closing price of such shares on the last business

day before the date of redemption if the shares are traded on a national exchange or as determined by the Board of Directors in good faith if the shares are not then being traded on a national exchange;

- (ii) the redemption price of such shares may be paid in cash, securities or any combination thereof;
- (iii) if less than all the shares held by Aliens are to be redeemed, the shares to be redeemed shall be selected in any manner determined by the Board of Directors to be fair and equitable;
- (iv) at least 10 days' written notice of the redemption date shall be given to the record holders of the shares selected to be redeemed (unless waived in writing by any such holder), provided that the redemption date may be the date on which written notice shall be given to record holders if the cash or securities necessary to effect the redemption shall have been deposited in trust for the benefit of such record holders and subject to immediate withdrawal by them upon surrender of the stock certificates for their shares to be redeemed;
- (v) from and after the redemption date, the shares to be redeemed shall cease to be regarded as outstanding and any and all rights of the holders in respect of the shares to be redeemed or attaching to such shares of whatever nature including, without limitation, any rights to vote or participate in dividends declared on stock of the same class or series as such shares) shall cease and terminate, and the holders thereof thenceforth shall be entitled only to receive the cash or securities payable upon redemption; and
- (vi) such other terms and conditions as the Board of Directors shall determine.

For purposes of this ARTICLE NINTH, the determination of beneficial ownership of shares of capital stock of the Corporation shall be made pursuant to Rule 13d-3, 17 C.F.R. ss. 240.13d-3, as amended from time to time, promulgated under the Securities Exchange Act of 1934, as amended.

ARTICLE TENTH: Directors.

(a) The number of directors of the Corporation which shall constitute the whole Board shall be not less than three (3) nor more than thirteen (13) directors. The exact number of directors shall be fixed from time to time by the Board of Directors pursuant to a Resolution adopted by a majority of the entire Board of Directors. Directors shall hold office for a term of one (1) year or until the first annual meeting of stockholders following their election. Each director elected shall hold office until his successor shall be elected and shall qualify.

(b) Newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office, or other cause shall be filled by a majority vote of the remaining directors, though less than a quorum, and the directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders at which the successors shall be elected and shall qualify.

(c) At any meeting of the stockholders called for the purpose, any director may, by a majority vote of all of the shares of stock outstanding and entitled to vote, be removed from office, but only for cause.

(d) Notwithstanding anything contained in this Charter to the contrary, the affirmative vote of stockholders holding a majority of the votes entitled to be cast for election of directors shall be required to amend or repeal or adopt any provision inconsistent with this ARTICLE TENTH.

ARTICLE ELEVENTH: Indemnification. The Corporation shall indemnify (a) its directors and officers, whether serving the Corporation or at the request of another entity, and advance expenses to a director or officer of the Corporation to the fullest extent permitted by and in accordance with Section 2-418 of the Maryland General Corporation Law, and (b) its other employees and agents to such extent as shall be authorized by the Board of Directors and permitted by law. No amendment of the Charter of the Corporation shall limit or eliminate the right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE TWELFTH: Duration. The duration of the Corporation shall be perpetual.

ARTICLE THIRTEENTH: Limitation of Director and Officer Liability. To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no director or officer of the

Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this ARTICLE THIRTEENTH, nor the adoption or amendment of any other provision of the Charter or bylaws inconsistent with this ARTICLE THIRTEENTH, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act that occurred prior to such amendment, repeal or adoption.

FOURTH: The amendment to and restatement of the Charter of the Corporation, as hereinabove set forth, has been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

FIFTH: The address of the principal office of the Corporation is 10706 Beaver Dam Road, Hunt Valley, Maryland 21030.

SIXTH: The name and address of the Corporation’s current resident agent is as set forth in ARTICLE EIGHTH.

SEVENTH: The number of directors of the Corporation are as set forth in ARTICLE TENTH. The names of the nine (9) directors who currently hold office are David D. Smith, Frederick G. Smith, J. Duncan Smith, Robert E. Smith, Laurie R. Beyer, Benjamin S. Carson, Sr., Howard E. Friedman, Daniel C. Keith and Benson E. Legg.

EIGHTH: The undersigned President acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation; and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that, to the best of his knowledge, information, and belief, these matters and facts are true in all material respects, and that this statement is made under the penalties for perjury.

NINTH: Prior to this amendment the total number of shares of all classes of stock which the Corporation had authority to issue was one hundred shares (100) of a single Class of Common Stock having a par value of one cent (\$.01) per share for a total aggregate par value of one dollar (\$1.00).

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the Corporation has caused these Articles to be signed in its name and on its behalf by its President and Chief Executive Officer and attested to by its Executive Vice President and Chief Financial Officer on this 22nd day of May, 2023.

WITNESS/ATTEST:

By: /s/ Lucy A. Rutishauser
Name: Lucy A. Rutishauser
Title: Executive Vice President and Chief Financial Officer

SINCLAIR, INC.
By: /s/ Christopher S. Ripley
Name: Christopher S. Ripley
Title: President and Chief Executive Officer

SINCLAIR, INC.
ARTICLES OF AMENDMENT

Sinclair, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Corporation desires to, and does hereby, amend its articles of amendment and restatement of its charter (the "Articles") as currently in effect as hereafter set forth.

SECOND: The Articles are hereby amended by deleting the definition of "Permitted Transferee" in Article Fifth, paragraph (b) and replacing it in its entirety with the following:

For the purpose of paragraph (b) above, a "Permitted Transferee" is defined as:

- (i) (A) any Controlling Stockholder; (B) the estate of a Controlling Stockholder; (C) the spouse or former spouse of a Controlling Stockholder; (D) any lineal descendent of a Controlling Stockholder; any spouse of such lineal descendent, a Controlling Stockholder's grandparent, parent, brother or sister or a Controlling Stockholder's spouse's brother or sister; (E) any guardian or custodian (including a custodian for purposes of the Uniform Gift to Minors Act or Uniform Transfers to Minors Act) for, or any conservator or other legal representative of, one or more Permitted Transferees; or (F) any trust or savings or retirement account, including an individual retirement account for purposes of federal income tax laws, whether or not involving a trust, principally for the benefit of one or more Permitted Transferees, including any trust in respect of which a Permitted Transferee has any general or special testamentary power of appointment or general or special non-testamentary power of appointment which is limited to any other Permitted Transferee;
- (ii) the Corporation;
- (iii) any employee benefit plan or trust thereunder sponsored by the Corporation or any of its subsidiaries;
- (iv) any trust principally for the benefit of one or more of the individuals, persons, firms or entities ("Persons") referred to in (i) through (iii) above;
- (v) any corporation, partnership, or other entity if all of the beneficial ownership is held by one or more of the Persons referred to in (i) through (iv) above;
- (vi) any voting trust for the benefit of one or more of the Persons referred to in (i) through (iv) above;
- (vii) any broker or dealer in securities, clearing house, bank, trust company, savings and loan association or other financial institution which holds the Class B Common Stock for the benefit of a Controlling Stockholder or Permitted Transferee thereof; and
- (viii) any United States Internal Revenue Code Section 501(c)(3) organization or Section 501(c)(4) organization on which one or more Permitted Transferees: (A) serves as a board member, trustee or member of any governing authority; (B) over which such Permitted Transferee(s) have contributed in any one of the immediately preceding five (5) fiscal years of such organization over fifty percent (50%) of such organization's annual revenue, or (C) have the ability to either appoint the majority of the organization's board or any governing authority or control the material decisions of such organization.

THIRD: The amendment to the Articles, as hereinabove set forth, has been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The undersigned President acknowledges these Articles of Amendment to be the corporate act of the Corporation; and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that, to the best of his knowledge, information, and belief, these matters and facts are true in all material respects, and that this statement is made under the penalties for perjury.

~~FIFTH~~ These Articles of Amendment shall become effective at 12:01 a.m. (Eastern Standard Time) on June 6, 2025.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be signed in its name and on its behalf by its President and Chief Executive Officer and attested to by its Executive Vice President and Chief Financial Officer on this 6th day of June, 2025.

WITNESS/ATTEST:

By: /s/ Lucy A. Rutishauser
Name: Lucy A. Rutishauser
Title: Executive Vice President and Chief Financial Officer

SINCLAIR, INC.
By: /s/ Christopher S. Ripley
Name: Christopher S. Ripley
Title: President and Chief Executive Officer

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is effective as of this 7th day of July 2025 (the "Effective Date"), among Sinclair, Inc., a Maryland corporation ("Sinclair"), Sinclair Broadcast Group, LLC, a Maryland limited liability company ("SBG"), Sinclair and SBG are collectively referred as the "Company") and Narinder Sahai ("Employee").

RECITALS

A. Sinclair through its direct and indirect wholly-owned subsidiaries, including but not limited to SBG, owns or operates television broadcast stations and invests in and/or manages some industry related and non-industry related businesses.

B. The parties hereto desire that this Agreement shall state any and all understandings and agreement(s) between them (written and verbal, formal and informal) that precede the date of this Agreement and relate in any manner to the terms and conditions of Employee's employment, including any prior understandings and agreements, which shall all be deleted, superseded, and replaced in their entirety by this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF the mutual covenants herein contained, the parties hereto agree as follows:

1. Duties.

1.1. Duties Upon Employment. Upon the terms and subject to the other provisions of this Agreement, effective as of the date hereof, Employee will serve as Sinclair's and SBG's Executive Vice President, Chief Financial Officer. In such capacity, Employee will:

(a) report to the President and Chief Executive Officer of Sinclair and SBG ("CEO"); and

(b) have such reasonable responsibilities and perform such duties as are customarily assigned to a chief financial officer of companies of comparable size and as may from time to time be established and assigned by the CEO.

1.2. Full-Time Employment. The Employee agrees to devote Employee's working time, attention, and best efforts to the business of the Company and its affiliates, provided, however, that, so long as such activities do not materially interfere with his services to Company and with the written approval of the CEO, Employee may sit on outside boards of directors for public or private companies that do not compete with the Company, provided that any such service is in a customary board capacity involving limited time commitments (such as quarterly or similarly infrequent meetings) and does not involve day-to-day operational, advisory, or consulting responsibilities, and, in each case, to the extent such activities do not prohibit, prevent or materially interfere with the performance of the Employee's duties under this

Agreement or conflict with the business of the Company or its subsidiaries, as reasonably determined by Company in its sole discretion.

1.3. Location. During the Employment Term, Employee's services under this Agreement shall be performed principally in the Baltimore, Maryland area. The parties acknowledge and agree that the nature of Employee's duties hereunder shall, in any event, require reasonable travel from time to time or as reasonably directed by the CEO.

1.4 Works Made For Hire. Employee agrees and acknowledges that the Company (or its designee) is the sole and exclusive owner of the rights to the results, fruit, proceeds and work product in connection with Employee's employment, this Agreement, or any employment agreement with the Company, including, but not limited to, all drawings, plans, original works of authorship, ideas, projects, scripts, artwork, software programs, applications, strategies, layouts, story boards, slogans, designs, reports and other documents, whether or not protected or capable of protection under the law of copyrights, trademarks, patents or trade secrets (collectively, "Work Product"). The Work Product shall upon creation become the property of the Company, and all evidence thereof shall, without any compensation to Employee, become the property of Company. All of the Work Product constitutes "work made for hire" as such term is defined in Section 101 of the U.S. Copyright Act of 1976 (U.S.C. 17 §101), as amended, such that all copyrights in such Work Product, in any and all media and through all forms of communication or transmission, whether presently known or hereafter developed, are the exclusive property of Company (or its designee). If for any reason any or all of the Work Product does not qualify as "work made for hire," Employee is deemed to have hereby irrevocably, sold, assigned and transferred to the Company all right, title and interest in and to the copyright(s) in such Work Product. Employee agrees that it will require any third party whom Employee retains to assist with or contribute to the Work Product to acknowledge in writing that the Company has all rights, title and interest in the Work Product; and in the event it is determined that such third party has rights to the Work Product, said party will transfer such rights to the Company without charge. Should the Company desire to apply for or secure any copyright, trademark or trade name registration(s) or patent(s) on or related to any part(s) or all of the Work Product, Employee will assist in securing such protection without any further compensation to Employee.

2. Term.

2.1. Term. The term of Employee's employment under this Agreement (the "Employment Term") shall begin on the Effective Date and continue until employment is terminated in accordance with Section 4 of this Agreement.

2.2. At Will Employment. Notwithstanding anything else in this Agreement to the contrary, including, without limitation, the provisions of Section 2.1, Section 3, or Section 4 of this Agreement, the employment of Employee is not for a specified period of time, and the Company or Employee may terminate the employment of Employee with or without Cause (as defined in Section 4.1(c) of this Agreement) at any time for any reason. There is not as of the Effective Date, nor will there be in the future, unless by a writing signed by all of the parties to this Agreement, any express or implied agreement as to the continued employment of Employee.

3. Compensation and Benefits.

3.1. Compensation. Effective the date hereof through the first anniversary of the Effective Date, Employee's annual base salary ("Base Salary") shall be Seven Hundred Thousand Dollars (\$700,000). Effective at the beginning of the pay period following the first anniversary of the Effective Date and ending upon the second anniversary of the Effective Date, Employee's Base Salary shall be Seven Hundred Fifty Thousand Dollars (\$750,000). Effective at the beginning of the pay period following the second anniversary of the Effective Date and ending on the third anniversary of the Effective Date, Employee's Base Salary shall be Eight Hundred Thousand Dollars (\$800,000). After the third anniversary of the Effective Date, the Base Salary shall be determined by the Compensation Committee of the Company ("Comp Committee") after consultation with the CEO, in its absolute and complete discretion. In addition, Employee will be eligible to receive certain additional compensation as further described in Section 3.2 of this Agreement.

3.2. Incentive Compensation.

(a) Cash Bonuses.

(i) Signing Bonus Upon full execution of this Agreement, Employee shall be eligible for a one-time signing bonus in the amount of One Hundred Five Thousand Dollars (\$105,000) (the "Signing Bonus") which shall be payable during the next regularly scheduled pay date for which Employee will receive payment after the Effective Date.

(ii) Performance Bonus For the first three years, for each calendar year, Employee shall be eligible for an annual performance bonus (the "AIP Bonus") in the target amount of up to One Hundred Percent (100%) of Employee's then-current Base Salary, provided that the current AIP (which terms and targets may be altered by the Comp Committee in its sole discretion) provides for actual Performance Bonus payment of up to Two Hundred Percent (200%) of Employee's then-current Base Salary, based on reasonable criteria determined by the Comp Committee after consultation with the CEO (which shall not be materially different from the criteria used for other similarly situated executives), and which shall be provided to Employee in writing, and for subsequent years, any amount shall be determined by the Comp Committee after consultation with the CEO, in its absolute and complete discretion. Each Performance Bonus shall be determined pursuant to the terms of a written award agreement between Sinclair and Employee, which award agreement shall be issued pursuant to the (i) Sinclair, Inc. Annual Incentive Plan (the "AIP") (a copy of which is attached to this Agreement as Exhibit B) and/or any successor plan(s) to the AIP.

(iii) Long-Term Performance Bonus Employee shall also be eligible for a bonus (the "Long-Term Performance Bonuses," and together with any Signing Bonus, and AIP Bonuses and, the "Bonuses," and with respect to any calendar year, a "Bonus") of Two Million Dollars (\$2,000,000) if the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period exceeds (i) \$33 per

share, (ii) \$40 per share, and (iii) every \$5 per share interval thereafter, in each case adjusted for the impact of any cash dividends on Sinclair's common stock as well as any stock splits, reverse stock splits, spin-offs, stock dividends, recapitalizations and the like occurring after the Effective Date, with the value of the adjustment reasonably determined by the Comp Committee. For the avoidance of doubt, the Employee shall be entitled to a Long-Term Performance Bonus for achieving each stock price threshold only once. Thus, if the Employee earns a Long-Term Performance Bonus under clause (i) of this Section 3.2(a)(iii) and, subsequent to such time, the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period falls below \$33 per share, the Employee shall not be entitled to another Long-Term Performance Bonus when the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period again exceeds \$33 per share. However, the Employee will be entitled to another Long-Term Performance Bonus when the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period exceeds \$40 per share. If Sinclair is no longer listed on a national stock exchange, the Comp Committee and the Employee shall negotiate in good faith an adjustment to the share price calculation (including the look-forward or look-back period to value such adjustment) or to replace the Long-Term Performance Bonus opportunity with another bonus opportunity. Subject to a reasonable amount of time for the Company to review whether the conditions have been met, the Long-Term Performance Bonuses shall be paid within thirty (30) days of the conditions being met.

(iv) Bonus Payments. Any Bonus shall be determined and payable after the Comp Committee has had the opportunity to review any financial, ratings, stock price and/or other information that it determines is necessary, appropriate, or relevant for or to such determination; provided, however, that to ensure compliance with the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder and related guidance thereunder (collectively, "Section 409A"), such Bonus shall in no event be paid any later than the fifteenth (15th) day of the third (3rd) calendar month following the later of the end of Employee's taxable year or the end of Sinclair's taxable year in which a legally binding right to such Bonus arises and Employee must be employed on the applicable payment date to receive such Bonus (except as otherwise set forth herein).

(b) RSU Grant. Within the 30-day period following the Effective Date, Employee shall receive a grant of restricted stock units (the "RSUs") with an aggregate value of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) pursuant to the Sinclair, Inc. 2022 Stock Incentive Plan (a copy of which is attached to this Agreement as Exhibit A) and a grant agreement substantially in the form attached to this Agreement as Exhibit E (the "RSU Agreement"). One Hundred percent (100%) of the RSUs shall vest on the 36-month anniversary of the Effective Date, subject to Employee remaining in continuous service with the Company as an employee or a consultant on each such vesting date, such that one hundred percent (100%) of the RSUs will be fully vested on the third (3rd) anniversary of the Effective Date. Notwithstanding anything to the contrary herein, in the event this Agreement

or Employee's employment is terminated by Employee without Good Reason (as defined in Section 4.1(d)) or by the Company for Cause (as defined in Section 4.1(c)), Employee shall forfeit any unvested RSUs as of the Termination Date. In the event of a Change in Control (as defined below), any RSUs that have not vested as of the date such Change in Control is consummated shall become fully vested as of the date of the Change in Control, subject to Employee's service not having terminated prior to such date. Any additional grants shall be determined by Comp Committee after consultation with the CEO, in its absolute and complete discretion.

3.3 *Vacation.* During the Employment Term, Employee shall be entitled to paid vacation leave in accordance with such policies from time to time in effect and in accordance with the Company's Employee Handbook plus an additional week. Vacation may be utilized after three (3) months of employment are complete in accordance with the Employee Handbook.

3.4. *Health Insurance and Other Benefits* On the first of the month coincident with or following thirty (30) days following the Effective Date, Employee shall be eligible to participate in health insurance programs that may from time to time be provided by Sinclair for its or its subsidiaries' employees generally, and Employee shall be eligible to participate in other employee benefits plans, including tuition reimbursement, that may from time to time be provided by Sinclair for its or its subsidiaries' employees generally in accordance with the Employee Handbook.

3.5. *Tax Issues.* To the extent taxable to Employee, Employee will be responsible for accounting for and payments of taxes on the benefits provided to Employee, and Employee will keep such records regarding uses of these benefits as the Company reasonably requires and will furnish the Company all such information as may be reasonably requested by it with respect to such benefits.

3.6. *Expenses.*

(a) The Company will pay or reimburse Employee from time to time for all expenses incurred by Employee during the Employment Term on behalf of the Company in accordance with the Company's established expense reimbursement policies, provided, that (a) such expenses must be reasonable business expenses, and (b) Employee supplies to the Company itemized accounts or receipts in accordance with the Company's procedures and policies with respect to reimbursement of expenses in effect from time to time. To ensure compliance with Section 409A, (i) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (ii) the reimbursement of an eligible expense will be made as soon as practicable following the time when Employee has satisfied his entitlement to reimbursement, but no later than the last day of the calendar year following the year in which the expense is incurred; (iii) the right to reimbursement is not subject to liquidation or exchange for another benefit; and (iv) in no event may Employee, directly or indirectly, designate the calendar year of any payment.

(b) Employee shall be reimbursed for up to One Hundred Thousand Dollars (\$100,000) (plus any applicable taxes) in rental, hotel and moving expenses incurred by Employee in connection with his relocation from Dallas, TX to the Baltimore, MD area subject to Employee supplying to the Company itemized accounts or receipts in accordance with the Company's procedures and policies with respect to reimbursement of expenses in effect from time to time, which may include utilizing a relocation provider identified by Company; provided, however, that Employee shall use good faith efforts to establish a residence, it being understood that Company's obligation to provide short-term housing shall not exceed six (6) months following the Effective Date.

4. Employment Termination.

4.1. Termination Events.

(a) The Employment Term will end, and the parties will not have any rights or obligations under this Agreement (except for the rights and obligations under those Sections of this Agreement that are continuing and will survive the end of the Employment Term, as specified in Section 9.10 of this Agreement) on the earliest to occur of the following events (each a "Termination Date"):

- (1) the death of Employee;
- (2) the termination of Employee's employment as a result of Employee's Disability (as defined in Section 4.1(b) of this Agreement);
- (3) the termination of Employee's employment by Employee without Good Reason (as defined in Section 4.1(d) of this Agreement);
- (4) the termination of Employee's employment by the Company for Cause (as defined in Section 4.1(c) of this Agreement);
- (5) the termination of Employee's employment by the Company without Cause;

(6) the termination of Employee's employment by Employee for Good Reason within three (3) months of the inception of the event giving rise to the Good Reason; provided, however, the Employee has first given the Company written notice of the Good Reason within ten (10) business days of its occurrence and thirty (30) days following such notice to correct it; or

(7) the termination of Employee's employment by the Company for any reason (other than for Cause) either within twelve (12) months prior to or within twelve (12) months following a Change in Control (as defined in Section 8.1 of this Agreement).

(b) For the purposes of this Agreement, "Disability" means Employee's inability, whether mental or physical, to perform the normal duties of Employee's position for ninety (90) days (which need not be consecutive) during any twelve (12) consecutive month period, and the effective date of such Disability shall be the day next following such ninetieth (90th) day. If the Company and Employee are unable to agree as to whether Employee is disabled, the question will be decided by a physician to be paid by the Company and designated by the Company, subject to the approval of Employee (which approval may not be unreasonably withheld) whose determination will be final and binding on the parties.

(c) For the purposes of this Agreement, "Cause" means any of the following: (i) the wrongful appropriation for Employee's own use or benefit of material property or money entrusted to Employee by Sinclair or its direct or indirect subsidiaries, (ii) the conviction or granting of a Probation Before Judgment (or similar such finding or determination if not by a Maryland court) of a crime involving moral turpitude, (iii) Employee's continued willful disregard of Employee's duties and responsibilities hereunder after written notice of such disregard and the reasonable opportunity to correct such disregard, (iv) Employee's continued violation of Sinclair or Company policy after written notice of such violations (such policy may include policies as to drug or alcohol abuse) and the reasonable opportunity to cure such violations, (v) any willful misconduct or gross negligence by Employee which is reasonably likely (in the opinion of Sinclair's FCC counsel) to actually jeopardize a Federal Communications Commission license of any broadcast station owned directly or indirectly by Sinclair, or programmed, directly or indirectly, by Sinclair, or (vi) the continued insubordination of Employee and/or Employee's repeated failure to follow the reasonable directives of the CEO, the Audit Committee of Sinclair or SBG, the Boards of Sinclair or SBG or Office of the Chairman, respectively after written notice of such insubordination or the failure to follow such reasonable directives. Upon a termination for Cause, all of Employee's duties as described in Section 1 of this Agreement shall terminate.

(d) For purposes of this Agreement, "Good Reason" means any of the following without Employee's prior written consent: (i) the relocation of Employee's principal place of employment more than fifty (50) miles from the Baltimore, Maryland metropolitan area, (ii) for any twelve (12) month period before the third anniversary of the Agreement, a reduction in either Base Salary or the target amount of Performance Bonus from the amounts set forth in, and subject to terms in, Section 3 hereof, (iii) for any twelve (12) month period after the third anniversary of the Agreement, a reduction in either Base Salary or the target amount of Performance Bonus of more than five percent (5%) from the amounts set forth for the immediately preceding twelve (12) months period, and subject to terms in, Section 3 hereof, (iv) a reduction in the Long-Term Performance Bonus opportunity from the amounts set forth in, and subject to the terms in, Section 3 hereof, (v) a material reduction or adverse change in the duties, position or responsibilities of Employee or a material adverse change in Employee's working conditions, (vi) a change in reporting structure, such that the Employee is no longer the CFO of Sinclair, SBG or Sinclair Ventures, LLC ("Ventures"), or no longer reports directly to one of: the CEO, the president of Sinclair, the board of Sinclair, Ventures or SBG, or Office of the Chairman of Sinclair, respectively, or (vi) any other material breach by the Company or Sinclair of this Agreement that it fails to cure within thirty (30) days. Notwithstanding the foregoing, Good Reason shall not be deemed to exist unless Employee terminates his employment for Good Reason within ninety (90) days of the inception of the event giving rise to the Good Reason; provided, however, Employee has first given the Company written notice of the event giving rise to Good Reason within ten (10) business days of its occurrence and thirty (30) days following such notice to correct it and the Company fails to correct such event within the thirty (30)-day period.

(e) For purposes of this Agreement, the "termination of Employee's employment" (and like terms used herein) means Employee's "separation from service" within the meaning of Section 409A, treating as a separation from service an anticipated permanent reduction in the level of bona fide services to be performed by Employee for the Company to twenty percent (20%) or less of the average level of bona fide services performed by Employee for the Company over the immediately preceding thirty-six (36) month period (or the full period during which Employee performed services for the Company, if that is less than thirty-six (36) months). All members of the Company's controlled group (as defined for purposes of Section 409A), shall be treated as a single employer for purposes of determining whether there has occurred a separation from service. The Company will determine when Employee's Termination Date occurs based on all relevant facts and circumstances, in accordance with Section 409A and Treasury Regulation Section 1.409A-1(h).

4.2. Termination Payments.

(a) If Employee's employment is terminated pursuant to Section 4.1(a)(1) (i.e., upon his death), the Company shall pay to the person or persons designated by Employee pursuant to Section 9.19 (or, if no such written designation has been made, Employee's estate), all of the following:

1. within thirty (30) days after the Termination Date, the Base Salary with respect to the then current year that would have been payable to Employee under Section 3.1 of this Agreement up to and including the Termination Date; and
2. within thirty (30) days after the Termination Date, the prorated amounts with respect to the current year based on the prior year's AIP Bonus under Section 3.2 of this Agreement up to and including the Termination Date; and
3. within thirty (30) days after the Termination Date, any earned but unpaid Long-Term Performance Bonus;
4. within thirty (30) days after the Termination Date, a payment in respect of unutilized vacation time that has accrued through the Termination Date (determined in accordance with corporate policies established by the Company and consistent with Section 3.4 of this Agreement); and
5. benefits, if any, applicable to Employee in a separate Restricted Stock Agreement, upon the terms and conditions set forth therein.

(b) If Employee's employment is terminated pursuant to Section 4.1(a)(2) of this Agreement (i.e., upon his Disability), the Company shall, subject to Section 9.14 of this Agreement (i.e., if Employee is a "specified employee"), pay all of the following:

1. within thirty (30) days after the Termination Date, the Base Salary with respect to the then current year that would have been payable to Employee under Section 3.1 had the Employment Term ended on the last day of the month in which the Termination Date occurs;
2. within thirty (30) days after the Termination Date, the prorated amounts with respect to the current year based on the prior year's AIP Bonus under Section 3.2 of this Agreement up to and including the Termination Date; and
3. within thirty (30) days after the Termination Date, any earned but unpaid Long-Term Performance Bonus;
4. within thirty (30) days after the Termination Date, a payment in respect of unutilized vacation time that has accrued through the Termination Date (determined in accordance with the Company's established policies and consistent with Section 3.4 of this Agreement); and
5. benefits, if any, applicable to Employee in a separate Restricted Stock Agreement, upon the terms and conditions set forth therein.

(c) If Employee's employment is terminated pursuant to Section 4.1(a)(3) of this Agreement (i.e., by Employee without Good Reason), the Company shall,

subject to Section 9.14 of this Agreement (i.e., if Employee is a "specified employee"), pay to the Employee the following:

1. within thirty (30) days after the Termination Date, the Base Salary due Employee up to and including the Termination Date; and

2. within thirty (30) days after the Termination Date, a payment in respect of unutilized vacation time that has accrued through the Termination Date (determined in accordance with the Company's established policies and consistent with Section 3.4 of this Agreement).

(d) If Employee's employment is terminated pursuant to Section 4.1(a)(4) of this Agreement (i.e., by Company for Cause), the Company shall, subject to Section 9.14 of this Agreement (i.e., if Employee is a "specified employee"), pay to Employee the following:

1. within thirty (30) days after the Termination Date, the Base Salary due Employee up to and including the Termination Date; and

2. within thirty (30) days after the Termination Date, a payment in respect of unutilized vacation time that has accrued through the Termination Date (determined in accordance with the Company's established policies and consistent with Section 3.4 of this Agreement).

(e) If Employee's employment is terminated pursuant to Section 4.1(a)(5) of this Agreement (i.e., by Company without Cause) or pursuant to Section 4.1(a)(6) of this Agreement (i.e., by Employee for Good Reason), or pursuant to Section 4.1(a)(7) of this Agreement (i.e., by Company due to Change in Control), the Company shall, subject to Section 9.14 of this Agreement (i.e., if Employee is a "specified employee"), pay Employee all of the following:

1. within thirty (30) days after the Termination Date, (a) the Base Salary due to Employee up to and including the Termination Date; (b) any earned but unpaid Long-Term Performance Bonus; (c) after the first anniversary of this Agreement, a lump-sum cash severance in the amount equal to twelve (12) months of Employee's then current Base Salary (the "Severance Base Payment") and (d) within a reasonable time for the Company to determine if such criteria and/or targets have been met but no later than the fifteenth (15th) day of the third (3rd) calendar month following the end of the calendar year to which such Bonus relates, an amount equal to the AIP Bonus (prorated for the year of termination up to and including the Termination Date) that Employee is eligible to earn in the calendar year in which the Termination Date occurs provided that the necessary criteria and/or targets are achieved (including if such targets are met after the Termination Date) (the amounts in (a), (b), (c) and (d), (the "Severance Payment"); provided however, the Company's obligation to make the Severance Payment shall be conditioned upon (i) Employee's execution and delivery to Company of a general release by Employee of all claims against Sinclair and its subsidiaries in form and substance reasonably acceptable to the Company and consistent with the terms hereof and (ii)

Employee's compliance with the restrictive covenants and other obligations contained herein ((i) and (ii), collectively, the "Payment Conditions");

2. benefits, if any, applicable to Employee in a separate Restricted Stock Agreement, upon the terms and conditions set forth therein; provided however, the Company's obligation to accelerate the vesting of any such awards or provide any other benefit to Employee in connection with such awards on Employee's termination shall be conditioned upon the satisfaction of the Payment Conditions; and

3. within thirty (30) days after the Termination Date, a payment in respect of unutilized vacation time that has accrued through the Termination Date (determined in accordance with the Company's established policies and consistent with Section 3.4 of this Agreement).

4.3 *Significant Changes* Subject to the sole discretion of the Comp Committee, in the event of a transaction that significantly changes the assets revenue or operations of the Company, Employee and the Company agree to enter into good faith negotiations on a revised employment agreement that appropriately reflects the changes to the Company.

5. *Confidentiality and Non-Competition.*

5.1. *Confidential Information.*

(a) During Employee's employment hereunder (and at all times thereafter), Employee shall:

(1) keep all "Confidential Information" (as defined in Section 5.1(b) of this Agreement) in trust for the use and benefit of (i) Sinclair and each of its direct and indirect subsidiaries, and (ii) all broadcast stations owned, operated, or programmed directly or indirectly by Sinclair or its direct or indirect subsidiaries (collectively, the "Sinclair Entities");

(2) not, except as (i) required by Employee's duties under this Agreement, (ii) authorized by Sinclair's Chief Legal Officer; or (iii) required by law or any order, rule, or regulation of any court or governmental agency (but only after notice to Sinclair's Chief Legal Officer of such requirement), at any time during or after the termination of Employee's employment with the Company, directly or indirectly, use, publish, disseminate, distribute, or otherwise disclose any Confidential Information;

(3) take all reasonable steps necessary, or reasonably requested by any of the Sinclair Entities, to ensure that all Confidential Information is kept confidential for the use and benefit of the Sinclair Entities; and

(4) upon termination of Employee's employment or at any other time any of the Sinclair Entities in writing so request, promptly deliver to such Sinclair Entity all materials constituting Confidential Information relating to such Sinclair Entity

(including all copies) that are in Employee's possession or under Employee's control. If requested by any of the Sinclair Entities to return any Confidential Information, Employee will not make or retain any copy of or extract from such materials.

(b) For purposes of this Section 5.1, Confidential Information means any proprietary or confidential information of or relating to any of the Sinclair Entities that is not generally available to the public. Confidential Information includes all information developed by or for any of the Sinclair Entities (by the Employee or otherwise) concerning marketing used by any of the Sinclair Entities, suppliers, or customers (including advertisers) with which any of the Sinclair Entities has dealt prior to the Termination Date, plans for development of new services and expansion into new areas or markets, internal operations, financial information, operations, budgets, and any trade secrets or proprietary information of any type owned by any of the Sinclair Entities, together with all written, graphic, other materials relating to all or any of the same, and any trade secrets as defined in the Maryland Uniform Trade Secrets Act, as amended from time to time.

5.2. Non-Competition/Non-Hire/Non-Solicitation.

(a) Employee shall not, while Employee is employed and for a period of twelve (12) months after termination of employment for any reason directly or indirectly, participate in any activity involved in the ownership, or operation of a television broadcast station. As used herein, "participate" means lending one's name to, acting as a consultant or adviser for, being employed by, or acquiring any direct or indirect interest in any business or enterprise, whether as an equity holder, partner, officer, director, employee, consultant, or otherwise. Notwithstanding anything else contained in this Section 5.2 or elsewhere in this Agreement, Section 5.2 shall not apply if Employee's employment is terminated pursuant to Section 4.1(a)(2) or Section 4.1(a)(7) of this Agreement. If Employee terminates his employment pursuant to Section 4.1(a)(6) of this Agreement or Employee is terminated pursuant to Section 4.1(a)(5), then Section 5.2 shall only apply for six (6) months following the Termination Date.

(b) While employed by any of the Sinclair Entities, and for twelve (12) months thereafter (regardless of the reason why Employee's employment is terminated), Employee will not directly or indirectly:

(1) hire, attempt to hire, or to assist any other person or entity in hiring or attempting to hire any employee of any of the Sinclair Entities or any person who was an employee of any of the Sinclair Entities within the prior twelve (12) month period; or

(2) solicit, in competition with any of the Sinclair Entities, the business of any customer of any of the Sinclair Entities or any entity whose business any of the Sinclair Entities solicited during the twelve (12) months period prior to Employee's termination.

(c) Notwithstanding anything else contained in this Section 5.2, Employee may at any time own, for investment purposes only, up to five percent (5%) of the

stock of any publicly-held corporation whose stock is either listed on a national securities exchange if Employee is not otherwise affiliated with such corporation.

(d) In the event that (i) Sinclair, SBG or Sinclair Television Group, Inc. ("STG") places all or substantially all of its television broadcast stations up for sale within twelve (12) months after termination of Employee's employment hereunder, (ii) Employee's employment is terminated in connection with the disposition of all or substantially all of such television broadcast stations (whether by sale of assets, equity, or otherwise), and (iii) Employee receives the payments pursuant to Section 4.2(e), Employee agrees to be bound by, and to execute such additional instruments as may be necessary or desirable to evidence Employee's agreement to be bound by, the terms and conditions of any non-competition provisions contained in the purchase and sale agreement for such stations, without receiving any consideration therefore beyond that expressed in this Agreement. Notwithstanding the foregoing, in no event shall Employee be bound by, or obligated to enter into, any non-competition provisions referred to in this Section 5.2 that extend beyond twelve (12) months from the date of termination of Employee's employment hereunder or whose scope extends the scope of the non-competition provisions set forth in Section 5.2(a) of this Agreement.

(e) The twelve (12) month time periods referred to in this Section 5.2 of this Agreement shall be tolled on a day-for-day basis for each day during which Employee participates in any activity in violation of Section 5.2 of this Agreement so that Employee shall be restricted from engaging in the conduct referred to in Section 5.2 of this Agreement for a full twelve (12) months.

(f) For purposes of this Section 5.2, Designated Market Area shall mean the designated market area ("DMA") as defined by The Nielsen Company (or such other similar term as is used from time to time in the television broadcast community).

5.3. Acknowledgment. Employee acknowledges and agrees that this Agreement (including, without limitation, the provisions of Sections 5 and 6 of this Agreement) is a condition of Employee's continued employment with the Company, Employee having access to Confidential Information, being eligible to receive the items referred to in Section 3 of this Agreement, Employee's advancement at the Company, and Employee being eligible to receive other special benefits from the Company; and further, that this Agreement is entered into, and is reasonably necessary, to protect the Sinclair Entities' investment in Employee's training and development, and to protect the goodwill, trade secrets, business practices, and other business interests of the Sinclair Entities.

6. Remedies.

6.1. Injunctive Relief. The covenants and obligations contained in Section 5 of this Agreement relate to matters which are of a special, unique, and extraordinary character, and a violation of any of the terms of such Section 5 will cause irreparable injury to the Sinclair Entities, the amount of which will be impossible to estimate or determine and which cannot be adequately compensated. Therefore, the Sinclair Entities will be entitled to an injunction, a restraining order, or other equitable relief from any court of competent jurisdiction.

(subject to such terms and conditions that the court determines appropriate) restraining any violation or threatened violation of any of such terms by Employee and such other persons as the court orders. The parties acknowledge and agree that judicial action, rather than arbitration, is appropriate with respect to the enforcement of the provisions of Section 5 of this Agreement. The forum for any litigation hereunder shall be the Circuit Court of Baltimore County or the United States District Court (Northern Division) sitting in Baltimore, Maryland.

6.2. Cumulative Rights and Remedies Rights and remedies provided by Section 5 of this Agreement are cumulative and are in addition to any other rights and remedies any of the Sinclair Entities may have at law or equity.

7. Absence of Restrictions Employee warrants and represents that Employee is not a party to or bound by any agreement, contract, or understanding, whether of employment or otherwise, with any third person or entity which would in any way restrict or prohibit Employee from undertaking or performing continued employment with the Company in accordance with the terms and conditions of this Agreement.

8. Change in Control

8.1. Definition of Change in Control

(a) The "Change in Control Date" shall be the date of the consummation of the transaction constituting a Change in Control, as defined in Section 8.1(b) of this Agreement.

(b) "Change in Control" means and includes each and all of the following occurrences:

(i) the equity holders of Sinclair as applicable, approve a merger or consolidation of Sinclair, with any other corporation, other than a merger or consolidation which would result in the voting securities of Sinclair, outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent company) fifty percent (50%) or more of the total voting power represented by the voting securities of such surviving entity, or its parent company, outstanding immediately after such merger or consolidation;

(ii) the equity holders of Sinclair, approve a plan of complete liquidation of Sinclair, or an agreement for the sale or disposition by Sinclair, as applicable, of all or substantially all of Sinclair, entities or assets, other than a sale or disposition which would result in the entity owning either the assets or equity interests of Sinclair following such liquidation, sale or disposition being Sinclair or a subsidiary thereof; provided, that such entity expressly assumes in writing the rights and obligations of this Agreement; or

(iii) the acquisition by any Person as Beneficial Owner (as defined in Section 8.1(d) of this Agreement), directly or indirectly, of securities of Sinclair, immediately following which such Person beneficially owns securities of Sinclair, representing

more than fifty percent (50%) of the total voting power represented by Sinclair, then outstanding voting securities, other than where such Person is Sinclair or a subsidiary thereof.

(c) Any other provision of this Section 8.1 notwithstanding, the term Change in Control shall not include the following:

(i) Any transaction, the sole purpose of which is to change the state of incorporation of Sinclair; or

(ii) The sale, spin-off, split-off or otherwise transfer of at least 75% of SBG's stations (as determined on December 31, 2024 or other asset representing at least 75% of the annual EBITDA of SBG (as determined on December 31, 2024); provided that the Employee is employed by a surviving or successor entity that reasonably has the financial capabilities to perform the obligations under this Agreement, and such entity expressly assumes in writing the rights and obligations of this Agreement.

(d) For purposes of this Section 8.1, the term "Beneficial Owner" has the meaning ascribed to such term in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(e) For purposes of this Section 8.1, the term "Person" has the meaning ascribed to such term in section 3(a)(9) of the Exchange Act and as used in sections 13(d) and 14(d) thereof, including a group as defined in section 13(d) of the Exchange Act but excluding the Company and any subsidiary and any employee benefit plan sponsored or maintained by the Company or any subsidiary (including any trustee of such plan acting as Trustee).

9. Miscellaneous.

9.1. Attorneys' Fees. In any action, litigation, or proceeding (collectively, "Action") between the parties arising out of or in relation to this Agreement, the prevailing party in the Action will be awarded, in addition to any damages, injunctions, or other relief, and without regard to whether such Action is prosecuted to final appeal, such party's costs and expenses, including reasonable attorneys' fees.

9.2. Headings. The descriptive headings of the Sections of this Agreement are inserted for convenience only, and do not constitute a part of this Agreement.

9.3. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given upon (a) oral or written confirmation of a receipt of a facsimile transmission, (b) confirmed delivery of a standard overnight courier or when delivered by hand, or (c) the expiration of five (5) business days after the date mailed, postage prepaid, to the parties at the following addresses:

If to Company or Sinclair, Inc.
Sinclair to: 10706 Beaver Dam Road

Cockeysville, Maryland 21030
Attn: President and CEO

With a copy to: Sinclair, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attn: CLO/General Counsel

If to Employee to: Employee's address as listed from time to time, in the personnel records of the Company (or any affiliate thereof)

or to such other address as will be furnished in writing by any party. Any such notice or communication will be deemed to have been given as of the date so mailed.

9.4. Assignment. Neither Sinclair nor the Company may assign, transfer, or delegate its rights or obligations under this Agreement and any attempt to do so is void; provided, each may assign this Agreement to any subsidiary of Sinclair, any parent of Sinclair, or the acquirer of all or substantially all of the assets of Sinclair or the Company, and Employee hereby consents and agrees to be bound by any such assignment by Sinclair or the Company. Employee may not assign, transfer, or delegate Employee's rights or obligations under this Agreement and any attempt to do so is void. This Agreement is binding on and inures to the benefit of the parties, their successors and assigns, and the executors, administrators, and other legal representatives of Employee. No other third parties, other than Sinclair Entities, shall have, or are intended to have, any rights under this Agreement.

9.5. Counterparts. This Agreement may be signed in one or more counterparts.

9.6. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MARYLAND (REGARDLESS OF THE LAWS THAT MIGHT BE APPLICABLE UNDER PRINCIPLES OF CONFLICTS OF LAW) AS TO ALL MATTERS (INCLUDING VALIDITY, CONSTRUCTION, EFFECT, AND PERFORMANCE.)**

9.7. Severability. If the scope of any provision contained in this Agreement is too broad to permit enforcement of such provision to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and Employee hereby consents that such scope may be reformed or modified accordingly and enforced as reformed or modified in any proceeding brought to enforce such provision. Subject to the immediately preceding sentence, whenever possible, each provision of this Agreement will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision, to the extent of such prohibition or invalidity, shall not be deemed to be a part of this Agreement, and shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

9.8. Entire Agreement. This Agreement (together with any exhibits and attachments) constitutes the entire agreement of Employee, Sinclair and the Company regarding Employee's employment by the Company. This Agreement amends, supersedes, and replaces all prior agreements and understandings, written or verbal, formal or informal, among the parties with respect to the employment of Employee by the Company, including the subject matter of this Agreement. This Agreement may not be amended or modified except by agreement in writing, signed by the party against whom enforcement of any waiver, amendment, modification, or discharge is sought. Notwithstanding anything herein to the contrary, this Agreement is not intended to supersede, amend, replace or in any way effect any Restricted Stock Agreement between Sinclair and Employee, all of which agreements shall remain in full force and effect without modification thereto.

9.9. Interpretation. This Agreement is being entered into among competent and experienced businesspersons (who have had an opportunity to consult with counsel), and any ambiguous language in this Agreement will not necessarily be construed against any particular party as the drafter of such language.

9.10. Continuing Obligations. The provisions contained in the following Sections of this Agreement will continue and survive the termination of this Agreement: Sections 4.1, 4.2, 5, 6, 8 and 9.

9.11. Taxes. Each of the Company and Sinclair may withhold from any payments under this Agreement all applicable federal, state, city, or other taxes required by applicable law to be so withheld as determined by the Company and Sinclair, respectively, in its discretion.

9.12. Waiver of Jury Trial. The Company, Sinclair and Employee do hereby jointly and severally waive their right to a trial by jury in any action or proceeding to which both are parties arising out of, or in any manner pertaining to, this Agreement. It is understood and agreed that this waiver constitutes a waiver of the right to trial by jury of all claims against all parties to such actions or proceedings. This waiver is knowingly, voluntarily, and willingly made by Employee, Sinclair and the Company, and each represents and warrants to the other that no representations of facts or opinion have been made by any person to induce this waiver or to in any way modify or nullify its effect. Still further, Employee, Sinclair and the Company each represents to the other that each has been represented by counsel selected by such party to review or prepare this Agreement or, if not represented, that such party has been advised, and has had the opportunity, to seek the advice of independent legal counsel to review this Agreement prior to signing this Agreement.

9.13. Exclusion from ERISA and Retirement and Fringe Benefit Computation Employee, Sinclair and the Company do hereby jointly and severally acknowledge and agree that this Agreement shall not be regarded as an "employee benefit plan" under 29 U.S.C. § 1002(3); provided, however, that if this Agreement is ever regarded as an "employee benefit plan" under 29 U.S.C. § 1002(3), Employee, Sinclair and the Company acknowledge and agree that this Agreement shall be regarded as a plan which is unfunded and is

maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees under 29 U.S.C. § 1051(2). Unless specifically provided otherwise pursuant to a separate plan or agreement, this Agreement (except for Section 3.1) shall not be taken into account as "wages," "salary" or "compensation" in determining eligibility or benefits under (i) any pension, retirement, profit sharing or other qualified or nonqualified plan of deferred compensation, (ii) any employee welfare or fringe benefit plan, including, but not limited to, group life insurance and disability, or (iii) any form of extraordinary pay, including, but not limited to, bonuses, sick pay, and vacation pay.

9.14. Section 409A Compliance Employee, Sinclair and the Company intend that the payments and benefits provided under this Agreement shall either be exempt from the application of, or comply with, the requirements of Section 409A. This Agreement shall be construed in a manner that affects the Employee's, Sinclair's and the Company's intent to be exempt from or comply with Section 409A. Nevertheless, the tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. Neither Sinclair, the Company nor their respective directors, officers, employees or advisers shall be held liable for any taxes, interest, penalties or other monetary amounts owed by the Employee as a result of this Agreement. This Agreement may not be amended in any way that results in a violation of Section 409A. In particular, except to the extent permitted by regulatory or other guidance issued by the Internal Revenue Service under Section 409A(a)(3) of the Code, no amendment of this Agreement shall in any way (including a change in form of distribution) result in acceleration of the timing or amount of any payment (or any portion thereof) of "deferred compensation" that is due under this Agreement. An amendment that permits acceleration for any one or more of the reasons that constitute exceptions to the prohibition on acceleration of payments, pursuant to Treas. Regs. § 1.409A-3(j), shall not be deemed to be in violation of this Section 9.14. Notwithstanding any provision of this Agreement to the contrary, if Employee is regarded as a "specified employee" within the meaning of Section 409A(a)(2)(B) of the Code and the regulations promulgated thereunder, he may not receive any payment(s) of "deferred compensation" upon any "separation from service" (as defined in Section 4.1(e)), unless such payment(s) are made on or after the date that is six (6) months after the date of such separation from service (or if earlier, the date of death of such specified employee). Instead, any such payments to which such specified employee would otherwise be entitled during the first six (6) months following such separation from service shall be accumulated and paid on the first day of the seventh (7th) month following the date of separation from service.

9.15. No Right to Employment Nothing herein contained is intended to or shall be construed as conferring upon Employee any right to continue in the employ of the Company.

9.16. Enforcement The location of any arbitration regarding this Agreement shall be Baltimore County, Maryland. The forum for any litigation involving this Agreement shall be the Circuit Court of Baltimore County or the United States District Court (Northern Division) sitting in Baltimore, Maryland. In the event that either party institutes an action to enforce or interpret any provision of this Agreement, the non-prevailing party shall pay to the prevailing party all costs and expenses (including a reasonable sum for attorneys' fees and all

expert witness fees) incurred by the prevailing party in connection with any such action as determined by the finder of fact in such proceeding.

9.17. Independent Legal Counsel. The undersigned understand and acknowledge that this Agreement was prepared by the Company and Sinclair. The undersigned understand that Employee, on the one hand, and the Company and Sinclair, on the other hand, may be adverse to each other regarding terms and conditions set forth in this Agreement. The undersigned acknowledge that counsel to the Company and Sinclair has not represented Employee in connection with the preparation of this Agreement nor provided Employee with any legal or other advice in connection with this Agreement and that Employee has been advised and urged to seek independent professional legal, tax, and financial advice in connection with deciding to enter into this Agreement.

9.18. Arbitration and Extension of Time. Except as specifically provided in Section 6 of this Agreement, to the maximum extent permitted by law, any dispute or controversy arising out of or relating to this Agreement, shall be determined and settled by final, confidential and binding arbitration in Baltimore County, Maryland in accordance with the Commercial Rules of the American Arbitration Association (the "AAA") then in effect, and the Federal Arbitration Act, 9 U.S.C. § 1et seq., and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. The arbitrator(s) shall allow for discovery sufficient to adequately arbitrate any claims, including access to documents and witnesses. The arbitrator(s) shall be selected in accordance with the AAA's selection procedures in effect at the time. The arbitrator(s) shall have the authority to grant any relief authorized by law. All proceedings and decisions of the arbitrator(s) shall be maintained in confidence to the extent legally permissible and shall not be made public by any party hereto or the arbitrator(s) without the prior written consent of all parties to the arbitration, except as the law may otherwise require. The arbitrator(s) shall issue a written arbitration decision stating the arbitrator(s)'s essential findings and conclusions upon which any award is based. A party's right for review of the decision is limited to grounds provided under applicable law. The expenses of the arbitration shall be borne by the non-prevailing party to the arbitration, including, but not limited to, the cost of experts, evidence, and legal counsel, as determined by the arbitrator(s) in any such proceeding. Whenever any action is required to be taken under this Agreement within a specified period of time and the taking of such action is materially affected by a matter submitted to arbitration, such period shall automatically be extended by the number of days, plus ten (10) that are taken for the determination of that matter by the arbitrator(s). Notwithstanding the foregoing, the parties agree to use their best reasonable efforts to minimize the costs and frequency of arbitration hereunder. To the fullest extent permitted by law, Employee waives any right to bring class-wide claims before any arbitrator in any forum, and Employee understands and agrees that any arbitration shall be conducted on an individual basis only, not a class basis.

9.19 Payment to Beneficiaries and Beneficiary Designation.

(a) In the event of Employee's death at a time when Employee is entitled to receive but has not yet received any cash payments pursuant to this Agreement, any such remaining payments shall be paid to Employee's beneficiaries in accordance with any estate planning document of Employee.

(b) Simultaneously with the execution of this Agreement, Employee shall designate one or more beneficiaries to receive the cash payments referred to in Section 9.19(a) of this Agreement. Such beneficiary designation shall be set forth in Exhibit C attached hereto and made a part hereof, and may be modified by Employee at any time, and from time to time, by execution of a new Exhibit C. Each designation of beneficiary will revoke all prior designations by Employee.

(c) If the primary beneficiaries named by Employee die before Employee, and there are no living contingent beneficiaries named by Employee, then the Company and Sinclair shall direct distribution of the cash payments payable pursuant to this Agreement to the legal representative of the estate of Employee.

9.20 Payments to Minors. If any person to whom any cash payment is due under this Agreement is a minor, or is reasonably found by the Company or Sinclair to be incompetent by reason of physical or mental disability, the Company and Sinclair shall have the right to cause such payments becoming due to such person to be made to another for his benefit, without responsibility of the Company or Sinclair to see to the application of the payment of any such payments, and such payment will constitute a complete discharge of the liabilities of the Company and Sinclair with respect thereto.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

SINCLAIR, INC.
A Maryland corporation

By: /s/ Christopher S. Ripley
Name: Christopher Ripley
Title: President & CEO

SINCLAIR BROADCAST GROUP LLC.
A Maryland limited liability company

By: /s/ Christopher S. Ripley
Name: Christopher Ripley
Title: President & CEO

EMPLOYEE:

/s/ Narinder K. Sahai
Narinder Sahai

EXHIBIT A

Copy of Sinclair, Inc. 2022 Stock Incentive Plan ("SIP")

EXHIBIT B

Copy of Sinclair, Inc. Annual Incentive Plan ("AIP")

CERTIFICATION

I, Christopher S. Ripley, certify that:

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

Date: August 8, 2025

/s/ Christopher S. Ripley
Signature: Christopher S. Ripley
Chief Executive Officer

CERTIFICATION

I, Narinder K. Sahai, certify that:

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

Date: August 8, 2025

/s/ Narinder K. Sahai
Signature: Narinder K. Sahai
Chief Financial Officer

CERTIFICATION

I, Christopher S. Ripley, certify that:

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

Date: August 8, 2025

/s/ Christopher S. Ripley
Signature: Christopher S. Ripley
Chief Executive Officer

CERTIFICATION

I, Narinder K. Sahai, certify that:

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

Date: August 8, 2025

/s/ Narinder K. Sahai
Signature: Narinder K. Sahai
Chief Financial Officer

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

In connection with the quarterly report on Form 10-Q of Sinclair, Inc. (the "Company") for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher S. Ripley, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher S. Ripley

Christopher S. Ripley

Chief Executive Officer

August 8, 2025

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

In connection with the quarterly report on Form 10-Q of Sinclair, Inc. (the "Company") for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Narinder K. Sahai, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Narinder K. Sahai

Narinder K. Sahai
Chief Financial Officer
August 8, 2025

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

In connection with the quarterly report on Form 10-Q of Sinclair Broadcast Group, LLC (the "Company") for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher S. Ripley, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher S. Ripley

Christopher S. Ripley
Chief Executive Officer
August 8, 2025

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

In connection with the quarterly report on Form 10-Q of Sinclair Broadcast Group, LLC (the "Company") for the period ending June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Narinder K. Sahai, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Narinder K. Sahai

Narinder K. Sahai
Chief Financial Officer
August 8, 2025

SINCLAIR, INC.
STOCKHOLDERS' AGREEMENT

THIS STOCKHOLDERS' AGREEMENT (this "Agreement") is made this 3rd day of March 2025, by and among David D. Smith ("David"), Frederick G. Smith ("Fred"), the Frederick G. Smith, Inter Vivos Declaration of Trust (the "FGS Trust"), J. Duncan Smith ("Duncan"), and Robert E. Smith ("Rob"). David, Fred, and Duncan are all residents of the State of Maryland, Rob is a resident of the State of Montana (together with David, Fred, and Duncan referred to as the "Smith Brothers"), and the FGS Trust is domiciled in the State of Maryland (together with the Smith Brothers, collectively the "Stockholders").

RECITALS

WHEREAS, each of the Stockholders owns shares of Class B Common Voting Stock ("Shares") in Sinclair, Inc., a Maryland corporation (the "Company");

WHEREAS, the Stockholders entered into that certain Stockholders' Agreement dated June 1, 2023 (the "Old Agreement"), pursuant to an Agreement of Share Exchange and Plan of Reorganization whereby each outstanding share of Sinclair Broadcast Group, Inc. ("SBG") capital stock was exchanged for an equivalent share of capital stock of the Company, and SBG became a wholly-owned subsidiary of the Company;

WHEREAS, pursuant to the terms of the Old Agreement, each Stockholder covenants and agrees with each other Stockholder to take all actions necessary to vote all shares of capital stock of the Company (owned or held of record by such Stockholder) at any annual or special meeting at which directors are elected to cause the election of each of the other Stockholders as a director of the Company or to take all actions by written consent (in lieu of any such meeting) necessary to cause the election of each of the other Stockholders as a director of the Company;

WHEREAS, the Old Agreement shall terminate at the earlier of (a) December 31, 2025, or (b) the date on which no class or series of the Company's capital stock is "nationally traded" (the "Old Agreement Termination Date"); and

WHEREAS, Fred transferred his Class B Common Stock to the FGS Trust, which is a Permitted Transferee as defined in the Articles;

WHEREAS, the Stockholders desire and agree that the FGS Trust to be bound by this Agreement;

WHEREAS, the Stockholders believe it to be in their mutual best interests and in the best interests of the Company to agree to certain provisions as hereinafter set forth as to the voting of their respective Shares after the Old Agreement Termination Date; and

WHEREAS, in recognition of the Company's growth and successful operations under its current management and in order to provide for the orderly administration of the Company's affairs and continuity of management, the Stockholders desire to enter into this Agreement.

NOW, THEREFORE, IN CONSIDERATION ~~OF~~ mutual covenants and agreements hereinafter set forth and in consideration of the contributions of each of the Stockholders and the Company in the form of management and stewardship, the parties do hereby covenant and agree as follows:

1. This Agreement shall become effective on January 1, 2026 (the "Effective Date") so long as the Company's stock is "nationally traded" on such date. If the Company's stock is not "nationally traded" on the Effective Date, then this Agreement shall not take effect. For purposes of this Agreement, a class or series of the Company's capital stock is nationally traded if it is (i) registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act") and (ii) listed for trading on any national securities exchange registered under Section 7 of the Exchange Act or on the Nasdaq National Market.

2. The rights and obligations under this Agreement shall terminate as to any Stockholder at the earlier of (a) December 31, 2036, or (b) the date on which no class or series of the Company's capital stock is "nationally traded", as defined above.

3. Subject to the limitations otherwise contained in this Agreement, each Stockholder covenants and agrees with each other Stockholder to take all actions necessary to vote all shares of capital stock of the Company (owned or held of record by such Stockholder) at any annual or special meeting at which directors are elected to cause the election of each of the other Stockholders as a director of the Company or to take all actions by written consent (in lieu of any such meeting) necessary to cause the election of each of the other Stockholders as a director of the Company. Each Stockholder further covenants and agrees hereby to take any and all other actions which are reasonably necessary and appropriate and consistent with the implementation of this Agreement.

4. Nothing in this Agreement shall be deemed to require any Stockholder to vote in concert with any other Stockholder on any issue requiring Stockholder approval other than the election of directors as set forth in Paragraph 2 above, nor shall anything contained herein be deemed to require a Stockholder to vote for any other Stockholder as a director of the Company if such other Stockholder has been terminated from employment by the Company for cause. Furthermore, nothing in this Agreement shall be deemed to require or imply that the Stockholders must act in concert when discharging their duties as directors of the Company.

5. It is recognized by the Stockholders that the provisions herein contained are of particular importance for the protection and promotion of the Company and their existing and future interests in the Company, and that the relationships of the parties to one another are and will be such that, in the event of any breach of this Agreement, a claim for monetary damages may not constitute an adequate remedy; and that it may, therefore, be necessary for the protection of the parties hereto and for the effectuation of the provisions herein contemplated, in the event of a breach of this Agreement, to apply for specific performance hereof. It is, accordingly, hereby agreed that no objection to the form the action, or the relief prayed for, in any proceeding for specific performance of this Agreement, will be raised by any of the Stockholders.

6. This Agreement is made and will be construed and enforced in accordance with the laws of the state of Maryland.
7. This Agreement may not be amended except by an instrument in writing signed by all of the parties to this Agreement.
8. This Agreement may be signed in counterparts, each of which may be deemed an original and shall become effective when the separate counterparts have been exchanged by the Stockholders.

[REST OF PAGE LEFT INTENTIONALLY BLANK-
SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF The parties hereto have executed this Agreement under seal with the intention of making is a sealed instrument as of the day and year first above written.

WITNESS:

/s/ Vicky D. Evans

Vicky D. Evans

/s/ Vicky D. Evans

Vicky D. Evans

/s/ Vicky D. Evans

Vicky D. Evans

/s/ Vicky D. Evans

Vicky D. Evans

/s/ Vicky D. Evans

Vicky D. Evans

STOCKHOLDER

/s/ David D. Smith

David D. Smith

/s/ Frederick G. Smith

Frederick G. Smith Inter Vivos Declaration of Trust, Frederick G. Smith, Trustee

/s/ Frederick G. Smith

Frederick G. Smith

/s/ J. Duncan Smith

J. Duncan Smith

/s/ Robert E. Smith

Robert E. Smith