REFINITIV

DELTA REPORT

10-K

SINCLAIR BROADCAST GROUP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	6406
CHANGES	492
DELETIONS	2096
ADDITIONS	3818

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

FORM 10-K

(mark one)

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

FOR THE FISCAL YEAR ENDED December 31, 2022 December 31, 2023

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: 000-26076
333-271072 (Sinclair, Inc.)
SINCLAIR BROADCAST GROUP, INC.**000-26076(Sinclair Broadcast Group, LLC)**

Sinclair, Inc.
Sinclair Broadcast Group, LLC

(Exact name of Registrant as specified in its charter)

92-1076143 (Sinclair, Inc.)

Maryland

Maryland	**52-1494660 (Sinclair Broadcast Group, LLC)**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10706 Beaver Dam Road
Hunt Valley, MD 21030
(Address of principal executive offices)

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

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

Securities registered by Sinclair, Inc. pursuant to Section 12(g) of the Act: **None**

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ☐

Sinclair, Inc.	Yes	☐	No	☒
Sinclair Broadcast Group, LLC	Yes	☐	No	☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ý

Sinclair, Inc.	Yes	☐	No	☒
Sinclair Broadcast Group, LLC	Yes	☒	No	☐

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

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 and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ý No ☐

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, a smaller reporting company, or an emerging growth company. See the definitions of "large "large accelerated filer," "accelerated " "accelerated filer," "smaller " "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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Sinclair, Inc.	☒
Sinclair Broadcast Group, LLC	☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.☐

Sinclair, Inc.	☐
Sinclair Broadcast Group, LLC	☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).☐

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 Act). Yes ☐ No ý

Sinclair, Inc.	Yes	☐	No	☒
Sinclair Broadcast Group, LLC	Yes	☐	No	☒

At June 30, 2022 June 30, 2023, the aggregate market value of voting and non-voting common stock held by non-affiliates of the registrant was $913 million $518 million based on the closing sales price of $20.40 $13.82 on the NASDAQ stock market on June 30, 2022 June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter. The determination of affiliate status is solely for the purposes of this report and shall not be construed as an admission for the purposes of determining affiliate status.

Indicate As of February 26, 2024, there were 39,826,747 shares of Sinclair, Inc. Class A Common Stock outstanding and 23,775,056 shares of Sinclair, Inc. Class B Common Stock outstanding.

OMISSION OF CERTAIN INFORMATION:

Sinclair Broadcast Group, LLC meets the number conditions set forth in General Instruction I(1)(a) and (b) of shares outstanding Form 10-K and has therefore (i) omitted certain information called for by Item 7 and included certain other information as allowed under General Instruction I(2)(a), (ii) omitted the information otherwise called for by Items 10-13 of each of the registrant's classes of common stock, Form 10-K as of the latest practicable date. allowed under General Instruction I(2)(c) and (iii) provided brief descriptions under Item 1 and Item 2 as allowed under General Instruction I(2)(d).

Title of each class	Number of shares outstanding as of February 27, 2023
Class A Common Stock	45,789,627
Class B Common Stock	23,775,056

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of our definitive the Proxy Statement relating to our 2023 Sinclair, Inc's 2024 Annual Meeting of Shareholders are incorporated by reference into Part III (Items 10,11,12,13, and 14) of this Annual Report on Form 10-K. We anticipate that our Sinclair, Inc.'s Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of our fiscal year ended December 31, 2022 December 31, 2023.

SINCLAIR, INC.
SINCLAIR BROADCAST GROUP, INC. LLC
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2022 2023
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GENERAL

This combined report on Form 10-K 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. As described under *Company Reorganization* in *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair's Consolidated Financial Statements* below, upon consummation of the Reorganization (as defined therein) on June 1, 2023, Sinclair became the successor issuer to Sinclair Broadcast Group, Inc.

("Old Sinclair"), which, immediately following the Reorganization was converted into a limited liability company. 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. References to SBG herein may also include its predecessor, Old Sinclair, as context indicates.

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, and Section 21E of the Securities Exchange Act, of 1934, as amended ("the Exchange Act"), and the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, contingencies, our dividend policy, and other non-historical statements. When we use words such as ""outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates"" "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or similar expressions, we are making forward-looking statements. Such forward-looking statements are subject to various risks, uncertainties and assumptions. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements including, but not limited to, those listed below in summary form and as more fully described under *Item 1A. Risk Factors*, *Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operations,* and *Item 7A, Quantitative and Qualitative Disclosures about Market Risk,* as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings with the SEC. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

SUMMARY OF RISK FACTORS

Our business is subject to numerous risks and uncertainties that could affect our ability to successfully implement our business strategy and affect our financial results. You should carefully consider all of the information in this report and, in particular, the following principal risks and all of the other specific factors described in *Item 1A. Risk Factors*, before deciding whether to invest in our securities.

The following is a summary of the material risks relating to our operations, our broadcast segment, local media and tennis segments, and our debt.

- Our strategic acquisitions and investments could pose various risks and increase our financial leverage.
- If the rate of decline in the number of subscribers to multi-channel video programming distributors ("MVPD") and virtual MVPDs ("vMVPD," and together with MVPDs, "Distributors") services increases or these subscribers shift to other services or bundles that do not include our stations or programming networks, there may be a material adverse effect on our revenues.
- We may not be able to renegotiate distribution agreements at terms comparable to or more favorable than our current agreements and networks with which we are affiliated currently, or in the future, may require us to share revenue from distribution agreements with them.
- Further change Any changes in the current retransmission consent regulations could have an adverse effect on our business, financial condition, and results of operations.
- We face intense, wide-ranging competition for viewers and advertisers.
- Competition Our ability to adapt to competition from other broadcasters, or other content providers and changes in consumer behavior and technology may cause a reduction in adversely affect our advertising revenues and/or an increase in our operating costs. business.

- We depend on the appeal of our programming, which may be unpredictable, and increased programming costs may have a material negative effect on our business and on our results of operations.
- The COVID-19 pandemic, or the future outbreak or pandemic of any other highly infectious or contagious diseases, could have a material and adverse effect on, or cause disruption to, our business or financial condition, results of operations and cash flows, the economy, our advertisers, viewership, Distributors, and their subscribers.
- Theft of our intellectual property may have a material negative effect on us and our results of operations, and we may become subject to infringement or other claims relating to our consent content or technology.
- We have experienced a cyber security breach in the past and may be vulnerable to future security breaches, data privacy, and other information technology failures that could have a material adverse effect on our financial performance and operating results and disrupt our operations.
- Data privacy, data protection, and information security may require significant resources and present certain risks. risks, including risks related to compliance with domestic and international privacy and data protection laws.
- We rely upon cloud computing services to operate certain significant aspects of our business and any disruption could have an adverse effect on our financial condition and results of operations.
- The loss of key personnel, including talent, could disrupt the management or operations of our business and could have an adverse effect on our financial condition and results of operations.
- We could be adversely affected by labor disputes, and legislation and other union activity.
- The effects of the economic environment could require us to record an asset impairment of goodwill, indefinite-lived activity and definite-lived intangible assets. related legislation.

- Unrelated third parties may bring claims against us based on the nature and content of information posted on our linear programming, social platforms, and websites maintained by us.
- Our advertising revenue can vary substantially from period to period based on many factors beyond our control. This volatility affects our operating results and may reduce our ability to repay debt or service our debt, or reduce the market value of our securities.
- We internally originate and purchase programming in advance based on expectations about future revenues. Actual revenues may be lower than our expectations. If this happens, we could experience losses that may make our securities less valuable.
- We internally originate programming in advance based on expectations about future revenues. Actual revenues could fluctuate and may be lower than our expectations. If this happens, we could experience losses that may make our securities less valuable.
- We may lose a large amount of programming if a network terminates its affiliation or program service arrangement with us, we are not able to negotiate arrangements at terms comparable to or more favorable than our current agreements, or if networks make programming available through services other than our local affiliates, which could increase our costs and/or reduce our revenue.
- We may be subject to investigations or fines from governmental authorities, such as, but not limited to penalties related to violations of the Federal Communication Commission's ("FCC") indecency, children's programming, sponsorship identification, closed captioning and other FCC rules and policies, the enforcement of which has increased in recent years, and complaints related to such violations may delay our FCC license renewal applications with the FCC.
- Federal regulation of the broadcasting industry limits our operating flexibility, which may affect our ability to generate revenue or reduce our costs.
- The FCC's multiple ownership rules and federal antitrust regulation may limit our ability to operate multiple television stations in some markets and may result in a reduction in our revenue or prevent us from reducing costs. Changes in these rules may threaten our existing strategic approach to certain television markets.
- We have invested and will continue to invest in new technology initiatives which may not result in usable technology or intellectual property.
- We have limited experience in operating or investing in non-broadcast related businesses.
- Our operations and business have in the past been, and could in the future be, materially adversely impacted by a pandemic or other health emergency.
- Environmental, social and governance laws and regulations, including compliance thereof, may adversely impact our business.
- The effects of the economic environment could require us to record an asset impairment of goodwill, indefinite-lived and definite-lived intangible assets or our investments.
- We are subject to risks related to our use of Generative Artificial Intelligence (GAI), a new and emerging technology, which is in the early stages of commercial use.
- The Smiths exercise control over most matters submitted to a stockholder vote and may have interests that differ from other security holders. They may, therefore, take actions that are not in the interests of other security holders.
- Our substantial debt could adversely affect our financial condition and prevent us from fulfilling our debt obligations.
- We may not be able to generate sufficient cash to service all of our debt and may be forced to take other actions to satisfy our obligations under our debt, which may not be successful.
- Despite our current level of debt, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described herein.
- Our variable rate debt subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.
- The replacement of the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate ("SOFR") may adversely affect interest expense related to outstanding debt.
- Our use of derivative financial instruments to reduce interest rate risk may result in added volatility in our operating results.

- Commitments we have made to our lenders limit our ability to take actions that could increase the value of our securities and business or may require us to take actions that decrease the value of our securities and business.
- A failure to comply with covenants under debt instruments could result in a default under such debt instruments, acceleration of amounts due under our debt, and loss of assets securing our loans.
- Diamond Sports Group's bankruptcy proceedings, which include litigation against SBG, STG and other subsidiaries of Sinclair as well as certain directors and officers of Sinclair, could have a material adverse effect on Sinclair and SBG's financial condition and results of operations.
- Financial and economic and geopolitical conditions, including inflation, may have an adverse impact on our industry, business, and results of operations or financial condition or those of our customers.
- Diamond Sports Group has announced that it is evaluating strategic alternatives. condition.

PART I

ITEM 1. BUSINESS

Sinclair, Inc. ("Sinclair"), a Maryland corporation formed in 2022, is the parent company of Sinclair Broadcast Group, LLC ("SBG"), a Maryland limited liability company, which formed from the conversion of Sinclair Broadcast Group, Inc. ("SBG," the "Company," or sometimes referred Old Sinclair"), a Maryland corporation founded in 1986, to as "we" or "our") a Maryland limited liability company in 2023. Refer to *Company Reorganization* in this *Item 1*. Sinclair is a diversified media company with national reach and a strong focus on providing high-quality content on our local television stations, digital platform, and, prior to the Deconsolidation (as defined below under *Local Sports* in this *Item 1*), regional and national sports networks. 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 prior to the Deconsolidation, college and professional sports. Additionally, we own Sinclair owns digital media products companies that are complementary to our extensive portfolio of television station related digital properties and we have has interests in, own, manage owns, manages, and/or operate operates 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.

We are a Maryland corporation founded in 1986. Our Sinclair and SBG's principal executive offices are located at 10706 Beaver Dam Road, Hunt Valley, Maryland 21030. Our 21030, their telephone number is (410) 568-1500, and our Sinclair's website address is www.sbgi.net. The information contained on, or accessible through, our Sinclair's website is not part of this Annual Report on Form 10-K and is not incorporated herein by reference.

Segments Company Reorganization

On April 3, 2023, Old Sinclair, entered into an Agreement of Share Exchange and Plan of Reorganization (the "Share Exchange Agreement") with Sinclair, and Sinclair Holdings, LLC, a Maryland limited liability company ("Sinclair Holdings"). The purpose of the transactions contemplated by the Share Exchange Agreement was to effect a holding company reorganization in which Sinclair would become the publicly-traded parent company of Old Sinclair.

Effective at 12:00 am Eastern U.S. time on June 1, 2023 (the "Share Exchange Effective Time"), pursuant to the Share Exchange Agreement and Articles of Share Exchange filed with the Maryland State Department of Assessments and Taxation, the share exchange between Sinclair and Old Sinclair was completed (the "Share Exchange"). In the Share Exchange, (i) each share or fraction of a share of Old Sinclair's Class A common stock, par value $0.01 per share ("Old Sinclair Class A Common Shares"), outstanding immediately prior to the Share Exchange Effective Time was exchanged on a one-for-one basis for an equivalent share of Sinclair's Class A common stock, par value $0.01 per share ("Sinclair Class A Common Shares"), and (ii) each share or fraction of a share of Old Sinclair's Class B common stock, par value $0.01 per share ("Old Sinclair Class B Common Shares"), outstanding immediately prior to the Share Exchange Effective Time was exchanged on a one-for-one basis for an equivalent share of Sinclair’s Class B common stock, par value $0.01 per share ("Sinclair Class B Common Shares").

Immediately following the Share Exchange Effective Time, Old Sinclair converted from a Maryland corporation to SBG, a Maryland limited liability company. On the day following the Share Exchange Effective Time (June 2, 2023), Sinclair Holdings became the intermediate holding company between Sinclair and SBG, and SBG transferred certain of its assets (the "Transferred Assets") to Sinclair Ventures, LLC, a new indirect wholly-owned subsidiary of Sinclair ("Ventures"). We refer to the Share Exchange and the related steps described above collectively as the "Reorganization." The Transferred Assets included technical and software services companies, intellectual property 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, as well as Compulse, a marketing technology and managed services company, and Tennis Channel and related assets. As a result of the Reorganization, the local media segment assets are owned and operated by SBG and the assets of the tennis segment and the remaining Transferred Assets are owned and operated by Ventures.

At the Share Exchange Effective Time, Sinclair's articles of incorporation and bylaws were amended and restated to be the same in all material respects as the existing articles of incorporation and bylaws of Old Sinclair immediately prior to the Share Exchange. As a result, the Sinclair Class A Common Shares confer upon the holders thereof the same rights with respect to Sinclair that the holders of the Old Sinclair Class A Common Shares had with respect to Old Sinclair, and the Sinclair Class B Common Shares confer upon the holders thereof the same rights with respect to Sinclair that the holders of the Old Sinclair Class B Common Shares had with respect to Old Sinclair. Sinclair's Board of Directors (the "Board"), including its committees, and senior management team immediately after the Share Exchange were the same as Old Sinclair's immediately before the Share Exchange.

SEGMENTS

As of December 31, 2022 December 31, 2023, we Sinclair had two reportable segments, local media and tennis, and SBG had one reportable segment, for accounting purposes, broadcast. local media. Prior to the Deconsolidation, we Sinclair and SBG had two one additional reportable segments for accounting purposes, broadcast andsegment, local sports. Our broadcast See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.* Sinclair and SBG's local media segment is comprised of our television stations, which are owned and/or operated by our SBG's wholly-owned subsidiary, Sinclair Television Group, Inc. ("STG") and its direct and indirect subsidiaries. Our subsidiaries, original networks and content.Sinclair's tennis segment primarily consists of Tennis Channel, a cable network which includes coverage of many of tennis' top tournaments and original professional sports and tennis lifestyle shows. Sinclair's and SBG's local sports segment was comprised of our regional sports networks, which are owned and operated by our subsidiary, Diamond Sports Group, LLC ("DSG") and its direct and indirect subsidiaries. We Sinclair also earn earns revenues from our owned networks, original content, digital and internet services, technical services, and non-media investments. These businesses are investments, included within "other". Other is not a reportable segment for either Sinclair or SBG, but is included for reconciliation purposes. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.*

Broadcast Local Media

As of December 31, 2022 December 31, 2023, our broadcast Sinclair's and SBG's local media segment primarily consisted of our broadcast television stations. stations, original networks, and content. We own, provide programming and operating services pursuant to 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")) to 185 stations in 86 markets. These stations broadcast 636 640 channels, including 236 channels affiliated with primary networks or program service providers comprised of: FOX (55), ABC (40), CBS (30), NBC (25), CW (46) (47), and MyNetworkTV ("MNT") (40) (39). The other 400 channels broadcast programming from programming services including Antenna TV, Bounce, CHARGE!, Comet, Dabl, Decades, Estrella TV, GetTV, MeTV, Quest, Rewind, Stadium, TBD, TCN, Telemundo, This TV, UniMas, Univision, Weather, and two channels broadcasting independent programming. Solely for the purpose of this report, these 185 stations and 636 640 channels are referred to as “our” "our" stations and channels, and the use of such term shall not be construed as an admission that we control such stations or channels. Refer to our *Television Markets and Stations* table later in this *Item 1.* for more information.

Our broadcast local media segment provides free over-the-air programming to television viewing audiences for stations in markets located throughout the communities we serve through our local television stations. continental United States, as well as distributes the content of these stations to MVPDs for distribution to their customers in exchange for contractual fees. The programming that we provide on our primary channels consists of network provided programs, locally-produced news, local sporting events, programming from program service arrangements, syndicated entertainment programs, and internally originated programming. We provide live, local sporting events on many of our stations by acquiring the local television broadcast rights for these events or through our relationship with national networks.

We are one of the nation's largest producers of local news. We produce more than 2,500 2,400 hours of news per week at 126 115 stations in 80 73 markets. For the year ended December 31, 2022 December 31, 2023, our stations were awarded with 290 276 journalism awards, including 24 regional and two one National RTDNA Edward R. Murrow awards, and 74 67 regional Emmy awards.

We also own and operate various networks carried on distribution platforms owned by us or others, including: The Nest, our new, free over-the-air national broadcast TV network, launched in October 2023, comprised of home-improvement, true-crime, factual reality series, and celebrity driven family shows; Comet, our science fiction network; CHARGE!, our adventure and action-based network; and TBD, the first multiscreen TV network in the U.S. market to bring premium internet-first content to TV homes across America.

Our internally developed content, in addition to our local news, includes our original news program, The National Desk ("The National Desk"), and Full Measure with Sharyl Attkisson ("Full Measure"), our national Sunday morning investigative and political analysis program.

Our broadcast local media segment derives revenue primarily from the sale of advertising inventory on our television stations and fees received from Distributors, which includes distributors that distribute multiple television channels through the internet without supplying their own data transport infrastructure; infrastructure, as well as other over-the-top ("OTT") distributors that deliver live and on-demand programming, for the right to distribute our channels on their distribution platforms. We also earn revenues by selling digital advertisements on third-party platforms, providing digital content to non-linear devices via websites, mobile, and social media advertisements, and providing digital marketing services. Our objective is to meet the needs of our advertising customers by delivering significant audiences in key demographics. Our strategy is to achieve this objective by providing quality local news programming, popular network, syndicated and live sports programs, and other original content to our viewing audience. We attract most of our national television advertisers through national marketing representation firms. Our local television advertisers are primarily attracted through the use of a local sales force at each of our television stations, which is comprised of approximately 520 marketing consultants and 70 local sales managers company-wide. stations.

Our local media operating results are subject to cyclical fluctuations from political advertising. Political spending has been significantly higher in the even-number years due to the cyclicality of political elections. In addition, every four years, political spending is typically elevated further due to the advertising related to the presidential election. Because of the political election cyclicality, there has been a significant difference in our operating results when comparing even-numbered years' performance to the odd numbered years' performance. Additionally, our operating results are impacted by the number and importance of individual political races and issues discussed on a national level as well as those within the local communities we serve. We believe political advertising will continue to be an important advertising category in our industry. Political advertising levels may increase further as political-activism, around social, political, economic, and environmental causes continues continue to draw attention and Political Action Committees ("PACs"), including so-called Super PACs, continue to increase spending.

Television Markets and Stations. As of December 31, 2022 December 31, 2023, our broadcast local media segment owns and operates or provides programming and/or sales and other shared services to television stations in the following 86 markets:

Market	Market	Market Rank (a)	Number of Channels	Stations	Network Affiliation (b)	Market	Market Rank (a)	Number of Channels	Stations	Network Affiliation (b)
Washington, D.C.	Washington, D.C.	8	6	WJLA, WDCO-CD, WIAV-CD	ABC	Washington, D.C.	9	6	WJLA, WDCO-CD, WIAV-CD	ABC
Seattle / Tacoma, WA	Seattle / Tacoma, WA	12	6	KOMO, KUNS	ABC	Seattle / Tacoma, WA	13	6	KOMO, KUNS	ABC, CW
Minneapolis / St. Paul, MN	Minneapolis / St. Paul, MN	15	6	WUCW	CW	Minneapolis / St. Paul, MN	15	6	WUCW	CW
Raleigh / Durham, NC						Raleigh / Durham, NC	22	7	WLFL, WRDC	CW, MNT
Portland, OR	Portland, OR	22	7	KATU, KUNP	ABC	Portland, OR	23	7	KATU, KUNP	ABC

Raleigh / Durham, NC		23	7	WLFL, WRDC	CW, MNT					
St. Louis, MO	St. Louis, MO	24	4	KDNL	ABC	St. Louis, MO	24	4	KDNL	ABC
Nashville, TN						Nashville, TN	26	10	WZTV, WUXP, WNAB(d)	FOX, MNT, CW
Salt Lake City, UT						Salt Lake City, UT	27	10	KUTV, KMYU, KJZZ, KENV(d)	CBS, MNT, IND
Pittsburgh, PA	Pittsburgh, PA	26	7	WPGH, WPNT	FOX, MNT	Pittsburgh, PA	28	7	WPGH, WPNT	FOX, CW, MNT
Nashville, TN		27	10	WZTV, WUXP, WNAB(d)	FOX, MNT, CW					
Baltimore, MD	Baltimore, MD	28	8	WBFF, WNUV(c), WUTB(d)	FOX, CW, MNT	Baltimore, MD	29	8	WBFF, WNUV(c), WUTB(d)	FOX, CW, MNT
Salt Lake City, UT		29	10	KUTV, KMYU, KJZZ, KENV(d)	CBS, MNT, IND					
San Antonio, TX	San Antonio, TX	31	10	KABB, WOAI, KMYS(d)	FOX, NBC, CW	San Antonio, TX	31	10	KABB, WOAI, KMYS(d)	FOX, NBC, CW
Columbus, OH	Columbus, OH	32	9	WSYX, WWHO(d), WTTE(c)	ABC, CW, MNT, FOX	Columbus, OH	33	9	WSYX, WWHO(d), WTTE(c)	ABC, CW, MNT, FOX
Austin, TX	Austin, TX	35	2	KEYE	CBS	Austin, TX	35	2	KEYE	CBS
Asheville, NC / Greenville, SC						Asheville, NC / Greenville, SC	36	8	WLOS, WMYA(c)	ABC, MNT
Cincinnati, OH	Cincinnati, OH	36	8	WKRC, WSTR(d)	CBS, MNT, CW	Cincinnati, OH	37	8	WKRC, WSTR(d)	CBS, MNT, CW
Asheville, NC / Greenville, SC		37	8	WLOS, WMYA(c)	ABC, MNT					
Milwaukee, WI	Milwaukee, WI	38	4	WVTV	CW, MNT	Milwaukee, WI	38	4	WVTV	CW, MNT
West Palm Beach / Ft Pierce, FL	West Palm Beach / Ft Pierce, FL	39	14	WPEC, WTVX, WTCN-CD, WWHB-CD	CBS, CW, MNT	West Palm Beach / Ft Pierce, FL	39	16	WPEC, WTVX, WTCN-CD, WWHB-CD	CBS, CW, MNT
Las Vegas, NV	Las Vegas, NV	40	9	KSNV, KVCW	NBC, CW, MNT	Las Vegas, NV	40	9	KSNV, KVCW	NBC, CW, MNT
Grand Rapids / Kalamazoo / Battle Creek, MI	Grand Rapids / Kalamazoo / Battle Creek, MI	42	3	WWMT	CBS, CW	Grand Rapids / Kalamazoo / Battle Creek, MI	42	3	WWMT	CBS, CW
Norfolk, VA						Norfolk, VA	43	4	WTVZ	MNT

Harrisburg / Lancaster / Lebanon / York, PA	Harrisburg / Lancaster / Lebanon / York, PA	43	3	WHP	CBS, MNT, CW	Harrisburg / Lancaster / Lebanon / York, PA	44	3	WHP	CBS, MNT, CW
Norfolk, VA		44	4	WTVZ	MNT					
Greensboro / High Point / Winston-Salem, NC						Greensboro / High Point / Winston-Salem, NC	45	7	WXLV, WMYV	ABC, MNT
Birmingham / Tuscaloosa, AL	Birmingham / Tuscaloosa, AL	45	15	WBMA-LD, WTTO, WDBB(c), WABM	ABC, CW, MNT	Birmingham / Tuscaloosa, AL	46	15	WBMA-LD, WTTO, WDBB(c), WABM	ABC, CW, MNT
Oklahoma City, OK	Oklahoma City, OK	46	7	KOKH, KOCB	FOX, CW	Oklahoma City, OK	47	7	KOKH, KOCB	FOX, IND
Greensboro / High Point / Winston-Salem, NC		47	7	WXLV, WMYV	ABC, MNT					
Fresno / Visalia, CA						Fresno / Visalia, CA	52	11	KMPH, KMPH-CD, KFRE	FOX, CW
Providence, RI / New Bedford, MA	Providence, RI / New Bedford, MA	51	4	WJAR	NBC	Providence, RI / New Bedford, MA	53	4	WJAR	NBC
Fresno / Visalia, CA		53	11	KMPH, KMPH-CD, KFRE	FOX, CW					
Buffalo, NY	Buffalo, NY	54	7	WUTV, WNYO	FOX, MNT	Buffalo, NY	54	7	WUTV, WNYO	FOX, MNT
Richmond, VA	Richmond, VA	56	5	WRLH	FOX, MNT	Richmond, VA	56	5	WRLH	FOX, MNT
Mobile, AL / Pensacola, FL						Mobile, AL / Pensacola, FL	57	12	WEAR, WPMI(d), WFGX, WJTC(d)	ABC, NBC, MNT, IND
Wilkes-Barre / Scranton, PA	Wilkes-Barre / Scranton, PA	57	11	WOLF(c), WSWB(d), WQMY(c)	FOX, CW, MNT	Wilkes-Barre / Scranton, PA	58	11	WOLF(c), WSWB(d), WQMY(c)	FOX, CW, MNT
Mobile, AL / Pensacola, FL		58	12	WEAR, WPMI(d), WFGX, WJTC(d)	ABC, NBC, MNT, IND					
Little Rock / Pine Bluff, AR						Little Rock / Pine Bluff, AR	59	5	KATV	ABC
Albany, NY	Albany, NY	59	6	WRGB, WCWN	CBS, CW	Albany, NY	60	6	WRGB, WCWN	CBS, CW
Little Rock / Pine Bluff, AR		60	5	KATV	ABC					
Tulsa, OK	Tulsa, OK	62	5	KTUL	ABC	Tulsa, OK	62	5	KTUL	ABC
Spokane, WA						Spokane, WA	64	4	KLEW	CBS
Dayton, OH	Dayton, OH	64	8	WKEF, WRGT(d)	ABC, FOX, MNT	Dayton, OH	66	8	WKEF, WRGT(d)	ABC, FOX, MNT
Spokane, WA		67	4	KLEW	CBS					

Des Moines, IA	Des Moines, IA	68	4	KDSM	FOX	Des Moines, IA	67	4	KDSM	FOX
Green Bay / Appleton, WI	Green Bay / Appleton, WI	69	8	WLUK, WCWF	FOX, CW	Green Bay / Appleton, WI	69	8	WLUK, WCWF	FOX, CW
Roanoke / Lynchburg, VA						Roanoke / Lynchburg, VA	70	4	WSET	ABC
Omaha, NE						Omaha, NE	71	7	KPTM, KXVO(c)	FOX , MNT, CW
Wichita, KS	Wichita, KS	70	19	KSAS, KOCW, KAAS, KAAS-LD, KSAS-LD, KMTW(c)	FOX, MNT	Wichita, KS	72	19	KSAS, KOCW, KAAS, KAAS-LD, KSAS-LD, KMTW(c)	FOX, MNT
Roanoke / Lynchburg, VA		71	4	WSET	ABC					
Madison, WI		72	4	WMSN	FOX					
Omaha, NE		73	7	KPTM, KXVO(c)	FOX , MNT, CW					
Flint / Saginaw / Bay City, MI	Flint / Saginaw / Bay City, MI	74	11	WSMH, WEYI(d), WBSF(d)	FOX, NBC, CW	Flint / Saginaw / Bay City, MI	74	11	WSMH, WEYI(d), WBSF(d)	FOX, NBC, CW
Columbia, SC	Columbia, SC	76	4	WACH	FOX	Columbia, SC	75	4	WACH	FOX
Rochester, NY	Rochester, NY	77	7	WHAM(d), WUHF	ABC, FOX, CW	Rochester, NY	76	7	WHAM(d), WUHF	ABC, FOX, CW
Madison, WI						Madison, WI	77	4	WMSN	FOX
Portland, ME	Portland, ME	78	7	WPFO(d), WGME	FOX, CBS	Portland, ME	78	7	WPFO(d), WGME	FOX, CBS
Charleston / Huntington, WV	Charleston / Huntington, WV	79	8	WCHS, WVAH(d)	ABC, FOX	Charleston / Huntington, WV	79	8	WCHS, WVAH(d)	ABC, FOX
Toledo, OH						Toledo, OH	80	4	WNWO	NBC

Market	Market	Market Rank (a)	Number of Channels	Stations	Network Affiliation (b)	Market	Market Rank (a)	Number of Channels	Stations	Network Affiliation (b)
Toledo, OH		80	4	WNWO	NBC					
Chattanooga, TN	Chattanooga, TN	84	7	WTVC, WFLI(d)	ABC, CW, FOX, MNT	Chattanooga, TN	84	7	WTVC, WFLI(d)	ABC, CW, FOX, MNT
Savannah, GA						Savannah, GA	85	5	WTGS	FOX
Syracuse, NY	Syracuse, NY	85	6	WTVH(d), WSTM	CBS, NBC, CW	Syracuse, NY	87	6	WTVH(d), WSTM	CBS, NBC, CW
Savannah, GA		87	5	WTGS	FOX					

Charleston, SC	Charleston, SC	88	3	WCIV	MNT, ABC	Charleston, SC	88	3	WCIV	MNT, ABC
El Paso, TX						El Paso, TX	89	8	KFOX, KDBC	FOX, CBS, MNT
Champaign / Springfield / Decatur, IL	Champaign / Springfield / Decatur, IL	90	17	WICS, WICD, WRSP(d), WCCU(d), WBUI(d)	ABC, FOX, CW	Champaign / Springfield / Decatur, IL	91	18	WICS, WICD, WRSP(d), WCCU(d), WBUI(d)	ABC, FOX, CW
El Paso, TX		91	8	KFOX, KDBC	FOX, CBS, MNT					
Cedar Rapids, IA	Cedar Rapids, IA	93	8	KGAN, KFXA(d)	CBS, FOX	Cedar Rapids, IA	94	8	KGAN, KFXA(d)	CBS, FOX
Boise, ID	Boise, ID	98	8	KBOI, KYUU-LD	CBS, CW Plus	Boise, ID	97	8	KBOI, KYUU-LD	CBS, CW Plus
Myrtle Beach / Florence, SC						Myrtle Beach / Florence, SC	99	8	WPDE, WWMB(c)	ABC, CW
South Bend-Elkhart, IN	South Bend-Elkhart, IN	99	3	WSBT	CBS, FOX	South Bend-Elkhart, IN	100	3	WSBT	CBS, FOX
Myrtle Beach / Florence, SC		100	8	WPDE, WWMB(c)	ABC, CW					
Tri-Cities, TN-VA	Tri-Cities, TN-VA	101	8	WEMT(d), WCYB	FOX, NBC, CW	Tri-Cities, TN-VA	101	8	WEMT(d), WCYB	FOX, NBC, CW
Greenville / New Bern / Washington, NC						Greenville / New Bern / Washington, NC	102	8	WCTI, WYDO(d)	ABC, FOX
Reno, NV	Reno, NV	102	10	KRXI, KRNV(d), KNSN(c)	FOX, NBC, MNT	Reno, NV	103	10	KRXI, KRNV(d), KNSN(c)	FOX, NBC, MNT
Greenville / New Bern / Washington, NC		103	8	WCTI, WYDO(d)	ABC, FOX					
Tallahassee, FL	Tallahassee, FL	105	8	WTWC, WTLF(d)	NBC, CW Plus, FOX	Tallahassee, FL	105	8	WTWC, WTLF(d)	NBC, CW Plus, FOX
Lincoln and Hastings-Kearney, NE	Lincoln and Hastings-Kearney, NE	106	9	KHGI, KWNB, KWNB-LD, KHGI-CD, KFXL	ABC, FOX	Lincoln and Hastings-Kearney, NE	106	9	KHGI, KWNB, KWNB-LD, KHGI-CD, KFXL	ABC, FOX
Johnstown / Altoona, PA	Johnstown / Altoona, PA	109	4	WJAC	NBC, CW Plus	Johnstown / Altoona, PA	112	4	WJAC	NBC, CW Plus
Yakima / Pasco / Richland / Kennewick, WA	Yakima / Pasco / Richland / Kennewick, WA	117	18	KIMA, KEPR, KUNW-CD, KVVK-CD, KORX-CD	CBS, CW Plus	Yakima / Pasco / Richland / Kennewick, WA	116	18	KIMA, KEPR, KUNW-CD, KVVK-CD, KORX-CD	CBS, CW Plus
Traverse City / Cadillac, MI	Traverse City / Cadillac, MI	118	12	WGTU(d), WGTQ(d), WPBN, WTOM	ABC, NBC	Traverse City / Cadillac, MI	118	12	WGTU(d), WGTQ(d), WPBN, WTOM	ABC, NBC

Eugene, OR	Eugene, OR	119	18	KVAL, KCBY, KPIC(e), KMTR(d), KMCB(d), KTCW(d)	CBS, NBC, CW Plus	Eugene, OR	119	18	KVAL, KCBY, KPIC(e), KMTR(d), KMCB(d), KTCW(d)	CBS, NBC, CW Plus
Macon, GA	Macon, GA	120	3	WGXA	FOX, ABC	Macon, GA	120	3	WGXA	FOX, ABC
Peoria / Bloomington, IL	Peoria / Bloomington, IL	122	3	WHOI	TBD	Peoria / Bloomington, IL	123	3	WHOI	TBD
Bakersfield, CA	Bakersfield, CA	123	8	KBFX-CD, KBAK	FOX, CBS	Bakersfield, CA	124	8	KBFX-CD, KBAK	FOX, CBS
Corpus Christi, TX	Corpus Christi, TX	130	4	KSCC	FOX, MNT	Corpus Christi, TX	130	4	KSCC	FOX, MNT
Amarillo, TX	Amarillo, TX	131	10	KVII, KVIH	ABC, CW Plus	Amarillo, TX	131	10	KVII, KVIH	ABC, CW Plus
Chico-Redding, CA	Chico-Redding, CA	133	18	KRCR, KCVU(d), KRVU-LD, KKTF-LD, KUCO-LD	ABC, FOX, MNT	Chico-Redding, CA	134	18	KRCR, KCVU(d), KRVU-LD, KKTF-LD, KUCO-LD	ABC, FOX, MNT
Columbia / Jefferson City, MO						Columbia / Jefferson City, MO	136	4	KRCG	CBS
Medford / Klamath Falls, OR	Medford / Klamath Falls, OR	136	5	KTVL	CBS, CW Plus	Medford / Klamath Falls, OR	138	5	KTVL	CBS, CW Plus
Columbia / Jefferson City, MO		137	4	KRCG	CBS					
Beaumont / Port Arthur / Orange, TX	Beaumont / Port Arthur / Orange, TX	143	8	KFDM, KBTV(d)	CBS, CW Plus, FOX	Beaumont / Port Arthur / Orange, TX	144	8	KFDM, KBTV(d)	CBS, CW Plus, FOX
Sioux City, IA	Sioux City, IA	149	13	KPTH, KPTP-LD, KBVK-LP, KMEG(d)	FOX, MNT, CBS	Sioux City, IA	150	13	KPTH, KPTP-LD, KBVK-LP, KMEG(d)	FOX, MNT, CBS
Albany, GA	Albany, GA	154	4	WFXL	FOX	Albany, GA	154	4	WFXL	FOX
Gainesville, FL	Gainesville, FL	159	8	WGFL(c), WNBW(c), WYME-CD(c)	CBS, NBC, MNT	Gainesville, FL	158	8	WGFL(c), WNBW(c), WYME-CD(c)	CBS, NBC, MNT
Missoula, MT	Missoula, MT	162	8	KECI, KCFW	NBC	Missoula, MT	161	8	KECI, KCFW	NBC
Wheeling, WV / Steubenville, OH	Wheeling, WV / Steubenville, OH	163	3	WTOV	NBC, FOX	Wheeling, WV / Steubenville, OH	163	3	WTOV	NBC, FOX
Abilene / Sweetwater, TX	Abilene / Sweetwater, TX	167	4	KTXS, KTES-LD	ABC, CW Plus	Abilene / Sweetwater, TX	167	4	KTXS, KTES-LD	ABC, CW Plus
Quincy, IL / Hannibal, MO / Keokuk, IA	Quincy, IL / Hannibal, MO / Keokuk, IA	176	3	KHQA	CBS, ABC	Quincy, IL / Hannibal, MO / Keokuk, IA	176	4	KHQA	CBS, ABC

Butte-Bozeman, MT	Butte-Bozeman, MT	186	8	KTVM, KDBZ-CD	NBC	Butte-Bozeman, MT	184	8	KTVM, KDBZ-CD	NBC
Eureka, CA	Eureka, CA	195	10	KAEF, KBVU(d), KECA-LD, KEUV-LP	ABC, FOX, CW Plus, MNT	Eureka, CA	195	10	KAEF, KBVU(d), KECA-LD, KEUV-LP	ABC, FOX, CW Plus, MNT
San Angelo, TX	San Angelo, TX	197	2	KTXE-LD	ABC, CW Plus	San Angelo, TX	197	2	KTXE-LD	ABC, CW Plus
Ottumwa, IA / Kirksville, MO	Ottumwa, IA / Kirksville, MO	200	3	KTVO	ABC, CBS	Ottumwa, IA / Kirksville, MO	200	3	KTVO	ABC, CBS
Total Television Channels	**Total Television Channels**		636			**Total Television Channels**		640		

(a) Rankings are based on the relative size of a station's Designated Market Area ("DMA") among the 210 generally recognized DMAs in the United States as estimated by Nielsen Media Research ("Nielsen") as of October 2022. 2023.

(b) We broadcast programming from the following providers on our channels and the channels of our JSA/LMA partners:

Affiliation	Number of Channels	Number of Markets	Expiration Dates
ABC	40	30	August 31, 2026
FOX	55	41	December 31, 2026
CBS	30	24	October 31, 2026
NBC	25	17	December 31, 2024
CW	47	38	August 31, 2026
MNT	39	31	August 31, 2025
Total Major Network Affiliates	**236**		

Affiliation	Number of Channels	Number of Markets	Expiration Dates (1)
ABC	40	30	August 31, 2026
FOX	55	41	December 31, 2023 through December 31, 2024
CBS	30	24	October 31, 2023 through December 31, 2024
NBC	25	17	December 31, 2024
CW	46	37	August 31, 2023 through August 31, 2024
MNT	40	31	August 31, 2023
Total Major Network Affiliates	**236**		

Affiliation	Number of Channels	Number of Markets	Expiration Dates (1)
Antenna TV	24	22	December 31, 2024
Bounce	1	1	October 31, 2023
CHARGE!	84	74	(2)
Comet	93	76	(2)
Dabl	30	29	October 31, 2022
Decades	1	1	January 31, 2023
Estrella TV	1	1	September 30, 2024
GetTV	3	3	June 30, 2017

IND	2	2	N/A
MeTV	2	2	February 29, 2024 through August 1, 2024
Quest	3	3	October 31, 2025
Rewind	6	6	August 31, 2024
Stadium	46	43	(2)
TBD	84	70	(2)
TCN	3	2	October 31, 2025
Telemundo	1	1	February 28, 2023
This TV	1	1	December 31, 2023
UniMas	2	1	December 31, 2023
Univision	8	5	December 31, 2023
Weather	5	3	December 31, 2017
Total Other Affiliates	**400**		
Total Television Channels	**636**		

Affiliation	Number of Channels	Number of Markets	Expiration Dates
Antenna TV	24	22	December 31, 2024 through December 31, 2026
CHARGE!	85	74	(1)
Comet	91	74	(1)
Dabl	30	29	July 31, 2025
The Nest	47	43	(1)
TBD	85	72	(1)
Univision	8	5	December 31, 2024
Other	34		Various
Total Other Affiliates	**404**		
Total Television Channels	**640**		

(1) When we negotiate the terms of our network affiliations or program service arrangements, we generally negotiate on behalf of our owned stations affiliated with that entity simultaneously, except in certain circumstances. This results in substantially similar terms for our stations, including the expiration date of the network affiliations or program service arrangements. If the affiliation agreement expires, we may continue to operate under the existing affiliation agreement on the same terms and conditions until a new affiliation agreement is entered into.

(2) An owned and operated network, which is carried on our multicast distribution platform or the platform of our JSA/LMA partners. Thus, there is no expiration date.

(c) The license assets for these stations are currently owned by third parties. We provide programming, sales, operational, and administrative services to these stations pursuant to certain service agreements, such as LMAs.

(d) The license and programming assets for these stations are currently owned by third parties. We provide certain non-programming related sales, operational, and administrative services to these stations pursuant to service agreements, such as JSAs and SSAs.

(e) We provide programming, sales, operational, and administrative services to this station, of which 50% is owned by a third party.

Tennis

As of December 31, 2023, Sinclair's tennis segment consisted 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 Plus streaming service; T2 FAST, a 24-hours a day free ad-supported streaming television channel; Tennis.com; and Pickleballtv (PBTV).

Sinclair's tennis segment derives revenue primarily from fees received from Distributors, including those that distribute multiple video channels through the internet without supplying their own data transport infrastructure, as well as other OTT distributors that deliver live and on-demand programming, for the right to distribute Tennis Channel on their distribution platforms, and advertising revenue generated by sales of commercial time within Tennis Channel programming.

Sinclair's tennis segment operating results are usually subject to cyclical fluctuations due to the amount 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 amount and significance of tournaments that are played during those periods.

Local sports Sports

Deconsolidation of Diamond Sports Intermediate Holdings LLC. On March 1, 2022, SBG's subsidiary Diamond Sports Intermediate Holdings, LLC, and certain of its subsidiaries (collectively "DSIH") completed a series of transactions (the "Transaction"). As part of the Transaction, the governance structure of DSIH was modified including changes to the composition of its Board of Managers, resulting in the Company's loss of voting control. As a result, DSIH, whose operations represented the entirety of our local sports segment, was deconsolidated from our consolidated financial statements effective as of March 1, 2022 (the "Deconsolidation"). The consolidated statement of operations for the year ended December 31, 2022 therefore includes two months of activity related to DSIH prior to the Deconsolidation. Subsequent to February 28, 2022, the assets and liabilities of DSIH are no longer included within our consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with DSIH are referring refer to the periods prior to the Deconsolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements*.

Prior to the Deconsolidation, the local sports segment consisted primarily of our Bally Sports network brands ("Bally RSNs"), the Marquee Sports Network ("Marquee") joint venture, and a minority equity interest our investment in the Yankee Entertainment and Sports Network, LLC ("YES Network") through February 28, 2022. On March 1, 2022, the Bally RSNs, Marquee, and YES Network were deconsolidated from our financial statements. Through February 28, 2022, we refer to the Bally RSNs and Marquee as "the RSNs." The RSNs and YES Network own the exclusive rights to air, among other sporting events, the games of professional sports teams in designated local viewing areas.

Other OTHER

Owned Networks and Content

We own and operate Tennis Channel, a cable network which includes coverage of many of tennis' top tournaments and original professional sport and tennis lifestyle shows; the Tennis Channel International streaming service; Tennis Channel Plus streaming service; T2 FAST, a 24-hours a day free ad-supported streaming television channel; and Tennis.com, the most visited online tennis platform in the world (collectively, "Tennis").

We also own and operate various networks carried on distribution platforms owned by us or others, including: Comet, our science fiction network; CHARGE!, our adventure and action-based network; and TBD, the first multiscreen TV network in the U.S. market to bring premium internet-first content to TV homes across America. We also have a majority ownership interest in Stadium, a network that brings together professional sports highlights and college games.

Our internally developed content, in addition to our local news, includes our original news program, The National Desk ("The National Desk"), with a morning edition hosted by Jan Jeffcoat, an evening edition hosted by Meagan O'Halloran, and a weekend edition hosted by Eugene Ramirez, and Full Measure with Sharyl Attkisson ("Full Measure"), our national Sunday morning investigative and political analysis program. In 2022, we announced a broad, multi-platform creative partnership with Anthony E. Zuiker, creator of the CSI: Crime Scene Investigation franchise, to create content across a range of formats and subjects. Working with our news teams, Mr. Zuiker will highlight the compelling stories that deserve to be told in a longer, more dynamic format, broadening the appeal for a global audience. Mr. Zuiker will also develop content that can live adjacent to news programming and across ancillary verticals. Potential programming categories include docuseries, game shows, and topical talk.

Digital and Internet

We earn Sinclair earns revenues from Compulse, a marketing technology and managed services company, by licensing the platform to other local media companies and agencies, as well as executing their digital media initiatives across search, social, programmatic, email, and more.

NewsON is a free, ad-supported app that provides instant access to live or on-demand local news broadcasts, including non-Sinclair affiliate partners. Sinclair Digital Ventures focuses on investment in emerging digital technologies, ad tech, and digital content companies that support, complement, or expand the Company's businesses.

In November 2020, we entered into agreements for a long-term, enterprise-wide strategic partnership with Bally's Corporation ("Bally's") to combine Bally's vertically integrated, proprietary sports betting technology and expansive market access footprint with our premier portfolio of local broadcast stations, Tennis, digital and over-the-air television network Stadium and the RSN's. This partnership is expected to enhance the gamification of live sports to provide audiences interactive viewing experiences and drive legalized sports betting monetization. In connection with the agreement, we also received various equity interests in Bally's and branding integrations, including naming rights for the regional sports networks under the Bally's brand. See *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Note 6. Other Assets*within the *Consolidated Financial Statements* for further information.

Technical Services

We own Sinclair owns subsidiaries which are dedicated to providing technical services to the broadcast industry, including: Dielectric, a designer and manufacturer of broadcast systems including all components from transmitter output to antenna; antenna, and ONE Media 3.0, whose purpose is to develop business opportunities, products, and services associated with the NextGen TV broadcast transmission standard and TV platform. We have Sinclair has also partnered with several other companies in the design and deployment of NextGen TV services including: Saankhya Labs, to develop NextGen TV technologies to be used in consumer devices; CAST.ERA, a joint venture with South Korea's leading mobile operator, SK Telecom, to develop wireless, cloud infrastructure and artificial intelligence technologies; and BitPath, a joint venture with another broadcaster, to deploy and exploit datacasting models using NextGen capabilities.

Non-media Non-Media Investments

We own Sinclair owns various non-media related investments across multiple asset classes including real estate, venture capital, private equity, and direct investments in market-defining companies. Our Sinclair's investments in real estate include commercial real estate, including office and retail space, and residential real estate, including primarily consists of apartment complexes and development projects. Our Sinclair's investments in venture capital and private equity funds include capital for the advertising, marketing, and media technology sectors, sports betting, e-sports, and sports tech, as well as funeral homes, cemeteries, and pet cremation facilities. We hold Sinclair holds direct investments in technology driven companies, including wireless communication and semiconductor solutions, next-gen communication solutions, advertising intelligence and data security.

Customers CUSTOMERS

In 2022, the broadcast 2023, Sinclair's local media and prior to the Deconsolidation, local sports tennis segments had three two customers that individually exceeded individually accounted for 10% of Sinclair's consolidated revenue. Any disruption in our relationship with these customers could have a material adverse effect on the broadcast segment Sinclair's local media and our tennis segments and Sinclair's results of operations.

In 2023, SBG's local media segment had two customers that individually accounted for 10% of SBG's consolidated revenue. Any disruption in SBG's relationship with these customers could have a material adverse effect on SBG's local media segment and SBG's results of operations.

Operating Strategy

OPERATING STRATEGY

Programming to Attract Viewership. We seek to target our programming offerings to attract viewership, to meet the needs of the communities in which we serve, and to meet the needs of our advertising customers by entering into network affiliation agreements that provide us the right to broadcast general entertainment network programming, national news, and sports programming.

Our stations seek to broadcast live, local, and national sporting events that would appeal to a large segment of the local community. Moreover, our stations produce local news at 126 115 stations in 80 73 markets. See *News* below for further discussion. Our stations also seek to develop original programming or obtain, at attractive prices, popular syndicated programming that is complementary to each station’s network programming, purchasing syndicated content, and producing live, local news and sports. programming.

Television advertising prices are based on ratings information measured and distributed by Nielsen and Comscore. Ratings methodologies have been changing rapidly due to advancements in technology and changes in the manners in which viewers consume news, sports, and entertainment. Certain new methodologies are currently not accredited by the Media Rating Council ("MRC"), an independent organization that monitors rating services, and may not reflect actual viewership levels.

News. Through local news, our mission is to serve our communities by sharing relevant information to alert, protect, and empower our audiences. We believe that the production and broadcasting of local news is an important link to the community and an aid to a station’s efforts to expand its viewership. In addition, local news programming can provide access to advertising sources targeted specifically to local news viewers. Our news stations also produce content on digital platforms such as websites, mobile applications, OTT distributors, social media, digital newsletters, and podcasts.

Our local news initiatives are an important part of our strategy. We have entered into local news sharing arrangements in which we receive news in eight five markets from other in-market broadcasters. We believe that, in the markets where we have news share arrangements, such arrangements generally provide both higher viewer ratings and revenues for the station receiving the news and generate a profit for the news share provider. Generally, both parties and the local community are beneficiaries of these arrangements.

In addition to our traditional local news stories, we have utilized our national reach and physical presence in the nation's capital to provide our local viewers with broader national news stories which are relevant to our local viewers.

Our local news coverage is supported by our national news desk and Capitol Hill bureau. desk. These teams focus on providing context and perspective to important stories in the daily news cycle. This content provides a significant point of difference with a focus on accountability reporting. Available on-air and online, the bureau not only expands our news presence, but gives our local station viewers an opportunity to hear the views of their members of Congress through programs such as "Connect to Congress," our weekly on-air and digital feature which provides an electronic video pathway for lawmakers to speak to their constituents. Our weekly investigative news program, Full Measure with Sharyl Attkisson, reinforces our mission to provide our fearless storytelling on significant topics of public importance.

Our original news program, The National Desk, provides viewers with a comprehensive, commentary-free look at the most impactful national news and regional stories throughout the day. Leveraging our expansive local news footprint, The National Desk elevates some of the most important stories occurring in cities and towns across the country. With reporters residing in the communities they cover, The National Desk has access to real stories from the perspectives of those they affect directly. The goal of The National Desk is to leverage these assets into a single news program for a national audience. The program also supplements expansive local coverage by bringing the most important national headlines to audiences. The National Desk morning news edition is hosted by award-winning anchor Jan Jeffcoat with Cayle Thompson as the Live Desk anchor, giving viewers the news to start their day. The National Desk evening edition is hosted by award-winning journalist Meagan O’Halloran with Eugene Ramirez as the Live Desk Anchor. In March 2022, we added a weekend edition, anchored by Eugene Ramirez, featuring content from The National Desk's morning and evening newscasts as well as The National Desk’s journalists covering Capitol Hill, examining the key issues being debated in the halls of Congress. In May 2022, we added the National Weather Desk to the program, which provides viewers with a comprehensive look at the most impactful weather stories throughout the day. The National Desk weekday and/or weekend editions together air on 84 83 of our markets and across all of our news websites. TheNationalDesk.com features additional hours of breaking news, with content from The National Desk's dedicated team of journalists as well as our newsrooms around the US. We have a national investigative team of 15 journalists, plus more than 30 local investigative reporters. We plan to continue to grow our investigative footprint, and to provide in-depth stories not covered elsewhere.

This is In our 10th year 12-year history of producing community "Your Voice Your Future" Town Halls. These Halls, we've produced over 1,350 productions. This distinctive series recognizes the importance of producing disruptive programming, with disciplined discussions and solutions for the communities we serve. Our goal from the beginning has been to inform, educate and protect our viewers. Our Town Halls are produced in the local markets and give our viewers an opportunity to have a voice and ask their elected leaders questions on important local and national topics. In 2022 2023 and 2021 2022 we produced 198 188 and 162 198 Town Halls, respectively, throughout the country, covering a variety of topics including crime, police funding, police shortages, affordable housing, education, mental health, opioids, bullying, finance, artificial intelligence, distrust of police, antisemitism, Black History Month, LGBTQ+ legislation, and human trafficking. In 2022, we organized 56 political veterans. We also produced several debates featuring gubernatorial, in 2023, a non-election year, including several mayoral, senatorial, and congressional races, as well as School Superintendent in Oklahoma City city council, and school board positions in Virginia. Since launching our commitment to give debates, a voice to our viewers, our Town Halls have produced 1,198 productions to educate Wisconsin Supreme Court debate, a congressional debate, and address the needs of our audience. a gubernatorial debate.

Sports. Live sports have remained highly popular with fans and advertisers. Sports programming generally elicits strong emotional responses and attracts a loyal and passionate following among fans. Our premium live sports programming typically attracts viewership demographics that are highly desirable to advertisers. Every sports season is a new chapter in a story that has continued for decades and is popular across with fans from multiple generations. As media has continued to trend toward on-demand consumption, sports events have remained an "appointment viewing" event. As such, live sports content is frequently the most watched programming in a local market on most nights.

Tennis has certain telecast Channel and T2, Tennis Channel's first FAST offering in the United States, are the only television-based multiplatform destinations dedicated to both the professional sport and tennis lifestyle. Tennis Channel and T2 have the most concentrated single-sport coverage in television in one of the world's most voluminous sports, with multiple men's and women's tournaments and singles, doubles and mixed competition throughout the year. Tennis Channel and T2 have rights to at the four majors – US Open, Wimbledon, Roland Garros (French Open), and Australian Open – and are the exclusive U.S. homes of all men's ATP World Tour events, and women's WTA Tour competitions, Laver Davis Cup, Billie Jean King Cup, United Cup, and Billie Jean King Laver Cup. Our stations also broadcast programming and other content provided by Tennis, and we provide access to certain events through our DTC streaming service, Tennis Channel Plus. Plus, which is available to everyone in the United States and allows subscribers to select from another 4,500 live and on-demand matches and award-winning content from short-form to films throughout the tennis season. Tennis Channel International brings live competition and network content to 8 countries markets in Europe and Asia including Germany, Austria, Switzerland, Greece, the U.K., the Netherlands, Monaco, and India, via digital subscription and free ad-supported streaming TV FAST channels. Our www.tennis.com platform is the largest digital outlet dedicated to the sport. Tennis Channel also manages a network of close to 20 podcasts and FAST channel Pickleballtv ("FAST" PBTV"), a partnership with the Carvana Professional Pickleball Association ("PPA Tour"). Additional platforms Tennis.com, the world's number one tennis website, and T2, Tennis Channel's first FAST offering in the United States, are complementary offerings which allow us to provide greater and more in-depth tennis content to consumers on TV and internet.

Additionally, some of our television stations have the local television broadcast rights for certain sporting events, including Major League Baseball ("MLB"), National Basketball Association ("NBA"), National Hockey League ("NHL"), National Football League ("NFL") preseason, and certain other college and high school sports. Our CW and MNT stations generally face fewer preemption restrictions on broadcasting live local sporting events compared with our FOX, ABC, CBS, and NBC stations, which are required to broadcast a greater number of hours of programming supplied by the networks. In addition, our stations that are affiliated with FOX, ABC, CBS, and NBC have network arrangements to broadcast certain MLB, NBA, NHL, NFL, and Professional Golf Association events, as well as other popular sporting events.

Control of Operating and Programming Costs. By employing a disciplined approach to managing programming acquisition and other costs, our stations have been able to achieve operating margins that we believe are very competitive within the television broadcast industry. We believe our national reach as of December 31, 2022 December 31, 2023 of approximately 39% of the country provides us with a strong position to negotiate with programming providers and, as a result, the opportunity to purchase high quality programming at more favorable prices. Moreover, we emphasize control of each of our station's programming and operating costs through program-specific profit analysis, detailed budgeting, regionalization of staff, and detailed long-term planning models. We also control our programming costs by creating original high-quality programming that is distributed on our broadcast platform.

Developing Local Franchises. We believe the greatest opportunity for a sustainable and growing customer base lies within our local communities. Therefore, we have focused on developing a strong local sales force, which is comprised of approximately 520 530 marketing consultants and 70 55 local sales managers company-wide. Excluding political advertising revenue, distribution revenues, and other revenues, 61% and 60% and 56% of Sinclair's net time sales were local for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively, and 62% and 60% of SBG's net time sales were local for the years ended December 31, 2023 and 2022, respectively. Our goal is to grow our local revenues by increasing our market share, developing new business opportunities, and offering marketing solutions across our platforms.

Attract and Retain High Quality Management. We believe that much of our success is due to our ability to attract and retain highly-skilled and motivated managers at corporate, stations, and other businesses. We provide a combination of base salary, long-term incentive compensation including equity awards and, where appropriate, cash bonus pay designed to be competitive with comparable employers in our industry, competitive health benefits, and learning and development opportunities. A significant portion of the compensation available to certain members of our senior management and our sales force is based on their achievement of certain performance goals. We also encourage station and network managers and employees to utilize our diverse business to grow in their careers while remaining in the Sinclair family organization via internal promotion and relocation.

Multi-Channel Broadcasting. FCC rules allow television broadcasters to transmit additional digital channels within the spectrum allocated to each FCC license holder. This provides our stations' viewers with additional programming alternatives at no additional cost to them. We may consider other alternative programming formats that we could air using our multi-channel digital spectrum space with the goal towards achieving higher profits and community service. As of December 31, 2022 December 31, 2023, our stations have 451 approximately 455 multi-channels in on our digital spectrum.

Distribution Agreements. We have distribution agreements with Distributors and other OTT distributors who compensate us for the right to retransmit our stations and other offerings on their respective distribution platforms. Our successful negotiations with Distributors and other OTT distributors have created agreements that produce meaningful sustainable revenue streams. We intend to maintain the strong relationships with our Distributors and other OTT distributors and believe our local news, sports, and entertainment content positions us to continue to expand extend our agreements within all of these distribution platforms. However, we cannot guarantee that some Distributors and other OTT distributors will not drop carriage of our channels or continue to experience elevated levels of subscriber churn.

Improvement and Maintenance of Broadcast Infrastructure. Our Dielectric subsidiary is a leader in servicing and manufacturing broadcast infrastructure. As a result, we maintain a strong infrastructure through which we provide high quality uninterrupted content on our stations. This subsidiary is critical in the build-out of the infrastructure behind NextGen TV for both our stations and other broadcasters.

Developing New Business. We strive to develop new business models to complement or enhance our traditional television broadcast business. We have developed new ways to sell online, on mobile text messaging, social media advertising, and through audience extension services along with our traditional commercial broadcasting model. Additionally, we continue to leverage our national reach to provide new high-quality content to our local communities.

We continue to expand our digital distribution platforms through initiatives such as our video management system, which simplifies and automates our broadcast-to-digital streaming workflow and allows for dynamic replacement of broadcast ads with digital ads targeted to each individual viewer and allows us to ingest and redistribute content across our platform so that we can break news first. By using a single ad-serving system across all of our web sites, mobile apps, and other digital assets, we are able to streamline our sales workflow, optimize yield, and deliver comprehensive sales opportunities across our digital footprint. Additionally, we are deploying DTC and OTT initiatives, cloud technologies, as well as our own content applications.

In 2022, we announced a broad, multi-platform creative partnership with Anthony E. Zuiker to create content across a range of formats and subjects, as discussed in more detail above in *Owned Networks and Content*.

Additionally, we continue to develop business opportunities, products, and services associated with NextGen TV (also known as ATSC 3.0) as discussed under *Development of Next Generation Wireless Platform* below.

In November 2020, we entered into agreements for a long-term strategic partnership with Bally's. as discussed in more detail above in Digital and Internet.

Strategic Realignment of Local Media Portfolio. We routinely review potential media acquisitions, dispositions, and swaps, or develop original networks and content. content in order to optimize our portfolio. We expect to continue to assess acquisition and investment opportunities to complement our existing stations and other businesses. As we evaluate potential acquisitions and investments, we intend to focus on making disciplined, accretive acquisitions and investments that will complement our existing portfolio of television stations while providing increased scale. At any given time, we may be in discussions with one or more media owners.

Digital and Internet Expansion of Broadcast Local Media Segment. Our digital properties Compulse and NewsON are innovative products and extensions of our core broadcast business that allow us to compete for digital, internet, network, and print impressions and revenues. We continue to seek additional opportunities to invest in emerging digital technologies, ad tech, and digital content companies that support and expand our digital capabilities and non-linear footprint.

Development of Next Generation Wireless Platform. In 2017, the FCC approved the use of NextGen TV, a next generation broadcast transmission standard. NextGen TV is capable of merging broadcast and broadband content and data services using over-the-air spectrum and Internet-provided data connectivity, allowing a mature broadcast industry to reinvent itself due to its mobility, addressability, capacity, Internet Protocol ("IP") connectivity, and conditional access. In 2023, the FCC announced a public-private partnership, the Future of Television Initiative, to establish a roadmap for the transition to ATSC 3.0.

NextGen TV will allow us to use our spectrum for more than just video-formatted data as we do today. As a data-agnostic IP based pipe, we also will be able to distribute data including text, audio, video, and software. While our one-to-many architecture will remain a strength, we will be able to deliver "the last mile" from program/data origination to the consumer's receiver device across a more robust system, connect legacy ATSC 1.0 televisions to NextGen TV using broadcast hot spots and wi-fi functionality, and provide compatible data-offload service offerings in conjunction with certain 5G platforms. Among the many emerging opportunities are hyper-local news, weather, and traffic; dynamic ad insertion; geographic and demographic-targeted advertising; customizable content; better measurement and analytics; the ability to interface with devices connected to the Internet; flexibility to add streams as needed; substantially enhanced picture quality with immersive audio; connectivity to automobiles, including 3D mapping, telematics and infotainment; geo-location services; enhanced GPS; distance e-learning; data wholesale models; and other content delivery networks. Conditional access capabilities also permit broadcasters to offer secure "skinny-bundle" pay services as well as various video-on-demand type offerings. In addition, NextGen TV provides new emergency and information capabilities, including advanced alerting functions which can provide crucial rich media including evacuation routes and device wake-up features. All of these features will be available to mobile and portable devices, allowing us to reach viewers virtually anywhere. In January 2020, we announced the formation of CAST.ERA, a joint venture with SK Telecom, focused on cloud infrastructure for broadcasting, ultra-low latency OTT broadcasting, and targeted advertising.

In order to bring this technology to the market, we have partnered with technology leaders to develop broadcasting solutions and services in the U.S. and globally. We have also formed BitPath, a joint venture with another broadcaster, to promote spectrum efficiency and innovation, aggregate and monetize underutilized spectrum capacity over which to deliver national services and create opportunities such as robust video and data exchange. We continue to work with other NextGen TV stakeholders to build and test the single frequency network tower infrastructure, develop systems to allow the convergence of NextGen TV and 5G data delivery, and design NextGen TV receiver chips for mobile, portable and fixed devices. We expect the implementation and adoption of NextGen TV to occur over the next two years. In 2020, we and the industry began deployment of NextGen TV capabilities on some of our own television facilities and in conjunction with other station operators in our markets, as well as non-Sinclair markets. To date, NextGen TV is broadcasting in more than 60 markets, including 36 43 of our markets. When completed, the country will have a lower-cost, world class wireless IP data distribution network capable of supporting multiple business models.

Monetization of Certain Intellectual Property Rights. We have developed, through our ONE Media, LLC subsidiary, several NextGen Broadcast-related patents that we intend to monetize directly, through third-party agents, or through a patent pool designed to consolidate similar patents owned by independent licensors for licensing to equipment manufacturers.

New Non-Media Investments. Through Ventures, we expect to make both controlling and minority investments in non-media related businesses where management expects long-term growth.

FEDERAL REGULATION OF TELEVISION BROADCASTING

The ownership, operation, and sale of television stations are subject to the jurisdiction of the FCC, which acts under the authority granted by the Communications Act of 1934, as amended ("the Communications Act"). Among other things, the FCC assigns frequency bands for broadcasting; determines the particular frequencies, locations, and operating power of stations; issues, renews, revokes, and modifies station licenses; regulates equipment used by stations; adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, and employment practices of stations; and has the power to impose penalties for violations of its rules and regulations of the Communications Act.

The following is a summary of certain provisions of the Communications Act and specific FCC regulations and policies. Reference should be made to the Communications Act, FCC rules, and the public notices and rulings of the FCC for further information concerning the nature and extent of federal regulation of broadcast stations.

License Grant and Renewal

Television stations operate pursuant to broadcasting licenses that are granted by the FCC for maximum terms of eight years and are subject to renewal upon application to the FCC. During certain periods when renewal applications are pending, petitions to deny license renewals can be filed by interested parties, including members of the public.

Although historically renewal of a license is granted in the vast majority of cases, even when petitions to deny are filed, there can be no assurance that the license of any station will be renewed or, if renewed, that the renewal terms will be for the maximum term permitted.

In the last completed license renewal cycle, all of our stations' license renewal applications were granted for the maximum term permitted.

The current most recent television license renewal application filing cycle began on June 1, 2020 and ended on April 3, 2023. On September 1, 2020, an individual filed a petition to deny the license renewal application of our Baltimore, MD station, WBFF(TV), and the renewal applications of two Baltimore stations with which we have a JSA or LMA, WUTB(TV) and WNUV(TV). We filed an opposition to the petition on October 1, 2020 with respect to WBFF(TV). 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 petition Company timely filed its reply on February 13, 2024, and the matter remains pending at this time. pending. We cannot predict when the FCC will take action on the petition or what the outcome of such action will be. To date, we have timely filed In the prior completed license renewal cycle, all of our stations' license renewal applications due were granted for our stations during this renewal application cycle. the maximum term permitted.

Ownership Matters

General. The Communications Act prohibits the assignment of a broadcast license or the transfer of control of a broadcast licensee without the prior approval of the FCC. In determining whether to permit the assignment or transfer of control of, or the grant or renewal of, a broadcast license, the FCC considers a number of factors pertaining to the licensee, including compliance with various rules limiting common ownership of media properties, the "character" of the licensee and those persons holding "attributable" interests in that licensee and compliance with the Communications Act's limitations on foreign ownership. The FCC has indicated that in order to approve an assignment or transfer of a broadcast license the FCC must make an affirmative determination that the proposed transaction serves the public interest, not merely that the transaction does not violate its rules or shares factual elements with other transactions previously approved by the FCC, and that it may deny a transaction if it determines that the transaction would not be in the public interest.

The FCC generally applies its ownership limits to "attributable" interests held by an individual, corporation, partnership or other association. In the case of corporations holding, or through subsidiaries controlling, broadcast licenses, the interests of officers, directors and those who, directly or indirectly, have the right to vote 5% or more of the corporation's stock (or 20% or more of such stock in the case of insurance companies, investment companies and bank trust departments that are passive investors) are generally attributable. In addition, pursuant to what is known as the equity-debt-plus rule, a major programming supplier or same-market media entity will be an attributable owner of a station if the supplier or same-market media entity holds debt or equity, or both, in the station that is greater than 33% of the value of the station's total debt plus equity. Further, the Communications Act generally prohibits foreign parties from having more than a 20% interest (voting or equity) in a broadcast licensee or more than a 25% interest in the parent of that licensee without receiving prior FCC approval to exceed these limits. Following a Declaratory Ruling in 2013 in which the FCC indicated that it was open to considering proposals for foreign investment in broadcast licenses that exceed the 25% benchmark on a case by case basis, on September 29, 2016, the FCC adopted a Report and Order which among other things, (i) simplified the foreign ownership approval process for broadcast licensees seeking to exceed the 25% benchmark and (ii) modified the methodology a licensee may use to determine compliance with the foreign ownership rules.

We and our subsidiaries are domestic entities, and the members of the Smith family (who, as of December 31, 2022 December 31, 2023, together hold approximately 80.8% 82.6% of the common voting rights of Sinclair) are all United States citizens. Our articles of incorporation contain limitations on alien ownership and control that are substantially similar to those contained in the Communications Act. Pursuant to the articles of incorporation, we have the right to repurchase alien-owned shares at their fair market value to the extent necessary, in the judgment of the Board, of Directors, to comply with the alien ownership restrictions.

Additional ownership rules as currently in effect are as follows:

Radio / Television Cross-Ownership Rule and *Newspaper / Broadcast Cross-Ownership Rule*. Until February 2018, the FCC's rules (i) limited the combined number of television and radio stations a party could own in a market to up to two television stations and six radio stations, depending on the number of independent media voices in the market ("radio/television cross-ownership rule"), and (ii) prohibited the common ownership of a radio or television broadcast station and a daily newspaper in the same market ("newspaper/broadcast cross-ownership rule"). On November 20, 2017, the FCC released an Order on Reconsideration ("Ownership Order on Reconsideration") that, among other changes, eliminated the radio/television cross-ownership rule and the newspaper/broadcast cross-ownership rule. The rule changes adopted in the Ownership Order on Reconsideration became effective on February 7, 2018. The Ownership Order on Reconsideration was vacated and remanded by the U.S. Court of Appeals for the Third Circuit in September 2019, but the Supreme Court ultimately reversed the Third Circuit's decision on April 1, 2021 and the Ownership Order on Reconsideration is currently in effect.

National Ownership Rule. The national television viewing audience reach cap is 39%. Under this rule, where an individual or entity has an attributable interest in more than one television station in a market, the percentage of the national television viewing audience encompassed within that market is only counted once. Additionally, because VHF stations (channels 2 through 13) historically covered a larger portion of the market than UHF stations (channels 14 through 51), only half of the households in the market area of any UHF station are included when calculating an entity's national television viewing audience (commonly referred to as the "UHF discount"). On December 18, 2017, the FCC released a Notice of Proposed Rulemaking to examine the national ownership rule, including the UHF discount. The rulemaking proceeding remains pending. We cannot predict the outcome of the rulemaking proceeding.

The majority of the stations we own and operate, or to which we provide programming services, are UHF. With the UHF discount, our current reach (for FCC purposes) is approximately 24% of U.S. households. See *Item 1A. Risk Factors* for further discussion of the risk related to the outcome of rules governing the UHF discount.

Local Television Ownership Rule. A party may own television stations in adjoining markets, even if there is a digital noise limited service contour overlap between the two stations' broadcast signals, and generally may own two stations in the same market ("local television ownership rule") only (i) if there is no digital overlap between the stations; or (ii) not more than one station is among the top-four rated stations in the market ("the top-four rule" Top-Four Prohibition"). The Ownership Order on Reconsideration modified FCC will, upon request, consider waiver of the top-four rule Top-Four Prohibition to permit allow parties to own up to two top-four rated stations in the same market on a case-by-case basis. On December 22, 2023, the FCC adopted the 2018 Ownership Order, extending the Top-Four Prohibition to prohibit, in certain circumstances, the placement of a second top-four rated programming affiliation on a multicast stream or low power television (LPTV) station and restricting the circumstances under which such existing top-four multicast streams or LPTV stations may be transferred or assigned in the future. The 2018 Ownership Order, including this extension of the Top-Four Prohibition, will become effective March 18, 2024.

Local Marketing and Outsourcing Agreements

Certain of our stations have entered into agreements with other stations in the same market, through which we provide programming and operating services pursuant to LMAs or provide sales services and other non-programming operating services pursuant to outsourcing agreements, such as JSAs and SSAs. LMAs are attributable where a licensee holds an attributable interest in a television station and (i) programs more than 15% of the weekly broadcast hours and/or (ii) sells more than 15% of the weekly advertising time on another television station in the same market. LMAs existing prior to November 5, 1996, which include all of our LMAs, are currently exempt from attribution until further FCC action. If the FCC were to eliminate the exemption for these LMAs, we would have to terminate or modify these LMAs. JSAs and SSAs currently are not attributable.

In August 2016, the FCC completed both amended its 2010 and 2014 Quadrennial Regulatory Reviews of its media ownership rules and issued an order ("Ownership Order") which left most of the existing multiple ownership rules intact, but amended the rules to provide for the attribution of JSAs under certain circumstances. Certain existing JSAs were later exempted from attribution until 2025. The subsequent Ownership Order on Reconsideration eliminated the JSA attribution rule. In the 2018 Ownership Order adopted on December 22, 2023 the FCC declined to reconsider JSA attribution. If we are required to terminate or modify our LMAs or JSAs, our business could be adversely affected in several ways, including losses on investments and termination penalties. For more information on the risks, see "*The FCC's multiple ownership rules and federal antitrust regulation may limit our ability to operate multiple television stations in some markets and may result in a reduction in our revenue or prevent us from reducing costs. Changes in these rules may* *threaten our existing strategic approach to certain television markets."* under Item *1A. Risk Factors* and *Changes in the Rules of Television Ownership, Local Marketing Agreements, Joint Sales Agreements, Retransmission Consent Negotiations, and National Ownership Cap* under *Note 13. Commitments and Contingencies* within the *Consolidated Financial Statements* for further discussion.

Antitrust Regulation. The Department of Justice ("DOJ") and the Federal Trade Commission have increased their scrutiny of the television industry and have reviewed matters related to the concentration of ownership within markets (including "LMAs" and "outsourcing agreements") even when ownership or the LMA or other outsourcing agreement in question is permitted under the laws administered by the FCC or by FCC rules and regulations. The DOJ takes the position that an LMA or other outsourcing agreement entered into in anticipation of a station's acquisition with the proposed buyer of the station constitutes a change in beneficial ownership of the station which, if subject to filing under the Hart-Scott-Rodino Antitrust Improvements Act, cannot be implemented until the waiting period required by that statute has ended or been terminated.

On January 4, 2019, the Company received three civil investigative demands ("CIDs") from the Antitrust Division of the DOJ. We believe the DOJ has similar CIDs to other companies in our industry. In each CID, the DOJ requested that the Company produce certain documents and materials relating to JSAs in a specific DMA. On July 1, 2021, the DOJ Antitrust Division advised the Company that it had closed the JSA investigation with respect to the Company without action.

Satellite Carriage

The Satellite Home Viewer Act, as extended by The Satellite Home Viewer Improvement Act of 1999, the Satellite Home Viewer Extension and Reauthorization Act, the Satellite Television Extension and Localism Act of 2010 and the Satellite Television Extension and Localism Act Reauthorization Act of 2014 ("STELAR") among other things, (i) allows satellite carriers to provide local television signals by satellite within a station market, and requires them to carry all local signals that asserted carriage rights in any market where they carry any local signals, (ii) requires all television stations to elect to exercise certain "must-carry""must-carry" or "retransmission consent""retransmission consent" rights in connection with their carriage by satellite carriers, and (iii) authorizes satellite delivery of distant network signals, significantly viewed signals and local low-power television station signals into local markets under defined circumstances. In adopting fiscal year 2020 appropriations legislation, Congress allowed STELAR to sunset on December 31, 2019 but made permanent STELAR's (1) requirements that broadcasters and Distributors negotiate retransmission content in good faith and (2) distant signal satellite license provisions for recreational vehicles, truckers, tailgaters and short markets.

Must-Carry / Retransmission Consent

Television broadcasters are required to make triennial elections to exercise either certain "must-carry" or "retransmission consent" rights in connection with their carriage by cable systems in each broadcaster's local market. By electing to exercise must-carry rights, a broadcaster demands carriage and receives a specific channel on cable systems within its DMA. Must carry rights are not absolute and are dependent on a number of factors which may or may not be present in a particular case. Alternatively, if a broadcaster chooses to exercise retransmission consent rights, it can prohibit cable systems from carrying its signal or grant the appropriate cable system the authority to retransmit the broadcast signal for a fee or other consideration. We have elected to exercise our retransmission consent rights with respect to all of our stations. In February 2015, the FCC issued an order implementing certain statutorily required changes to its rules governing the duty to negotiate retransmission consent agreements in good faith. Under these rules, unless the stations are directly or indirectly under common de jure control as permitted under the FCC regulations, a station may not delegate authority to negotiate or approve a retransmission consent agreement to a station located in the same market or to a third party that negotiates together with another television station in the same market, nor may stations in the same market facilitate or agree to facilitate coordinated negotiation of retransmission consent terms for their stations in that market, including through the sharing of information. In May 2020, the FCC revised its good faith negotiation rules to specify that certain small MVPDs can meet the obligation to negotiate in good faith by negotiating with a large station group through a qualified MVPD buying group and that large station groups have an obligation to negotiate in good faith with such MVPD buying groups.

Further, in September 2015, the FCC released a Notice of Proposed Rulemaking in response to a Congressional directive in STELAR to examine the "totality of the circumstances test" for good-faith negotiations of retransmission consent. The proposed rulemaking sought comment on new factors and evidence to consider in its evaluation of claims of bad faith negotiation, including service interruptions prior to a "marquee sports or entertainment event," restrictions on online access to broadcast programming during negotiation impasses, broadcasters' ability to offer bundles of broadcast signals with other broadcast stations or cable networks, and broadcasters' ability to invoke the FCC's exclusivity rules during service interruptions. On July 14, 2016, the FCC's then-Chairman Wheeler announced that the FCC would not, at that time, proceed to adopt additional rules governing good faith negotiations of retransmission consent. No formal action has yet been taken on this Proposed Rulemaking, and we cannot predict if the FCC will terminate the Rulemaking or take other action.

Network Non-Duplication / Syndicated Exclusivity / Territorial Exclusivity

The FCC's syndicated exclusivity rules allow local broadcast television stations to demand that cable operators black out syndicated non-network programming carried on "distant signals" (i.e., signals of broadcast stations, including so-called "superstations," which serve areas substantially removed from the cable systems' local community). The FCC's network non-duplication rules allow local broadcast, network affiliated stations to require that cable operators black out duplicate network programming carried on distant signals. Both rules are subject to various exceptions and limitations. In a number of markets in which we own or program stations affiliated with a network, a station that is affiliated with the same network in a nearby market is carried on cable systems in our markets. Such significantly viewed signals are not subject to black out pursuant to the FCC's network non-duplication rules. The carriage of two network stations on the same cable system could result in a decline of viewership, adversely affecting the revenues of our owned or programmed stations. In March 2014, the FCC issued a Report and Order and Further Notice of Proposed Rulemaking, requesting comments on whether it has authority to, and should, eliminate or modify its network non-duplication and/or syndicated exclusivity rules. This proceeding is pending and we cannot predict when or how the FCC will resolve that rulemaking. The FCC's syndicated exclusivity rules allow local broadcast television stations to demand that cable operators black out syndicated non-network programming carried on "distant signals" (i.e., signals of broadcast stations, including so-called "superstations," which serve areas substantially removed from the cable systems' local community). The

FCC's network non-duplication rules allow local broadcast, network affiliated stations to require that cable operators black out duplicate network programming carried on distant signals. Both rules are subject to various exceptions and limitations. In a number of markets in which we own or program stations affiliated with a network, a station that is affiliated with the same network in a nearby market is carried on cable systems in our markets. Such significantly viewed signals are not subject to black out pursuant to the FCC's network non-duplication rules. The carriage of two network stations on the same cable system could result in a decline of viewership, adversely affecting the revenues of our owned or programmed stations. In March 2014, the FCC issued a Report and Order and Further Notice of Proposed Rulemaking, requesting comments on whether it has authority to, and should, eliminate or modify its network non-duplication and/or syndicated exclusivity rules. This proceeding is pending and we cannot predict when or how the FCC will resolve that rulemaking.

Digital Television

FCC rules provide that television broadcast licensees may use their digital television ("DTV") channels for a wide variety of services such as HD television, multiple standard definition television programming, audio, data, and other types of communications, subject to the requirement that each broadcaster provide at least one free video channel equal in quality to the current technical standard and further subject to the requirement that broadcasters pay a fee of 5% of gross revenues from any DTV ancillary or supplementary service for which there is a subscription fee or for which the licensee receives a fee from a third party. These rules could impact the profitability related to ancillary or supplementary services provided as discussed within *Development of Next Generation Wireless Platform* under *Operating Strategy* above. above. In addition, possible new rules with respect the recent extension of the Top-Four Prohibition to multicasting as discussed above and within *Other Pending Matters Changes in the Rules of Television Ownership, Local Marketing Agreements, Joint Sales Agreements, Retransmission Consent Negotiations, and National Ownership Cap* below could impact the way we currently use our DTV channels and the services we are able to offer on those channels.

Programming and Operations

The Communications Act requires broadcasters to serve the "public interest." The FCC has relaxed or eliminated many of the more formalized procedures it had developed in the past to promote the broadcast of certain types of programming responsive to the needs of a station's community of license. FCC licensees continue to be required, however, to present programming that is responsive to the needs and interests of their communities and to maintain certain records demonstrating such responsiveness. Complaints from viewers concerning a station's programming may be considered by the FCC when it evaluates renewal applications of a licensee, although such complaints may be filed at any time and generally may be considered by the FCC at any time. Stations also must pay regulatory and application fees and follow various rules promulgated under the Communications Act that regulate, among other things, political advertising, sponsorship identifications, obscene and indecent broadcasts, and technical operations, including limits on radio frequency radiation. In addition, television licensees have obligations to create and follow employment outreach programs, provide a minimum amount of programming for children, comply with rules relating to the emergency alert system, maintain an online public inspection file, and abide by regulations specifying requirements to provide closed captions for its programming. FCC licensees are, in general, responsible for the content of their broadcast programming, including that supplied by television networks. Accordingly, there is a risk of being fined as a result of our broadcast programming, including network programming.

Other Pending Matters

Congress and the FCC have under consideration, and in the future may consider and adopt, new laws, regulations, and policies regarding a wide variety of matters that could affect, directly or indirectly, the operation, ownership, and profitability of our broadcast stations, result in the loss of audience share and advertising revenues for our broadcast stations, and affect our ability to acquire additional broadcast stations or finance such acquisitions.

On November 16, 2017, the FCC adopted a Report and Order and Further Notice of Proposed Rulemaking authorizing the voluntary deployment of NextGen TV and adopting rules to afford broadcasters flexibility to deploy NextGen TV based transmissions while minimizing impact on consumers and industry stakeholders and seeking comment on certain additional matters. On June 3, 2020, the FCC adopted the Second Report and Order and Order on Reconsideration, providing additional guidance to broadcasters deploying NextGen TV. On November 9, 2020, the National Association of Broadcasters filed a Petition for Declaratory Ruling and Petition for Rulemaking requesting that the FCC (1) clarify that its existing regulatory framework for the hosting of simulcast primary programming streams also applies to simulcast multicast streams, and (2) expand the application of these rules to cover the transmission of ATSC 1.0 multicast streams regardless of whether those streams are simulcast in ATSC 3.0. On November 5, 2021, the FCC released a Second Further Notice of Proposed Rulemaking seeking comment on these multicast host station licensing issues, and on June 22, 2022, the FCC released a Third Further Notice of Proposed Rulemaking seeking comment on the state of the ATSC 3.0 transition and the scheduled sunsets of two rules adopted in the 2017 Report and Order. These rulemaking proceedings remain pending. We On June 20, 2023, the FCC adopted a Third Report and Order and Fourth Further Notice of Proposed Rulemaking that (1) generally adopted the proposals to allow a Next Gen TV station to seek modification of its license to include certain multicast streams that are aired on host stations; (2) extended the sunsets of the substantially similar rule for simulcast streams and the requirement to comply with the ATSC A/322 standard on primary ATSC 3.0 streams to July 17, 2027; and (3) sought comment on the current marketplace for ATSC 3.0 standard essential patents and the ability of third parties to develop products that rely upon them. The proceeding remains pending and we cannot predict what the outcome of the proceedings will be.

On December 13, 2018, the FCC released a Notice of Proposed Rulemaking to initiate the 2018 Quadrennial Regulatory Review of the FCC's broadcast ownership rules, pursuant to the statutory requirement that the FCC review its media ownership rules every four years to determine whether they remain "necessary in the public interest as the result of competition." The proposed rulemaking generally seeks comment on, among other things, whether the local television ownership rules (including the top-four rule and the eight voices test), should be retained, modified, or eliminated. With respect to the local television ownership rule specifically, among other things, the proposed rulemaking seeks comment on possible modifications to the rule's operation, including the relevant product market, the numerical limit, the top-four prohibition; and the implications of multicasting, satellite stations, low power stations and the next generation standard. In addition, the proposed rulemaking examines further several diversity related proposals raised in the 2014 Quadrennial Regulatory Review. On July

16, 2021, the FCC extended the public comment period and the comment and reply comment deadline closed on October 1, 2021. The rulemaking remains pending.

On December 22, 2022, the FCC released a Public Notice to initiate the 2022 Quadrennial Regulatory Review despite the pendency of the 2018 Quadrennial Review, seeking comment on the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule. Comments are due on March 3, 2023 The proceeding remains pending and reply comments are due March 20, 2023. we cannot predict what the outcome will be.

Other matters that could affect our broadcast properties include technological innovations and developments generally affecting competition in the mass communications industry, such as DTC offerings, direct television broadcast satellite service, Class A television service, the continued establishment of wireless cable systems and low power television stations, digital television technologies, the internet and mobility, and portability of our broadcast signal to hand-held devices.

Other Considerations

The preceding summary is not a complete discussion of all provisions of the Communications Act or other congressional acts or of the regulations and policies of the FCC, or in some cases, the DOJ. For further information, reference should be made to the Communications Act, other congressional acts and regulations, and public notices circulated from time to time by the FCC, or in some cases, the DOJ. There are additional regulations and policies of the FCC and other federal agencies that govern political broadcasts, advertising, equal employment opportunity, and other matters affecting our business and operations.

ENVIRONMENTAL REGULATION

Prior to our ownership or operation of our facilities, substances or waste that are, or might be considered, hazardous under applicable environmental laws may have been generated, used, stored, or disposed of at certain of those facilities. In addition, environmental conditions relating to the soil and groundwater at or under our facilities may be affected by the proximity of nearby properties that have generated, used, stored, or disposed of hazardous substances. As a result, it is possible that we could become subject to environmental liabilities in the future in connection with these facilities under applicable environmental laws and regulations. Although we believe that we are in substantial compliance with such environmental requirements and have not in the past been required to incur significant costs in connection therewith, there can be no assurance that our costs to comply with such requirements will not increase in the future or that we will not become subject to new governmental regulations, including those pertaining to potential climate change legislation, that may impose additional restrictions or costs on us. We presently believe that none of our properties have any condition that is likely to have a material adverse effect on our consolidated balance sheets, consolidated statements of operations, or consolidated statements of cash flows.

COMPETITION

Our stations and networks compete for audience share and advertising revenue with other television stations and cable networks in their markets, as well as with other advertising media such as Distributors, other OTT distributors, cable networks, video on-demand, radio, newspapers, magazines, outdoor advertising, transit advertising, telecommunications providers, direct mail, internet, podcasts, other digital media, and 'Big Tech'.

Stations Our stations and networks compete for television audience share primarily on the basis of program popularity, digital advertising impressions compete for audience share primarily based on content and reach, and podcast listeners compete for audience share based upon content subject matter, all of which has a direct effect on advertising rates. rates within each of these platforms.

Our network affiliated stations are largely dependent upon the performance of network provided programs in order to attract viewers. Non-network time periods are programmed by the station primarily with syndicated programs purchased for cash, cash and barter, or barter-only, as well as through self-produced news, public affairs programs, live local sporting events, paid-programming, and other lifestyle and entertainment programming. We also compete for programming which involves negotiating with national program distributors or syndicators that sell first-run and rerun packages of programming. Our stations and networks compete for access to those programs against in-market broadcast station competitors for syndicated products and with national cable networks. Public broadcasting stations generally compete with commercial broadcasters for viewers, but not for advertising dollars.

Competition in the television broadcasting industry occurs primarily in individual DMAs. Generally, a television broadcasting station in one DMA does not compete with stations in other DMAs. Our stations are located in highly competitive DMAs. Distributors can increase competition for viewership and broadcast television advertising inventory by carrying additional cable network channels within the same DMA as the broadcast television stations. Distributors sell advertising on these cable networks to local advertisers. These narrow cable network channels are typically low rated, and, as a result, advertisements are inexpensive to the local advertisers. Distributors may also connect two or more cable systems together, also called an interconnect, which gives advertisers the option to reach more households in a market with a single buy. In addition, certain of our DMAs are overlapped by over-the-air stations from adjacent DMAs and Distributors of stations from other DMAs, which tends to spread viewership and advertising expenditures over a larger number of television stations. In addition, there is significant increased competition with Google, Facebook, social media, OTT offerings, and the multitude of other digital offerings that air video advertisements and sell programmatically to agencies and advertisers. Distributor and OTT offerings have the an ability to either blanket the market or target their advertising which broadcast stations do not.

Advertising rates are based upon factors which include the size of the market in which the stations operate; a program's popularity among the viewers that an advertiser wishes to attract; the number of advertisers competing for the available time; the demographic makeup of the market served by the stations; the availability of alternative advertising media in the DMA; the aggressiveness and knowledge of the sales forces in the market to call on and understand their client's need; and development of projects, features, and programs that tie advertiser messages to programming. We believe that our sales and programming strategies allow us to compete effectively for advertising revenues within the stations' markets.

Further, the competition process of obtaining distribution is highly competitive. Our stations and networks face competition from other television stations and cable networks for the right to be carried by a particular distributor, Distributor, and for the right to be carried on the service tier that will attract the most subscribers. Once one of our stations and networks obtains distribution, that network it competes for viewers not only with the other channels available through the distributor, Distributor, but also with over-the-air television, pay-per-view channels and video-on-demand channels, as well as online services, mobile services, radio, print, streaming services, and other sources of media and information, sporting events, and entertainment. Important to our success in each area of competition the station or network faces are the price the station or network charges for its carriage; the quantity, quality, and variety of programming offered; and the effectiveness of its marketing efforts.

Our stations' and networks' ability to successfully compete with other television stations and cable networks for distribution may be hampered because the Distributors, through which distribution is sought, may be affiliated with other television stations, broadcast networks, or cable networks. Those Distributors may place their affiliated television station or cable network on a more desirable tier, thereby giving the affiliated television station or cable network a competitive advantage over our stations' and networks' own programming. Additionally, broadcast networks putting programming content on their own DTC platforms may also hinder our stations' and networks' ability to successfully compete within the broadcast market.

Moreover, technological advances and regulatory changes affecting programming delivery through fiber optic lines, video compression, and new wireless uses could lower entry barriers for new video channels and encourage the further development of increasingly specialized "niche" programming. Telecommunication companies are permitted to provide video distribution services, on a common carrier basis, as "cable systems" or as "open video systems," each pursuant to different regulatory schemes. Additionally, OTT services allow consumers to consume programming on-demand through access to the Internet and without a subscription with a Distributor. We continue to compete with the these OTT services for viewership.

DTV technology allows our stations viewership, which has become increasingly difficult as OTT distributors have begun to provide viewers multiple channels of digital television over each of our existing standard digital channels, to provide certain programming in HD television format and to deliver bundle their products with other channels of information in the forms of data and programming to the internet, PCs, smart phones, tablet computers, and mobile and streaming devices. These additional capabilities may provide us with additional sources of revenue, as well as additional competition. OTT offerings.

The financial success of our stations and networks also depends in part upon unpredictable and volatile factors beyond our control, such as viewer preferences, the strength of the advertising market, the quality and appeal of competing programming, and the availability of other entertainment activities.

We believe we compete favorably against other television stations and cable networks because of our management skill and experience, our ability historically to generate revenue share greater than our audience share, our network affiliations and program service arrangements, and our local program acceptance. In addition, we believe that we benefit from the operation of multiple broadcast and network properties, affording us certain non-quantifiable economies of scale and competitive advantages in the purchase of programming.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ACTIVITIES AND PRACTICES

We have a long history of supporting environmental, social, and governance ("ESG") activities and, in the past few years, we have taken steps to better measure and quantify our progress in these areas. In addition to our ESG Committee, which is made up of executive leadership, we have also formed working groups in the areas of sustainability, employee experience, and diversity and inclusion.

In May 2023, we published our 2022 ESG report, detailing our ESG achievements and underscoring our core strategies, which are the foundation of our ESG commitments, including:

- Identifying and implementing ways to reduce our impact on the environment through the education and engagement around sustainable solutions that can be adopted;
- Supporting employees by ensuring a fair, ethical, and safe workplace where our employees can grow, develop, and thrive;
- Supporting diversity at all levels;
- Providing news consumers with access to a broad range of ideas and perspectives, both on-air and online, and connecting people with important, informational content, everywhere; and
- Providing transparency, accountability, and diverse thinking that seeks to minimize risk, while ensuring all stakeholders understand the direction, performance, and financial stability of the organization.

Human Capital

Our success is driven by our most important asset - our employees. It is their hard work and dedication that enables us to be a trusted partner to our viewers and a valuable resource to our communities. As of December 31, 2022 December 31, 2023, we had approximately 7,900 7,300 employees, including part-time and temporary employees. Approximately 620 590 employees are represented by labor unions under certain collective bargaining agreements.

We support our employees by ensuring that we provide a fair, ethical, and safe workplace.

- We take pride in our practices to ensure the safety, health, and well-being of our employees. We maintain best practices for safety and health through policies and procedures and access to our employee assistance program.

- Our employment practices are rooted in our policies against discrimination, harassment, and retaliation to ensure a positive working environment for all.
- We are committed to an ethical workplace and provide our employees with guidance and reporting mechanisms to foster a culture of honesty and accountability.
- We provide our employees a comprehensive benefits package, recognition for their efforts, and resources to enable and enhance learning and development, and we have worked hard to ensure we provide a workplace where employees can feel that they belong.

Corporate Culture. We are committed to maintaining a safe, ethical, and harassment-free workplace. We recognize that our success as a team, and in our communications with one another, is grounded in our ability to trust team members to be fully engaged and to do the right thing. We support trusting relationships by offering clear guidance, structure, resources, and accountability. To this end, we maintain governance policies that apply to all of our directors, officers, and employees, including a code of business conduct and ethics, employee safety program, and no harassment and open-door policies. These policies are intended to identify, provide mechanisms for reporting, and provide a framework for solving potential issues. These policies are reviewed and updated by management, together with the Board, as our needs grow and change and upon stakeholder feedback and changes in applicable laws, regulations, and stock exchange requirements.

We value and support diversity and inclusion at all levels. Diversity and inclusion have been fundamental from our very beginning, and we take pride in being an equal opportunity employer. Diversity, inclusion, equal employment opportunity, and strong anti-discrimination policies go hand-in-hand. Our Diversity and Inclusion Statement establishes clarity and alignment throughout our organization, at all levels, regarding how we connect with each other by embracing diversity and promoting inclusion among our employees, viewers, and customers. All employees are asked to honor the intent of our Diversity and Inclusion Statement in their daily activities and decisions and are required to take part in workplace diversity training.

Over several decades, our local television stations have built recruiting and outreach programs that encourage diversity in our workforce. Our activities are designed to ensure broad outreach to potential applicants by widely disseminating information concerning job vacancies, providing notification to community groups, attending diverse job fairs, participating in other various recruitment outreach activities, offering paid internships, and providing training to managers on equal employment opportunity and discrimination prevention.

Employee Engagement. We regularly gather feedback from employees to gain an understanding of and improve our employee experience and to foster an engaged workforce. This feedback is used to help create new, and refine existing, employee related employee-related programs and processes.

Sinclair takes a strategic approach to talent development. We provide on-the-job training and other learning opportunities to employees so that they gain and develop necessary skills for optimal job performance and to foster a creative and collaborative work environment. Our We encourage employees to complete areas of professional development using our learning and development platform, Sinclair University, allows where employees have access to access a vast collection of learning and development content. During 2022, we expanded employee's access to online courses for learning and development and instituted a program to encourage employees to complete areas of professional development. We also provide leadership development through targeted training programs. In addition, many of our leaders have their own employee development offerings, specific to their department and position. position, including mentoring programs.

We actively promote our internal job announcement program as a part of our efforts to support employee growth by taking on new career opportunities within Sinclair.

Our innovation project is a strategic lever that drives revenue, reduces waste, and engages employees to serve our customers and shareholders as a pioneer in the industry. We believe that the "next big idea" could come from anyone or anywhere and with this in mind, in 2020 we began an effort to gather innovation ideas from employees company-wide. In 2022, we launched a Our dedicated Innovation & Strategy team that will build builds on our rich history of innovation to accelerate efforts across content, technology, audience development, distribution, marketing services, and business transformation. This new Innovation & Strategy team brought over 200 innovators together at our annual Innovation Summit in 2022, where we took dedicated time to celebrate our legacy of innovation and dive deeper into our growth pillars: Multi-Platform Content, Marketing Services, Data Distribution, and Interactivity & Community.

Health, Safety, and Wellness. The health, safety, and wellness of our employees is vital to our success, and we maintain and continuously enhance affordable health care options for them. We continuously work to improve our practices, policies, and benefits to make meaningful impacts on our employees personal and professional lives, sponsoring an employee assistance program aimed at enhancing their physical, financial, and mental well-being. During 2022, we began well-being and sponsoring a new program to provide employees and spouses discounted access to fitness facilities.

Compensation. Our employee compensation includes market-competitive pay, pay; a 401(k) plan, plan; an employee stock purchase plan, plan; healthcare benefits, benefits; three weeks minimum paid time off and off; family leave, including six weeks of paid parental leave; and employer paid life and disability insurance. We continue to improve our compensation offerings. In 2022, 2023, we added two additional Company observed holidays, bringing the total number of Company observed holidays to nine; increased the minimum vacation accrual from two-weeks to three-weeks; increased paid parental leave from one week to six weeks; and again offered our employees the opportunity for additional time off through the Vacation Exchange Program.

Social Responsibility

As a local news broadcaster, we believe it is our responsibility to raise issues of local importance, through deep investigative reporting at our stations, and provide critical and relevant information to our viewers, including crucial news updates during potentially life-threatening situations when our viewers need them most. During 2022, our stations received 290 journalism awards, including 74 regional Emmy awards, and 24 Regional and two National RTDNA Edward R. Murrow awards which are awarded to recognize local and national news stories that uphold ethics, demonstrate technical expertise, and exemplify the importance and impact of journalism as a service to the community. More importantly than its award recognition is the impact our reporting has on the communities we serve. We are committed to getting results for the people living in the communities we serve. Our journalists' ground-breaking reporting has prompted government investigations as well as changes in government policies and new state and federal laws. Our unique reporting in under-served arenas has sparked much-needed public engagement on topics of high local importance and concern. WBFF's "Project Baltimore," which is now heading into its seventh eighth year in 2023, 2024, has uncovered systemic failures within produced nearly 700 stories since its inception, chronicling the Baltimore County struggles and Baltimore City Public School Systems, resulting in investigations into the falsifying of report cards, inaccurate nurse timesheets, and violations of federal disability laws by the Inspector General for the U.S. Department of Education issues facing Maryland public schools and the Maryland Inspector General for Education. Our national investigative team, "Spotlight on America," students that attend those schools. Project Baltimore's "Crisis in conjunction with WJLA the Classroom" reporting philosophy has spread to our newsrooms across the country as our journalists unearth challenges facing students, parents, and WJLA's "Inside Your World Investigates," continue to reveal toxic forever chemicals and other dangerous pollutants negatively impacting water, food supplies, and consumer products, which cause significant health risks for people throughout teachers across the United States States. Reporting by our journalists in 2023 on topics such as the issues facing public schools, the opioid, heroin, and especially U.S. Military personnel. These stories fentanyl crises, homelessness, and countless others civil rights, to name just a few, lead to resignations, FBI indictments, executive orders, additional government funding, and new legislation. Our journalists are examples committed to providing citizens with relentless, in-depth reporting that holds public officials accountable, tracks the spending of our ongoing commitment taxpayer dollars, and gives a voice to relentless accountability reporting on behalf of the voiceless viewers who live in the communities we are proud to serve.

Connect to Congress is our multimedia initiative that enables Members of Congress from our news markets to speak directly to their constituents on a regular basis, through their local TV news stations. The initiative, which launched in 2015, offers our local market viewers new ways to get answers to questions about what matters most to them at home. Each Wednesday when Congress is in session, we set up cameras in the Capitol Rotunda, connected remotely to our local stations, with anchors and reporters conducting interviews with lawmakers about the key issues affecting constituents, connecting our local stations directly to Congress. This also offers the hundreds of Congressional Members in our news markets their own media voice in their home districts. On average, over 300 interviews are conducted through Connect to Congress each year.

This is In our 10th year 12-year history of producing our community "Your Voice Your Future" Town Halls. These Halls, we've produced over 1,350 productions. This distinctive series recognizes the importance of producing disruptive programming, with disciplined discussions and solutions for the communities we serve. Our goal from the beginning has been to inform, educate and protect our viewers. Our Town Halls are produced in the local markets and give our viewers an opportunity to have a voice and ask their elected leaders questions on important local and national topics. In 2022 and 2021 2023 we produced 198 and 162 188 Town Halls respectively, throughout the country, covering a variety of topics including crime, police funding, police shortages, affordable housing, education, mental health, opioids, bullying, finance, artificial intelligence, distrust of police, antisemitism, Black History Month, LGBTQ+ legislation, and human trafficking. In 2022, we organized 56 political veterans. We also produced several debates featuring gubernatorial, in 2023, a non-election year, including several mayoral, senatorial, and congressional races as well as School Superintendent in Oklahoma City city council, and school board positions in Virginia. Since launching our commitment to give debates, a voice to our viewers, our Town Halls have produced 1,198 productions to educate Wisconsin Supreme Court debate, a congressional debate, and address the needs of our audience. a gubernatorial debate.

We have steadfast dedication to providing content that alerts, protects, and empowers our audience. Distinctive, Disruptive, and Disciplined; these three simple words carry a great deal of weight as we meet the demands of today's news consumer.

We believe it is our responsibility to be involved in our local communities. Sinclair Cares is our Company-wide community service and relief campaign program, which utilizes the strength of our properties to uplift organizations and inspire our audiences and employees to make a positive impact in our communities. Sinclair Cares mobilizes Sinclair's assets to support various community and charitable endeavors and responses to natural disasters through financial assistance, volunteerism, and raising awareness of important topics through our media platforms. Over the last six years, Sinclair Cares has spearheaded the company's Company's efforts, including fund-raising and blood donations during weather and climate catastrophes, and raising funds and awareness for important social causes. Recent initiatives include:

- Sinclair Cares: Ukraine Humanitarian Relief in Israel - a fundraising partnership with Global Magen David Adom, an affiliate of the International Federation of Red Cross and Red Crescent Societies, to help with their efforts providing humanitarian relief efforts on the ground and emergency medical services for all people in Ukraine and neighboring countries. In one week, over $215,000 was raised, including a $50,000 donation from the Company.
- Sinclair Cares: Supporting All Veterans - a partnership with the Disabled American Veterans (DAV) with the goal Israel, regardless of increasing support for our nation's veterans, we encouraged employees and viewers to volunteer to support veterans in their communities religious creed or donate to help the DAV offer free support services to more than a million veterans across the U.S. each year. political belief.
- Sinclair Cares: Summer Hunger Relief Diaper Drive - a partnership with Feeding America® the National Diaper Bank Network to help create awareness, provide meals assistance, and build a community to children reduce diaper need in the United States.
- Sinclair Cares: Mental Health Support + Hope - a partnership with the National Alliance on Mental Illness to encourage mental health awareness, with a focus on young adults.

In 2023, we announced a multi-year, national agreement with USC Shoah Foundation—The Institute for Visual History and families across Education (the "Institute") to assist with the U.S. through financial contributions, donors helped provide more than two million meals recording of interviews with genocide survivors as part of the Institute's Last Chance Testimony Collection Initiative, an effort to children collect testimonies from the last living survivors and families in their local communities, with funds going directly witnesses to the Feeding America food bank in Holocaust and other genocides. Under the donor's local community. The Company provided a $25,000 donation. agreement, we will provide our production facilities to film testimonies via high-definition video and audio recordings taken with state-of-the-art equipment at our broadcast television stations around the United States.

Our stations also sponsor countless philanthropic campaigns and events such as health expos, parades, and blood drives in their local markets and contribute to local charities. We encourage not only our stations, but also our employees to engage in the communities in which we serve and live. Through our continued partnership In 2023, Sinclair partnered with more than 400 nonprofit and civic organizations locally and across the Salvation Army and over 300 local partner organizations in the communities in which we operate, and with the support of our local TV stations and digital properties, we helped country to help raise over $12 million in 2022 nearly $30 million for non-profit nonprofit organizations, schools, community agencies, and local disaster relief; collected more than 330,000 relief. In addition, Sinclair helped to collect over 2.3 million pounds of food; provided close to 4.5

million meals; food, over 642,000 diapers, nearly 100,000 toys, and collected toys, school supplies, diapers, hygiene products, and 3,700 units of blood for those in need. In addition, we donated more than 5,700 hours of airtime. need, while donating over $9.5 million in promotional airtime to organizations.

In 2023, we began a program to match certain employee charitable cash donations in order to encourage our employees to make charitable contributions to support activities and efforts that are important to them, and we held our first annual Sinclair Day of Service whereby all employees were encouraged to volunteer that day for charitable causes. Thousands of employees eagerly turned out to help out in their communities.

Our Diversity Scholarship Fund provides support to college students demonstrating a promising future in the broadcast industry. In 2022, 2023, we expanded our scholarship program nationally and selected 17 awarded a total of $60,000 to 15 winning applicants for from across the scholarship. country. We have distributed more than $250,000 $315,000 in tuition assistance since 2013, with a goal to invest in the future of the broadcast industry and to help students from diverse backgrounds, who reflect our audience audiences nationwide, complete their education and pursue careers in broadcast journalism, digital storytelling, and marketing.

In 2023, SBG announced the return of SBG's News Reporter and Producer Academies, a series of interactive, virtual workshops for college students interested in pursuing careers in journalism, including reporting, producing, and, beginning this year, weather.

Environmental Responsibility

Our mission is to identify and implement ways to reduce our impact on the environment through the education and engagement of internal and external audiences around sustainable solutions that can be adopted. We have accelerated actions within our organization to lessen our use of electricity over time and to measure and eventually report on our electricity usage. Our sustainability group is tasked with finding ways to help lower our carbon footprint through lowering our electricity consumption, purchasing greener supplies, and recycling. One such initiative is Some of these initiatives are the efforts we are undertaking in proactively replacing our existing less efficient lighting with LED lighting, replacing HVAC equipment with higher efficiency models, and exploring solar energy, battery farms, and electric vehicles as other ways our company can reduce its reliance on energy sources that result in emissions of greenhouse gasses that are harmful to the environment. Since 2017, we have installed 117 131 new, energy efficient television transmitters, which are typically 25% more energy efficient than the units that they replace and generate less waste heat, and are currently installing, or have plans to install, an additional 38 24 during 2024 and 2025. During 2023, and we implemented a battery recycling operation across our station footprint in order to reduce the amount of waste moving to landfills. In conjunction with this, we have begun a company-wide transition to the use of rechargeable batteries for all studio operations at our stations, which we expect to be completed in the middle of 2024. Throughout the organization, we are seeking to reduce the use of paper products and, whenever possible, recycling paper, electronics, and other items. We were one of only 19 organizations recognized by Office Depot in 2021 for being a leader in green purchasing, recognizing our high degree of expenditures with eco-friendly attributes such as recycled content, energy-efficiency, and reduced use of harsh chemicals. In April 2022, we launched a public service campaign, with Batteries Plus, to encourage our viewers to recycle their batteries by bringing them to Batteries Plus locations and later in the year, we launched a pilot program to recycle the Company's batteries and to identify ways to reduce our overall battery consumption. The initiative arose from a Company innovation contest, where employees were surveyed on ways our organization could lessen its impact on the environment. By partnering with Batteries Plus for this initiative, we are working towards an eco-friendly process to be utilized for the recycling program and proper safety precautions that we plan to utilize at all of our locations

In addition to our direct efforts to reduce our impact on the environment, we produce high quality news to increase our viewers' general awareness of environmental issues and programs by providing them information on how they can participate in improving environmental sustainability.

Governance

Sinclair takes corporate governance and responsibilities to its stakeholders very seriously. We remain committed to finding the best representation to drive success in the organization in the years ahead. Diversity of thought, skills, background, and experience are important elements the Company looks for in its leadership team. In 2021, we hired a Chief Compliance Officer and made changes to our The Board of Directors (the "Board") structure, including adding includes a regulatory committee and a nominating and corporate governance committee. Our Sinclair's Chief Compliance Officer provides regular updates to Company management and meets quarterly with the Boards' regulatory committee. committee, with the audit committee jointly meeting with the regulatory committee twice each year. In 2021, Laurie R. Beyer was added October 2023, the Company updated its Code of Business Conduct and Ethics to further identify the Board as ethical duties and responsibilities of the Company's officers, directors and employees, and foster a new independent director culture of honesty, integrity, and our first female Board member and, in 2022, Dr. Benjamin S. Carson, Sr. was added to the Board as a new independent director and our first racially diverse Board member. accountability.

Managing and governing cybersecurity risk remains a high priority. We continue to make investments to ensure continuous improvement of our cybersecurity control effectiveness and governance. We maintain a data protection policy and have invested in additional cybersecurity solutions, professional services, and the growth of our information security department. We continue to work closely with our key partners and supporting agencies to mature our security posture and quickly adjust to today's rapidly changing threat landscape. Our Chief Information Officer and Chief Information Security Officer report quarterly to the Board of Directors' cybersecurity subcommittee to ensure that they receive regular updates from Company management regarding the status of current and future cybersecurity plans, enabling the subcommittee to provide oversight of those issues. We did not experience any material cybersecurity incidents during 2022. In 2022, we launched a comprehensive Enterprise Risk Management program that is designed to both identify risks across the Company and actions to mitigate those risks. We continue to execute our plans to strengthen our existing cybersecurity defenses and intend to make further investments in the upcoming year. We did not experience any material cybersecurity incidents during 2023. See *Item 1C. Cybersecurity* below for further discussion regarding our cybersecurity program. In addition, our comprehensive enterprise risk management program is designed to both identify risks across the Company and to take actions to mitigate those risks.

AVAILABLE INFORMATION

We regularly use our website as a source of company information and it can be accessed at www.sbgi.net. We make available, free of charge through our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such documents are electronically submitted to the SEC, who also makes these reports available at http://www.sec.gov. We intend to comply with the requirements of Item 5.05 of Form 8-K regarding amendments to and waivers under the code of business conduct and ethics applicable to our Chief Executive Officer, Principal Financial Officer and Principal Accounting Officer by providing such information on our website within four days after effecting any amendment to, or granting any waiver under, that code, and we will maintain such information on our website for at least twelve months. In addition, a replay of each of our quarterly earnings conference calls is available on our website until the subsequent quarter's earnings call. The information contained on, or otherwise accessible through, our website is not a part of this Annual Report on Form 10-K and is not incorporated herein by reference.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below before investing in our securities. The risks described below, along with risks not currently known to us or that we currently believe are immaterial, may impair our business operations and our liquidity in an adverse way.

Risks relating to our operations RISKS RELATING TO OUR OPERATIONS

Our strategic acquisitions and investments could pose various risks and increase our financial leverage.

We have pursued and intend to selectively continue to pursue strategic acquisitions and investments, subject to market conditions, our liquidity, and the availability of attractive acquisition and investment candidates, with the goal of improving enhancing or expanding our business. We existing business and to acquire and develop new products and services. In the future, we may not be able to identify attractive acquisitions or investment targets, or we may not be able to fund additional acquisitions or investments in the future. investments.

Acquisitions involve inherent risks, such as increasing leverage and debt service requirements and combining company cultures and facilities, which could have a material adverse effect on our results of operations and could strain our human resources. Additionally, we may not be able to successfully implement effective cost controls, achieve expected synergies, or increase revenues as a result of an acquisition. In addition, future Future acquisitions may result in our assumption of unexpected liabilities, may result in the diversion of management's attention from the operation of our core business and may limit our ability to generate higher returns elsewhere. Additionally, acquisitions and investments present numerous growth challenges, and our investments may not be favorably received by the market and may fail to grow.

Certain acquisitions, such as television stations, are subject to the approval of the FCC and potentially, other regulatory authorities, such as the DOJ. The need for FCC and other regulatory approvals could restrict our ability to consummate future transactions and potentially require us to divest certain television stations or businesses if the FCC or other regulatory authority believes that a proposed acquisition would result in excessive concentration in a market, even if the proposed combinations may otherwise comply with FCC ownership limitations or other regulations. There can be no assurance that future acquisitions will be approved by the FCC or other regulatory authorities, or that a requirement to divest existing stations or businesses will not have an adverse outcome on the transaction.

If the rate of decline in the number of subscribers to Distributor services increases or these subscribers shift to other services or bundles that do not include our stations or programming networks, there may be a material adverse effect on our revenues.

During the last few years, the The number of subscribers to Distributor services in the United States has been declining as technological advancements have driven changes in consumer behavior and have empowered consumers to seek more control over when, where and how they consume news, sports, and other entertainment, including through the so-called "cutting the cord" and other consumption strategies. The Distributor subscriber decline has led to a decline in subscribers from some of our stations and networks. In addition, Distributors have introduced, marketed, and/or modified tiers or bundles of programming that have impacted the number of subscribers that receive our programming networks, including tiers or bundles of programming that exclude our programming networks. Broadcast networks have also introduced DTC platforms that have impacted the number of subscribers to Distributor services.

If Distributor service offerings are not attractive to consumers for any reason (pricing, increased competition from OTT and DTC services, increased dissatisfaction with the quality of Distributor services, poor economic conditions or other factors), more consumers may (i) cancel their Distributor service subscriptions, (ii) elect to instead subscribe to OTT and DTC services, which in some cases may be offered at lower prices, or (iii) elect to subscribe to Distributors with smaller bundles of programming which may not include our programming networks.

If the rate of decline in the number of Distributor service subscribers increases or if subscribers shift to OTT services or smaller bundles of programming that do not include our programming networks, this may have a material adverse effect on our revenues.

If subscribers shift to DTC platforms, this may have a material adverse effect on our revenues.

We may not be able to renegotiate distribution agreements at terms comparable to or more favorable than our current agreements and networks with which we are affiliated currently, or in the future, may require us to share revenue from distribution agreements with them.

As distribution agreements expire, we may not be able to renegotiate such agreements at terms comparable to or more favorable than our current agreements. This may cause revenues and/or revenue growth from our distribution agreements to decrease under the renegotiated terms despite the fact that our current distribution agreements include automatic annual fee escalators. In addition, certain networks or program service providers with which our stations are affiliated are currently, or in the future are expected to, require us to share revenue from distribution agreements with them as part of renewing expiring affiliation agreements or pursuant to certain rights contained in existing affiliation agreements. Generally, our distribution agreements and agreements with networks or program service providers are for different lengths of time and expire in different periods. If we are unable to negotiate a distribution agreement or the revenue received as part of those agreements declines over time, then we may be exposed to a reduction in or loss from distribution revenue net of revenue shared with networks and program service providers. We cannot predict the outcome or provide assurances as to the outcome of any future negotiations relating to our distribution agreements or what impact, if any, they may have on our financial condition and results of operations. See *Television Markets and Stations* within *Item 1. Business* for a listing of current expirations of our affiliation agreements.

Further change Any changes in the current retransmission consent regulations could have an adverse effect on our business, financial condition, and results of operations**.**

Distributors lobby to change the regulations under which retransmission consent is negotiated before both Congress and the FCC in order to increase their bargaining leverage with television stations.

In September 2015, the FCC released a Notice of Proposed Rulemaking in response to a Congressional directive in STELAR to examine the "totality of the circumstances test" for good-faith negotiations of retransmission consent. The proposed rulemaking seeks comment on new factors and evidence to consider in its evaluation of claims of bad faith negotiation, including service interruptions prior to a "marquee sports or entertainment event," restrictions on online access to broadcast programming during negotiation impasses, broadcasters' ability to offer bundles of broadcast signals with other broadcast stations or cable networks, and broadcasters' ability to invoke the FCC's exclusivity rules during service interruptions. On July 14, 2016, the FCC’s Chairman at the time announced that the FCC would not, at that time, proceed to adopt additional rules governing good faith negotiations of retransmission consent but did not formally terminate the rulemaking. No formal action has yet been taken on this Proposed Rulemaking, and we cannot predict if the FCC will terminate the rulemaking or take other action.

The FCC rules governing "good faith" retransmission consent negotiations provide that, among other things, it is a per se violation of the statutory duty to negotiate in good faith for a television broadcast station to negotiate retransmission consent jointly with another station in the same market if the stations are not commonly owned. In May 2020, the FCC revised its good faith negotiation rules to specify that certain small MVPDs can meet the obligation to negotiate in good faith by negotiating with a large station group through a qualified MVPD buying group and that large station groups have an obligation to negotiate in good faith with such MVPD buying groups.

As further described under *Item 1. Business – Federal Regulation of Television Broadcasting*, the FCC also has pending a Further Notice of Proposed Rulemaking pending which seeks additional comment on whether it has authority to, and should, eliminate or modify its network non-duplication and syndicated exclusivity rules.

The FCC's prohibition on certain joint retransmission consent negotiations and the possible elimination or modification of the network non-duplication and syndicated exclusivity protection rules may affect our ability to sustain our current level of distribution revenues or grow such revenues in the future and could have an adverse effect on our business, financial condition and results of operations.

We face intense, wide-ranging competition for viewers and advertisers.

We compete, in certain respects and to varying degrees, for viewers and advertisers with other programming networks, pay-per-view, video on demand, online streaming services, and other content offered by Distributors. We also compete for viewers and advertisers with OTT and DTC, mobile media, radio, motion picture, home video, stadiums and arenas, podcasts, outdoor advertising and other sources of information and entertainment and advertising services. Important competitive factors are the prices we charge for our programming networks, the quantity, quality and variety of the programming offered and the effectiveness of marketing efforts.

With respect to advertising services, factors affecting the degree and extent of competition include prices, reach and audience demographics, among others. Some of our competitors are large companies that have greater financial resources available to them than we do, which could impact our viewership and the resulting advertising revenues.

Rivals that may have greater resources than we have include:

- other local free over-the-air broadcast television and radio stations;
- Distributors, such as telecommunication companies, cable providers and direct broadcast satellite providers;
- print media providers such as newspapers, direct mail and periodicals;
- internet search engines, internet service providers, social media platforms, websites, gaming platforms, and mobile applications;
- OTT technologies;
- Distributor "skinny" packages;
- mobile television; and
- other emerging technologies.

Competition Our ability to adapt to competition from other broadcasters, or other content providers and changes in consumer behavior and technology may cause a reduction in adversely affect our advertising revenues and/or an increase in our operating costs. business.

The ways in which consumers view content and technology and business models in our industry continue to rapidly evolve and new distribution platforms and increased competition from new entrants and emerging technologies have added to the complexity of maintaining predictable revenue streams. Technological advancements have driven changes in consumer behavior as consumers seek more control over when, where and how they consume content and have affected advertisers' options for reaching their target audiences. Consumer preferences have evolved towards subscription video on demand and free advertising supported video on demand services and other DTC offerings and there has been a substantial increase in the availability of content with reduced advertising or without advertising at all. In addition, consumers Consumers are also increasingly using time-shifting and advertising-skipping technologies that enable them to fast-forward or circumvent advertisements. There has also been a proliferation of high speed high-speed internet connections and expansion of 5G networks able to support high-quality streaming video within increasingly interactive and interconnected digital environments and on a wide variety of devices other than traditional televisions. Additionally, gaming and other consoles are establishing themselves as providers of video services. Substantial use of these technologies could impact the attractiveness of the Company's programming to advertisers and adversely affect our advertising revenues. The inability Our ability to meet consumer demands and expectations in today's highly evolving mobile, multi-screen and multi-platform environment for video delivery and to successfully adapt to technological advances in our industry, including alternative distribution platforms and viewing technologies, may affect the attractiveness of our offerings. Ineffective technology and product integration, lack of specific features and functionalities, poor interface design or ease of use, or performance issues, among other factors, may cause viewers to favor alternative offerings. Failure to adapt or to remain competitive with these developing technologies could have an adverse effect on our business, financial condition and results of operations.

Distributors are developing or have developed new technology that allows them to transmit more channels on their existing equipment to highly targeted audiences, reducing the cost of creating channels and potentially leading to the division of the television industry into ever more specialized niche markets. Competitors who target programming to such sharply defined markets may gain an advantage over us for television advertising revenues. The decreased cost of creating channels may also encourage new competitors to enter our markets and compete with us for advertising revenue. In addition,

Advertising revenues can be significantly impacted by new technologies, that allow viewers since advertising sales are dependent on audience measurement provided by third parties, and the results of audience measurement techniques can vary independent of the size of the audience for a variety of reasons, including variations in, and difficulties related to, digitally record, store, the employed statistical sampling methods, new distribution platforms and play back television programming may decrease viewership viewing technologies (such as digital recording and time-skipping technologies), and the shifting of commercials as recorded by media the marketplace to the use of measurement services of different viewer behaviors, such as Nielsen or Comscore and, as a result, lower our advertising revenues. The current ratings provided by Nielsen for use by broadcast stations for live viewing Digital Video Recording playback are limited to seven days past delayed viewing. Nielsen's statistical sampling method is the original air date. Additionally, in most markets, no credit is given for online viewing. The effects of new ratings data methodologies, many of which are primary measurement technique used in our markets, television advertising sales; however, the industry is expected to adopt new measurement currencies in the near-future and the ability of such methodologies to be a reliable standard that can be used by advertisers is still under review for accreditation from the MRC. Local audience measurement has been severely impacted by the COVID-19 pandemic. Nielsen relies heavily on in-person recruitment. Due to COVID-related guidelines, Nielsen was unable to recruit and maintain their panels to standards. As a result, panels have become skewed, unbalanced, and less reliable, which are issues that Nielsen is still working making methodological changes to address even after the way it measures viewing by incorporating set top box and smart TV data. The emerging measurement currencies generally undercount over-the-air viewing and Nielsen has not prioritized over-the-air enhancements. If measurement evolves in a return direction that is unfavorable to in-person work. Due over-the-air viewing it could reduce the attractiveness of our audiences to this advertisers. In addition to traditional measurement currencies, we also measure and monetize our campaign reach and frequency on and across digital platforms based on other issues with measurement third-party data using a variety of methods including the number of impressions served and reporting, MRC accreditation for certain data demographics. These variations and changes could have been put a significant negative effect on hiatus as Nielsen works to correct their local panels.

Distributors may include over-the-air antennas within their set-top boxes allowing them to provide free over-the-air signals to their subscribers which could result in decreases in our distribution revenues received for our signal being carried on their channels.

We cannot provide any assurances that we will remain competitive with these developing technologies. advertising revenues.

We depend on the appeal of our programming, which may be unpredictable, and increased programming costs may have a material negative effect on our business and on our results of operations.

We depend in part upon viewer preferences and audience acceptance of the programming on our stations and networks. These factors are often unpredictable and subject to influences that are beyond our control, such as the quality and appeal of competing programming, general economic conditions and the availability of other entertainment options. We may not be able to successfully predict interest in proposed new programming and viewer preferences could cause new programming not to be successful or cause our existing programming to decline in popularity. An increase in our costs associated with programming, including original programming, or a decrease in viewership of our programming, may materially negatively affect us and our results of operations.

In addition, we rely on third parties for broadcast, entertainment, news, sports and other programming for our stations and networks. We compete with other providers of programming to acquire the rights to distribute such programming. If we fail to continue to obtain broadcast, entertainment, news, sports and other programming for our stations and networks on reasonable terms for any reason, including as a result of competition, we could be forced to incur additional costs to acquire such programming or look for alternative programming, which may have a material negative effect on us and our results of operations.

The COVID-19 pandemic, or the future outbreak or pandemic of any other highly infectious or contagious diseases, could have a material and adverse effect on, or cause disruption to, our business or financial condition, results of operations and cash flows, the economy, our advertisers, viewership, Distributors, and their subscribers.

The COVID-19 pandemic and measures put in place to prevent the spread of the virus has had a significant negative impact on the global economy, including many industries in which our customers operate, curtailing advertising revenue and disrupting normal business activities in much of the world.

The extent to which COVID-19 or any future outbreak or pandemic impacts our operations, Distributors and advertisers will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the actions taken to contain the outbreak or mitigate its impact, and the direct and indirect economic effects of the outbreak and containment measures, among others. A prolonged imposition of mandated closures or other social-distancing guidelines may adversely impact the ability of our Distributors and advertisers to generate sufficient revenues, and could force them to default on their obligations to us or result in their bankruptcy or insolvency.

In response to the COVID-19 pandemic, we have taken measures to protect the health and safety of our employees and contractors at our facilities. Existing or new precautionary measures or modifications in our business practices and policies in response to COVID-19 or any future outbreak or pandemic may negatively impact our business or operations. In addition, any actions we take may not be sufficient to mitigate the risk of infection. If a significant number of our employees, or employees and third parties performing key functions, including our Chief Executive Officer and members of our Board of Directors, become ill, our business may be further adversely impacted.

Theft of our intellectual property may have a material negative effect on us and our results of operations, and we may become subject to infringement or other claims relating to our consent content or technology.

Our success depends in part on our ability to maintain and monetize the material intellectual property rights in our programming, technology, digital and other content. Our intellectual property rights may be infringed upon by unauthorized usage of original broadcast content (including, without limitation, live and non-live content). Such unauthorized usage may occur on any and all distribution platforms, including, without limitation, linear and streaming services. Additionally, our intellectual property rights may be further infringed upon by third-party unauthorized distribution of original broadcast content, game content and/or highlights on social media platforms on a live or near live basis. Third-party licensors of content may infringe upon our intellectual property rights by not complying with content distribution rules.

Theft, misappropriation or the invalidity of our intellectual property or the intellectual property that is licensed to us by licensors could have a material negative effect on us and our results of operations by potentially reducing the revenue that we are able to obtain from the legitimate sale and distribution of our content, undermining lawful and revenue-generating distribution channels, limiting our ability to control the marketing of our content and inhibiting our ability to recoup expenses or profit from the costs we incur creating our programming content. Litigation may be necessary to enforce our intellectual property rights or protect our trade secrets. Any litigation of this nature, regardless of outcome, could cause us to incur significant costs and could divert management's attention from the operation of our business. Any impairment of our intellectual property rights, including due to changes in U.S. or foreign intellectual property laws or the absence of effective legal protections or enforcement measures, could have a materially negative impact on our business and the results of our operations.

While our programming personnel regularly monitor third-party streaming platforms and social media pages in an effort to identify intellectual property infringement and work closely with content distributors to notify content protection representatives to take the necessary steps to protect our and their intellectual property rights, those protective measures cannot ensure that theft, misappropriation or the invalidity of our intellectual property or the intellectual property that is licensed to us by licensors will not occur.

In addition, from time to time, third parties may assert claims against us alleging intellectual property infringement or other claims relating to our programming, technology, digital or other content. If any such infringement claim results in the loss of certain of our intellectual property rights, it could have a materially negative impact on our business and the results of our operations.

We have experienced a cyber security breach in the past and may be vulnerable to future security breaches, data privacy, and other information technology failures that could have a material adverse effect on our financial performance and operating results and disrupt our operations.

Our information technology systems are critically important to operating our business efficiently and effectively. We rely on our information technology systems to manage our data, communications, news, and advertising content, digital products, and other business processes, including many third-party systems and software, which are subject to supply chain and other cyber attacks. Despite our security measures (including, employee training, multi-factor authentication, security information and event management, firewalls and testing tools, and backup and recovery systems), on October 17, 2021, we identified the following: (i) certain servers and workstations in our environment were encrypted with ransomware, (ii) disruption of certain office and operational networks as a result of the encryption, and (iii) indications that data was taken from our network. Promptly upon detection of the security event, senior management was notified and we began to implement incident response measures to contain the incident, conduct an investigation, and plan for restoring operations. Legal counsel, a cybersecurity forensic firm, and other incident response professionals were engaged, and law enforcement and other governmental agencies were notified.

The cybersecurity incident identified on October 17, 2021 resulted in the loss in the fourth quarter of 2021 of approximately $63 million of advertising revenue, primarily related to our broadcast local media segment, as well as approximately $7 million through the date of filing of this Form 10-K in costs and expenses related to mitigation efforts, our investigation and the security improvements resulting therefrom. However, we did not pay the ransom that was being sought as a result of the cybersecurity incident.

These amounts exceeded the limits under our insurance policies and thus, based on the known effects of the cyber incident, the Company estimates that the cyber incident has resulted in approximately $20 million of unrecoverable net loss through the date of filing of this Form 10-K. Although we have received $30 million in reimbursement proceeds from our insurance policies through the date of filing of this Form 10-K, there can be no assurance that the insurance policies will pay their full coverage or the timing of such additional reimbursements. In addition, the Company may incur additional cyber incident response costs, and the estimated unrecoverable net loss above does not include an estimate of any liability the Company may have in the event that litigation or regulatory proceedings result from the incident.

We recurringly identify cyber threats as well as vulnerabilities in our systems and work to address them. Despite our efforts and the efforts of our third-party vendors to ensure the integrity of our software, computers, systems and information, we may not be able to anticipate, detect or recognize threats to our systems and assets, or to implement effective preventive measures against all cyber threats, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. Cyber attacks can originate from a variety of sources, including external parties who are affiliated with foreign governments or are involved with organized crime or terrorist organizations. Third parties may also attempt to induce employees, customers or other users of our systems to disclose sensitive information or provide access to our systems or network, or to our data or that of our counterparties, and these types of risks may be difficult to detect or prevent. We expect cyber attack and breach incidents to continue, and we are unable to predict the direct or indirect impact of future attacks or breaches on our business operations.

Investigations of cyber attacks are inherently unpredictable, and it takes time to complete an investigation and have full and reliable information. While we are investigating a cyber attack, we do not necessarily know the extent of the harm or how best to remediate it, and we can repeat or compound certain errors or actions before we discover and remediate them.

The occurrence of a cyber attack, breach, unauthorized access, misuse, ransomware, computer virus or other malicious code or other cybersecurity event could jeopardize or result in the unauthorized disclosure, gathering, monitoring, misuse, corruption, loss or destruction of confidential and other information that belongs to us, our customers, our counterparties, our employees, and third-party service providers that is processed and stored in, and transmitted through, our computer systems and networks. The occurrence of such an event could also result in damage to our software, computers or systems, or otherwise cause interruptions or malfunctions in our, our customers', our counterparties' or third parties' operations. This could result in significant financial losses, loss of customers and business opportunities, reputational damage, litigation, regulatory fines, penalties, significant intervention, reimbursement or other compensatory costs, significant costs to investigate the event, remediate vulnerabilities and modify our protective measures, or otherwise adversely affect our business, financial condition or results of operations. While we maintain insurance to cover losses related to cybersecurity risks and business interruption, such policies, as was the case with respect to the October 2021 cybersecurity incident, may not be sufficient to cover all losses of this incident or any future incidents.

Data privacy, data protection, and information security may require significant resources and present certain risks. risks, including risks related to compliance with domestic and international privacy and data protection laws.

We collect, store, have access to and otherwise process certain confidential or sensitive data, including proprietary business information, personal data or other information that is subject to privacy and security laws, regulations and/or customer-imposed controls. Despite our efforts to protect such data, we may be vulnerable to material security breaches, theft, misplaced or lost data, programming errors, or employee errors that could potentially lead to the compromising of such data, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, and operational disruptions.

We are also subject to domestic laws associated with the collection, storage, use and protection of personal, confidential or sensitive data, including under several comprehensive U.S. state privacy laws, including the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA), in addition to other laws and regulations. These laws and regulations are continually evolving and additional laws may be enacted in the future. These evolving privacy, security, and data protection laws may require us to expend significant resources to implement additional data protection measures. In addition, we operate in an environment in which there are different and potentially conflicting data privacy laws in effect in the various U.S. states in which we operate, and we must understand and comply with each law and standard in each of these jurisdictions while ensuring the data is secure. Our failure to comply with those these laws and regulations, or to adequately secure the information we hold, could result in significant liability or reputational harm. harm and may have a materially adverse effect on our financial condition and results of operations.

We rely upon cloud computing services to operate certain significant aspects of our business and any disruption could have an adverse effect on our financial condition and results of operations.

Our business depends upon cloud computing services provided by third-parties to provide a distributed computing infrastructure platform for certain of our business operations, including data processing, storage capabilities, and other services. Such third-party cloud computing services are vulnerable to damage or interruption from infrastructure changes, natural disasters, cybersecurity attacks, power outages, terrorist attacks, and other events or acts. In the future we could experience interruptions, delays and outages in service and availability from our third-party cloud computing providers from time to time due to a variety of factors, including, but not limited to, infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. Because we cannot easily switch our cloud computing operations to other third-party providers without significant costs, any disruption of or interference with our use of third-party cloud computing service providers could have a materially negative impact on our business and the results of our operations.

The loss of key personnel, including talent, could disrupt the management or operations of our business and could have an adverse effect on our financial condition and results of operations.

Our business depends upon the continued efforts, abilities and expertise of our Executive Chairman, Chief Executive Officer and other key employees. We believe that the unique combination of skills and experience possessed by our Executive Chairman, Chief Executive Officer and executive officers would be difficult to replace, and that the loss of our executive officers could have a material adverse effect on us, including the impairment of our ability to execute our business strategy. While we do not maintain a written succession plan with respect to the Executive Chairman or Chief Executive Officer, in accordance with our Corporate Governance Guidelines, the Nominating and Corporate Governance Committee of our the Board of Directors periodically reviews and reports to the Board of Directors regarding succession planning for all executive officers, including the Executive Chairman and Chief Executive Officer, and all directors.

We could be adversely affected by labor disputes, and legislation and other union activity. activity and related legislation.

The cost of producing and distributing entertainment programming has increased substantially in recent years due to, among other things, the increasing demands of creative talent and industry-wide collective bargaining agreements. Although we generally purchase programming content from others rather than produce such content ourselves, our program suppliers engage the services of writers, directors, actors and on-air and other talent, trade employees, and others, some of whom are subject to these collective bargaining agreements. Approximately 620 590 of our employees and freelance employees are represented by labor unions under collective bargaining agreements. If we or our program suppliers are unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Failure to renew these agreements, higher costs in connection with these agreements or a significant labor dispute could adversely affect our business by causing, among other things, delays in production that lead to declining viewers, a significant disruption of operations, and reductions in the profit margins of our programming and the amounts we can charge advertisers for time. Our stations also broadcast certain professional sporting events, and our viewership may be adversely affected by player strikes or lockouts which could adversely affect our advertising revenues, results of operations and result in rebates to our Distributors for not meeting minimum event thresholds. The amounts paid under our sports licensing agreements could be negatively impacted by rising professional player salaries and collective bargaining agreements. Further, any changes in the existing labor laws, including the possible enactment of the Employee Free Choice Act, may further the realization of the foregoing risks.

The effects of the economic environment could require us to record an asset impairment of goodwill, indefinite-lived and definite-lived intangible assets.

We are required to evaluate our goodwill, indefinite-lived and definite-lived intangible assets for impairment. We evaluate our goodwill and indefinite-lived intangible assets for impairment annually, or more frequently, if events or changes in circumstances indicate an impairment may exist. During the year ended December 31, 2022, we did not identify any indicators that our definite-lived intangible assets may not be recoverable or that our goodwill or indefinite-lived assets were impaired. However, future losses of Distributors, continued elevated level of subscriber erosion, and any other factors that cause a deterioration in our financial results could result in future impairments charges. For additional information regarding impairments to our goodwill and intangible assets, see *Valuation of Goodwill and Indefinite-Lived Intangible Assets* under *Critical Accounting Policies and Estimates* within *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Note 5. Goodwill, Indefinite-Lived Intangible Assets, and Other Intangible Assets* withinthe *Consolidated Financial Statements*.

Unrelated third parties may bring claims against us based on the nature and content of information posted on our linear programming, social platforms, and websites maintained by us.

We host internet services that enable individuals to exchange information, generate content, comment on our content, and engage in various online activities. The law relating to the liability of providers of these online services for activities of their users is currently unsettled both within the United States and internationally. Claims may be brought against us for defamation, negligence, copyright or trademark infringement, unlawful activity, tort, including personal injury, fraud, or other theories based on the nature and content of information that may be posted online or generated by our users. Our defense of such actions could be costly and involve significant time and attention of our management and other resources.

Our advertising revenue can vary substantially from period to period based on many factors beyond our control. This volatility affects our operating results and may reduce our ability to repay debt or reduce the market value of our securities.

We rely on sales of advertising time for a significant portion of our revenues and, as a result, our operating results depend on the amount of advertising revenue we generate. If we generate less advertising revenue, it may be more difficult for us to repay debt and meet our debt service obligations, and the value of our business may decline. Our ability to sell advertising time depends on:

- the levels of automotive and services advertising, which historically have represented a large portion of our advertising revenue;
- the levels of political advertising, which are significantly higher in even-number years and elevated further every four years related to the presidential election (as was the case in 2020), historically have represented a large portion of our advertising revenue; for the year ended December 31, 2022 (a political year), political advertising represented 24% of broadcast segment advertising revenue; for the year ended December 31, 2021 December 31, 2023 (a non-political year), political advertising represented 4% of broadcast local media segment advertising revenue, and for the year ended December 31, 2022 (a political year), political advertising represented 22% of local media segment advertising revenue;
- the levels of political advertising and volume of ballot issues, which are affected by political beliefs, public opinion, campaign finance laws, and the ability of political candidates and political action committees to raise and spend funds which are subject to seasonal fluctuations;
- the health of the economy in the areas where our television stations are located and in the nation as a whole;
- the popularity of our programming and that of our competition;
- 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;
- the effects of new rating methodologies;
- changes in the makeup of the population in the areas where our stations are located;
- the financial health of our underlying advertisers' businesses and demand for their products;

- the activities of our competitors, including increased competition from other forms of advertising-based mediums, such as other broadcast television stations, radio stations, Distributors, internet and broadband content providers and other print, outdoor, social media, and media outlets serving in the same markets;

- OTT, DTC and other emerging technologies and their potential impact on cord-cutting;

- the impact of Distributors and OTT distributors offering "skinny" programming or sports bundles that may not include all programming of television broadcast stations and/or cable channels, such as Tennis;

- changes in pricing and sellout levels;

- the financial health of our underlying customers' that we provide management services to;

- the effectiveness of our salespeople; and

- other factors that may be beyond our control.

There can be no assurance that our advertising revenue will not be volatile in the future or that such volatility will not have an adverse impact on our business, financial condition, or results of operations.

We internally originate and purchase programming in advance based on expectations about future revenues. Actual revenues may be lower than our expectations. If this happens, we could experience losses that may make our securities less valuable.

One of our stations' most significant costs is network and syndicated programming. Our ability to generate revenue to cover this cost may affect the value of our securities. If a particular network or program is not popular in relation to its costs, we may not be able to sell enough advertising time to cover the cost.

We generally purchase syndicated programming content from others rather than producing such content ourselves, therefore, we have limited control over the costs of the programming. Often, we must purchase syndicated programming several years in advance and may have to commit to purchase more than one year's worth of programming. We may replace programs that are doing poorly before we have recaptured any significant portion of the costs we incurred or before we have fully amortized the costs. We also receive programming from networks with which we have network affiliation agreements. Generally, the agreements are for several years. The popularity of networks can affect revenue earned on those channels. Any of these factors could reduce our revenues or otherwise cause our costs to escalate relative to revenues. These factors are exacerbated during a weak advertising market.

We internally originate programming in advance based on expectations about future revenues. Actual revenues could fluctuate and may be lower than our expectations. If this happens, we could experience losses that may make our securities less valuable.

The production of internally originated programming requires a large up-front investment and the revenues derived from the airing of internally originated programming primarily depends upon its acceptance by the public, which is difficult to predict. The commercial success of original content also depends upon the quality and acceptance of other competing content released into the marketplace at or near the same time, the availability of a growing number of alternative forms of entertainment, general economic conditions and their effects on consumer spending, and other tangible and intangible factors, all of which can change and cannot be predicted with certainty. Any of these factors could reduce our revenues or otherwise cause our costs to escalate relative to revenues. These factors are exacerbated during a weak advertising market.

One of our stations' most significant costs is network and syndicated programming. We generally purchase syndicated programming content from others rather than producing such content ourselves, therefore, we have limited control over the costs of the programming. Often, we must purchase syndicated programming several years in advance and may have to commit to purchase more than one year's worth of programming. We may replace programs that are doing poorly before we have recaptured any significant portion of the costs we incurred or before we have fully amortized the costs. We also receive programming from networks with which we have network affiliation agreements. The popularity of networks can affect revenue earned on those channels. If a particular network or program is not popular in relation to its costs, we may not be able to sell enough advertising time to cover the cost. Any of these factors could reduce our revenues or otherwise cause our costs to escalate relative to revenues and are likewise exacerbated during a weak advertising market.

We may lose a large amount of programming if a network terminates its affiliation or program service arrangement with us, we are not able to negotiate arrangements at terms comparable to or more favorable than our current agreements, or if networks make programming available through services other than our local affiliates, which could increase our costs and/or reduce our revenue.

The networks produce and distribute programming in exchange for each station's commitment to air the programming at specified times and for commercial announcement time during programming and for cash fees. The amount and quality of programming provided by each network varies. See *Television Markets and Stations* within *Item 1. Business* for a detailed listing of our stations and channels as of December 31, 2022 December 31, 2023.

As network affiliation agreements come up for renewal, we (or licensees of the stations we provide programming and/or sales services to), may not be able to negotiate terms comparable to or more favorable than our current agreements. The non-renewal or termination of any of our network affiliation agreements would prevent us from being able to carry programming of the relevant network. This loss of programming would require us to obtain replacement programming, which may involve higher costs and which may not be as attractive to our target audiences, resulting in reduced revenues. Upon the termination of any of our network affiliation agreements, we would be required to establish a new network affiliation agreement for the affected station with another network or operate as an independent station.

We cannot predict the outcome of any future negotiations relating to our affiliation agreements or what impact, if any, they may have on our financial condition and results of operations. Additionally, we cannot predict the future availability of network programming as broadcast networks continue to launch and expand their own DTC platforms. In addition, the impact of an increase in reverse network compensation payments, under which we compensate the network for programming pursuant to our affiliation agreements, may have a negative effect on our financial condition or results of operations. See *Television Markets and Stations* within *Item 1. Business* for a listing of current expirations of our affiliation agreements.

We may be subject to investigations or fines from governmental authorities, such as, but not limited to penalties related to violations of FCC indecency, children's programming, sponsorship identification, closed captioning and other FCC rules and policies, the enforcement of which has increased in recent years, and complaints related to such violations may delay our FCC license renewal applications with the FCC.

We provide a significant amount of live news reporting that is provided by the broadcast networks or is controlled by our on-air news talent. Although both broadcast network and our on-air talent have generally been professional and careful about the information they communicate, there is always the possibility that information may be reported that is inaccurate or even in violation of certain indecency rules promulgated by the FCC. In addition, entertainment and sports programming provided by broadcast syndicators and networks may contain content that is in violation of the indecency rules promulgated by the FCC. Because the interpretation by the courts and the FCC of the indecency rules is not always clear, it is sometimes difficult for us to determine in advance what may be indecent programming. We have insurance to cover some of the liabilities that may occur, but the FCC has enhanced its enforcement efforts relating to the regulation of indecency. Also, the FCC has various rules governing children's television programming, including commercial matter limitations, closed captioning and sponsorship identification. We are subject to such rules regardless of whether the programming is produced by us or by third parties. Violation of the indecency, children's programming, closed captioning or sponsorship identification rules could potentially subject us to penalties, license revocation, or renewal or qualification proceedings. For example, as described under *Litigation* within *FCC Litigation Matters* under *Note 13. Commitments and Contingencies* within the *Consolidated Financial Statements,* on May 22, 2020, the FCC released an Order and Consent Decree pursuant to which we agreed to pay $48 million and implement a four year compliance plan to resolve various matters and on September 21, 2022 issued a Notice of Apparent Liability (NAL) alleging violations of the FCC’s limits on commercial matter in children’s television programming and proposing a forfeiture of $2.7 million against the Company, and fines ranging from $20,000 to $26,000 per station for other licensees covered by the NAL (including certain stations with whom the Company has an LMA, JSA, and/or SSA), for a total of $3.4 million. There can be no assurance that future incidents that may lead to significant fines or other penalties by the FCC can be avoided.

From time to time, we may be the subject of an investigation by governmental authorities. For example, as described more fully under *The FCC's multiple ownership rules and federal antitrust regulation may limit our ability to operate multiple television stations in some markets and may result in a reduction in our revenue or prevent us from reducing costs. Changes in these rules may threaten our existing strategic approach to certain television markets* below, on January 4, 2019, the Company received three CIDs from the Antitrust Division of the DOJ relating to JSAs in a certain DMAs. Although, on July 1, 2021, the Department of Justice Antitrust Division advised the Company that it had closed the JSA investigation with respect to the Company without action, there can be no assurance that in the future an investigation for a similar matter will not lead to an action or proceeding against us. In the event an action or proceeding is commenced, we may be subject to fines, penalties and changes in our business that could have a negative effect on our financial condition and results of operations.

Federal regulation of the broadcasting industry limits our operating flexibility, which may affect our ability to generate revenue or reduce our costs.

The FCC regulates our broadcast local media segment, just as it does all other companies in the broadcasting industry. We must obtain the FCC's approval whenever we need a new license, seek to renew, assign or modify a license, purchase a new station, sell an existing station, or transfer the control of one of our subsidiaries that hold a license. Our FCC licenses are critical to our broadcast local media segment operations; we cannot operate without them. We cannot be certain that the FCC will renew these licenses in the future or approve new acquisitions in a timely manner, if at all. If licenses are not renewed or acquisitions are not approved, we may lose revenue that we otherwise could have earned.

In addition, Congress and the FCC may, in the future, adopt new laws, regulations and policies regarding a wide variety of matters (including, but not limited to, technological changes in spectrum assigned to particular services) that could, directly or indirectly, materially and adversely affect the operation and ownership of our broadcast properties. (See *Item 1. Business*.)

The FCC's multiple ownership rules and federal antitrust regulation may limit our ability to operate multiple television stations in some markets and may result in a reduction in our revenue or prevent us from reducing costs. Changes in these rules may threaten our existing strategic approach to certain television markets.

Television station ownership

As discussed in *National Ownership Rule* under *Ownership Matters* under *Federal Regulation of Television Broadcasting* within *Item 1. Business*, in December 2017, the FCC released a Notice of Proposed Rulemaking to examine the National Ownership Rule, including the UHF discount, which remains pending. Because we are near the 39% cap without application of the UHF discount, changes to the UHF discount or National Ownership Rule could limit our ability to acquire television stations in additional markets.

As discussed in *Local TelevisionOwnership Rule* under *Ownership Matters* under *Federal Regulation of Television Broadcasting* within *Item 1. Business*, in December 2023, the FCC adopted the 2018 Ownership Order, extending the Top-Four Prohibition to prohibit, in certain circumstances, the placement of a second top-four rated programming affiliation on a multicast stream or low power television (LPTV) station and restricting the circumstances under which such existing top-four multicast streams or LPTV stations may be transferred or assigned in the future, which may affect the Company's ability to acquire programming or to sell or acquire stations due to the need to divest grandfathered affiliations.

As discussed in *Local Marketing and Outsourcing Agreements* under *Federal Regulation of Television Broadcasting* within *Item 1. Business*, certain of our stations have entered into outsourcing or joint sales agreements ("JSAs") pursuant to which we may sell more than 15% of advertising time on a separately owned television station in the same market. In August 2016, the FCC issued the Ownership Order amended its ownership rules to provide for the attribution of JSAs where two television stations are located in the same market and a party with such JSAs. The FCC subsequently adopted an attributable interest in one station sells more than 15% of the advertising time per week of the other station. JSAs that existed prior to March 31, 2014, were exempted from attribution until October 1, 2025. In 2017, in its Ownership Order on Reconsideration the FCC in 2017 and eliminated the JSA attribution rule. The Ownership Order on Reconsideration was vacated and remanded appealed but ultimately upheld by the U.S. Court of Appeals for the Third Circuit in September 2019, but the Supreme Court ultimately reversed and became effective in June 2021. In December 2022, the Third Circuit's decision on April 1, 2021 and FCC adopted the 2018 Quadrennial Ownership Order on Reconsideration (including elimination of the "JSA attribution rule") is currently in effect. and declined to reconsider JSA attribution. The 2022 Quadrennial Regulatory Review proceeding remains pending. We have entered into outsourcing agreements (such as "JSAs") JSAs whereby 34 stations provide various non-programming related services such as sales, operational and managerial services to or by other stations within the same markets. For additional information, refer to *Television Markets and Stations* within *Item 1. Business.* See *Note 14. Variable Interest Entities* within the *Consolidated Financial Statements* for further discussion of our JSAs which we consolidate as variable interest entities.

Certain of our stations have entered into LMAs pursuant to which we may provide programming to and sell advertising on a separately owned television station serving the same market. The FCC attributes LMAs to the programmer if the programmer provides more than 15% of a station's weekly broadcast programming; provided, that, LMAs entered into prior to November 5, 1996, including ours, are currently exempt from attribution. The FCC may review these exempted LMAs in the future and if it determines to terminate or modify the exempt period and make all LMAs fully attributable we will be required to terminate or modify our exempted LMAs unless the FCC's local ownership rules would permit us to own both stations. As of December 31, 2021, we provide services under exempted LMAs to eight television stations owned by third parties. See *Note 14. Variable Interest Entities* within the *Consolidated Financial Statements* for further discussion of our LMAs which we consolidate as variable interest entities.

As discussed in *Other Pending Matters* under *Federal Regulation of Television Broadcasting* within *Item 1. Business*, in December 2018, the FCC initiated the 2018 Quadrennial Review of its ownership rules. On July 16, 2021, the FCC extended the comment period and the comment and reply comment deadline closed on October 1, 2021. This proceeding remains pending. On December 22, 2022, the FCC released a Public Notice to initiate the 2022 Quadrennial Regulatory Review despite the pendency of the 2018 Quadrennial Review, seeking comment on the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule, among other things. Comments are due on March 3, 2023 and reply comments are due March 20, 2023.

On January 4, 2019, the Company received three CIDs from the Antitrust Division of the DOJ. In each CID, the DOJ requested that the Company produce certain documents and materials relating to JSAs in a specific DMA. We believe the DOJ has issued similar civil investigative demands to other companies in our industry. On July 1, 2021, the Department of Justice Antitrust Division advised the Company that it had closed the JSA investigation with respect to the Company without action.

See *Changes in the Rules of Television Ownership, Local Marketing Agreements, Joint Sales Agreements, Retransmission Consent Negotiations, and National Ownership Cap* under *Note 13. Commitments and Contingencies* within the *Consolidated Financial Statements.*

If we are required to terminate or modify our LMAs, JSAs and other outsourcing agreements, our business could be affected in the following ways:

- *Loss of revenues*. If the FCC requires us to modify or terminate existing arrangements, we would lose some or all of the revenues generated from those arrangements. We would lose revenue because we will have fewer demographic options, a smaller audience distribution and lower revenue share to offer to advertisers.

- *Increased costs*. If the FCC requires us to modify or terminate existing arrangements, our cost structure would increase as we would potentially lose significant operating synergies and we may also need to add new employees. With termination of LMAs, we likely would incur increased programming costs because we will be competing with the separately owned station for syndicated programming.

- *Losses on investments*. As part of certain of our arrangements, we own the non-license assets used by the stations with which we have arrangements. If certain of these arrangements are no longer permitted, we would be forced to sell these assets, restructure our agreements or find another use for them. If this happens, the market for such assets may not be as good as when we purchased them and, therefore, we cannot be certain of a favorable return on our original investments.

- *Termination penalties*. If the FCC requires us to modify or terminate existing arrangements before the terms of the arrangements expire, or under certain circumstances, we elect not to extend the terms of the arrangements, we may be forced to pay termination penalties under the terms of certain of our arrangements. Any such termination penalties could be material.

- *Alternative arrangements*. If the FCC requires us to terminate the existing arrangements, we may enter into one or more alternative arrangements. Any such arrangements may be on terms that are less beneficial to us than the existing arrangements.

See *Changes in the Rules of Television Ownership, Local Marketing Agreements, Joint Sales Agreements, Retransmission Consent Negotiations, and National Ownership Cap* under *Note 13. Commitments and Contingencies* within the *Consolidated Financial Statements.*

Failure of owner / licensee to exercise control

The FCC requires the owner / licensee of a station to maintain independent control over the programming and operations of the station. As a result, the owners / licensees of those stations with which we have outsourcing agreements can exert their control in ways that may be counter to our interests, including the right to preempt or terminate programming in certain instances. The preemption and termination rights cause some uncertainty as to whether we will be able to air all of the programming that we have purchased under our LMAs and therefore, uncertainty about the advertising revenue that we will receive from such programming. In addition, if the FCC determines that the owner / licensee is not exercising sufficient control, it may penalize the owner licensee by a fine, revocation of the license for the station or a denial of the renewal of that license. Any one of these scenarios, especially the revocation of or denial of renewal of a license, might result in a reduction of our cash flow or margins and an increase in our operating costs. In addition, penalties might also affect our qualifications to hold FCC licenses, putting our own licenses at risk.

The pendency and indeterminacy of the outcome of these ownership rules and the CIDs, which may limit our ability to provide services to additional or existing stations pursuant to licenses, LMAs, outsourcing agreements or otherwise, expose us to a certain amount of volatility, particularly if the outcomes are adverse to us. Further, resolution of these ownership rules and the CIDs has been and will likely continue to be a cost burden and a distraction to our management and the continued absence of a resolution may have a negative effect on our business.

We have invested and will continue to invest in new technology initiatives which may not result in usable technology or intellectual property.

We have heavily invested in the development of the NextGen TV platforms as discussed in *Development of Next Generation Wireless Platform* under *Operating Strategy* within *Item 1. Business.* We do not know whether the outcome of our research and development will result in technology that will be usable on our distribution platform or available to license to third parties. Any failure to develop this technology could result in the loss of our investment. Our costs incurred related to the development of the NextGen TV platform is recorded within non-media expenses within our consolidated statements of operations. Additionally, we have developed, on our own and through joint ventures, several NextGen TV related patents that we will attempt to monetize directly, through third-party agents, or through a patent pool designed to consolidate similar patents owned by independent licensors for licensing to equipment manufacturers. We do not know whether our attempts at monetization will result in licensing arrangements that will be accepted by such equipment manufacturers or result in any royalty payments for our intellectual property rights.

Risks We have also invested in, and will continue to invest in, the development of other technologies and products. Product development is a costly, complex and time-consuming process, and the investment in product development often involves a long wait until a return, if any, is achieved on such investment. We continue to make significant investments in research and development relating to our concentrated voting technologies and products. Investments in new technology and processes are inherently speculative. Technical obstacles and challenges we encounter in our research and development process may result in delays in or abandonment of product commercialization, substantially increase the costs of development and negatively affect our results of operations.

We have limited experience in operating or investing in non-broadcast related businesses.

We have invested in, and will continue to invest in, businesses that have a limited connection with our core business, including non-broadcast related businesses and international businesses. Our executive officers and employees have limited experience in the management of non-broadcast businesses. Our management team may not successfully or effectively manage or operate our non-broadcast businesses and an increasing amount of their time may be devoted to these activities which would result in less time being devoted to the management and growth of our core business. Our management team has goals to grow these non-broadcast related businesses through continued investment which may require us to receive external financing, as well as incur costs related to the acquisition of personnel with the appropriate level of knowledge, experience, and training to operate these non-core businesses to achieve these goals. These efforts may not be successful and may have a negative effect on our financial condition and our results of operations.

Our operations and business have in the past been, and could in the future be, materially adversely impacted by a pandemic or other health emergency.

Pandemics, such as the COVID-19 pandemic, and public health emergencies have affected and may, in the future, adversely affect our businesses. We experienced adverse business impacts relating to advertising sales, the suspension of content production, delays in the creation and availability of our programming, and other negative effects on our business due to the COVID-19 pandemic. Additionally, if portions of our workforce, including key personnel, are unable to work effectively because of illness, government actions or other restrictions in connections with a pandemic or other public health emergency, there may be significant adverse effects on our business. In addition to the risks described above, a pandemic or other public health emergency may heighten other risks described in this section.

Environmental, social and governance laws and regulations, including compliance thereof, may adversely impact our business.

State and federal regulators, investors, consumers and other stakeholders are increasingly focused on environmental, social, and governance ("ESG") considerations. For example, Nasdaq, the exchange where our stock ownership is listed, has implemented board diversity disclosure requirements, the SEC has adopted regulations requiring disclosure related to our management of human capital resources, and the SEC has proposed rules to enhance and standardize climate-related disclosures. These increased disclosure obligations have required and may continue to require us to implement new practices and reporting processes, and have created, and will continue to create, additional compliance risk. These increased disclosure obligations could also cause us to incur increased costs to track, measure and report on the results of these practices and could impact our operating results negatively. Moreover, our ESG programs may not achieve their intended outcomes. If we are unable to meet our ESG goals or the expectations of stakeholders or if we are perceived by consumers, stockholders, employees, or the public to have inadequately responded to the growing concern for ESG issues, our reputation and results of operations may be negatively impacted. Providers of debt and equity financing may also consider our ESG performance and external ESG ratings (for which we have a limited ability to influence) in their decisions involving us, which could negatively impact our financial condition and results of operations.

The effects of the economic environment could require us to record an asset impairment of goodwill, indefinite-lived and definite-lived intangible assets or our investments.

We are required to evaluate our goodwill, indefinite-lived and definite-lived intangible assets for impairment. We evaluate our goodwill and indefinite-lived intangible assets for impairment annually, or more frequently, if events or changes in circumstances indicate an impairment may exist. During the year ended December 31, 2023, we did not identify any indicators that our definite-lived intangible assets may not be recoverable or that our goodwill or indefinite-lived assets were impaired. However, future losses of Distributors, continued elevated level of subscriber erosion, and any other factors that cause a deterioration in our financial results could result in future impairments charges. For additional information regarding impairments to our goodwill and intangible assets, see *Valuation of Goodwill and Indefinite-Lived Intangible Assets* under *Critical Accounting Policies and Estimates* within *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* and *Note 5. Goodwill, Indefinite-Lived Intangible Assets, and Other Intangible Assets* withinthe *Consolidated Financial Statements*.

We are subject to risks related to our use of Generative Artificial Intelligence (GAI), a new and emerging technology, which is in the early stages of commercial use.

We continually evaluate the use of GAI in our business processes. In recent years, the use of GAI has come under increased scrutiny. This technology, which is a new and emerging technology in early stages of commercial use, presents a number of risks inherent in its use, including ethical considerations, public perception and reputation concerns, intellectual property protection, regulatory compliance, privacy and data security concerns and reliability and accuracy of the information produced, all of which could have a material adverse effect on our business, results of operations and financial position. Further, new laws, guidance and decisions in this area may limit our ability to use GAI or decrease its usefulness. As a result, we cannot predict future developments in GAI and related impacts to our business and our industry. If we are unable to successfully adapt to new developments related to, and risks and challenges associated with GAI, our business, results of operations and financial position could be negatively impacted.

RISKS RELATING TO OUR CONCENTRATED VOTING STOCK OWNERSHIP

The Smiths exercise control over most matters submitted to a stockholder vote and may have interests that differ from other security holders. They may, therefore, take actions that are not in the interests of other security holders.

As of December 31, 2022 December 31, 2023, David D. Smith, Frederick G. Smith, J. Duncan Smith, and Robert E. Smith (collectively, the "Smiths") hold shares representing approximately 80.8% 82.6% of our common stock voting rights and, therefore, control the outcome of most matters submitted to a vote of our stockholders, including, but not limited to, electing directors, adopting amendments to our certificate of incorporation, and approving corporate transactions. The Smiths hold substantially all of the Class B Common Stock, which have ten votes per share. Our Class A Common Stock has only one vote per share. Future transfers by holders of Class B Common Stock will generally result in those shares converting to Class A Common Stock, subject to limited exceptions, such as transfers effected for estate planning purposes. The conversion of Class B Common Stock to Class A Common Stock will have the effect, over time, of increasing the relative voting power of those holders of Class B Common Stock who retain their shares in the long term. In addition, the Smiths hold four of our Board of Directors' the Board's seats and, therefore, have the power to exert significant influence over our corporate management and policies. The Smiths have entered into a stockholders' agreement pursuant to which they have agreed to vote for each other as candidates for election to our the Board of Directors until December 31, 2025.

Although in the past the Smiths have recused themselves from related person transactions, circumstances may occur in which the interests of the Smiths, as the controlling security holders, could be in conflict with the interests of other security holders and the Smiths would have the ability to cause us to take actions in their interest. In addition, the Smiths could pursue acquisitions, divestitures, or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to our other security holders. Further, the concentration of ownership the Smiths possess may have the effect of discouraging, delaying, or preventing a future change of control, which could deprive our stockholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our shares.

(See *Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters* and *Item 13. Certain Relationships and Related Transactions,* which will be included as part of our Proxy Statement for our 2023 2024 Annual Meeting.)

Significant divestitures by the Smiths could cause them to own or control less than 51% of the voting power of our shares, which in turn (i) could, as discussed under *A failure to comply with covenants under debt instruments could result in a default under such debt instruments, acceleration of amounts due under our debt and loss of assets securing our loans* within *Item 1A. Risk Factors*, under certain circumstances require us to offer to buy back some or all of our outstanding STG 5.125% unsecured notes due 2027, the STG 5.500% unsecured notes due 2030, and the STG 4.125% secured notes due 2030 (the STG notes are collectively referred to as the "STG Notes") and could result in an event of default under our credit agreement ("STG Bank Credit Agreement") and (ii) give Cunningham Broadcasting Corporation ("Cunningham") the right to terminate the LMAs and other outsourcing agreements with Cunningham due to a "change in control." Any such termination of LMAs could have an adverse effect on our results of operations. The FCC's multiple ownership rules may limit our ability to operate multiple television stations in some markets and may result in a reduction in our revenue or prevent us from reducing costs. Changes in these rules may threaten our existing strategic approach to certain television markets. See the risk factor below regarding the FCC's multiple ownership rules.

Risks relating to our debt RISKS RELATING TO OUR DEBT

Our substantial debt could adversely affect our financial condition and prevent us from fulfilling our debt obligations.

We have a high level of debt, totaling $4,265 million $4,175 million at December 31, 2022 December 31, 2023, compared to the book value of shareholders' equity of $681 million $221 million on the same date.

Our high level of debt poses risks, including the following risks, particularly in periods of declining revenues:

- we may be unable to service our debt obligations, especially during negative economic, financial credit and market industry conditions;
- we may require a significant portion of our cash flow to pay principal and interest on our outstanding debt, especially during negative economic and market industry conditions;
- the amount available for joint ventures, working capital, capital expenditures, dividends and other general corporate purposes may be limited because a significant portion of cash flow is used to pay principal and interest on outstanding debt;
- if our distribution and advertising revenues decline, we may not be able to service our debt;
- our lenders may not be as willing to lend additional amounts to us for future joint ventures, working capital needs, additional acquisitions or other purposes;
- our lenders may not be willing to refinance both our fixed and variable rate debt instruments as they come due or the rates the debt is refinanced at are not equal to or lower than the maturing rates;
- rating agencies may downgrade our corporate family rating and/or debt ratings which could impair our ability to raise funds, refinance debt, or incur a higher financing cost;
- the cost to borrow from lenders may increase or market rates may increase;
- our ability to access the capital markets may be limited, and we may be unable to issue securities with pricing or other terms that we find attractive, if at all;
- if our cash flow were inadequate to make interest and principal payments, we might have to restructure or refinance our debt or sell an equity interest in one or more of our broadcast stations to reduce debt service obligations;
- our interest rate hedges incurring losses and causing us to make additional interest payments;
- we may be limited in our flexibility in planning for and reacting to changes in the industry in which we compete; and
- we may be more vulnerable to adverse economic and industry conditions than less leveraged competitors and thus, less able to withstand competitive pressures.

Any of these events could reduce our ability to generate cash available for debt service, investment, repay, restructure or refinance our debt, seek additional debt or equity capital, make capital improvements or to respond to events that would enhance profitability.

We may not be able to generate sufficient cash to service all of our debt and may be forced to take other actions to satisfy our obligations under our debt, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, competitive, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our debt.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of equity interests in our equity investments, other material assets or operations, seek additional debt or equity capital or restructure or refinance our debt. We may not be able to affect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The STG Bank Credit Agreement, and each of the indentures that govern the STG Notes restrict our ability to dispose of assets and use the proceeds from such dispositions and restrict our ability to raise debt or equity capital to be used to repay other debt when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

If we cannot make scheduled payments on our debt, we will be in default and holders of our debt could declare all outstanding principal and interest to be due and payable, the lenders under the STG Bank Credit Agreement could terminate their commitments to loan us money, the lenders could foreclose against the assets securing their obligations and we and/or STG could be forced into bankruptcy or liquidation.

Despite our current level of debt, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described herein.

We and our subsidiaries may be able to incur additional indebtedness in the future. Although the terms of the debt instruments to which we are subject contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of qualifications and exceptions, and the additional debt incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. If new debt is added to our current debt levels, the related risks that we and the guarantors now face could intensify.

Our variable rate debt subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Interest rates may increase in the future. As a result, interest rates on the obligations under the STG Bank Credit Agreement or other variable rate debt offerings could be higher or lower than current levels. As of December 31, 2022 December 31, 2023, approximately $2,733 million $2,676 million principal amount of our debt relates to the STG Bank Credit Agreement and is subject to variable interest rates. If interest rates increase, our debt service obligations on our variable rate debt would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our debt, would correspondingly decrease. While we may in the future enter into interest rate hedging agreements with respect to our borrowings under certain credit agreements, such agreements are not expected to fully mitigate against interest rate risk.

The replacement of* LIBOR *with* SOFR *may adversely affect interest expense related to outstanding debt.

In July 2017, Financial Conduct Authority (the authority that regulates LIBOR) announced its intent to stop compelling banks to submit rates addition, our Bank Credit Agreement references the Secured Overnight Financing Rate ("SOFR") as the primary benchmark rate for the calculation of LIBOR after 2021, and the administrator of LIBOR announced its intention to cease the publication of LIBOR on June 30, 2023. The Alternative Reference Rates Committee has proposed that our variable rate indebtedness. SOFR is the rate that represents best practice as the alternative to LIBOR for use in financial contracts currently indexed to LIBOR. Given the inherent differences between LIBOR and SOFR, or any other alternative benchmark rate that may be established, there are many uncertainties regarding a transition from LIBOR. Using SOFR could make borrowing more expensive because it lacks a credit component, which could cause lenders to increase spreads to price for this uncertainty. The market transition away from LIBOR to an alternative relatively new reference rate is complex and overall financial markets may be disrupted as with a limited history, and changes in SOFR have, on occasion, been more volatile than changes in other benchmark or market rates. As a result, the amount of the phase-out. The availability and cost of our borrowings due to the adoption of SOFR or other alternative benchmark rates or a broader market disruption caused by the phase-out of LIBOR could have an adverse effect interest we may pay on our financial condition, results of operations and cash flows. variable rate indebtedness is difficult to predict.

***Our use of derivative financial instruments to reduce interest rate risk may result in added volatility in our operating results*.**

We do not hold or issue derivative financial instruments for trading purposes. However, we do utilize derivative financial instruments to reduce interest rate risk associated with our indebtedness. To manage variable interest rate risk, we entered into an interest rate swap agreement in February 2023, which will effectively convert a portion of our variable rate indebtedness into a fixed rate loan. The associated impact on our operating results is directly related to changes in prevailing interest rates. Consequently, these swaps may introduce additional volatility into our operating results. results by either increasing or decreasing interest costs depending upon the position of the swap.

Commitments we have made to our lenders limit our ability to take actions that could increase the value of our securities and business or may require us to take actions that decrease the value of our securities and business.

Our financing agreements prevent us from taking certain actions and require us to meet certain tests. These restrictions and tests may require us to conduct our business in ways that make it more difficult to repay unsecured debt or decrease the value of our securities and business. These restrictions and tests include the following:

- restrictions on the incurrence, assumption or guaranteeing of additional debt, or the issuance of disqualified stock or preferred stock;
- restrictions on the payment of dividends, other distributions or repurchases of equity;
- restrictions on certain investments and other restricted payments;
- restrictions on transactions with affiliates;
- restrictions on the creation, incurrence, assumption, or suffering the existence of liens;
- restrictions on the sale and disposition of certain assets to third parties;
- restrictions on the issuance of guarantees of and pledges for indebtedness;
- restrictions on consolidation, merger or sale of all or substantially all of our assets;

- restrictions on the ability of certain subsidiaries to limit their ability to pay dividends and make other payments to the Issuers or the guarantors;
- restrictions on the ability to designate restricted subsidiaries as unrestricted subsidiaries and on transfers of assets to unrestricted subsidiaries and other non-guarantor subsidiaries; and
- restrictions or costs to repay or refinance existing debt;

Future financing arrangements may contain additional restrictions, tests, and restrictive covenants that may limit our ability to pursue certain opportunities, limit our ability to raise additional debt or equity financing to operate during general economic or business downturns, and prevent us from taking action that could increase the value of our securities or require actions that decrease the value of our securities.

In addition, we may fail to meet the tests and thereby default on one or more of our obligations (particularly if the economy weakens and reduces our advertising revenues). If we default on our obligations, creditors could require immediate payment of the obligations or foreclose on collateral. If this happens, we could be forced to sell equity interests in our equity investments, TV stations or other assets or take other actions that could significantly reduce our value and we may not have sufficient assets or funds to pay our debt obligations.

A failure to comply with covenants under debt instruments could result in a default under such debt instruments, acceleration of amounts due under our debt, and loss of assets securing our loans.

Certain of our debt agreements will contain cross-default provisions with other debt, which means that a default under certain of our debt instruments may cause a default under such other debt.

If we breach certain of our debt covenants, we will be unable to utilize the full borrowing capacity under our debt arrangements and our lenders could require us to repay the debt immediately, and, if the debt is secured, could immediately take possession of the property securing such debt. In addition, because certain of our debt agreements contain cross-default and cross-acceleration provisions with other debt, if any other debtholder of STG were to declare its loan due and payable as a result of a default, the holders of the respective debt of STG ("STG Bank Credit Agreement" and "STG Notes"), might be able to require us to pay those debts immediately.

As a result, any default under debt covenants could have a material adverse effect on our financial condition and our ability to meet our obligations.

GENERAL RISK FACTORS

General risk factors Diamond Sports Group's bankruptcy proceedings, which include litigation against SBG, STG and other subsidiaries of Sinclair as well as certain directors and officers of Sinclair, could have a material adverse effect on Sinclair and SBG's financial condition and results of operations.

On March 14, 2023, DSG, Sinclair and SBG's independently managed and unconsolidated subsidiary, filed for Chapter 11 protection in the U.S. Bankruptcy Court for the Southern District of Texas. On July 19, 2023, as part of the ongoing bankruptcy proceedings, DSG and its wholly-owned subsidiary, Diamond Sports Net, LLC, filed a complaint in the United States Bankruptcy Court for the Southern District of Texas naming certain subsidiaries of Sinclair, including SBG and STG, David D. Smith, Sinclair's Executive Chairman, Christopher S. Ripley, Sinclair's President and Chief Executive Officer, Lucy A. Rutishauser, Sinclair's Executive Vice President & Chief Financial Officer, and Scott Shapiro, Sinclair's Executive Vice President, Corporate Development and Strategy, as defendants.

In the complaint, plaintiffs challenge 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 alleges, among other things, that the management services agreement entered into by STG and DSG was not fair to DSG and was designed to benefit STG and SBG; that the 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 alleges 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 asserts 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 are seeking, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined. The defendants believe the allegations in this lawsuit are without merit and intend to vigorously defend against plaintiffs' claims.

On January 17, 2024 Sinclair announced that it has agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the complaint, which settlement includes an amendment to the management services agreement between STG and DSG. The settlement terms include, among other things, DSG’s dismissal with prejudice of the complaint against Sinclair, its subsidiaries and all other defendants, along with the full and final satisfaction and release of all claims in that complaint against all defendants, including Sinclair and its subsidiaries, in exchange for Sinclair’s cash payment to DSG of $495 million. The cash payment will be funded by cash on hand at Ventures, STG and/or a loan backed by Ventures. Under the terms of the settlement, Sinclair will provide transition services to DSG to allow DSG to become a self-standing entity going forward. The settlement is subject to definitive documentation, including finalization of certain transition terms, and court approval. A motion for approval of the settlement was filed with the court on January 23, 2024. On February 26, 2024, the court indicated it would approve the settlement, subject to Sinclair and DSG completing definitive documentation. Sinclair has entered into the settlement, without admitting any fault or wrongdoing. If the settlement does not receive final court approval, Sinclair remains committed to vigorously defending against the claims asserted in the litigation.

The cash payment in the settlement will have an adverse affect on Sinclair and SBG's financial and results of operations. In addition, if the court does not ultimately approve the settlement, Sinclair will incur additional legal fees and expenses and the eventual outcome of the litigation could result in the payment of monetary damages in excess of the settlement amount, which could materially and adversely affect Sinclair and SBG's financial and results of operations The ultimate court-approved structure and organization of DSG post-bankruptcy could also result in adverse tax consequences to Sinclair and SBG. These potential consequences could materially and adversely affect Sinclair and SBG's financial condition and results of operations.

Financial and economic conditions, including inflation, may have an adverse impact on our industry, business, and results of operations or financial condition.

Financial, economic and geopolitical conditions are by their nature unpredictable and the deterioration or worsening of those conditions could have an adverse effect on the fundamentals of our business, results of operations, and/or financial condition. Poor economic and industry conditions, including inflation, could have a negative impact on our industry or the industry of those customers who advertise on our stations, including, among others, the automotive industry and service businesses, each of which is a significant source of our advertising revenue. Additionally, financial institutions, capital providers, or other consumers may be adversely affected. Potential consequences of any financial and economic decline include:

- the financial condition of those companies that advertise on our stations and digital platforms, including, among others, the automobile manufacturers and dealers, may be adversely affected and could result in a significant decline in our advertising revenue;
- geopolitical conditions, including the war in Ukraine, conflicts in the Middle East and international trade sanctions, could negatively impact global supply prices and disrupt supply chain levels, which could negatively impact the operations of us, our operations, customers', our customers operations vendors' and our Distributors operations; Distributors';
- our ability to pursue the divestiture of certain assets at attractive values may be limited;
- the possibility that our business partners, such as counterparties to our outsourcing and news share arrangements, could be negatively impacted and our ability to maintain these business relationships could also be impaired;
- our ability to refinance our existing debt on terms and at interest rates we find attractive, if at all, may be impaired;
- our ability to make certain capital expenditures may be significantly impaired;
- our ability to pursue the acquisition of attractive assets may be limited if we are unable to obtain any necessary additional capital on favorable terms, if at all;
- content providers may cut back on the amount of content we can acquire to program stations; and
- the possibility of our distribution customers losing subscribers, thereby impacting our distribution revenues.

Diamond Sports Group has announced that it is evaluating strategic alternatives.

On February 15, 2023, DSG announced that it entered into the 30-day grace period with respect to the approximately $140 million cash interest payments scheduled to be paid on February 15, 2023, on its 6.625% Senior Unsecured Notes due 2027, 5.375% 2L Senior Secured Notes due 2026, and 5.375% 3L Senior Secured Notes due 2026. DSG stated that it intends to use the 30-day grace period to continue progressing its ongoing discussions with creditors and other key stakeholders regarding potential strategic alternatives and deleveraging transactions. DSG is independently managed and the outcome of DSG's strategic alternatives and/or deleveraging transactions is currently uncertain. Although DSG and its parent, DSIH, were deconsolidated from our financial statements effective March 1, 2022, we cannot ascertain whether potential resolutions will have a material impact on our cash flows and financial position.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C.CYBERSECURITY

Sinclair maintains a cyber risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats. This program is integrated within the Company's enterprise risk management system and disclosure committee. The program addresses the corporate information technology environment, third-party service providers and customer-facing products and applications.

The Company's Chief Information Security Officer is responsible for developing and implementing our information security program and reporting on cybersecurity matters to the Board, the audit committee and disclosure committee. Our Chief Information Security Officer has over a decade of experience leading cybersecurity oversight, and others on our IT security team have cybersecurity experience or certifications, such as the Certified Information Systems Security Professional certification.

We have continued to expand investments in IT security, including additional end-user training, using layered defenses, identifying and protecting critical assets, strengthening monitoring and alerting, and engaging experts. At the management level, our IT security team identifies risks by regularly monitoring alerts, meeting to discuss threat levels, trends, and remediation and immediately informs the Chief Information Security Officer, whom leads the IT security team, upon the occurrence of any material event. The processes used to assess the risk level include preparing a monthly cyber scorecard, regularly collecting data on cybersecurity threats and risk areas and conducting an annual risk assessment. To assure risks are reduced and maintained, we conduct periodic external penetration tests, red team testing, and maturity testing to assess our processes and procedures and the threat landscape. We regularly test defenses by performing simulations and drills at both a technical level (including penetration tests) and by reviewing our operational policies and procedures with third-party experts. We view cybersecurity as a shared responsibility throughout the Company, and we periodically perform simulations and tabletop exercises at technical and management levels and incorporate external resources and advisors as needed. These tests and assessments are useful tools for maintaining a robust cybersecurity program to protect our investors, customers, employees, vendors, and intellectual property. All employees are required to complete cybersecurity training at least once a year and have access to more frequent cybersecurity online training. We also require employees in certain roles to complete additional role-based, specialized cybersecurity training. We utilize our Internal Audit team to assess the design and operating effectiveness of our internal controls, including those that relate to our IT security environment. Further, we maintain various cyber insurance policies and believe we are adequately covered in the event we experience a cybersecurity breach.

In addition to assessing our own cybersecurity preparedness, we also consider and evaluate cybersecurity risks associated with the use of third-party service providers. Our Internal Audit team conducts an annual review of third-party hosted applications with a specific focus on any sensitive data shared with third parties. The internal business owners of the hosted applications are required to document user access reviews at least annually and provide from the vendor a System and Organization Controls ("SOC") 1 or SOC 2 report. If a third-party vendor is not able to provide a SOC 1 or SOC 2 report, we take additional steps to assess their cybersecurity preparedness and assess our relationship on that basis. Our assessment of risks associated with the use of third-party providers is part of our overall cybersecurity risk management framework.

The Board oversees Sinclair’s cybersecurity risk exposures and the steps taken by management to monitor and mitigate cybersecurity risks. The Company's Chief Information Security Officer briefs the Board on the effectiveness of Sinclair’s cyber risk management program, typically on a quarterly basis. In addition, cybersecurity risks are reviewed by the Board, at least annually, as part of the Company’s corporate risk management process.

We face a number of cybersecurity risks in connection with our business. We have in the past experienced threats to and breaches of our data and systems, including ransomware, malware and computer virus attacks, including a ransomware attack in October 2021 which had a material adverse impact on our business strategy, results of operations or financial condition to date. For more information about the cybersecurity risks we face and have experienced, see the risk factor entitled *“We have experienced a cyber security breach in the past and may be vulnerable to future security breaches, data privacy, and other information technology failures that could have a material adverse effect on our financial performance and operating results and disrupt our operations”* within *Item 1A- Risk Factors*.

ITEM 2. PROPERTIES

We own and lease facilities consisting of offices, studios, sales offices, and tower and transmitter sites throughout the U.S. Our owned and leased transmitter and tower sites are located in areas to provide maximum signal coverage to our stations' markets. We believe that all of our properties, both owned and leased, are generally in good operating condition, subject to normal wear and tear, and are suitable and adequate for our current business operations. We believe that no one property represents a material amount of the total properties owned or leased.

ITEM 3. LEGAL PROCEEDINGS

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.

See *Litigation* under *Note 13. Commitments and Contingencies* within the *Sinclair'sConsolidated Financial Statements* and *Litigation* under *Note 12. Commitments and Contingencies* within *SBG's Consolidated Financial Statements* for discussion related to certain pending lawsuits.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT’S REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our SINCLAIR, INC.

Sinclair's Class A Common Stock is listed for trading on the NASDAQ stock market under the symbol "SBGI". Our Sinclair's Class B Common Stock is not traded on a public trading market or quotation system.

As of February 27, 2023 February 26, 2024, there are approximately 34 36 shareholders of record of our Sinclair's Class A Common Stock. Many of our Sinclair's shares of Class A Common Stock are held by brokers and institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

We intend to pay regular quarterly dividends to our stockholders, although all future dividends on our Common Stock, if any, will be at the discretion of our the Board of Directors and will depend on several factors including our results of operations, cash requirements and surplus, financial condition, covenant restrictions, and other factors that the Board of Directors may deem relevant.

In February 2023, we 2024, Sinclair declared a quarterly cash dividend of $0.25 per share.

See *Note 3. Stock-Based Compensation Plans* within the *Sinclair's* *Consolidated Financial Statements* for discussion of our stock-based compensation plans.

Comparative Stock Performance

The following line graph compares the yearly percentage change in the below matches Sinclair, Inc.'s cumulative 5-Year total shareholder return on our Class A Common Stock common stock with the cumulative total return returns of the NASDAQ Composite Index index and the cumulative total return of the NASDAQ Telecommunications Index (an index containing index. The graph tracks the performance data of radio and television broadcast companies and communication equipment and accessories manufacturers) from December 31, 2017 through December 31, 2022. The performance graph assumes that an a $100 investment of $100 was made in the Class A Common Stock our common stock and in each Index on December 31, 2017 and that index (with the reinvestment of all dividends were reinvested. Total shareholder return is measured by dividing total dividends (assuming dividend reinvestment) plus share price change for a period by the share price at the beginning of the measurement period. dividends) from December 31, 2018 to December 31, 2023.

Chart 2023.jpg

Company/Index/Market	Company/Index/Market	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	Company/Index/Market	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Sinclair Broadcast Group, Inc.		100.00	71.33	92.04	91.20	77.71	47.64							
Sinclair, Inc.														
NASDAQ Composite Index	NASDAQ Composite Index	100.00	97.16	132.81	192.47	235.15	158.65							
NASDAQ Telecommunications Index	NASDAQ Telecommunications Index	100.00	77.39	91.90	101.16	103.32	75.55							

Stock Repurchases

The following table summarizes repurchases of our stock in For the quarter ended December 31, 2022 December 31, 2023: None

Period	Total Number of Shares Purchased (a)	Average Price Per Share		Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program (in millions)	
Class A Common Stock: (b)						
10/01/22 – 10/31/22	256,594	$	18.61	256,594	$	699
11/01/22 – 11/30/22	46,434	$	17.83	46,434	$	698
12/01/22 – 12/31/22	—	$	—	—	$	698

SINCLAIR BROADCAST GROUP, LLC

(a) All repurchases were made in open-market transactions.

(b) On August 4, 2020, the Board of Directors authorized an additional $500 million share repurchase authorization in addition to the previous repurchase authorization of $1 billion. There is no expiration date and currently, management has no plans to terminate this program. For the year ended December 31, 2022, we repurchased approximately 4.9 million shares for $120 million under a Rule 10b5-1 plan. As of December 31, 2022, the total remaining purchase authorization was $698 million. Not applicable.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward Looking Statements

We make statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this report entitled "*Forward-Looking Statements*." Certain risks may cause our actual results, performance, or achievements to differ materially from those expressed or implied by the following discussion. For a discussion of such risk factors, see *Item 1A. Risk Factors*.

Overview

The following Management's Discussion and Analysis provides qualitative and quantitative information about our Sinclair's and SBG's financial performance and condition which should be read in conjunction with the other sections in this annual report, including *Item 1. Business* and the *Consolidated Financial Statements,* including the accompanying notes to those statements. This discussion consists of the following sections:

Executive Overview — a description of our business, summary of significant events, and information about industry trends;

Critical Accounting Policies and Estimates — a discussion of the accounting policies that are most important in understanding the assumptions and judgments incorporated in the consolidated financial statements*Consolidated Financial Statements* and a summary of recent accounting pronouncements;

Results of Operations — a summary of the components of our Sinclair's and SBG's revenues by category and by network affiliation, a summary of other operating data, and an analysis of our Sinclair's and SBG's revenues and expenses for 2023, 2022, 2021, and 2020, 2021, including a comparison between 2023 and 2022 and between 2022 and 2021; and

Liquidity and Capital Resources — a discussion of our Sinclair's and SBG's primary sources of liquidity and contractual cash obligations and an analysis of our Sinclair's and SBG's cash flows from or used in operating activities, investing activities, and financing activities.

EXECUTIVE OVERVIEW

We are a diversified media company with national reach and a strong focus on providing high-quality content on our local television stations, digital platform, and, prior to the Deconsolidation, regional and national sports networks. 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, prior to the Deconsolidation, college and professional sports. Additionally, we own digital media products 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 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.

As of December 31, 2022 December 31, 2023, we Sinclair had two reportable segments, local media and tennis, and SBG had one reportable segment, for accounting purposes, broadcast. local media. Prior to the Deconsolidation, we Sinclair and SBG had two one additional reportable segments for accounting purposes, broadcast and segment, local sports. Sinclair and SBG's local sports. Our broadcast media segment is comprised of our television stations. Our stations, which are owned and/or operated by Sinclair and SBG's wholly-owned subsidiary, Sinclair Television Group, Inc. ("STG") and its direct and indirect subsidiaries, original networks and content.Sinclair's tennis segment primarily consists of Tennis Channel, a cable network which includes coverage of many of tennis' top tournaments and original professional sports and tennis lifestyle shows. Sinclair and SBG's local sports segment was comprised of the RSNs our regional sports networks, which are owned and the YES Network. We operated by our subsidiary, Diamond Sports Group, LLC ("DSG"). Sinclair also earn earns revenues from our owned networks, original content, non-broadcast digital and internet services, technical services, and non-media investments. These businesses are investments, included within other. "other". Other and corporate are not reportable segments. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.* *segments for either Sinclair or SBG.*

STG, for which certain assets and results of operations are included in the broadcast local media segment and which is one of our Sinclair's and SBG's wholly owned subsidiaries, is the primary obligor under the STG Bank Credit Agreement and the STG Notes. We SBG and substantially all of STG's subsidiaries are guarantors under the STG debt instruments. Our Sinclair's Class A Common Stock and Class B Common Stock remain securities of SBG Sinclair and not obligations or securities of STG.

For more information about our business, reportable segments, and our operating strategy, see *Item 1. Business* in this Annual Report on Form 10-K.

Summary of Significant Events

Transactions

- On March 1, 2022, SBG's subsidiary, Diamond Sports Intermediate Holdings, LLC, and certain of its direct and indirect subsidiaries, completed the Transaction. As part of the Transaction, the governance structure of DSIH was modified. As a result, DSIH, whose operations were the entirety of our local sports segment, was deconsolidated from the Company's consolidated financial statements effective as of March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.* In connection with the Transaction, we agreed to defer a portion of our management fees from DSG for the next several years.
- In March 2022, Tejas Networks ("Tejas"), part of the Tata Group, signed a definitive agreement to acquire approximately 65% of the shares of Saankhya Labs Private Ltd. Bangalore ("Saankhya"), in cash with the approximately 35% balance to be acquired subsequently through a merger process. ONE Media 3.0, a wholly-owned subsidiary of the Company, owned a 49% interest in Saankhya and sold the majority of its interest, while retaining a minority interest in Tejas. The proceedings for merger with Tejas have been initiated, and closing of the merger is subject to Teja shareholder approval as well as customary regulatory approvals in India.
- In May 2022, we sold certain assets of Ring of Honor Entertainment, including the wrestling promotion's extensive video library dating back to 2002, brand assets, intellectual property, production equipment, and more, to an affiliate of All Elite Wrestling.

Content and Distribution

- In January 2022, we entered into multi-year renewals of the NBC affiliations and FOX affiliations in a total of 20 of our markets. Our partners to which we provide sales and other services under joint sales agreements or master service agreements also renewed NBC affiliations in four markets and FOX affiliations in seven markets.
- In January 2022, Tennis reached a multiyear agreement with the Women's Tennis Association ("WTA") to telecast year-round WTA matches in Germany, Austria, Switzerland, and the Netherlands through Tennis's subscription service and digital FAST channels.
- In March 2022, we announced the launch of our new business development unit, Free State Strategic Services ("Free State"). Free State's mission is to provide the federal government, along with state and local agencies, a full suite of targeted digital marketing and advertising solutions to help government agencies communicate with the American public effectively and efficiently.
- In April 2022, we February 2023, SBG announced that we and Charter Communications, Inc. reached a comprehensive distribution agreement for continued carriage of our owned local broadcast stations and Tennis.
- In September 2022, our NewsON business, the nation's largest streaming service for local news content, added 13 CBS local stations to its platform, bringing its total station count to over 250 and its U.S. household coverage to 92%.
- In October 2022, we announced a broad, multi-platform creative partnership with Anthony Zuiker, the creator of the global hit franchise CSI: Crime Scene Investigation, to work with us in developing original programming and content across a range of formats and subjects.
- In October 2022, we announced a multi-year ABC network affiliation agreement with Disney Media & Entertainment Distribution for our stations and stations to which we provide sales and other services under joint sales agreements, together covering 30 markets.
- In February 2023, we announced that our free, over-the-air multicast networks COMET, Comet, CHARGE!, and TBD will add 2.4 million households through upgraded local broadcast affiliates and linear carriage. This brings
- In March 2023, SBG entered into an agreement with fuboTV for carriage of SBG's CBS stations.
- In April 2023, Sinclair announced a distribution agreement with YouTube TV to add carriage of Sinclair's Tennis Channel and T2 and SBG's CHARGE! and TBD to YouTube TV's service offerings and to extend YouTube TV's existing carriage of SBG's CBS and MyNetworkTV affiliated television broadcast stations.
- In April 2023, SBG entered into an agreement with Hulu to resume carriage of SBG's ABC stations.
- In June 2023, SBG reached an agreement with Smith Entertainment Group, parent company of the total Utah Jazz, to make KJZZ "The Home of the Utah Jazz," enabling fans within the Jazz's local broadcast market to watch all non-nationally televised exclusive Jazz games on the over-the-air, local TV station.
- In July 2023, Sinclair announced a distribution agreement with Hulu to add carriage of Sinclair's Tennis Channel and T2 and SBG's Comet and CHARGE! to Hulu's service offerings beginning in January 2024.
- In August 2023, SBG agreed to expand and extend its network affiliation agreement with The CW. Under the terms of the comprehensive multiyear agreement, SBG will continue carrying The CW's entertainment and sports programming in 35 of its owned and/or operated markets across the country. The agreement also includes the right to negotiate carriage agreements directly with vMVPDs. In addition, beginning September 1, SBG launched The CW on two new coverage since affiliate stations, KOMO-TV/KUNS-TV, in Seattle, Washington, and WPNT-TV in Pittsburgh, Pennsylvania.
- In September 2023, DIRECTV, LLC extended its distribution agreement with Sinclair.
- In September 2023, Tennis Channel and the start Carvana Professional Pickleball Association (PPA Tour) announced a commercial joint venture to further grow pickleball in the United States and worldwide. The partnership will see the vast majority of 2022 PPA Tour matches appear live on Tennis Channel platforms, integrated advertising-sales efforts for media and tournaments, and the recent launch of a 24-hour pickleball channel. Tennis Channel will produce all events for the PPA Tour.
- In October 2023, SBG launched The Nest, a new, free over-the-air national broadcast TV network with programming comprised of home-improvement, true-crime, factual reality series, and celebrity driven family shows. The Nest joins SBG's lineup of national broadcast networks, Comet, CHARGE!, and TBD. It replaces Stadium network on broadcast stations across the country. At launch, the network was available in more than 50% of all US television households including the major markets of New York, Los Angeles, Philadelphia, Dallas - Ft. Worth, Boston, San Francisco - Oakland - San Jose and Seattle-Tacoma.
- In October 2023, SBG and Paramount reached comprehensive, multi-year affiliation agreements across all 21 CBS network affiliations for SBG stations, including six top-50 market affiliates, KUTV in Salt Lake City, UT, KEYE in Austin, TX, WKRC in Cincinnati, OH, WPEC in West Palm Beach, FL, WWMT in Grand Rapids, MI and WHP in Harrisburg, PA. Additionally, Paramount reached an agreement to nearly 17 million households. renew the affiliations of WTVH in Syracuse, NY and WGFL in Gainesville, FL, stations to which SBG provides services.
- In January 2024, Sinclair announced a comprehensive multi-year distribution agreement with Verizon for carriage on FiOS TV, covering Tennis Channel and SBG's local television stations in 10 markets.
- In January 2024, SBG and FOX Corporation reached an agreement for a multi-year renewal of all FOX affiliations in SBG markets, including where SBG provides sales and other services under JSAs or MSAs.
- In January 2024, Sinclair renewed its distribution agreement with the National Content & Technology Cooperative ("NCTC") that allows NCTC's member companies to opt into a multi-year retransmission consent agreement for SBG's owned and operated stations and includes an agreement for Tennis Channel.

Environmental, Social, and Governance

- For the year ended December 31, 2023, our newsrooms won a total of 276 journalism awards, including 24 Regional and one National RTDNA Edward R. Murrow awards and 67 regional Emmy awards.
- In March 2022, ONE Media 3.0 held 2023, SBG announced a three-part, virtual webinar series tackling multi-year, national agreement with USC Shoah Foundation—The Institute for Visual History and Education to assist with the intricacies recording of Advanced Emergency Information (AEI) powered by interviews with genocide survivors as part of the NextGen Broadcast standard, including the ways in which AEI can strengthen relationships with local emergency managers and public safety professionals, and how AEI can enable TV newsrooms to better serve communities during threats. Institute's Last Chance Testimony Collection Initiative.
- In April 2022, we nominated the renowned Dr. Ben Carson, an experienced board director, former United States Presidential primary candidate and former Secretary of the U.S. Department of Housing and Urban Development, for election to our Board of Directors, as we continue to seek to add diversity to our leadership. In June 2022, Dr. Carson was elected to our Board of Directors.
- In April 2022, 2023, SBG announced that Project Baltimore, the special investigative reporting unit of WBFF/Fox 45 News, was honored by Investigative Reporters and Editors ("IRE") for its reporting on Baltimore's failure in its public school system. This was the fourth consecutive year a Sinclair newsroom has been so honored. In addition, KUTV in Salt Lake City was an IRE finalist for their investigation into the systematic failures within Utah's probation and parole system. Over the last three years, our newsrooms have won a total of over 1,000 journalism awards.
- In April 2022, we launched "Sinclair Green: Battery Recycling," a promotional campaign which ran throughout the month, 2023, Sinclair and SBG celebrated our first Sinclair Day of Service whereby all employees were encouraged to volunteer that day for charitable causes. Thousands of employees eagerly turned out to help out in conjunction with Earth Month, encouraging our employees and viewers to recycle household batteries at a Batteries Plus location or through their local municipality. In addition, we began a pilot program to reduce the amount of batteries we use and to recycle our battery waste. communities.
- In April May 2023, Sinclair published its 2022 we raised over $215,000, including a $50,000 donation from the Company, through "Sinclair Cares: Ukraine Relief," a fundraising partnership with Global Red Cross to help with their humanitarian relief efforts Environmental, Social and Governance report, detailing ESG achievements in Ukraine 2022 and neighboring countries. progress toward its longstanding ESG goals and commitments.
- In April 2022, our television May 2023, SBG announced that "Hate Rising: Antisemitism in America," a 60-minute special, will initially air on WPEC and be available across SBG's stations were honored with a total throughout the summer, providing an unfiltered look at the rise of six National Headliner Awards, including top honors antisemitism in America, examining how the Public Service country is combating it through awareness, education, and Health/Science categories. legislation.
- In June 2022, we launched "Sinclair Cares: Summer Hunger Relief," which raised approximately $205,000, including a $25,000 donation from the Company, helping provide more than two million meals to children and families across the U.S.
- In July 2022, we 2023, Sinclair announced a partnership with the National Diaper Bank Network to launch Sinclair Cares: Summer Diaper Drive, a nationwide campaign to create awareness, provide assistance, and build a community to reduce diaper need in the United States.
- In July 2023, SBG announced that we scholarships were awarded $50,000 in tuition assistance to 15 university students as a part of our SBG's annual Diversity Scholarship program, aiming to invest in the future of the broadcast industry while helping students from diverse backgrounds. The program, started in 2013, was expanded nationally this year. program.
- For In October 2023, Sinclair launched Sinclair Cares: Humanitarian Relief in Israel, a fundraising partnership in conjunction with Magen David Adom (MDA), an affiliate of the International Federation of Red Cross and Red Crescent Societies, to help with their efforts providing humanitarian relief and emergency medical services for all people in Israel, regardless of religious creed or political belief.
- In October 2023, SBG announced the return of SBG's News Reporter and Producer Academies, a series of interactive, virtual workshops for college students interested in pursuing careers in journalism. This year, ended December 31, 2022, our newsrooms won SBG also added Weather Academy, a total workshop for students interested in a career in weather.
- In October 2023, Sinclair updated its Code of 290 journalism awards, including 24 Regional Business Conduct and two National RTDNA Edward R. Murrow awards and 74 regional Emmy awards. Ethics.

NextGen Broadcasting (ATSC 3.0)

- In January 2022, April 2023, Sinclair and its partners CAST.ERA, SK Telecom, and Saankhya Labs, announced they will build and operate an innovative and interconnected broadcast platform to provide commercial services and solutions for national data distribution using NextGen Broadcast (ATSC 3.0) network technology.
- In April 2023, the NextGen Video Information Systems Alliance published new consumer-facing research, sponsored by our Metropolitan Washington Council of Governments and Sinclair's subsidiary, ONE Media 3.0, launched the nation's first pilot project to use Next Generation Broadcast to disseminate Advanced Emergency Information. The pilot program provides an efficient, instantaneous and simultaneous delivery of emergency messaging sent by local governments to all users for free, utilizing the over-the-air broadcast platform. The pilot also demonstrated delivery of enhanced, rich media supplements to those emergency messages that offered the first insight into which features American consumers want most in a NextGen Broadcast-enabled emergency information service. These include a desire for geo-targeted alerts, the ability to screen for only selected alerts, options for updated alerts, and importantly, a robust/dependable system that does not crash when the Internet or cell system goes down. All of these features are embedded in the NextGen Broadcast service. meet its newsworthy criteria.
- In January 2022, MPEG LA, a pioneer October 2023, Sinclair announced an agreement to expand development of and promote NextGen services in South Korea with the formation and management of patent pools, completed the formation of the ATSC 3.0 Patent Pool, dramatically simplifying the efficient licensing of the new ATSC 3.0

broadcast technology in multiple-receive devices, easing the distribution and deployment process. Included in the ATSC 3.0 Patent Pool are various patents owned by our subsidiary, ONE Media. Korea Radio Promotion Association.

- In August 2022, we announced that we entered into Memorandums of Understanding with two top Korean broadcast networks - Korean Broadcast Systems and Munhwa Broadcasting Corp - to collaborate on the development and implementation of NextGen broadcast models and technology in both Korea and the United States.
- In November 2022, we entered into a Memorandum of Understanding with Hyundai Mobis, one of the world's largest automotive parts and services companies, to collaborate on the development and implementation of ATSC 3.0-enabled automotive business models in both Korea and the United States.
- In 2022 and to date in 2023, we, Sinclair, in coordination with other broadcasters, and led by BitPath, our Sinclair's joint venture with another broadcaster, have deployed NextGen TV, powered by ATSC 3.0, in the 14 6 additional markets below. This brings the total number of our markets in which NextGen TV has been deployed to 36: 43:

Month	Market	Number of Stations	Company Stations
January 2022 March 2023	Green Bay, WI Rochester, NY	5 4	WLUK-TV (FOX), WCWF (CW)
March 2022	West Palm Beach, FL	5	WPEC (CBS), WWHB-CD (TBD)
March 2022	Charleston, SC	5	WCIV (ABC)
March 2022	Flint, MI	5	WSMH (FOX), WEYI-TV WHAM-TV(a) (NBC)(ABC), WBSF(a) (CW) WUHF (FOX)
March 2022 2023	Albany, NY Des Moines, IA	4	KDSM-TV (FOX)
June 2023	South Bend, IN	5	WSBT-TV (CBS and FOX)
July 2023	WRGB (CBS) Reno, NV	5	KRXI-TV (FOX), WCWN KRNV-DT(a) (NBC), KNSN-TV(b) (MyNet)
August 2023	Minneapolis, MN	5	WUCW-TV (CW)
April 2022 December 2023	Richmond-Petersburg, VA El Paso, TX	7	WRLH-TV (FOX)
April 2022	Omaha, NE	5	KPTM (FOX) KDBC-TV (CBS), KXVO KFOX-TV (FOX)(b) (TBD)
June 2022	Greenville, SC	5	WLOS (ABC), WMYA(b) (MNT)
June 2022	Fresno / Visalia, CA	5	KMPH-TV (FOX), KFRE-TV (CW)
June 2022	San Antonio, TX	4	KABB (FOX), WOAI (NBC), KMYS(a) (DABL)
September 2022	Roanoke / Lynchburg, VA	5	WSET-TV
October 2022	Wichita / Hutchinson, KS	7	KSAS-TV (FOX), KMTW(b) (DABL)
December 2022	Birmingham / Tuscaloosa, AL	7	WTTO (CW), WABM (ABC), WDBB(b) (ABC and CW)
December 2022	Champaign / Springfield / Decatur, IL	8	WICS (ABC), WICD (ABC), WRSP-TV(a) (FOX), WCCU(a) (FOX), WBUI(a) (CW)

(a) The license and programming assets for these stations are currently owned by a third party. We provide SBG provides certain non-programming related sales, operational, and administrative services to these stations pursuant to a service agreements, agreement, such as JSAs a JSA and SSAs. SSA.

(b) The license asset assets for these stations are currently owned by a third party. We provide SBG provides programming, sales, operational, and administrative services to these stations pursuant to certain service agreements, such as LMAs.

Financing, Capital Allocation, and Shareholder Returns

- In March 2022, we increased our quarterly cash dividend by 25% to $0.25 per share.
- In April 2022, we amended February 2023, Sinclair purchased the STG Bank Credit Agreement to raise STG Term B-4 Loans in the amount of $750 million in order to refinance all outstanding STG Term B-1 loans and to redeem all remaining 175,000 units of the outstanding STG 5.875% Notes. The amendment also extended the maturity redeemable subsidiary preferred equity for an aggregate purchase price of $612.5 million of revolving commitments to April 21, 2027.
- In the second quarter of 2022, we purchased $118 million aggregate principal amount $190 million, representing 95% of the STG 5.125% Notes in open market transactions for consideration sum of $104 million. the remaining unreturned capital contribution of $175 million, and accrued and unpaid dividends up to, but not including, the date of

purchase.

- For the year ended December 31, 2022December 31, 2023, we repurchased approximately 4.9 million sharesSTG purchased an aggregate $64 million of Class A Common Stockprincipal across multiple tranches of debt in the open market for $120 million$49 million. In January 2024, STG purchased $27 million aggregate principal amount of the Term Loan B-2, due September 30, 2026, for consideration of $25 million.
- For the year ended December 31, 2022December 31, 2023, weSinclair repurchased approximately 8.8 million shares of Class A Common Stock for $153 million. All shares were repurchased under an SEC Rule 10b5-1 plan.
- For the year ended December 31, 2023, Sinclair paid dividends of $1.00 per share. In February 2023, we2024, Sinclair declared a quarterly cash dividend of $0.25 per share.

Other Events

- In January 2024, Sinclair announced that it has agreed, subject to Sinclair and DSG completing definitive documentation, to a global settlement and release of all claims associated with the litigation filed by DSG and DSG's wholly-owned subsidiary, Diamond Sports Net, LLC, in July 2023. The settlement terms include Sinclair's cash payment to DSG of $495 million. The cash payment will be funded by cash on hand at Ventures, STG and/or a loan backed by Ventures. Under the terms of the settlement, Sinclair will provide transition services to DSG to allow DSG to become a self-standing entity going forward.

Industry Trends

- During the last few years, the number of subscribers to Distributor services in the United States has been declining, as technological advancements have driven changes in consumer behavior and have empowered consumers to seek more control over when, where, and how they consume news, sports, and other entertainment, including through the so-called “cutting"cutting the cord”cord" and other consumption strategies.
- The Distributor industry has continued to undergo significant consolidation, which gives top Distributors purchasing power.
- vMVPDs have continued to gain increasing importance and have quickly become a critical segment of the market. These vMVPDs offer a limited number of networks at a lower price point as compared to the traditional cable offering.
- Political spending is significantly higher in the even-numbered years due to the cyclicality of political elections. In addition, every four years, political spending is typically elevated further due to the advertising related to the presidential election. 2020 proved to be a record year in political advertising.
- The FCC has permitted broadcast television stations to use their digital spectrum for a wide variety of services including multi-channel broadcasts. The FCC "must-carry" rules only apply to a station's primary digital stream.
- Seasonal advertising increases within our broadcastlocal media segment occur in the second and fourth quarters due to the anticipation of certain seasonal and holiday spending by consumers.
- Broadcasters have found ways to increase returns on their news programming initiatives while continuing to maintain locally produced content through the use of news sharing arrangements.
- Broadcasters'Big Tech' has begun offering OTT platforms.
- Broadcast networks have begun to expandlaunching and expanding their own DTC platforms.
- 'Big Tech' has begun offering OTTAdvertising revenue on digital platforms and broadcast networks have begun launching their own DTC platforms.continues to grow.
- Advertising revenue related to the Summer Olympics occurs in even numbered years, with the exception of 2020 which was postponed due to COVID-19 and took place in Summer 2021. Advertising revenue related to the Winter Olympics also occurs in even numbered years but are two years apart from the Summer Olympics. The Super Bowl is aired on a different network each year. All of these popularly viewed events can have an impact on our advertising revenues.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates including those related to revenue recognition, goodwill and intangible assets, program contract costs, income taxes and variable interest entities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. These estimates have been consistently applied for all years presented in this report and in the past we have not experienced material differences between these estimates and actual results. However, because future events and their effects cannot be determined with certainty, actual results could differ from our estimates and such differences could be material.

We consider the following accounting policies to be the most critical as they are important to our financial condition and results of operations, and require significant judgment and estimates on the part of management in their application. For a detailed discussion of the application of these and other accounting policies, see *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the each of *Sinclair'sConsolidated Financial Statements* and *SBG's Consolidated Financial Statements*.

The COVID-19 pandemic and war in Ukraine continue to create significant uncertainty and disruption in the global economy and financial markets. It is reasonably possible that these uncertainties continue to impact our estimates related to, but not limited to, revenue recognition, goodwill and intangible assets, program contract costs, and income taxes. As a result, many of our estimates and assumptions require increased judgment and carry a higher degree of variability and volatility. See *Impairment of Goodwill, Intangibles, and Other Assets* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements* for further discussion on how COVID-19 has impacted the value of goodwill and definite-lived intangible assets. Our estimates may further change in the future as the COVID-19 pandemic and war in Ukraine continue, new events occur, and additional information emerges, and such changes are recognized or disclosed in the consolidated financial statements.

Revenue Recognition. As discussed in *Revenue Recognition* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the each of *Sinclair'sConsolidated Financial Statements* and *SBG's Consolidated Financial Statements*, we generate advertising revenue primarily from the sale of advertising spots/impressions on our broadcast television, digital platforms, and, prior to the Deconsolidation, the RSNs. Advertising revenue is recognized in the period in which the advertising spots/impressions are delivered. In arrangements where we provide audience ratings guarantees, to the extent that there is a ratings shortfall, we will defer a proportionate amount of revenue until the ratings shortfall is settled through the delivery of additional advertising. The term of our advertising arrangements is generally less than one year and the timing between when an advertisement is aired and when payment is realized is not significant. In certain circumstances, we require customers to pay in advance; payments received in advance of satisfying our performance obligations are reflected as deferred revenue.

We generate distribution revenue through fees received from Distributors and other OTT providers for the right to distribute our broadcast channels and cable networks on their distribution platforms. 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 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.

Impairment of Goodwill, Indefinite-Lived Intangible Assets, and Other Long-Lived Assets. We evaluate our goodwill and indefinite-lived intangible assets for impairment annually, or more frequently, if events or changes in circumstances indicate an impairment may exist. As of December 31, 2022 December 31, 2023, our Sinclair's consolidated balance sheet includes $2,088 million included $2,082 million and $150 million of goodwill and indefinite-lived intangible assets, respectively, and SBG's consolidated balance sheet included $2,016 million and $123 million of goodwill and indefinite-lived intangible assets, respectively. We evaluate long-lived assets, including definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of our asset groups may not be recoverable.

In the performance of our annual goodwill and indefinite-lived intangible asset impairment assessments we have the option to qualitatively assess whether it is more likely-than-not that the respective asset has been impaired. If we conclude that it is more-likely-than-not that a reporting unit or an indefinite-lived intangible asset is impaired, we apply the quantitative assessment, which involves comparing the estimated fair value of the reporting unit or indefinite-lived intangible asset to its respective carrying value. See *Impairment of Goodwill, Intangibles and Other Assets* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Note 5. Goodwill, Indefinite-Lived Intangible Assets, and Other Intangible Assets* within the each of *Sinclair'sConsolidated Financial Statements* and *SBG's Consolidated Financial Statements* for further discussion of the significant judgments and estimates inherent in both qualitatively assessing whether impairment may exist and estimating the fair values of the reporting units and indefinite-lived intangible assets if a quantitative assessment is deemed necessary.

We are required to analyze our long-lived assets, including definite-lived intangible assets, for impairment. We evaluate our definite-lived intangible assets for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In the event we identify indicators that these assets are not recoverable, we evaluate the recoverability of definite-lived intangible assets by comparing the carrying amount of the assets within an asset group to the estimated undiscounted future cash flows associated with the asset group. An asset group represents the lowest level of cash flows generated by a group of assets that are largely independent of the cash flows of other assets. At the time that such evaluations indicate that the future undiscounted cash flows are not sufficient to recover the carrying value of the asset group, an impairment loss is determined by comparing the estimated fair value of the asset group to the carrying value. We estimate fair value using an income approach involving the performance of a discounted cash flow analysis.

We believe we have made reasonable estimates and utilized appropriate assumptions in the performance of our impairment assessments. If future results are not consistent with our assumptions and estimates, including future events such as a deterioration of market conditions, loss of significant customers, and significant increases in discount rates, among other factors, we could be exposed to impairment charges in the future. Any resulting impairment loss could have a material adverse impact on our consolidated balance sheets, consolidated statements of operations, and consolidated statements of cash flows.

Program Contract Costs. As discussed in *Broadcast Television Programming* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the each of *Sinclair'sConsolidated Financial Statements* and *SBG's Consolidated Financial Statements*, we record an asset and corresponding liability for programming rights when the program is available for its first showing or telecast. These costs are expensed over the period in which an economic benefit is expected to be derived. To ensure the related assets for the programming rights are reflected in our consolidated balance sheets at the lower of unamortized cost or fair value, management estimates future advertising revenue to be generated by the remaining program material available under the contract terms. Management's judgment is required in determining the timing of expense for these costs, which is dependent on the economic benefit expected to be generated from the program and may significantly differ from the timing of related payments under the contractual obligation. If our estimates of future advertising revenues decline, amortization expense could be accelerated or fair value adjustments may be required.

Fair Value Measurements of Investments in Bally's Securities. As discussed in *Note 6. Other Assets* and *Note 18. Fair Value Measurements* within the *Sinclair's Consolidated Financial Statements*, we entered into a commercial agreement with Bally's Corporation on November 18, 2020. As part of this arrangement, the Company we received warrants and options to acquire common equity in the business. These financial instruments are measured each period at fair value. The fair value of the options are derived utilizing a Black Scholes valuation model which utilizes a number of inputs which most significantly includes the trading price of the underlying common stock and the exercise price of the options. The fair value of the warrants are primarily derived from the trading price of the underlying common stock and the exercise price of the warrants. The determination of the fair value of these financial instruments requires the Company to exercise judgment.

Income Tax. As discussed in *Income Taxes* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the each of *Sinclair's Consolidated Financial Statements* and *SBG's Consolidated Financial Statements*, we recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. 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. As of December 31, 2022 December 31, 2023 and 2021, 2022, a valuation allowance has been provided for deferred tax assets related to certain temporary basis differences, interest expense carryforwards under the Internal Revenue Code ("IRC") Section 163(j) and 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. Future changes in operating and/or taxable income or other changes in facts and circumstances could significantly impact the ability to realize our deferred tax assets which could have a material effect on our consolidated financial statements.

Management periodically performs a comprehensive review of our tax positions, and we record a liability for unrecognized tax benefits if such tax positions are more likely than not to be sustained upon examination based on their technical merits, including the resolution of any appeals or litigation processes. Significant judgment is required in determining whether positions taken are more likely than not to be sustained, and it is based on a variety of facts and circumstances, including interpretation of the relevant federal and state income tax codes, regulations, case law and other authoritative pronouncements. Based on this analysis, the status of ongoing audits and the expiration of applicable statute of limitations, liabilities are adjusted as necessary. The resolution of audits is unpredictable and could result in tax liabilities that are significantly higher or lower than for what we have provided. See *Note 12. Income Taxes* within the*Sinclair's Consolidated Financial Statements* and *Note 11. Income Taxes* within *SBG's Consolidated Financial Statements*, for further discussion of accrued unrecognized tax benefits.

Variable Interest Entities ("VIEs"). As discussed in *Note 14. Variable Interest Entities* within the*Sinclair'sConsolidated Financial Statements* and *Note 13. Variable Interest Entities* within *SBG's Consolidated Financial Statements*, we have determined that certain third-party licensees of stations for which we perform services pursuant to arrangements, including LMAs, JSAs, and SSAs, are VIEs and we are the primary beneficiary of those variable interests because, 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 because we absorb losses and returns that would be considered significant to the VIEs.

Transactions with Related Parties. We have determined that we conduct certain business-related transactions with related persons or entities. See *Note 15. Related Person Transactions* within the *Sinclair's Consolidated Financial Statements* and *Note 14. Related Person Transactions* within *SBG's Consolidated Financial Statements* for discussion of these transactions.

Recent Accounting Pronouncements RECENT ACCOUNTING PRONOUNCEMENTS

See *Recent Accounting Pronouncements* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the each of *Sinclair'sConsolidated Financial Statements* and *SBG's Consolidated Financial Statements* for a discussion of recent accounting policies and their impact on our Sinclair's and SBG's financial statements.

SINCLAIR, INC. RESULTS OF OPERATIONS

SINCLAIR, INC. RESULTS OF OPERATIONS

Any references to the first, second, third, or fourth quarters are to the three months ended March 31, June 30, September 30, or December 31, respectively, for the year being discussed. As of December 31, 2022 December 31, 2023, we had one two reportable segment, broadcast. segments for accounting purposes, local media and tennis. Prior to the Deconsolidation, we had two one additional reportable segments segment for accounting purposes, broadcast andlocal sports.

Seasonality / Cyclicality

The operating results of our broadcast 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 (as was the case in 2020). election. Also, the second and fourth quarter quarters' operating results are usually higher than the first and third quarter quarters' operating results because advertising expenditures are increased in anticipation of certain seasonal and holiday spending by consumers.

Prior to the Deconsolidation, the The operating results of the local sports our tennis segment were are usually subject to cyclical fluctuations based on due to the timing amount and overlap significance of tournaments that take place in the MLB, NBA, and NHL seasons. Usually, respective quarters during the second and third quarter operating results were higher than the year. The first and fourth quarter operating results. results are usually higher than the second and third quarters' because of the amount and significance of tournaments that are played during those periods.

Consolidated Operating Data

The following table sets forth certain of our consolidated operating data for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions).

	Years Ended December 31,		
	2022	2021	2020
Media revenues (a)	$ 3,894	$ 6,083	$ 5,843
Non-media revenues	34	51	100
Total revenues	3,928	6,134	5,943
Media programming and production expenses	1,942	4,291	2,735
Media selling, general and administrative expenses	812	908	832
Depreciation and amortization expenses (b)	321	591	674
Amortization of program contract costs	90	93	86
Non-media expenses	44	57	91
Corporate general and administrative expenses	160	170	148
Impairment of goodwill and definite-lived intangible assets	—	—	4,264
Gain on deconsolidation of subsidiary	(3,357)	—	—
Gain on asset dispositions and other, net of impairment	(64)	(71)	(115)
Operating income (loss)	$ 3,980	$ 95	$ (2,772)
Net income (loss) attributable to Sinclair Broadcast Group	$ 2,652	$ (414)	$ (2,414)

(a) Media revenues include distribution revenue, advertising revenue, and other media related revenues.

(b) Depreciation and amortization includes depreciation of property and equipment and amortization of definite-lived intangible assets and other assets.

The Impact of COVID-19 on our Results of Operations

Overview

As of December 31, 2022, the national state of emergency related to COVID-19 is still in effect, although President Biden has announced that he intends to end the national state of emergency on May 11, 2023. In addition, as of December 31, 2022, no material economic shutdowns or closures in the United States were in effect. However, outbreaks of new variants of COVID-19 continue to occur, so it still remains unclear what the future impact of COVID-19 will be on our business.

Business continuity

Certain of our facilities experienced temporary disruptions as a result of the COVID-19 pandemic, and we cannot predict whether our facilities will experience more significant disruptions in the future and how long these disruptions will last. The COVID-19 pandemic has heightened the risk that a significant portion of our workforce will suffer illness or otherwise be unable to work. The COVID-19 pandemic has also resulted in some workers leaving the workforce which has caused wage inflation and made it more difficult for us to find qualified employees.

	Years Ended December 31,		
	2023	2022	2021
Media revenues	$ 3,106	$ 3,894	$ 6,083
Non-media revenues	28	34	51
Total revenues	3,134	3,928	6,134
Media programming and production expenses	1,611	1,942	4,291

Media selling, general and administrative expenses	747	812	908
Depreciation and amortization expenses	271	321	591
Amortization of program contract costs	80	90	93
Non-media expenses	49	44	57
Corporate general and administrative expenses	694	160	170
Loss (gain) on deconsolidation of subsidiary	10	(3,357)	—
Loss (gain) on asset dispositions and other, net of impairment	3	(64)	(71)
Operating (loss) income	$ (331)	$ 3,980	$ 95
Net (loss) income attributable to Sinclair	$ (291)	$ 2,652	$ (414)

A discussion regarding our financial results and operations for the year ended December 31, 2023 compared to the year ended December 31, 2022 and for the year ended December 31, 2022 compared to the year ended December 31, 2021 is presented below. A discussion of the year ended December 31, 2021 compared to the year ended December 31, 2020 can be found under Item 7 of Part II of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022 (our "2021 Annual Report"), which is available free of charge on the SEC's website at www.sec.gov and our Investor Relations website at www.sbgi.net/investor-relations.

BROADCAST SEGMENT

SINCLAIR, INC. RESULTS OF OPERATIONS

Local Media Segment

The following table sets forth our revenue and expenses for our broadcast local media segment for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

					Percent Change Increase / (Decrease)										**Percent Change Increase / (Decrease)**			
		2022	**2021**	**2020**	**'22 vs.'21**	**'21 vs.'20**		**2023**		**2022**		**2021**			**'23 vs.'22**		**'22 vs.'21**	
Revenue:	***Revenue:***						***Revenue:***											
Distribution revenue	Distribution revenue	$1,530	$1,475	$1,414	4%	4%	Distribution revenue	$1,491	$	$1,531	$	$1,476		(3)%	(3)%		4%	
Advertising revenue	Advertising revenue	1,399	1,106	1,364	26%	(19)%	Advertising revenue	1,236	1,518	1,518	1,230		1,230	(19)%		(19)%		23%
Other media revenue (a)	Other media revenue (a)	142	176	144	(19)%	22%	Other media revenue (a)	139	144	144	181		181	(3)%		(3)%		(20)%
Media revenues		$3,071	$2,757	$2,922	11%	(6)%												
Media revenues (b)							Media revenues (b)	$2,866		$3,193		$2,887			(10)%		11%	
Operating Expenses:	***Operating Expenses:***																	
Operating Expenses:																		
Operating Expenses:																		
Media programming and production expenses	Media programming and production expenses	$1,400	$1,344	$1,257	4%	7%												
Media selling, general and administrative expenses (b)		650	593	553	10%	7%												
Media programming and production expenses																		
Media programming and production expenses								$1,488		$1,450		$1,389			3%		4%	
Media selling, general and administrative expenses (c)							Media selling, general and administrative expenses (c)	694		704		644			(1)%		9%	

Depreciation and amortization expenses							Depreciation and amortization expenses	243		243		248			—%		(2)%	
Amortization of program contract costs	Amortization of program contract costs	72	76	83	(5)%	(8)%	Amortization of program contract costs	80	90	90	93		93	(11)%		(11)%		(3)%
Corporate general and administrative expenses	Corporate general and administrative expenses	117	147	119	(20)%	24%	Corporate general and administrative expenses	134	117	117	148		148	15%		15%		(21)%
Depreciation and amortization expenses		240	247	239	(3)%	3%												
Non-media expenses							Non-media expenses	14		15		—			(7)%		n/m	
Gain on asset dispositions and other, net of impairment	Gain on asset dispositions and other, net of impairment	(15)	(24)	(118)	(38)%	(80)%	Gain on asset dispositions and other, net of impairment	(14)	(17)	(17)	(23)		(23)	(18)%		(18)%		(26)%
Operating income	Operating income	$ 607	$ 374	$ 789	62%	(53)%	Operating income	$ 227	$	$ 591	$	$ 388		(62)%	(62)%		52%	
Interest expense including amortization of debt discount and deferred financing costs							Interest expense including amortization of debt discount and deferred financing costs	$ 305		$ 226		$ 183			35%		23%	
Gain (loss) on extinguishment of debt							Gain (loss) on extinguishment of debt	$ 15		$ 3		$ (7)				n/m		

n/m - not meaningful

(a) Includes $26 million, and $111 million, and $100 million for the years ended December 31, 2022, and 2021, and 2020, respectively, of intercompany revenue related to certain services provided by broadcast the local media segment to other and the local sports segment, prior to the Deconsolidation, under management services agreements, which was eliminated in consolidation, and $52 million and $39 million of revenue for the year years ended December 31, 2022 December 31, 2023 and 2022, respectively, for services provided by broadcast the local media segment under management services agreements after the Deconsolidation, which is not eliminated in consolidation.

(b) Includes $52 $6 million and $4 million for the year years ended December 31, 2022 December 31, 2023 and 2022, respectively, of intercompany revenue related to certain advertising services provided by the local media segment to the tennis segment, which is eliminated in consolidation.

(c) Includes $8 million, $12 million, and $35 million for the years ended December 31, 2023, 2022, and 2021, respectively, of intercompany expense related to certain services provided to broadcast the local media segment from other, which is eliminated in consolidation.

Revenues

Distribution revenue. Distribution revenue, which includes payments from Distributors for our broadcast signals, decreased $40 million in 2023, when compared to the same period in 2022, primarily due to a decrease in subscribers, partially offset by an increase in contractual rates. Distribution revenue increased $55 million in 2022, when compared to the same period in 2021, primarily due to an increase in contractual rates, partially offset by a decrease in subscribers.

Advertising revenue. Advertising revenue decreased $282 million in 2023, when compared to the same period in 2022, primarily due to a decrease in political advertising revenue, as 2022 was a political year, compared to 2023 which is a non-political year. Advertising revenue increased $293 million $288 million in 2022, when compared to the same period in 2021, primarily due to an increase in political advertising revenue, as 2022 was a political year, compared to 2021 which was a non-political year, as well as the loss of approximately $63 million in advertising revenue in 2021 as a result of the cyber incident. year.

SINCLAIR, INC. RESULTS OF OPERATIONS

The following table sets forth our primary types of programming and their approximate percentages of advertising revenue, excluding digital revenue, for the periods presented:

	Percent of Advertising Revenue (Excluding Digital) for the Twelve Months Ended December 31,		
	2022	2021	2020
Local news	37%	34%	34%
Syndicated/Other programming	25%	27%	27%
Network programming	22%	23%	24%
Sports programming	13%	13%	12%
Paid programming	3%	3%	3%

	Percent of Advertising Revenue (Excluding Digital) for the Twelve Months Ended December 31,		
	2023	2022	2021
Local news	34%	35%	32%
Syndicated/Other programming	28%	27%	30%
Network programming	18%	21%	
Sports programming	16%	13%	12%
Paid programming	4%	4%	5%

The following table sets forth our affiliate percentages of advertising revenue for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020: 2021:

	# of Channels (a)	Percent of Advertising Revenue for the Twelve Months Ended December 31, 2022	2021	2020
ABC	40	29%	31%	28%
FOX	55	23%	24%	25%
CBS	30	20%	20%	22%
NBC	25	18%	14%	15%
CW	46	5%	5%	5%
MNT	40	4%	4%	4%
Other	400	1%	2%	1%
Total	636			

(a) We broadcast other programming from the following providers on our channels including: Antenna TV, Bounce, CHARGE!, Comet, Dabl, Decades, Estrella TV, Get TV, Me TV, Quest, Rewind, Stadium, TBD, TCN, Telemundo, This TV, UniMas, Univision, and Weather.

	# of Channels	Percent of Advertising Revenue for the Twelve Months Ended December 31, 2023	2022	2021
ABC	40	29%	28%	29%
FOX	55	24%	22%	23%
CBS	30	20%	19%	19%
NBC	25	12%	17%	13%
CW	47	5%	5%	5%
MNT	39	4%	3%	4%
Other	404	6%	6%	7%
Total	640			

Other media revenue. Other media revenue decreased $34 million $5 million in 2023, when compared to the same period in 2022, primarily due to a decrease related to providing certain services under management service agreements. Other media revenue decreased $37 million in 2022, when compared to the same period in 2021. The decrease is 2021, primarily due to a $46 million decrease in revenue from the local sports segment related to providing certain services under a management services agreement due to the deferral of fees owed under the agreement, partially offset by a $6 million increase related to revenue recognized under the Bally's commercial agreement that we began performing on in the second quarter of 2021.

Expenses

Media programming and production expenses. Media programming and production expenses increased $56 million $38 million during 2023, when compared to the same period in 2022, primarily related to an increase in fees pursuant to network affiliation agreements as a result of increased contractual rates, and an increase in employee compensation cost. Media programming and production expenses increased $61 million during 2022, when compared to the same period in 2021, primarily related to an increase in fees pursuant to network affiliation agreements of $49 million as a result of increased contractual rates, and an $11 million increase in advertising and promotion costs, and a $4 million increase in building repairs and maintenance expenses. These increases were partially offset by a $10 million decrease in employee compensation cost. costs.

Media selling, general and administrative expenses. Media selling, general and administrative expenses decreased $10 million during 2023, when compared to the same period in 2022, primarily due to a $15 million decrease in national sales commission and an $11 million decrease in professional and consulting fees, partially offset by a $12 million increase in third-party fulfillment costs relating to our digital business. Media selling, general and administrative expenses increased $57 million $60 million during 2022, when compared to the same period in 2021, primarily due to a $40 $26 million increase in information technology costs, a $16 million increase in third-party fulfillment costs relating to our digital business, and a $26 $13 million increase in information technology costs. The increases were national sales commissions, a $7 million increase in research and professional cost, and a $3 million increase in employee travel expenses, partially offset by a decrease of $8 million related to FCC penalties incurred by several consolidated VIEs recorded in our consolidated financial statements in 2021, as discussed in *Note 13. Commitments and Contingencies* within the *Sinclair's Consolidated Financial Statements*.

SINCLAIR, INC. RESULTS OF OPERATIONS

Amortization of program contract costs. The amortization of program contract costs decreased $4 million $10 million during 2023, when compared to the same period in 2022, and $3 million during 2022, when compared to the same period in 2021, primarily related to the timing of amortization on long-term contracts and reduced renewal programming costs.

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

Non-media expenses. Non-media expenses increased $15 million during 2022, when compared to the same period in 2021, primarily related to an increase in expenses associated with our broadcast technology related initiatives.

Depreciation and amortization expenses. Depreciation of property and equipment and amortization of definite-lived intangibles and other assets remained flat during the year ended 2023, when compared to the same period in 2022. Depreciation of property and equipment and amortization of definite-lived intangibles and other assets decreased $7 million $5 million during 2022, when compared to the same period in 2021, primarily due to assets retired during 2022.

Gain on asset dispositions and other, net of impairments. During the years ended December 31, 2023, 2022, and 2021, we recorded gains of $15 million $14 million, $17 million, and $24 million $23 million, respectively, of which $8 million, $4 million, and $24 million, $24 million, respectively, related to reimbursements from the spectrum repack. See *Broadcast Incentive Auction* within *Note 2. Acquisitions and Dispositions of Assets* within *Sinclair'sConsolidated Financial Statements* for further discussion. During the year ended December 31, 2023, we recognized a $6 million gain on the sale of one of our broadcast station buildings. During the year ended December 31, 2022, we recognized a $4 million gain on the sale of Ring of Honor Entertainment. The remaining amounts are primarily related to net gains on the sale of certain broadcast assets. See

Interest expense including amortization of debt discount and deferred financing costs. Dispositions Interest expense increased by $79 million in 2023, when compared to the same period in 2022, and $43 million in 2022, when compared to the same period in 2021, primarily due to increased interest expense related to our variable rate debt as a result of higher interest rates.

Gain on extinguishment of debt. During the year ended December 31, 2023, we purchased $64 million in aggregate principal across multiple tranches of debt and recognized a gain on extinguishment of approximately $15 million. See *Bank Credit Agreement* and *STG Notes* under *Note 7. Notes Payable and Commercial Bank Financing* within *Note 2. Acquisitions and Dispositions of Assets Sinclair's* within the *Consolidated Financial Statements* for further discussion. .

LOCAL SPORTS SEGMENT

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):

	2023	2022	2021	Percent Change Increase / (Decrease) ‘23 vs.‘22	Percent Change Increase / (Decrease) ‘22 vs.‘21
Revenue:					

Distribution revenue	$ 189	$ 179	$ 192	6%	(7)%
Advertising revenue	37	33	29	12%	14%
Other media revenues	2	5	3	(60)%	67%
Media revenues	$ 228	$ 217	$ 224	5%	(3)%
Operating Expenses:					
Media programming and production expenses	$ 115	$ 97	$ 92	19%	5%
Media selling, general and administrative expenses (a)	$ 41	$ 47	$ 40	(13)%	18%
Depreciation and amortization expenses	$ 21	$ 21	$ 21	—%	—%
Operating income	$ 50	$ 52	$ 71	(4)%	(27)%

(a) Includes $6 million and $4 million for years ended December 31, 2023 and 2022, respectively, of intercompany expense related to certain advertising services provided by the local media segment, which is eliminated in consolidation.

Revenue

Distribution revenue. Distribution revenue, which is generated through fees received from Distributors for the right to distribute Tennis Channel, increased $10 million in 2023, when compared to the same period in 2022, primarily due to an increase in subscribers as a result of increased carriage that occurred during the second quarter of 2023. Distribution revenue decreased $13 million in 2022, when compared to the same period in 2021, primarily due to a decrease in subscribers.

Advertising revenue. Advertising revenue is primarily generated from sales of commercial time within Tennis Channel programming. Advertising revenue increased $4 million in both 2023 and 2022, when compared to the same periods in 2022 and 2021, respectively, primarily due to an increase in the number of tournaments aired in the current periods versus the prior periods.

Expenses

Media programming and production expenses. Media programming and production expenses increased $18 million in 2023, when compared to the same period in 2022, primarily due to a $15 million increase in programming, including rights fees, and live production expenses related to various tournaments, which was a result of an increase in the number of tournaments aired in the current period versus the prior period, and a $4 million increase in employee compensation cost. Media programming and production expenses increased $5 million in 2022, when compared to the same period in 2021, primarily due to a $2 million increase in programming, including rights fees, and live production expenses related to various tournaments, which was a result of an increase in the number of tournaments aired in 2022 versus 2021, and a $1 million increase in employee compensation cost.

Media selling, general and administrative expenses. Media selling, general and administrative expenses decreased $6 million in 2023, when compared to the same period in 2022, primarily due to a decrease in expenses related to start-up costs associated with our online tennis platforms. Media selling, general and administrative expenses increased $7 million in 2022, when compared to the same period in 2021, primarily due to a $4 million increase in national sales commissions and a $2 million increase in employee compensation cost.

SINCLAIR, INC. RESULTS OF OPERATIONS

Local Sports Segment

Our local sports segment reflected the results of the Bally RSNs, Marquee, and a minority interest in the YES Network prior to the Deconsolidation on March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.* The Bally RSNs, Marquee, and YES Network own the exclusive rights to air, among other sporting events, the games of professional sports teams in designated local viewing areas.

The following table sets forth our revenue and expenses for our local sports segment for the years ended December 31, 2022, 2021, and 2020 2021 (in millions):

				Percent Change Increase / (Decrease)	
	2022				
	2022	2021	2020	'22 vs.'21	'21 vs.'20
	2022				
	2022				
Revenue:					
Revenue:					

Revenue:	***Revenue:***		(b) / (c)						(d)
Distribution revenue	Distribution revenue	$	433	$	2,620	$	2,472	n/m	6%
Distribution revenue									
Distribution revenue									
Advertising revenue									
Advertising revenue									
Advertising revenue	Advertising revenue		44		409		196	n/m	109%
Other media revenue	Other media revenue		5		27		18	n/m	50%
Other media revenue									
Other media revenue									
Media revenue									
Media revenue									
Media revenue	Media revenue	$	482	$	3,056	$	2,686	n/m	14%
Operating Expenses:	***Operating Expenses:***								
Operating Expenses:									
Operating Expenses:									
Media programming and production expenses									
Media programming and production expenses									
Media programming and production expenses	Media programming and production expenses	$	376	$	2,793	$	1,361	n/m	105%
Media selling, general and administrative expenses (a)	Media selling, general and administrative expenses (a)		55		297		243	n/m	22%
Media selling, general and administrative expenses (a)									
Media selling, general and administrative expenses (a)									
Depreciation and amortization expenses									
Depreciation and amortization expenses									
Depreciation and amortization expenses	Depreciation and amortization expenses		54		316		410	n/m	(23)%
Corporate general and administrative	Corporate general and administrative		1		10		10	n/m	—%
Corporate general and administrative									
Corporate general and administrative									
Gain on asset dispositions and other, net of impairment	Gain on asset dispositions and other, net of impairment		—		(43)		—	n/m	n/m
Impairment of goodwill and definite-lived intangible assets			—		—		4,264	n/m	n/m
Gain on asset dispositions and other, net of impairment									
Gain on asset dispositions and other, net of impairment									
Operating loss (a)									
Operating loss (a)									
Operating loss (a)	Operating loss (a)	$	(4)	$	(317)	$	(3,602)	n/m	(91)%

Income from equity method investments	Income from equity method investments	$	10	$	49	$	6	n/m	n/m
Income from equity method investments									
Income from equity method investments									
Other (expense) income, net	Other (expense) income, net	$	(3)	$	15	$	160	n/m	(91)%
Other (expense) income, net									
Other (expense) income, net									
Interest expense including amortization of debt discount and deferred financing costs									
Interest expense including amortization of debt discount and deferred financing costs									
Interest expense including amortization of debt discount and deferred financing costs									

n/m — not meaningful

(a) Includes $24 million, and $109 million, and $98 million for the years ended December 31, 2022, and 2021, and 2020, respectively, of intercompany expense related to certain services provided by the broadcast segment under a management services agreement, which is eliminated in consolidation.

(b) There was no reportable activity in this period following the Deconsolidation on March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies within the Consolidated Financial Statements.*

(c) Represents the activity prior to the Deconsolidation on March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies within the Consolidated Financial Statements.*

(d) Marquee was launched in late February 2020, therefore is a driver of the changes between the periods due to a full year of activity being included in the 2021, versus only 10 months of activity in 2020.

The decrease in the revenue and expense items noted above for the year years ended December 31, 2022, when compared to the same period in the and 2021 represent activity prior year, was primarily due to the Deconsolidation as our current period results include only two months of activity, all of which occurred in the first quarter of 2022, due on March 1, 2022, thus there is no activity presented for periods subsequent to the Deconsolidation, versus a full period of activity in the prior year, therefore the periods are not comparable. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements* for further discussion.

Media revenue. Media revenue is primarily derived from distribution and advertising revenue. Distribution revenue is generated through fees received from Distributors for the right to distribute the RSNs and advertising revenue is primarily generated from sales of commercial time within the RSNs' programming. Media revenue was $482 million for the year ended December 31, 2022, a decrease from $3,056 million for the year ended December 31, 2021 due to the Deconsolidation.

Media programming and production expenses. Media programming and production expenses are primarily related to amortization of our sports programming rights with MLB, NBA, and NHL teams, and the costs of producing and distributing content for our brands including live games, pre-game and post-game shows, and backdrop programming. Media programming and production expenses were $376 million for the year ended December 31, 2022, a decrease from $2,793 million for the year ended December 31, 2021 due to the Deconsolidation.February 28, 2022.

SINCLAIR, INC. RESULTS OF OPERATIONS

Media selling, general, and administrative expenses. Media selling, general, and administrative expenses are primarily related to management service agreement fees, employee compensation, advertising expenses, and consulting fees. Media selling, general, and administrative expenses were $55 million for the year ended December 31, 2022, a decrease from $297 million for the year ended December 31, 2021 due to the Deconsolidation.

Depreciation and amortization expenses. Depreciation and amortization expenses are primarily related to the depreciation of definite-lived assets and other assets. Depreciation and amortization expenses were $54 million for the year ended December 31, 2022, a decrease from $316 million for the year ended December 31, 2021 due to the Deconsolidation.

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

Other (expense) income, net. See explanation under *Corporate and Unallocated Expenses.*

Gain on asset dispositions and other, net of impairments. For the year ended December 31, 2021, we recognized a gain of $43 million, related to the fair value of equipment that we received as part of an agreement with a communications provider in connection with the C-Band repack process in which we received equipment with a fair value of $58 million, at maximum cost to us of $15 million.

Income from equity method investments. Income from equity method investments was $10 million for the year ended December 31, 2022, a decrease from $49 million for the year ended December 31, 2021 due to the Deconsolidation, and is primarily related to the RSN's investment in the YES Network.

OTHER

The following table sets forth our revenue and expenses for our owned networks and content, non-broadcast digital and internet solutions, technical services, and non-media investments (collectively, other) "Other") for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

	2023	2022	2021	Percent Change Increase / (Decrease) '23 vs.'22		Percent Change Increase / (Decrease) '22 vs.'21
Revenue:						
Media revenues (a)						
Media revenues (a)						
Media revenues (a)	$ 28	$ 51	$ 70	(45)%	(45)%	(27)%
Non-media revenues (b)	$ 34	$ 44	$ 58	(23)%	(23)%	(24)%
Operating Expenses:						
Operating Expenses:						
Media expenses (c)						
Media expenses (c)						
Media expenses (c)	$ 35	$ 73	$ 94	(52)%	(52)%	(22)%
Non-media expenses (d)	$ 39	$ 36	$ 65	8%	8%	(45)%
Loss (gain) on asset dispositions and other, net of impairments						
Loss (gain) on asset dispositions and other, net of impairments						

	2022	2021	2020	Percent Change Increase / (Decrease) '22 vs.'21	Percent Change Increase / (Decrease) '21 vs.'20
Revenue:					
Distribution revenue	$ 180	$ 193	$ 199	(7)%	(3)%
Advertising revenue	233	217	131	7%	66%
Other media revenues	17	13	7	31%	86%
Media revenues (a)	$ 430	$ 423	$ 337	2%	26%
Non-media revenues (b)	$ 43	$ 58	$ 114	(26)%	(49)%
Operating Expenses:					
Media expenses (c)	$ 362	$ 325	$ 254	11%	28%
Non-media expenses (d)	$ 50	$ 60	$ 98	(17)%	(39)%
Amortization of program contract costs	$ 18	$ 17	$ 3	6%	n/m
Corporate general and administrative expenses	$ 1	$ 1	$ 1	—%	—%
(Gain) loss on asset dispositions and other, net of impairments	$ (15)	$ (4)	$ 3	n/m	n/m
Operating income	$ 27	$ 51	$ 65	(47)%	(22)%

Loss (gain) on asset dispositions and other, net of impairments			$ 18		$ (12)		$ (5)			n/m
Operating loss		Operating loss	$ (44)		$ (9)		$ (35)		n/m	(74)%
Income (loss) from equity method investments	Income (loss) from equity method investments $ 46 $ (4) $ (42) n/m (90)%	Income (loss) from equity method investments	$ 31	$	$ 46	$	$ (4)	(33)%	(33)%	n/m

n/m — not meaningful

(a) Media revenues for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 include $58 million $8 million, $12 million, and $39 $35 million, respectively, of intercompany revenues related to certain services and sales provided to the broadcast local media segment, which are eliminated in consolidation.

(b) Non-media revenues for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 include $9 million $6 million, $7 million $10 million, and $14 million $7 million, respectively, of intercompany revenues related to certain services and sales provided to the broadcast local media segment, which are eliminated in consolidation.

(c) Media expenses for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 includes $11 include $2 million, $10 $7 million, and $2 $1 million, respectively, of intercompany expenses primarily related to certain services provided by the broadcast local media segment, which are eliminated in consolidation.

(d) Non-media expenses for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 include $6 million $4 million, $3 million $7 million, and $7 million $8 million, respectively, of intercompany expenses related to certain services provided by the broadcast local media segment, which are eliminated in consolidation.

Revenue. Media revenue increased $7 million revenues decreased $23 million during 2023, when compared to the same period in 2022, primarily due to the sale of our Stadium network (Stadium). Media revenues decreased $19 million during 2022, when compared to the same period in 2021, primarily due to an increase a decrease in advertising revenue related revenue. Non-media revenues decreased $10 million during 2023, when compared to the same period in 2022, primarily due to lower sales within our digital businesses. consolidated real estate investments. Non-media revenue revenues decreased $15 million $14 million during 2022, when compared to the same period in 2021, primarily due to the sale of Triangle Sign & Service, LLC (Triangle) in the second quarter of 2021.

Expenses. Media expenses increased $37 million decreased $38 million during 2023, when compared to the same period in 2022, primarily due to the sale of Stadium. Media expenses decreased $21 million during 2022, when compared to the same period in 2021, primarily due to our digital businesses and owned networks. businesses. Non-media expenses increased $3 million during 2023, when compared to the same period in 2022, primarily due to an increase in expenses related to our technical services business. Non-media expenses decreased $10 million $29 million during 2022, when compared to the same period in 2021, primarily due to the sale of Triangle in the second quarter of 2021. 2021 and a decrease in expenses related to our technical services business.

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

(Gain) loss Loss (gain) on asset dispositions and other, net of impairments. impairments. During the year ended December 31, 2023, we recognized a loss of $12 million related to the sale of Stadium. During the year ended December 31, 2022, we recognized income a gain of $11 million $14 million related to one of our broadcast technology operating investments, as well as a $4 million gain on the sale of Ring of Honor Entertainment. investments. During the year ended December 31, 2021, we sold our controlling interest in Triangle for $12 million and recognized a gain on of $6 million.

Income (loss) from equity method investments. During the year ended December 31, 2023, we recognized a gain of $33 million related to the sale of Triangle two of $6 million, our real estate investments, which is included in income from equity method investments in our consolidated statements of operations. During the year ended December 31, 2022, we recognized a gain on asset dispositions and other, net of impairment $29 million related to the sale of one of our real estate investments, which is included in income from equity method investments in our consolidated statements of operations.

SINCLAIR, INC. RESULTS OF OPERATIONS

Income from equity method investments. Income from equity method investments increased $50 million for the year ended December 31, 2022, when compared to the same period in 2021, primarily due to a gain on the sale of one of our real estate investments. ***Corporate and Unallocated Expenses***

CORPORATE AND UNALLOCATED EXPENSES

The following table presents our corporate and unallocated expenses for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

				Percent Change Increase/ (Decrease)	
	2022	2021	2020	‘22 vs.‘21	‘21 vs.‘20
Corporate general and administrative expenses	$ 160	$ 170	$ 148	(6)%	15%

Gain on deconsolidation of subsidiary	$	(3,357)	$	—	$	—	n/m	n/m
Gain on asset dispositions and other, net of impairment	$	(64)	$	(71)	$	(115)	(10)%	(38)%
Interest expense including amortization of debt discount and deferred financing costs	$	296	$	618	$	656	(52)%	(6)%
Gain (loss) on extinguishment of debt	$	3	$	(7)	$	(10)	n/m	(30)%
Other (expense) income, net	$	(129)	$	(14)	$	325	n/m	n/m
Income tax (provision) benefit	$	(913)	$	173	$	720	n/m	(76)%
Net income attributable to the redeemable noncontrolling interests	$	(20)	$	(18)	$	(56)	11%	(68)%
Net (income) loss attributable to the noncontrolling interests	$	(29)	$	(70)	$	71	(59)%	n/m

							Percent Change Increase/ (Decrease)	
	2023		2022		2021		‘23 vs.‘22	‘22 vs.‘21
Corporate general and administrative expenses	$	694	$	160	$	170	n/m	(6)%
Loss (gain) on deconsolidation of subsidiary	$	10	$	(3,357)	$	—	n/m	n/m
Other expense, net	$	(45)	$	(129)	$	(14)	(65)%	n/m
Income tax benefit (provision)	$	358	$	(913)	$	173	n/m	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 increased by $534 million during 2023, when compared to the same period in total 2022, primarily due to a $495 million litigation settlement accrual related to the DSG litigation, an $18 million increase in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 13. Commitments and Contingencies* within *Sinclair'sConsolidated Financial Statements,* anda $20 million increase in employee compensation expense. Corporate general and administrative expenses decreased by $10 million during 2022, when compared to the same period in 2021, primarily due to an $18 million decrease in employee compensation costs related to the reduction-in-force that occurred in the first quarter of 2021, as well as compensation expense savings within the current period as a result of the reduction-in-force, partially offset by an $8 million increase in general insurance expenses related to the cybersecurity incident that occurred in the fourth quarter of 2021.

Gain on deconsolidation of subsidiary. During the first quarter of 2022, we recorded a gain of $3,357 million related to the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements*.

Gain on asset dispositions and other, net of impairments. The table above shows total consolidated gain on asset dispositions and other, net of impairment. During the year ended December 31, 2022, we recognized $30 million of proceeds received from our insurance companies related to the cyber incident that occurred in the fourth quarter of 2021. The remainder of the amounts shown within the table above are discussed within the *Broadcast Segment*, *Local Sports Segment* and *Other* sections above.

Interest expense. The table above and explanation that follows cover total consolidated interest expense. Interest expense decreased by $322 million during 2022, when compared to the same period in 2021. The decrease is primarily due to a decrease in DSG interest expense of $364 million due to the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements*. Excluding the impact of the Deconsolidation, interest expense increased by $42 million primarily due to increased interest expense related to our variable rate debt. Deconsolidation.

Other (expense) income, expense, net. Other expense, net decreased by $84 million during 2023 and increased by $115 million during 2022, when compared to the same period periods in 2022 and 2021, respectively, primarily due to changes in the fair value of certain investments recorded at fair value. See *Note 6. Other Assets* within the*Sinclair's* C*onsolidated Financial Statements* for further information.

Income tax benefit (provision) benefit. . The 2023 income tax benefit for our pre-tax loss of $637 million resulted in an effective tax rate of 56.3%. The 2022 income tax provision for our pre-tax income of $3,614 million resulted in an effective tax rate of 25.3%. The increase in the effective tax rate from 2022 to 2023 is primarily due to the 2023 benefit from the release of valuation allowance on deferred tax assets relating to deductibility of interest expense under the Internal Revenue Code ("IRC") Section 163(j). The 2021 income tax benefit for our pre-tax loss of $499 million resulted in an effective tax rate of 34.7%. The decrease in the effective tax rate from 2021 to 2022 is primarily due to the 2021 benefit from federal tax credits related to investments in sustainability initiatives.

As of December 31, 2022 December 31, 2023, we had a net deferred tax liability of $610 million $252 million as compared to a net deferred tax asset liability of $293 million $610 million as of December 31, 2021 December 31, 2022. The increase decrease in net deferred tax liability primarily relates to the 2022 Deconsolidation, as discussed in

*Deconsolidation 2023 release of Diamond Sports Intermediate Holdings LLC*valuation allowance on deferred tax assets relating to deductibility of interest expense under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements*IRC Section 163(j).

As of December 31, 2023, we had $14 million of gross unrecognized tax benefits, all of which, if recognized, would favorably affect our effective tax rate. As of December 31, 2022, we had $17 million of gross unrecognized tax benefits, all of which, if recognized, would favorably affect our effective tax rate. We recognized $1 million and $2 million of income tax expense for interest related to uncertain tax positions for the year years ended December 31, 2022. December 31, 2023 and 2022, respectively. See *Note 12. Income Taxes* within the*Sinclair's Consolidated Financial Statements* for further information.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

Net (income) loss attributable Any references to the noncontrolling interests. first, second, third, or fourth quarters are to the three months ended March 31, June 30, September 30, or December 31, respectively, for the year being discussed. As of December 31, 2023, SBG had one reportable segment for accounting purposes, local media. Prior to the Deconsolidation,*For*SBG had one additional reportable segment for accounting purposes, local sports.

Seasonality / Cyclicality

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

Consolidated Operating Data

The following table sets forth certain of SBG's consolidated operating data for the years ended December 31, 2023, 2022, and 2021 (in millions).

	Years Ended December 31,		
	2023	2022	2021
Media revenues	$ 2,968	$ 3,894	$ 6,083
Non-media revenues	10	34	51
Total revenues	2,978	3,928	6,134
Media programming and production expenses	1,543	1,942	4,291
Media selling, general and administrative expenses	719	812	908
Depreciation and amortization expenses	252	321	591
Amortization of program contract costs	80	90	93
Non-media expenses	24	44	57
Corporate general and administrative expenses	654	160	170
Loss (gain) on deconsolidation of subsidiary	10	(3,357)	—
Gain on asset dispositions and other, net of impairment	(2)	(64)	(71)
Operating (loss) income	$ (302)	$ 3,980	$ 95
Net (loss) income attributable to SBG	$ (257)	$ 2,652	$ (414)

A discussion regarding SBG's financial results and operations for the year ended December 31, 2022, net income attributable to the noncontrolling interests decreased $41 million, when December 31, 2023 compared to the year ended December 31, 2022 and for the year ended December 31, 2022 compared to the year ended December 31, 2021 is presented below.

Local Media Segment

Refer to *Local Media Segment* above under *Sinclair's Results of Operations* for a discussion of SBG's local media segment, which is the same as Sinclair's local media segment for all of the years ended December 31, 2023, 2022, and 2021.

Local Sports Segment

Refer to *Local Sports Segment* above under *Sinclair's Results of Operations* for a discussion of SBG's local sports segment, which is the same as Sinclair's local sports segment for the years ended December 31, 2022 and 2021.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

Other

The following table sets forth SBG's revenue and expenses for tennis, non-broadcast digital and internet solutions, technical services, and non-media investments (collectively, "Other") for the years ended December 31, 2023, 2022, and 2021 (in millions):

							Percent Change Increase / (Decrease)	
		2023		**2022**		**2021**	**'23 vs.'22**	**'22 vs.'21**
Revenue:		(e)						
Distribution revenue	$	76	$	179	$	192	(58)%	(7)%
Advertising revenue		29		74		93	(61)%	(20)%
Other media revenues		3		15		9	(80)%	67%
Media revenues (a)	$	108	$	268	$	294	(60)%	(9)%
Non-media revenues (b)	$	11	$	44	$	58	(75)%	(24)%
Operating Expenses:								
Media expenses (c)	$	86	$	217	$	226	(60)%	(4)%
Non-media expenses (d)	$	10	$	36	$	65	(72)%	(45)%
Loss (gain) on asset dispositions and other, net of impairments	$	13	$	(12)	$	(5)	n/m	n/m
Operating income	$	—	$	43	$	36	n/m	19%
Income (loss) from equity method investments	$	31	$	46	$	(4)	(33)%	n/m

n/m — not meaningful

(a) Media revenues for the years ended December 31, 2023, 2022, and 2021 include $3 million, $12 million, and $35 million, respectively, of intercompany revenues related to certain services and sales provided to the local media segment, which are eliminated in consolidation.

(b) Non-media revenues for the years ended December 31, 2023, 2022, and 2021 include $1 million, $10 million, and $7 million, respectively, of intercompany revenues related to certain services and sales provided to the local media segment, which are eliminated in consolidation.

(c) Media expenses for the years ended December 31, 2023, 2022, and 2021 include $1 million, $11 million, and $1 million, respectively, of intercompany expenses primarily related to certain services provided by the local media segment, which are eliminated in consolidation.

(d) Non-media expenses for the years ended December 31, 2023, 2022, and 2021 include $1 million, $7 million, and $8 million, respectively, of intercompany expenses related to certain services provided by the local media segment, which are eliminated in consolidation.

(e) Represents the activity prior to the Reorganization on June 1, 2023. There was no reportable activity for the June through December period in 2021, primarily as a result of the Deconsolidation, as discussed in year ended December 31, 2023 following the Reorganization on June 1, 2023. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements*.

The decrease in the revenue and expense items noted above for the year ended December 31, 2023, when compared to the same period in the prior year, was primarily due to the results for the twelve months ended December 31, 2023 including only five months of activity due to the Reorganization (the Transferred Assets were moved to Ventures effective June 1, 2023), versus a full period of activity in the prior year period, and therefore the periods are not comparable. See *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG'sConsolidated Financial Statements.*

Revenue. Media revenues decreased $26 million during 2022, when compared to the same period in 2021, primarily due to a decrease in advertising revenue, partially offset by an increase in distribution revenue related to owned networks. Non-media revenues decreased $14 million during 2022, when compared to the same period in 2021, primarily due to the sale of Triangle in the second quarter of 2021.

Expenses. Media expenses decreased $9 million during 2022, when compared to the same period in 2021, primarily due to our digital businesses. Non-media expenses decreased $29 million during 2022, when compared to the same period in 2021, primarily due to the sale of Triangle in the second quarter of 2021 and a decrease in expenses related to our technical services business.

Loss (gain) on asset dispositions and other, net of impairments. During the year ended December 31, 2023, we recognized a loss of $12 million related to the sale of Stadium. During the year December 31, 2022, we recognized a gain of $14 million related to one of our investments. During the year ended December 31, 2021, we sold our controlling interest in Triangle for $12 million and recognized a gain of $6 million.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

Income (loss) from equity method investments. Income from equity method investments increased $50 million during 2022, when compared to the same period in 2021, primarily due to a gain on the sale of one of our real estate investments.

Corporate and Unallocated Expenses

The following table presents SBG's corporate and unallocated expenses for the years ended December 31, 2023, 2022, and 2021 (in millions):

				Percent Change Increase/ (Decrease)	
	2023	2022	2021	‘23 vs.‘22	‘22 vs.‘21
Corporate general and administrative expenses	$ 654	$ 160	$ 170	n/m	(6)%
Loss (gain) on deconsolidation of subsidiary	$ 10	$ (3,357)	$ —	n/m	n/m
Other expense, net	$ (43)	$ (129)	$ (14)	n/m	n/m
Income tax benefit (provision)	$ 359	$ (913)	$ 173	n/m	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 increased by $494 million during 2023, when compared to the same period in 2022, primarily due to an increase in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 12. Commitments and Contingencies* within *SBG's Consolidated Financial Statements*. Corporate general and administrative expenses decreased by $10 million during 2022, when compared to the same period in 2021, primarily due to an $18 million decrease in employee compensation costs related to the reduction-in-force that occurred in the first quarter of 2021, partially offset by an $8 million increase in general insurance expenses related to the cybersecurity incident that occurred in the fourth quarter of 2021.

Gain on deconsolidation of subsidiary. During the first quarter of 2022 we recorded a gain of $3,357 million related to the Deconsolidation.

*Other expense, net.*Other expense, net decreased by $86 million during 2023 and increased $115 million during 2022, when compared to the same periods in 2022 and 2021, respectively, primarily due to changes in the fair value of certain investments recorded at fair value. See *Note 6. Other Assets* within *SBG's Consolidated Financial Statements* for further information.

Income tax benefit (provision). The 2023 income tax benefit for SBG’s pre-tax loss of $604 million resulted in an effective tax rate of 59.4%. The 2022 income tax provision for SBG’s pre-tax income of $3,614 million resulted in an effective tax rate of 25.3%. The increase in the effective tax rate from 2022 to 2023 is primarily due to the 2023 benefit from the release of valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j). The 2021 income tax benefit for SBG’s pre-tax loss of $499 million resulted in an effective tax rate of 34.7%. The decrease in the effective tax rate from 2021 to 2022 is primarily due to the 2021 benefit from federal tax credits related to investments in sustainability initiatives.

As of December 31, 2023, SBG had a net deferred tax liability of $283 million as compared to a net deferred tax liability of $610 million as of December 31, 2022. The decrease in net deferred tax liability primarily relates to the 2023 release of valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j).

As of December 31, 2023, SBG had $12 million of gross unrecognized tax benefits, all of which, if recognized, would favorably affect SBG’s effective tax rate. As of December 31, 2022, SBG had $17 million of gross unrecognized tax benefits, all of which, if recognized, would favorably affect SBG’s effective tax rate. SBG recognized less than $1 million and $2 million of income tax expense for interest related to uncertain tax positions for the years ended December 31, 2023 and 2022, respectively. See *Note 11. Income Taxes* within the *SBG's Consolidated Financial Statements* for further information.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022 December 31, 2023, we Sinclair had net working capital of approximately $1,075 million $372 million, including $884 million $662 million in cash and cash equivalent balances and $650 million of available borrowing capacity. Cash on hand, cash generated by our Sinclair's operations, and borrowing capacity under the STG Bank Credit Agreement are used as our Sinclair's primary sources of liquidity.

As of December 31, 2023, SBG had net negative working capital of approximately $1 million, including $319 million in cash and cash equivalent balances and $650 million of available borrowing capacity. Cash on hand, cash generated by SBG's operations, and borrowing capacity under the Bank Credit Agreement are used as SBG's primary sources of liquidity.

The STG Bank Credit Agreement includes a financial maintenance covenant, the first lien leverage ratio (as defined in the STG Bank Credit Agreement), which requires such ratio not to exceed 4.5x, measured as of the end of each fiscal quarter. As of December 31, 2022 December 31, 2023, the STG first lien leverage ratio was below 4.5x. Under the STG Bank Credit Agreement, a financial maintenance covenant is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the revolving credit facility, measured as of the last day of each fiscal quarter, is drawn under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of December 31, 2022 December 31, 2023, STG was not subject to the financial maintenance covenant under the STG Bank Credit Agreement. The STG Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of December 31, 2022.

On April 21, 2022, STG entered into the Fourth Amendment to the STG Bank Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, the Guarantors and the lenders and other parties thereto (the "Fourth Amendment"). Pursuant to the Fourth Amendment, STG raised the STG Term Loan B-4 in an aggregate principal amount of $750 million, which matures on April 21, 2029. The proceeds from the STG Term Loan B-4 were used to refinance all of STG’s outstanding STG Term Loan B-1 due January 2024 and to redeem the outstanding STG 5.875% Notes. In addition, the maturity of $612.5 million of the total $650 million of revolving commitments under the STG Bank Credit Agreement were extended to April 21, 2027, with the remaining $37.5 million continuing to mature on December 4, 2025 December 31, 2023.

During the second quarter of 2022, we year ended December 31, 2023, STG purchased $118 million $30 million aggregate principal amount of the Term Loan B-2 for consideration of $26 million. In January 2024, STG purchased $27 million aggregate principal amount of the Term Loan B-2 for consideration of $25 million.

During the year ended December 31, 2023, STG purchased $7 million, $15 million, and $13 million aggregate principal amount of the 5.125% Senior Notes due 2027 (the "5.125% Notes"), the 5.500% Senior Notes due 2030 (the "5.500% Notes"), and the 4.125% Senior Secured Notes due 2030 (the "4.125% Notes" and, collectively with the 5.125% Notes and 5.500% Notes, the notes are referred to as the "STG Notes"), respectively, in open market transactions for consideration of $104 million. $6 million, $8 million, and $8 million, respectively. The STG 5.125% Notes acquired during the year ended December 31, 2023 were canceled immediately following their acquisition.

For the year ending December 31, 2023 December 31, 2024, we expect Sinclair expects capital expenditures to be within the range of $115 million $110 million to $125 million $117 million, primarily related to station technical, maintenance, and building projects, at our stations. and SBG expects capital expenditures to be within the range of $107 million to $114 million, primarily related to station technical, maintenance, and building projects.

LIQUIDITY AND CAPITAL RESOURCES

We Sinclair and SBG have various contractual obligations which are recorded as liabilities in our Sinclair's and SBG's consolidated financial statements, such as notes payable, finance leases, and commercial bank financing; operating leases; and active television program contracts. Certain other contractual obligations have not been recognized as liabilities in our Sinclair's and SBG's consolidated financial statements, such as certain future television program contracts and network programming rights. Active television program contracts are included in the Sinclair's and SBG's balance sheet sheets as an asset and liability while future television program contracts are excluded until the cost is known, the program is available for its first showing or telecast, and the licensee has accepted the program. Industry protocol typically enables us to make payments for television program contracts on a three-month lag, which differs from the contractual timing. As of December 31, 2022 December 31, 2023, our Sinclair's and SBG's significant contractual obligations include:

Sinclair:

- Total debt of Sinclair, defined as current and long-term notes payable, finance leases, and commercial bank financing, including finance leases of affiliates, of $4,265 million $4,175 million, including current debt, due within the next 12 months, of $38 million $36 million. As of March 1, 2022, we no longer consolidate the debt of DSIH. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.*

- Interest due on our Sinclair's total debt in the next twelve months of $275 $298 million, including interest estimated on our Sinclair's variable rate debt calculated at an effective weighted average interest rate of 7.07% 8.42% as of December 31, 2022 December 31, 2023.

- Contractual Sinclair's contractual amounts owed through the expiration date of the underlying agreement for active and future television program contracts, network programming rights, and Tennis programming rights of $2,415 $1,632 million, including $1,065 $779 million due within the next 12 months. Network programming agreements may include variable fee components such as subscriber levels, which in certain circumstances have been estimated and reflected in the previous amounts based on current subscriber amounts.

SBG:

- Total debt of SBG, defined as current and long-term notes payable, finance leases, and commercial bank financing, including finance leases of affiliates, of $4,160 million, including current debt, due within the next 12 months, of $36 million.
- Interest due on SBG's total debt in the next twelve months of $298 million, including interest estimated on SBG's variable rate debt calculated at an effective weighted average interest rate of 8.42% as of December 31, 2023.
- SBG's contractual amounts owed through the expiration date of the underlying agreement for active and future television program contracts and network programming rights of $1,205 million, including $711 million due within the next 12 months. Network programming agreements may include variable fee components such as subscriber levels, which in certain circumstances have been estimated and reflected in the previous amounts based on current subscriber amounts.

See *Note 7. Notes Payable and Commercial Bank Financing*, *Note 8. Leases*, and *Note 9. Program Contracts* within the*Sinclair's Consolidated Financial Statements* and *Note 7. Notes Payable and Commercial Bank Financing*, *Note 8. Leases*, and *Note 9. Program Contracts* within *SBG's Consolidated Financial Statements* for further information.

We Sinclair and SBG anticipate that existing cash and cash equivalents, cash flow from our the local media segment's operations, and borrowing capacity under the STG Bank Credit Agreement will be sufficient to satisfy our 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 the tennis segment and other's operations will be sufficient to satisfy 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 severity and duration of the COVID-19 pandemic, the war in Ukraine, conflict in the Middle East, and other geopolitical matters, natural disasters, and pandemics, and their resulting effect on the economy, our Sinclair's and SBG's advertisers, and our Sinclair's and SBG's Distributors and their subscribers, could affect our Sinclair's and SBG's liquidity and our first lien leverage ratio which could affect our Sinclair's and SBG's ability to access the full borrowing capacity under the STG Bank Credit Agreement. For our long-term liquidity needs, in In addition to the sources described above, we 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, 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

Company assets. However, there can be no assurance that additional financing or capital or buyers of our Company assets will be available, or that the terms of any transactions will be acceptable or advantageous to us. Sinclair or SBG.

In January 2024, Sinclair announced that it has agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the litigation filed by DSG and DSG's wholly-owned subsidiary, Diamond Sports Net, LLC, in July 2023.

LIQUIDITY AND CAPITAL RESOURCES

The settlement terms include Sinclair's cash payment to DSG of $495 million. The cash payment will be funded by cash on hand at Ventures, STG and/or a loan backed by Ventures. Under the terms of the settlement, Sinclair will provide transition services to DSG to allow DSG to become a self-standing entity.

Sinclair, Inc. Sources and Uses of Cash

The following table sets forth our Sinclair's cash flows for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

		2022	2021	2020	2023	2022	2021
Net cash flows from operating activities	***Net cash flows from operating activities***	$ 799	$ 327	$ 1,548			
Cash flows used in investing activities:							
Cash flow from (used in) investing activities:	***Cash flow from (used in) investing activities:***						
Acquisition of property and equipment	Acquisition of property and equipment	$ (105)	$ (80)	$ (157)			
Acquisition of businesses, net of cash acquired		—	(4)	(16)			
Spectrum repack reimbursements							
Spectrum repack reimbursements							
Spectrum repack reimbursements	Spectrum repack reimbursements	4	24	90			
Proceeds from the sale of assets	Proceeds from the sale of assets	9	43	36			
Deconsolidation of subsidiary cash	Deconsolidation of subsidiary cash	(315)	—	—			
Purchases of investments	Purchases of investments	(75)	(256)	(139)			
Distributions from investments	Distributions from investments	99	26	26			
Other, net	Other, net	2	1	1			
Net cash flows used in investing activities		$ (381)	$ (246)	$ (159)			
Other, net							
Other, net							
Net cash flows from (used in) investing activities							

Cash flows used in financing activities:	***Cash flows used in financing activities:***				***Cash flows used in financing activities:***
Proceeds from notes payable and commercial bank financing	Proceeds from notes payable and commercial bank financing	$ 728	$ 357	$ 1,819	
Repayments of notes payable, commercial bank financing, and finance leases	Repayments of notes payable, commercial bank financing, and finance leases	(863)	(601)	(1,739)	
Repurchase of outstanding Class A Common Stock	Repurchase of outstanding Class A Common Stock	(120)	(61)	(343)	
Repurchase of outstanding Class A Common Stock					
Repurchase of outstanding Class A Common Stock					
Dividends paid on Class A and Class B Common Stock	Dividends paid on Class A and Class B Common Stock	(70)	(60)	(63)	
Dividends paid on redeemable subsidiary preferred equity	Dividends paid on redeemable subsidiary preferred equity	(7)	(5)	(36)	
Redemption of redeemable subsidiary preferred equity	Redemption of redeemable subsidiary preferred equity	—	—	(547)	
Debt issuance costs		—	(1)	(19)	
Distributions to noncontrolling interests					
Distributions to noncontrolling interests					
Distributions to noncontrolling interests	Distributions to noncontrolling interests	(12)	(95)	(32)	
Distributions to redeemable noncontrolling interests	Distributions to redeemable noncontrolling interests	—	(6)	(383)	
Other, net	Other, net	(9)	(52)	(117)	
Net cash flows used in financing activities	Net cash flows used in financing activities	$ (353)	$ (524)	$ (1,460)	

Operating Activities

Net cash flows from Sinclair's operating activities decreased during the year ended December 31, 2023, when compared to the same period in 2022, primarily related to a decrease in cash collections related to political revenue and a decrease in cash collections from Distributors, as well as the partial period impact related to the Deconsolidation.

Net cash flows from Sinclair's operating activities increased during the year ended December 31, 2022, when compared to the same period in 2021. The increase is 2021, primarily related to the receipt of income taxes receivable, increased cash collections on accounts receivable associated with increased political advertising revenue, as well as and a partial period of payments for production and overhead costs, distributor rebate payments, and payments for sports rights as a result of the Deconsolidation, partially offset by the partial period of cash collections from Distributors and advertisers as a result of the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements.* Deconsolidation.

Investing Activities

Net cash flows from Sinclair's investing activities increased during the year ended December 31, 2023, when compared to the same period in 2022, primarily related to the removal of DSIH's cash balance as a result of the Deconsolidation in the first quarter of 2022 and the $193 million A/R Facility principal payment received from DSPV.

Net cash flows used in Sinclair's investing activities increased during the year ended December 31, 2022, when compared to the same period in 2021. The increase is 2021, primarily related to the removal of DSIH's cash balance as a result of the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within the *Consolidated Financial Statements*, partially offset by increased distributions from investments and decreased purchases of investments.

LIQUIDITY AND CAPITAL RESOURCES

Financing Activities

Net cash flows used in Sinclair's financing activities increased during the year ended December 31, 2023, when compared to the same period in 2022, primarily related to the repurchase of the Redeemable Subsidiary Preferred Equity and an increase in the repurchase of outstanding Common Stock, partially offset by a decrease in the net repayment of debt (repayments less proceeds).

Net cash flows used in Sinclair's financing activities decreased during the year ended December 31, 2022, when compared to the same period in 2021. 2021, primarily related to the proceeds from the STG Term Loan B-4 issuance, partially offset by the repurchase of Class A Common Stock during 2022, the redemption of STG's Term Loan B-1, the redemption of the STG 5.875% Notes, and the partial redemption of the STG 5.125% Notes.

Sinclair Broadcast Group, LLC Sources and Uses of Cash

The following table sets forth SBG's cash flows for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023	2022	2021
Net cash flows from operating activities	$ 260	$ 799	$ 327
Cash flow from (used in) investing activities:			
Acquisition of property and equipment	$ (90)	$ (105)	$ (80)
Spectrum repack reimbursements	8	4	24
Proceeds from the sale of assets	—	9	43
Deconsolidation of subsidiary cash	—	(315)	—
Purchases of investments	(39)	(75)	(256)
Distributions from investments	204	99	26
Other, net	1	2	(3)
Net cash flows from (used in) investing activities	$ 84	$ (381)	$ (246)
Cash flows used in financing activities:			
Proceeds from notes payable and commercial bank financing	$ —	$ 728	$ 357
Repayments of notes payable, commercial bank financing, and finance leases	(85)	(863)	(601)
Repurchase of outstanding Old Sinclair Class A Common Stock	(153)	(120)	(61)
Dividends paid on Old Sinclair Class A and Class B Common Stock	(18)	(70)	(60)
Dividends paid on redeemable subsidiary preferred equity	—	(7)	(5)
Redemption of redeemable subsidiary preferred equity	(190)	—	—
Distribution to member	(448)	—	—
Distributions to noncontrolling interests	(12)	(12)	(95)
Distributions to redeemable noncontrolling interests	—	—	(6)
Other, net	(3)	(9)	(53)
Net cash flows used in financing activities	$ (909)	$ (353)	$ (524)

Operating Activities

Net cash flows from SBG's operating activities decreased during the year ended December 31, 2023, when compared to the same period in 2022, primarily related to a decrease is in cash collections related to political revenue and a decrease in cash collections from Distributors, as well as the partial period impact related to the Deconsolidation and

Reorganization.

Net cash flows from SBG's operating activities increased during the year ended December 31, 2022, when compared to the same period in 2021, primarily related to the receipt of income taxes receivable, increased cash collections on accounts receivable associated with increased political advertising revenue, and a partial period of payments for production and overhead costs, distributor rebate payments, and payments for sports rights as a result of the Deconsolidation, partially offset by the partial period of cash collections from Distributors and advertisers as a result of the Deconsolidation.

LIQUIDITY AND CAPITAL RESOURCES

Investing Activities

Net cash flows from SBG's investing activities increased during the year ended December 31, 2023, when compared to the same period in 2022, primarily related to the removal of DSIH's cash balance as a result of the Deconsolidation in the first quarter of 2022; the $193 million A/R Facility principal payment received from DSPV; a decrease in the purchases of investments during the year ended December 31, 2023, as a result of the Reorganization; and the partial period impact related to the Reorganization.

Net cash flows used in SBG's investing activities increased during the year ended December 31, 2022, when compared to the same period in 2021, primarily related to the removal of DSIH's cash balance as a result of the Deconsolidation, partially offset by increased distributions from investments and decreased purchases of investments.

Financing Activities

Net cash flows used in SBG's financing activities increased during the year ended December 31, 2023, when compared to the same period in 2022, primarily related to the repurchase of the Redeemable Subsidiary Preferred Equity; an increase in the repurchase of outstanding Old Sinclair Common Stock, prior to the Reorganization; the one-time distribution to member at the time of the Reorganization of $360 million; and the partial period impact related to the Reorganization, partially offset by a decrease in the net repayment of debt (repayments less proceeds).

Net cash flows used in SBG's financing activities decreased during the year ended December 31, 2022, when compared to the same period in 2021, primarily related to the proceeds from the STG Term Loan B-4 issuance, partially offset by the repurchase of Class A Common Stock during 2022, the redemption of STG's Term Loan B-1, the redemption of the STG 5.875% Notes, and the partial redemption of the STG 5.125% Notes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We Sinclair and SBG are exposed to market risk from changes in interest rates and consider entering into derivative instruments primarily for the purpose of reducing the impact of changing interest rates on our floating rate debt and to reduce the impact of changing fair market values on our Sinclair's and SBG's fixed rate debt. See *Note 7. Notes Payable and Commercial Bank Financing* within the each of *Sinclair's Consolidated Financial Statements* and *SBG's Consolidated Financial Statements* for further discussion. We did not have any outstanding derivative instruments during During the three years year ended December 31, 2022 December 31, 2023, 2021, and 2020. However, we did enter STG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in February 2023. order to manage a portion of STG'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 STG receives a floating rate of interest based on SOFR. See *Subsequent Events Hedge Accounting* in *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* in *Note 7. Notes Payable and Commercial Bank Financing*within the*Sinclair's Consolidated Financial Statements*. See *Hedge Accounting* in *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* in *Note 7. Notes Payable and Commercial Bank Financing* within *SBG's Consolidated Financial Statements*. Sinclair and SBG did not have any outstanding derivative instruments during the years ended December 31, 2022 and 2021.

We Sinclair and SBG are exposed to risk from the changing interest rates of our their variable rate debt issued under the STG Bank Credit Agreement. As of December 31, 2022 December 31, 2023, our Sinclair and SBG's total variable rate debt under the STG Bank Credit Agreement was $2,733 million $2,676 million. We Sinclair and SBG estimate that adding 1% to respective interest rates would result in an increase in our each of Sinclair and SBG's interest expense of $27 million. million, exclusive of any impact of our interest rate swap.

ITEM 8. 8A. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA OF SINCLAIR, INC.

The financial statements and supplementary data of Sinclair, Inc. required by this item are filed as exhibits to this report, are listed under Item 15(a)(1) and (2) and are incorporated by reference in this report.

ITEM 8B.FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA OF SINCLAIR BROADCAST GROUP, LLC

The financial statements and supplementary data of Sinclair Broadcast Group, LLC required by this item are filed as exhibits to this report, are listed under Item 15(a)(1) and (2), and are incorporated by reference in this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in and/or disagreements with accountants on accounting and financial disclosure during the year ended December 31, 2022 December 31, 2023.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Our Each of Sinclair's and SBG's management, under the supervision and with the participation of our its respective Chief Executive Officer and Chief Financial Officer, evaluated the design and effectiveness of our its disclosure controls and procedures and our its internal control over financial reporting as of December 31, 2022 December 31, 2023.

The term “disclosure "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.

The term “internal "internal control over financial reporting,” " as defined in Rules 13a-15d-15(f) under the Exchange Act, means a process designed by, or under the supervision of our Sinclair's and SBG's Chief Executive Officer and Chief Financial Officers Officer and effected by our its Board of Directors or Board of Managers, management and other personnel, 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 ("GAAP") and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our Sinclair's and SBG's assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that our receipts and expenditures are being made in accordance with authorizations of management or our its Board of Directors; Directors or Board of Managers; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Sinclair's and SBG's assets that could have a material adverse effect on our Sinclair's and SBG's financial statements.

Assessment of Effectiveness of Disclosure Controls and Procedures

Based on the evaluation of our its disclosure controls and procedures as of December 31, 2022 December 31, 2023, our each of Sinclair's and SBG's Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our Sinclair's and SBG's disclosure controls and procedures were effective at the reasonable assurance level.

Report of Management on Internal Control over Financial Reporting

Our Sinclair's and SBG's management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our Sinclair's and SBG's management, including our Sinclair's and SBG's Chief Executive Officer and Chief Financial Officer, we Sinclair and SBG assessed the effectiveness of our its internal control over financial reporting as of December 31, 2022 December 31, 2023 based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) ("COSO"). Based on our Sinclair's and SBG's assessment, Sinclair's and SBG's management has concluded that, as of December 31, 2022 December 31, 2023, our Sinclair's and SBG's internal control over financial reporting was effective based on those criteria.

The effectiveness of our Sinclair's and SBG's internal control over financial reporting as of December 31, 2022 December 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control over Financial Reporting

There have been no changes in our Sinclair's and SBG's internal control over financial reporting (as defined in "Rules Rules 13a-15(f) and 15d-15(f)" under the 'Exchange Act") Exchange Act) during the quarter ended December 31, 2022 December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our Sinclair's and SBG's internal control over financial reporting.

Limitations on the Effectiveness of Controls

Management, including our each of Sinclair's and SBG's Chief Executive Officer and Chief Financial Officer, do not expect that our Sinclair's and SBG's disclosure controls and procedures or our 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 our 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.

ITEM 9B. OTHER INFORMATION

None.
During the three months ended December 31, 2023, 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."

On February 27, 2024, the Board of Managers of SBG was reconstituted such that the members of the Board of Managers of SBG comprise the same individuals as the members of the Board of Directors of Sinclair. As a result, Jason B. Pappas and Steven M. Marks are no longer members of the Board of Managers of SBG and Laurie R. Beyer, Benjamin S. Carson, Sr., Howard E. Friedman, Daniel C. Keith, Benson E. Legg, and Robert E. Smith were added to the Board of Managers of SBG.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item will be included in our Sinclair's Proxy Statement for the 2023 Sinclair's 2024 Annual Meeting of Stockholders under the captions, “Directors, "Directors, Executive Officers and Key Employees,” “Delinquent" "Delinquent Section 16(a) Reports,” “Code" "Code of Business Conduct and Ethics” Ethics" and “Corporate "Corporate Governance,” " as applicable, which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2022 December 31, 2023 and is incorporated by reference in this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in our Sinclair's Proxy Statement for the 2023 Sinclair's 2024 Annual Meeting of Stockholders under the captions, “Compensation "Compensation Discussion and Analysis” Analysis", “Director "Director Compensation for 2022,” “Compensation 2023," "Compensation Committee Interlocks and Insider Participation,” " and “Compensation "Compensation Committee Report,” " which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2022 December 31, 2023 and is incorporated by reference in this report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item will be included in our Sinclair's Proxy Statement for the 2023 Sinclair's 2024 Annual Meeting of Stockholders under the caption, “Security "Security Ownership of Certain Beneficial Owners and Management,” " which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2022 December 31, 2023 and is incorporated by reference in this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be included in our Sinclair's Proxy Statement for the 2023 Sinclair's 2024 Annual Meeting of Stockholders under the captions, “Related "Related Person Transactions” Transactions" and “Director "Director Independence,” " which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2022 December 31, 2023 and is incorporated by reference in this report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will be included in our Sinclair's Proxy Statement for the 2023 Sinclair's 2024 Annual Meeting of Stockholders under the caption, “Disclosure "Disclosure of Fees Charged by Independent Registered Public Accounting Firm,” " which will be filed with the SEC no later than 120 days after the close of the fiscal year ended December 31, 2022 December 31, 2023 and is incorporated by reference in this report.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements

The following consolidated financial statements of Sinclair, Inc. required by this item are submitted in a separate section beginning on page F-1 F-1 of this report.

The following consolidated financial statements of Sinclair Broadcast Group, LLC required by this item are submitted in a separate section beginning on page F-52 of this report.

(a) (2) Financial Statements Schedules

All schedules are omitted because they are not applicable or the required information is shown in the Financial Statements or the accompanying notes.

(a) (3) Exhibits

The following exhibits are filed with this report:

EXHIBIT NO.	EXHIBIT DESCRIPTION
3.1	Agreement of Share Exchange and Plan of Reorganization, dated as of April 3, 2023, by and among Old Sinclair, Sinclair, and Sinclair Holdings (incorporated by reference from Exhibit 2.1 to Old Sinclair's Current Report on Form 8-K filed April 3, 2023).
3.2	Articles of Amendment and Restatement of Sinclair, Broadcast Group, Inc., effective June 1, 2023 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 10-Q 8-K filed on August 14, 1998 June 1, 2023.)
3.2	Amendment to Sinclair Broadcast Group, Inc.'s Amended and Restated Articles of Incorporation. (Incorporated by reference from Appendix B to Registrant's Proxy Statement on Schedule 14A filed April 22, 2022.)
3.3	Amended & and Restated By-laws Bylaws of Sinclair, Inc., effective June 1, 2023 (Incorporated by reference from Exhibit 3.2 to Registrant's Current Report on Form 8-K filed on June 1, 2023.)
3.4	Articles of Share Exchange between Sinclair Broadcast Group, Inc. and Sinclair, Inc. (Incorporated by reference from Exhibit 3.3 to Registrant's Current Report on Form 8-K filed on June 1, 2023.)
3.5	Articles of Conversion of Sinclair Broadcast Group, Inc., into Sinclair Broadcast Group, LLC effective as of March 4, 2015, as amended through the Second Amendment thereto effective as of April 8, 2021 June 1, 2023. (Incorporated by reference from Exhibit 3.1 to Registrant's Current Registrant's Quarterly Report on Form 8-K 10-Q filed April 14, 2021 on August 9, 2023.)

EXHIBIT NO.	EXHIBIT DESCRIPTION
3.6	Articles of Organization of Sinclair Broadcast Group, LLC dated June 1, 2023. (Incorporated by reference from Exhibit 3.2 to Registrant's Quarterly Report on Form 10-Q filed on August 9, 2023.)
3.7	Operating Agreement of Sinclair Broadcast Group, LLC dated June 1, 2023. (Incorporated by reference from Exhibit 3.3 to Registrant's Quarterly Report on Form 10-Q filed on August 9, 2023.)
3.8	First Amended and Restated Operating Agreement of Sinclair Broadcast Group, LLC dated June 2, 2023. (Incorporated by reference from Exhibit 3.4 to Registrant's Quarterly Report on Form 10-Q filed on August 9, 2023.)
4.1	Indenture, dated as of August 30, 2016, by and among Sinclair Television Group, Inc., the guarantors identified therein and U.S. Bank National Association, as trustee. (Incorporated by reference from Exhibit 4.1 to Registrant's Old Sinclair's Current Report on Form 8-K filed on September 2, 2016.)
4.2	Indenture, dated as of November 27, 2019, by and among Sinclair Television Group, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee. (Incorporated by reference from Exhibit 4.1 to Registrant's Old Sinclair's Current Report on Form 8-K filed on November 27, 2019.)
4.3	Secured Notes Indenture, dated as of December 4, 2020, by and among Sinclair Television Group, Inc., the guarantors party thereto and U.S. Bank National Association as trustee and notes collateral agent. (Incorporated by reference from Exhibit 4.1 to Registrant's Old Sinclair's Current Report on Form 8-K filed on December 4, 2020.)
4.4** 4.4†	Description of the Sinclair, Broadcast Group, Inc.'s Class A Common Stock.
10.1*	1996 Long-Term Incentive Plan for Sinclair Broadcast Group, Inc. (Incorporated by reference from Exhibit 10.36 to Registrant's Report on Form 10-K/A filed on April 11, 1997.)
10.2*	First Amendment to 1996 Long-Term Incentive Plan for Sinclair Broadcast Group, Inc. (Incorporated by reference from Exhibit B to Registrant's Proxy Statement on Schedule 14A filed April 10, 1998.)
10.3*	Second Amendment to the 1996 Long-Term Incentive Plan of Sinclair Broadcast Group, Inc. (Incorporated by reference from Exhibit 10.39 to Registrant's Report on Form 10-K filed on March 3, 2014.)
10.4*	Sinclair, Broadcast Group, Inc. 2022 Stock Incentive Plan (Incorporated by reference from Exhibit A to Registrant's Old Sinclair's Proxy Statement on Schedule 14A filed April 22, 2022.)

EXHIBIT NO. 10.2*	EXHIBIT DESCRIPTION
10.5*	Form of Restricted Stock Award Agreement. (Incorporated by reference from Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q filed on May 10, 2018.)
10.6*	Form of Restricted Stock Award Agreement. (Incorporated by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q filed on May 10, 2019.)
10.7*	Form of Restricted Stock Award Agreement - February 2021 March 2023 Grants. (Incorporated by reference from Exhibit 10.1 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed on May 10. 2021.)
10.8*	Form of Stock Appreciation Right Agreement. (Incorporated by reference from Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q filed on May 11, 2020 May 10, 2023.)
10.9* 10.3*	Form of Stock Appreciation Rights Agreement - February 2021 March 2023 Grants. (Incorporated by reference from Exhibit 10.2 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed on May 10, 2021 May 10, 2023.)
10.10* 10.4*	Employment Agreement by and between Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.) and Frederick G. Smith, dated June 12, 1998. (Incorporated by reference from Exhibit 10.2 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed November 13, 1998.)
10.11* 10.5*	Employment Agreement by and between Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.) and J. Duncan Smith, dated June 12, 1998. (Incorporated by reference from Exhibit 10.1 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed November 13, 1998.)
10.12* 10.6*	Amended and Restated Employment Agreement by and between Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.) and Christopher Ripley dated August 23, 2017. (Incorporated by reference from Exhibit 10.1 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed on November 8, 2017.)
10.13* 10.7*	Amended and Restated Employment Agreement by and between Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.) and Lucy Rutishauser dated August 28, 2017. (Incorporated by reference from Exhibit 10.2 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed on November 8, 2017.)
10.14* 10.8*	Amended and Restated Employment Agreement by and between Sinclair Television Group, Inc. and Robert Weisbord dated January 16, 2020. (Incorporated by reference from Exhibit 10.3 to Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed on May 10, 2021.)
10.15 10.9*	Amendment No. 1 dated June 20, 2023 with an effective date of January 1, 2023 to the Amended and Restated Employment Agreement between Sinclair Television Group, Inc. and Robert Weisbord effective as of January 1, 2020. (Incorporated by reference from Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed on August 9, 2023.)
10.10	Amended and Restated Lease dated as of February 8, 2010 between Gerstell Development Limited Partnership and Sinclair Media I, Inc. (Incorporated by reference from Exhibit 10.24 to Registrant's Old Sinclair's Annual Report on Form 10-K filed March 5, 2010.)
10.16 10.11	Amended and Restated Lease dated as of February 8, 2010 between Cunningham Communications, Inc. and Sinclair Communications, LLC. (Incorporated by reference from Exhibit 10.25 to Registrant's Old Sinclair's Annual Report on Form 10-K filed March 5, 2010.)
10.17 10.12	Amended and Restated Lease dated as of February 8, 2010 between Keyser Investment Group, Inc. and Sinclair Communications, LLC. (Incorporated by reference from Exhibit 10.26 to Registrant's Old Sinclair's Annual Report on Form 10-K filed March 5, 2010.)
10.18 10.13	Amended and Restated Lease dated as of February 8, 2010 between Keyser Investment Group, Inc. and Sinclair Communications, LLC. (Incorporated by reference from Exhibit 10.27 to Registrant's Old Sinclair's Annual Report on Form 10-K filed March 5, 2010.)
10.19 10.14	Amendment No. 1 to Lease dated as of January 1, 2013 between Keyser Investment Group, Inc. and Sinclair Communications LLC. (Incorporated by reference from Exhibit 10.34 to Registrant's Old Sinclair's Annual Report on Form 10-K filed on March 12, 2013.)
10.20 10.15†	Amendment No. 2 to Lease dated as of January 1, 2024 between Keyser Investment Group, Inc. and Sinclair Communications LLC.

EXHIBIT NO.	EXHIBIT DESCRIPTION
10.16	Amendment of Lease dated as of March 28, 2008 by and between Beaver Dam Limited Liability Company and Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.). (Incorporated by reference from Registrant's Old Sinclair's Quarterly Report on Form 10-Q filed on May 10, 2018.)
10.21 10.17†	Professional Services Agreement dated as of March 6, 2020 March 2, 2022 by and between Executive Flight Solutions, LLC and Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc. (Incorporated by reference from Exhibit 10.29 to Registrant's Report on Form 10-K filed on March 1, 2021.)).
10.22 10.18	Amended and Restated Professional Services Agreement dated as of February 11, 2021 by and between Executive Flight Solutions, LLC and Sinclair Broadcast Group, Inc. (Incorporated by reference from Exhibit 10.30 to Registrant's Report on Form 10-K filed on March 1, 2021.)
10.23	Amended and Restated Limited Liability Company Agreement of Diamond Sports Holdings, LLC, dated as August 23, 2019. (Incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed on August 23, 2019.)
10.24	First Amendment to the Amended and Restated Limited Liability Company Agreement of Diamond Sports Holdings LLC, dated as of February 18, 2020. (Incorporated by reference from Exhibit 10.32 to Registrant's Report on Form 10-K filed on March 1, 2021.)
10.25	Second Amendment to the Amended and Restated Limited Liability Company Agreement of Diamond Sports Holdings LLC, dated as of June 30, 2020. (Incorporated by reference from Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed on August 10, 2020.)

EXHIBIT NO.	EXHIBIT DESCRIPTION
10.26	Preferred Unit Purchase Agreement, by and among Sinclair Broadcast Group, Inc., Diamond Sports Holdings LLC, Preferred Equity Holding Co LLC and JPMorgan Chase Funding Inc., dated February 10, 2023.(Incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed on February 10, 2023.)
10.27	Seventh Amended and Restated Credit Agreement, dated as of August 23, 2019, by and among Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), Sinclair Television Group, Inc., the guarantors party thereto, JP Morgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders party thereto. (Incorporated by reference from Exhibit 10.4 to Registrant's Old Sinclair's Current Report on Form 8-K filed on August 23, 2019.)
10.28 10.19	First Amendment, dated as of December 20, 2019, to the Seventh Amended and Restated Credit Agreement, dated as of August 23, 2019, among Sinclair Television Group, Inc., Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent. (Incorporated by reference from Exhibit 10.38 to Registrant's Old Sinclair's Annual Report on Form 10-K filed on March 1, 2021.)
10.29 10.20	Second Amendment, dated as of December 4, 2020, to the Seventh Amended and Restated Credit Agreement by and among Sinclair Television Group, Inc., Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as the administrative agent. (Incorporated by reference from Exhibit 10.1 to Registrant's Old Sinclair's Current Report on Form 8-K filed on December 4, 2020.)
10.30 10.21	Third Amendment, dated as of April 1, 2021, to the Seventh Amended and Restated Credit Agreement by and among Sinclair Television Group, Inc., Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as the administrative agent and collateral agent. (Incorporated by reference from Exhibit 10.1 to Registrant's Old Sinclair's Current Report on Form 8-K filed on April 1, 2021.)
10.31 10.22	Fourth Amendment, dated as of April 21, 2022, to the Seventh Amended and Restated Credit Agreement by and among Sinclair Television Group, Inc., Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as the administrative agent and collateral agent (incorporated by reference from Exhibit 10.1 to Registrant's Old Sinclair's Current Report on Form 8-K filed on April 21, 2022).
10.32 10.23	Amended and Restated Loan and Security Agreement, dated as of June 25, 2021, by and among Diamond Sports Finance SPV, LLC, Fox Sports Net, LLC, Credit Suisse AG, New York Branch, as administrative agent, Wilmington Trust, National Association, as collateral agent, paying agent and account bank, and the lenders party thereto. (Incorporated by reference from Exhibit 10.1 to Registrant's Current Old Sinclair's Quarterly Report on Form 10-Q filed on November 9, 2021.)
10.33 10.24	First Amendment to Loan and Security Agreement, dated as of September 15, 2021, by and among Diamond Sports Finance SPV, LLC, Diamond Sports Net, LLC (f/k/a Fox Sports Net, LLC), Credit Suisse AG, New York Branch, as administrative agent, Wilmington Trust, National Association, as collateral agent, paying agent and account bank, and the lenders party thereto. (Incorporated by reference from Exhibit 10.2 to Registrant's Current Old Sinclair's Quarterly Report on Form 10-Q filed on November 9, 2021.)
10.34 10.25	Assignment and Acceptance Agreement, dated as of November 5, 2021, by and between Credit Suisse AG, Cayman Islands Branch, as assignor, and Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), as assignee, and accepted by Credit Suisse AG, New York Branch, as administrative agent and Diamond Sports Finance SPV, LLC, as borrower. (Incorporated by reference from Exhibit 10.3 to Registrant's Current Old Sinclair's Quarterly Report on Form 10-Q filed on November 9, 2021.)
10.35 10.26	Omnibus Amendment to Amended and Restated Loan Agreement & Purchase Agreement, dated as of November 5, 2021, by and among Diamond Sports Finance SPV, LLC, Diamond Sports Net, LLC (f/k/a Fox Sports Net, LLC), Sinclair Broadcast Group, LLC (formerly Sinclair Broadcast Group, Inc.), as administrative agent and lender, Wilmington Trust, National Association, as collateral agent, paying agent and account bank, and certain persons identified therein as originators. (Incorporated by reference from Exhibit 10.3 to Registrant's Current Old Sinclair's Quarterly Report on Form 10-Q filed on November 9, 2021.)
21** 10.27	Omnibus Assignment, Assumption and Amendment Agreement, by and between Old Sinclair and New Sinclair, effective as of June 1, 2023. (Incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed on June 1, 2023.)
21†	Significant Subsidiaries of the Registrant. Sinclair and SBG.
23** 23†	Consent of PricewaterhouseCoopers LLP Independent Registered Public Accounting Firm.
24	Power of Attorney; included on the Signatures page of this Annual Report on Form 10-K.
31.1*** 31.1	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair, Broadcast Group, Inc., pursuant to § 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. § 7241).
31.2*** 31.2	Certification by Lucy A. Rutishauser, as Chief Financial Officer of Sinclair, Broadcast Group, Inc., pursuant to § 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. § 7241).

32.1*** EXHIBIT NO.	EXHIBIT DESCRIPTION
31.3	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair Broadcast Group, LLC, pursuant to § 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. § 7241).
31.4	Certification by Lucy A. Rutishauser, as Chief Financial Officer of Sinclair Broadcast Group, LLC, pursuant to § 302 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. § 7241).
32.1‡	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair, Broadcast Group, Inc., pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350).
32.2*** 32.2‡	Certification by Lucy A. Rutishauser, as Chief Financial Officer of Sinclair, Broadcast Group, Inc., pursuant to § 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 § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350).
EXHIBIT NO. 32.4‡	Certification by Lucy A. Rutishauser, as Chief Financial Officer of Sinclair Broadcast Group, LLC, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350).
97.1†	EXHIBIT DESCRIPTIONSinclair, Inc. Incentive-Based Compensation Clawback Policy, effective as of October 2, 2023.
99.1	Stockholders' Agreement dated April 2, 2015 as of June 1, 2023 by and among the Smith Brothers. (Incorporated by reference from Exhibit 99.1 to Registrant's Current Report on Form 8-K filed on April 6, 2015 June 1, 2023.)
101 101†	The Company's Consolidated Financial Statements and related Notes for the year ended December 31, 2022 December 31, 2023 from this Annual Report on Form 10-K, formatted in iXBRL (Inline eXtensible Business Reporting Language).**

* Management contracts and compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

** † Filed herewith.

*** ‡ In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” "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.

(b) Exhibits

The exhibits required by this Item are listed under Item 15 (a) (3).

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized on this 1st 29th day of March 2023. February 2024.

SINCLAIR, INC.

SINCLAIR BROADCAST GROUP, INC. LLC

By: /s/ Christopher S. Ripley

Christopher S. Ripley

President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below under the heading “Signature” "Signature" constitutes and appoints Christopher S. Ripley as his true and lawful attorney-in-fact each acting alone, with full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities to sign any or all amendments to this 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact, or their his substitute or substitutes, each acting alone, may lawfully do or cause to be done in virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant Sinclair, Inc. and Sinclair Broadcast Group, LLC and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Christopher S. Ripley	President and Chief Executive Officer	
Christopher S. Ripley	President and Chief Executive Officer	March 1, 2023 February 29, 2024
/s/ Lucy A. Rutishauser		
Lucy A. Rutishauser	Executive Vice President and Chief Financial Officer	
Lucy A. Rutishauser		March 1, 2023 February 29, 2024
/s/ David R. Bochenek	Senior Vice President and Chief Accounting Officer	
David R. Bochenek	Senior Vice President and Chief Accounting Officer	March 1, 2023 February 29, 2024
/s/ David D. Smith	Chairman of the Board and Executive Chairman	
David D. Smith	Chairman of the Board and Executive Chairman	March 1, 2023 February 29, 2024
/s/ Frederick G. Smith		
Frederick G. Smith	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ J. Duncan Smith		
J. Duncan Smith	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ Robert E. Smith		
Robert E. Smith	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ Laurie R. Beyer		
Laurie R. Beyer	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ Benjamin S. Carson, Sr.		
Benjamin S. Carson, Sr.	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ Howard E. Friedman		
Howard E. Friedman	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ Daniel C. Keith		
Daniel C. Keith	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024
/s/ Benson E. Legg		
Benson E. Legg	Director (Sinclair) and Manager (SBG)	March 1, 2023 February 29, 2024

SINCLAIR, BROADCAST GROUP, INC.

INDEX TO FINANCIAL STATEMENTS OF SINCLAIR, INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Sinclair, Broadcast Group, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sinclair, Broadcast Group, Inc. and its subsidiaries (the “Company” "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, and the related consolidated statements of operations, comprehensive (loss) income, equity (deficit) and redeemable noncontrolling interests and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, including the related notes (collectively referred to as the “consolidated "consolidated financial statements” statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013)issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual the Report of Management on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s company's internal control over financial reporting is a process designed 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. A company’s company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidatedfinancial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Broadcast Local Media Segment Advertising Revenue

As discussed in Note 1 to the consolidated financial statements, the Company recorded advertising revenue of $1,399 million $1,236 million relating to the broadcast local media segment for the year ended December 31, 2022 December 31, 2023. Advertising revenue is derived generated primarily from the sale of broadcast advertising spots/impressions. Advertising revenue is recognized in the period in which the advertising spots/impressions are delivered.

The principal consideration for our determination that performing procedures relating to broadcast the local media segment advertising revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company’s revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to revenue recognition for advertising revenue, including controls over the recording of advertising revenue in the period in which the advertising spots/impressions are delivered. These procedures also included, among others, evaluating revenue recognition for a sample of broadcast advertising transactions by obtaining taped recordings denoting the as aired as-aired advertisements and comparing those ads to the invoices generated for selected transactions and cash received against revenue transactions recorded in the consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
Baltimore, Maryland
March 1, 2023 February 29, 2024

We have served as the Company’s auditor since 2009 2009.

SINCLAIR, BROADCAST GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

		As of December 31,			As of December 31,	
		2022	2021		2023	2022
ASSETS	ASSETS			ASSETS		
CURRENT ASSETS:						
Current Assets:				Current Assets:		
Cash and cash equivalents	Cash and cash equivalents	$ 884	$ 816			
Accounts receivable, net of allowance for doubtful accounts of $5 and $7, respectively		612	1,245			

Accounts receivable, net of allowance for doubtful accounts of $4 and $5, respectively				
Income taxes receivable	Income taxes receivable	5	152	
Prepaid sports rights		—	85	
Prepaid expenses and other current assets	Prepaid expenses and other current assets	182	173	
Total current assets	Total current assets	1,683	2,471	
Property and equipment, net	Property and equipment, net	728	833	
Operating lease assets	Operating lease assets	145	207	
Deferred tax assets		—	293	
Restricted cash		—	3	
Goodwill				
Goodwill				
Goodwill	Goodwill	2,088	2,088	
Indefinite-lived intangible assets	Indefinite-lived intangible assets	150	150	
Customer relationships, net	Customer relationships, net	444	3,904	
Other definite-lived intangible assets, net	Other definite-lived intangible assets, net	502	1,184	
Other assets	Other assets	964	1,408	
Total assets (a)	Total assets (a)	$6,704	$12,541	
LIABILITIES , REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY	**LIABILITIES , REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY**			
Current liabilities:				
LIABILITIES , REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY				
LIABILITIES , REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY				
Current Liabilities:				Current Liabilities:
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	$ 397	$ 655	
Current portion of notes payable, finance leases, and commercial bank financing				
Current portion of notes payable, finance leases, and commercial bank financing				

Current portion of notes payable, finance leases, and commercial bank financing	Current portion of notes payable, finance leases, and commercial bank financing	38	69	
Current portion of operating lease liabilities	Current portion of operating lease liabilities	23	35	
Current portion of program contracts payable	Current portion of program contracts payable	83	97	
Other current liabilities	Other current liabilities	67	346	
Total current liabilities	Total current liabilities	608	1,202	
Notes payable, finance leases, and commercial bank financing, less current portion	Notes payable, finance leases, and commercial bank financing, less current portion	4,227	12,271	
Operating lease liabilities, less current portion	Operating lease liabilities, less current portion	154	205	
Program contracts payable, less current portion	Program contracts payable, less current portion	10	21	
Deferred tax liabilities	Deferred tax liabilities	610	—	
Other long-term liabilities	Other long-term liabilities	220	351	
Total liabilities (a)	Total liabilities (a)	5,829	14,050	
Commitments and contingencies (See *Note 13*)	Commitments and contingencies (See *Note 13*)			Commitments and contingencies (See *Note 13*)
Redeemable noncontrolling interests	Redeemable noncontrolling interests	194	197	
Shareholders' Equity:				
Class A Common Stock, $0.01 par value, 500,000,000 shares authorized, 45,847,879 and 49,314,303 shares issued and outstanding, respectively		1	1	
Shareholders' equity:				Shareholders' equity:
Class A Common Stock, $0.01 par value, 500,000,000 shares authorized, 39,737,682 and 45,847,879 shares issued and outstanding, respectively				

Class B Common Stock, $0.01 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	Class B Common Stock, $0.01 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	Additional paid-in capital	624	691
Retained Earnings (accumulated deficit)		122	(2,460)
Accumulated other comprehensive income (loss)		1	(2)
Total Sinclair Broadcast Group shareholders' equity (deficit)		748	(1,770)
(Accumulated deficit) retained earnings			
Accumulated other comprehensive income			
Total Sinclair shareholders' equity			
Noncontrolling interests	Noncontrolling interests	(67)	64
Total equity (deficit)		681	(1,706)
Total equity			
Total liabilities, redeemable noncontrolling interests, and equity	Total liabilities, redeemable noncontrolling interests, and equity	$6,704	$12,541

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

(a) Our consolidated total assets as of December 31, 2022 December 31, 2023 and 2021 2022 include total assets of VIEs Variable Interest Entities ("VIEs") of $115 million $85 million and $217 million $115 million, respectively, which can only be used to settle the obligations of the VIEs. Our consolidated total liabilities as of December 31, 2022 December 31, 2023 and 2021 2022 include total liabilities of the VIEs of $18 million $17 million and $62 million $18 million, respectively, for which the creditors of the VIEs have no recourse to us. See *Note 14. Variable Interest Entities*.

SINCLAIR, BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, AND 2020 2021
(In millions, except share and per share data)

		2022	2021	2020		2023	2022	2021
REVENUES:	REVENUES:				REVENUES:			
Media revenues	Media revenues	$3,894	$6,083	$ 5,843				
Non-media revenues	Non-media revenues	34	51	100				

Total revenues	Total revenues	3,928	6,134	5,943
OPERATING EXPENSES:	OPERATING EXPENSES:			
OPERATING EXPENSES:				
OPERATING EXPENSES:				
Media programming and production expenses	Media programming and production expenses	1,942	4,291	2,735
Media selling, general and administrative expenses	Media selling, general and administrative expenses	812	908	832
Amortization of program contract costs	Amortization of program contract costs	90	93	86
Non-media expenses	Non-media expenses	44	57	91
Depreciation of property and equipment	Depreciation of property and equipment	100	114	102
Corporate general and administrative expenses	Corporate general and administrative expenses	160	170	148
Amortization of definite-lived intangible and other assets	Amortization of definite-lived intangible and other assets	221	477	572
Impairment of goodwill and definite-lived intangible assets		—	—	4,264
Gain on deconsolidation of subsidiary		(3,357)	—	—
Gain on asset dispositions and other, net of impairment		(64)	(71)	(115)
Total operating (gains) expenses		(52)	6,039	8,715
Operating income (loss)		3,980	95	(2,772)
Loss (gain) on deconsolidation of subsidiary				
Loss (gain) on deconsolidation of subsidiary				
Loss (gain) on deconsolidation of subsidiary				
Loss (gain) on asset dispositions and other, net of impairment				
Total operating expenses (gains)				
Operating (loss) income				

OTHER INCOME (EXPENSE):				
OTHER INCOME (EXPENSE):				
OTHER INCOME (EXPENSE):	OTHER INCOME (EXPENSE):			
Interest expense including amortization of debt discount and deferred financing costs	Interest expense including amortization of debt discount and deferred financing costs	(296)	(618)	(656)
Gain (loss) on extinguishment of debt	Gain (loss) on extinguishment of debt	3	(7)	(10)
Income (loss) from equity method investments		56	45	(36)
Other (expense) income, net		(129)	(14)	325
Income from equity method investments				
Other expense, net				
Total other expense, net	Total other expense, net	(366)	(594)	(377)
Income (loss) before income taxes		3,614	(499)	(3,149)
INCOME TAX (PROVISION) BENEFIT		(913)	173	720
(Loss) income before income taxes				
INCOME TAX BENEFIT (PROVISION)				
NET INCOME (LOSS)		2,701	(326)	(2,429)
Net income attributable to the redeemable noncontrolling interests		(20)	(18)	(56)
Net (income) loss attributable to the noncontrolling interests		(29)	(70)	71
NET INCOME (LOSS) ATTRIBUTABLE TO SINCLAIR BROADCAST GROUP		$2,652	$ (414)	$(2,414)
NET (LOSS) INCOME				
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR BROADCAST GROUP:				
Basic earnings (loss) per share		$37.54	$ (5.51)	$(30.20)
NET (LOSS) INCOME				
Diluted earnings (loss) per share		$37.54	$ (5.51)	$(30.20)
NET (LOSS) INCOME				

Net loss (income) attributable to the redeemable noncontrolling interests				
Net income attributable to the noncontrolling interests				
NET (LOSS) INCOME ATTRIBUTABLE TO SINCLAIR				
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:				
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:				
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:				
Basic (loss) earnings per share				
Basic (loss) earnings per share				
Basic (loss) earnings per share				
Diluted (loss) earnings per share				
Diluted (loss) earnings per share				
Diluted (loss) earnings per share				
Basic weighted average common shares outstanding (in thousands)	Basic weighted average common shares outstanding (in thousands)	70,653	75,050	79,924
Diluted weighted average common and common equivalent shares outstanding (in thousands)	Diluted weighted average common and common equivalent shares outstanding (in thousands)	70,656	75,050	79,924

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

SINCLAIR, BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, AND 2020 2021
(In millions)

	2022	2021	2020
Net income (loss)	$ 2,701	$ (326)	$ (2,429)
Adjustments to post-retirement obligations, net of taxes	3	1	(1)
Share of other comprehensive gain (loss) of equity method investments	3	7	(7)
Comprehensive income (loss)	2,707	(318)	(2,437)
Comprehensive income attributable to redeemable noncontrolling interests	(20)	(18)	(56)
Comprehensive (income) loss attributable to noncontrolling interests	(29)	(70)	71
Comprehensive income (loss) attributable to Sinclair Broadcast Group	$ 2,658	$ (406)	$ (2,422)

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

SINCLAIR BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021, AND 2020
(In millions, except share data)

		Sinclair Broadcast Group Shareholders								
	Redeemable Noncontrolling Interests	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity (Deficit)
		Shares	Values	Shares	Values					
BALANCE, December 31, 2019	$ 1,078	66,830,110	$ 1	24,727,682	$ —	$ 1,011	$ 492	$ (2)	$ 192	$ 1,694
Dividends declared and paid on Class A and Class B Common Stock ($0.80 per share)	—	—	—	—	—	—	(64)	—	—	(64)
Repurchases of Class A Common Stock	—	(19,418,934)	—	—	—	(343)	—	—	—	(343)
Class A Common Stock issued pursuant to employee benefit plans	—	1,841,495	—	—	—	53	—	—	—	53
Noncontrolling interests issued	22	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interests, net	—	—	—	—	—	—	—	—	(32)	(32)
Distributions to redeemable noncontrolling interests	(419)	—	—	—	—	—	—	—	—	—
Redemption of redeemable subsidiary preferred equity, net of fees	(547)	—	—	—	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—	—	(8)	—	(8)
Net income (loss)	56	—	—	—	—	—	(2,414)	—	(71)	(2,485)
BALANCE, December 31, 2020	$ 190	49,252,671	$ 1	24,727,682	$ —	$ 721	$ (1,986)	$ (10)	$ 89	$ (1,185)

	2023	2022	2021
Net (loss) income	$ (279)	$ 2,701	$ (326)
Adjustments to post-retirement obligations, net of taxes	—	3	1
Share of other comprehensive gain of equity method investments	—	3	7
Comprehensive (loss) income	(279)	2,707	(318)
Comprehensive loss (income) attributable to redeemable noncontrolling interests	4	(20)	(18)
Comprehensive income attributable to noncontrolling interests	(16)	(29)	(70)
Comprehensive (loss) income attributable to Sinclair	$ (291)	$ 2,658	$ (406)

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

SINCLAIR, BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, AND 2020 2021

(In millions, except share data)

	Redeemable Noncontrolling Interest	Sinclair Broadcast Group Shareholders: Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Deficit
BALANCE, December 31, 2020	$ 190	49,252,671	$ 1	24,727,682	$ —	$ 721	$ (1,986)	$ (10)	$ 89	$(1,185)
Dividends declared and paid on Class A and Class B Common Stock ($0.80 per share)	—	—	—	—	—	—	(60)	—	—	(60)
Class B Common Stock converted into Class A Common Stock	—	952,626	—	(952,626)	—	—	—	—	—	—
Repurchases of Class A Common Stock	—	(2,438,585)	—	—	—	(61)	—	—	—	(61)
Class A Common Stock issued pursuant to employee benefit plans	—	1,547,591	—	—	—	31	—	—	—	31
Distributions to noncontrolling interests, net	(11)	—	—	—	—	—	—	—	(95)	(95)
Other comprehensive income	—	—	—	—	—	—	—	8	—	8
Net income (loss)	18	—	—	—	—	—	(414)	—	70	(344)
BALANCE, December 31, 2021	$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$(1,706)

BALANCE, December 31, 2020
BALANCE, December 31, 2020
Dividends declared and paid on Class A and Class B Common Stock ($0.80 per share)
Dividends declared and paid on Class A and Class B Common Stock ($0.80 per share)
Distributions to noncontrolling interests, net
Distributions to noncontrolling interests, net
Other comprehensive income
Other comprehensive income

Sinclair Shareholde			
Redeemable Noncontrolling Interests	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital

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

SINCLAIR, BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, AND 2020 2021
(In millions, except share data)

	Redeemable Noncontrolling Interest	Sinclair Shareholders: Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total (Deficit) Equity
BALANCE, December 31, 2021	$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$ (1,706)
Dividends declared and paid on Class A and Class B Common Stock ($1.00 per share)	—	—	—	—	—	—	(70)	—	—	(70)
Repurchases of Class A Common Stock	—	(4,850,398)	—	—	—	(120)	—	—	—	(120)
Class A Common Stock issued pursuant to employee benefit plans	—	1,383,974	—	—	—	53	—	—	—	53
Distributions to noncontrolling interests, net	(7)	—	—	—	—	—	—	—	(12)	(12)
Other comprehensive income	—	—	—	—	—	—	—	6	—	6
Deconsolidation of subsidiary	(16)	—	—	—	—	—	—	(3)	(148)	(151)
Net income	20	—	—	—	—	—	2,652	—	29	2,681
BALANCE, December 31, 2022	$ 194	45,847,879	$ 1	23,775,056	$ —	$ 624	$ 122	$ 1	$ (67)	$ 681

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

SINCLAIR, INC.
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(In millions, except share data)

		Redeemable Noncontrolling Interests	Sinclair Broadcast Group Shareholders: Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total (Deficit) Equity	Redeemable Noncontrolling Interests	Sinclair Sharehol: Class A Common Stock	Class B Common Stock	Addition Paid-Ir Capita
BALANCE, December 31, 2021		$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$ (1,706)				
BALANCE, December 31, 2022															
BALANCE, December 31, 2022															
BALANCE, December 31, 2022															
Dividends declared and paid on Class A and Class B Common Stock ($1.00 per share)	Dividends declared and paid on Class A and Class B Common Stock ($1.00 per share)	—	—	—	—	—	—	(70)	—	—	(70)				
Dividends declared and paid on Class A and Class B Common Stock ($1.00 per share)															
Dividends declared and paid on Class A and Class B Common Stock ($1.00 per share)															
Repurchases of Class A Common Stock															

Repurchases of Class A Common Stock

Repurchases of Class A Common Stock	—	(4,850,398)	—	—	—	(120)	—	—	—	(120)
Class A Common Stock issued pursuant to employee benefit plans	—	1,383,974	—	—	—	53	—	—	—	53
Distributions to noncontrolling interests, net	(7)	—	—	—	—	—	—	—	(12)	(12)
Other comprehensive income	—	—	—	—	—	—	—	6	—	6
Deconsolidation of subsidiary	(16)	—	—	—	—	—	—	(3)	(148)	(151)
Net income	20	—	—	—	—	—	2,652	—	29	2,681
BALANCE, December 31, 2022	$ 194	45,847,879	$ 1	23,775,056	$ —	$ 624	$ 122	$ 1	$ (67)	$ 681

Distributions to noncontrolling interests, net

Distributions to noncontrolling interests, net

Redemption, net

Redemption, net

Redemption, net

Net (loss) income

Net (loss) income

Net (loss) income

BALANCE, December 31, 2023

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

SINCLAIR, BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, 2021, AND 2020 2021
(In millions)

	2022	2021	2020	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	$2,701	$ (326)	$(2,429)			
Adjustments to reconcile net income (loss) to net cash flows from operating activities:						
Impairment of goodwill and definite-lived intangible assets	—	—	4,264			
Net (loss) income						

Adjustments to reconcile net (loss) income to net cash flows from operating activities:	Adjustments to reconcile net (loss) income to net cash flows from operating activities:			
Amortization of sports programming rights				
Amortization of sports programming rights				
Amortization of sports programming rights	Amortization of sports programming rights	326	2,350	1,078
Amortization of definite-lived intangible and other assets	Amortization of definite-lived intangible and other assets	221	477	572
Depreciation of property and equipment	Depreciation of property and equipment	100	114	102
Amortization of program contract costs	Amortization of program contract costs	90	93	86
Stock-based compensation	Stock-based compensation	50	60	52
Deferred tax provision (benefit)		906	(92)	(604)
Gain on asset disposition and other, net of impairment		(11)	(69)	(119)
Gain on deconsolidation of subsidiary		(3,357)	—	—
(Income) loss from equity method investments		(56)	(45)	36
Loss (income) from investments		133	38	(152)
Deferred tax (benefit) provision				
Loss (gain) on asset dispositions and other, net of impairment				
Loss (gain) on deconsolidation of subsidiary				
Income from equity method investments				
Loss from investments				
Distributions from investments	Distributions from investments	87	54	27
Sports programming rights payments	Sports programming rights payments	(325)	(1,834)	(1,345)
Rebate payments to distributors	Rebate payments to distributors	(15)	(202)	—
(Gain) loss on extinguishment of debt	(Gain) loss on extinguishment of debt	(3)	7	10
Measurement adjustment loss (gain) on variable payment obligations		3	(15)	(159)

Changes in assets and liabilities, net of acquisitions and deconsolidation of subsidiary:	Changes in assets and liabilities, net of acquisitions and deconsolidation of subsidiary:			
Decrease (increase) in accounts receivable		20	(187)	70
(Increase) decrease in prepaid expenses and other current assets		(96)	(86)	48
(Decrease) increase in accounts payable and accrued and other current liabilities		(14)	113	(3)
Changes in assets and liabilities, net of acquisitions and deconsolidation of subsidiary:				
Changes in assets and liabilities, net of acquisitions and deconsolidation of subsidiary:				
(Increase) decrease in accounts receivable				
Increase in prepaid expenses and other current assets				
Increase (decrease) in accounts payable and accrued and other current liabilities				
Net change in current and long-term net income taxes payable/receivable	Net change in current and long-term net income taxes payable/receivable	147	(52)	(127)
Decrease in program contracts payable	Decrease in program contracts payable	(103)	(102)	(96)
(Decrease) increase in other long-term liabilities		(7)	3	198
Other, net				
Other, net				
Other, net	Other, net	2	28	39
Net cash flows from operating activities	Net cash flows from operating activities	799	327	1,548
CASH FLOWS USED IN INVESTING ACTIVITIES:				
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Acquisition of property and equipment	Acquisition of property and equipment	(105)	(80)	(157)
Acquisition of businesses, net of cash acquired		—	(4)	(16)
Spectrum repack reimbursements				
Spectrum repack reimbursements				

Spectrum repack reimbursements	Spectrum repack reimbursements	4	24	90
Proceeds from the sale of assets	Proceeds from the sale of assets	9	43	36
Deconsolidation of subsidiary cash	Deconsolidation of subsidiary cash	(315)	—	—
Purchases of investments	Purchases of investments	(75)	(256)	(139)
Distributions from investments	Distributions from investments	99	26	26
Other, net	Other, net	2	1	1
Net cash flows used in investing activities		(381)	(246)	(159)
Other, net				
Other, net				
Net cash flows from (used in) investing activities				
CASH FLOWS USED IN FINANCING ACTIVITIES:	CASH FLOWS USED IN FINANCING ACTIVITIES:	CASH FLOWS USED IN FINANCING ACTIVITIES:		
Proceeds from notes payable and commercial bank financing	Proceeds from notes payable and commercial bank financing	728	357	1,819
Repayments of notes payable, commercial bank financing, and finance leases	Repayments of notes payable, commercial bank financing, and finance leases	(863)	(601)	(1,739)
Repurchase of outstanding Class A Common Stock	Repurchase of outstanding Class A Common Stock	(120)	(61)	(343)
Repurchase of outstanding Class A Common Stock				
Repurchase of outstanding Class A Common Stock				
Dividends paid on Class A and Class B Common Stock	Dividends paid on Class A and Class B Common Stock	(70)	(60)	(63)
Dividends paid on redeemable subsidiary preferred equity	Dividends paid on redeemable subsidiary preferred equity	(7)	(5)	(36)
Redemption of redeemable subsidiary preferred equity		—	—	(547)
Debt issuance costs		—	(1)	(19)
Repurchase of redeemable subsidiary preferred equity				
Distributions to noncontrolling interests, net				
Distributions to noncontrolling interests, net				
Distributions to noncontrolling interests, net	Distributions to noncontrolling interests, net	(12)	(95)	(32)

Distributions to redeemable noncontrolling interests	Distributions to redeemable noncontrolling interests	—	(6)	(383)
Other, net	Other, net	(9)	(52)	(117)
Net cash flows used in financing activities	Net cash flows used in financing activities	(353)	(524)	(1,460)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		65	(443)	(71)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH				
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	819	1,262	1,333
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	$ 884	$ 819	$ 1,262

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

SINCLAIR, BROADCAST GROUP, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Operations

Sinclair, Broadcast Group, Inc. ("SBG," the "Company," or sometimes referred to as "we" or "our" Sinclair") is a diversified media company with national reach and a strong focus on providing high-quality content on our local television stations, digital platform, and, prior to the Deconsolidation (defined below) (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC*), regional and national sports networks. 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 prior to the Deconsolidation, college and professional sports. Additionally, we own digital media products 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.

As of December 31, 2022 December 31, 2023, we had one two reportable segment for accounting purposes, broadcast. segments: local media and tennis. Prior to the Deconsolidation (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC*), we had two one additional reportable segments for accounting purposes, broadcast and segment, local sports. The broadcast local media segment consists primarily of our 185 broadcast television stations in 86 markets, which we own, provide programming and operating services pursuant to LMAs, or provide sales services and other non-programming operating services pursuant to other outsourcing agreements, such as JSAs and SSAs. These stations broadcast 636 640 channels as of December 31, 2022 December 31, 2023. For the purpose of this report, these 185 stations and 636 640 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 Plus streaming service; T2 FAST, a 24-hours a day free ad-supported streaming television channel; and Tennis.com. The local sports segment consisted primarily of our the Bally Sports network brands ("Bally RSNs"), the Marquee Sports Network ("Marquee") joint venture, and a minority equity interest in the Yankee Entertainment and Sports Network, LLC ("YES Network") through February 28, 2022. On March 1, 2022, the Bally RSNs, Marquee, and YES Network were deconsolidated from our financial statements. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* below. Through February 28, 2022, we refer to the Bally RSNs and Marquee as "the RSNs." The RSNs and YES Network own the exclusive rights to air, among other sporting events, the games of professional sports teams in designated local viewing areas.

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. Noncontrolling interests which may be redeemed by the holder, and the redemption is outside of our control, are presented as redeemable noncontrolling interests. 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 14. 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 (loss) from equity method investments represents our proportionate share of net income or loss generated by equity method investees.

Company Reorganization

On April 3, 2023, the company formerly known as Sinclair Broadcast Group, Inc., a Maryland corporation ("Old Sinclair"), entered into an Agreement of Share Exchange and Plan of Reorganization (the "Share Exchange Agreement") with Sinclair, and Sinclair Holdings, LLC, a Maryland limited liability company ("Sinclair Holdings"). The purpose of the transactions contemplated by the Share Exchange Agreement was to effect a holding company reorganization in which Sinclair would become the publicly-traded parent company of Old Sinclair.

SINCLAIR, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Effective at 12:00 am Eastern U.S. time on June 1, 2023 (the "Share Exchange Effective Time"), pursuant to the Share Exchange Agreement and Articles of Share Exchange filed with the Maryland State Department of Assessments and Taxation, the share exchange between Sinclair and Old Sinclair was completed (the "Share Exchange"). In the Share Exchange, (i) each share or fraction of a share of Old Sinclair's Class A common stock, par value $0.01 per share ("Old Sinclair Class A Common Shares"), outstanding immediately prior to the Share Exchange Effective Time was exchanged on a one-for-one basis for an equivalent share of Sinclair's Class A common stock, par value $0.01 per share ("Sinclair Class A Common Shares"), and (ii) each share or fraction of a share of Old Sinclair's Class B common stock, par value $0.01 per share ("Old Sinclair Class B Common Shares"), outstanding immediately prior to the Share Exchange Effective Time was exchanged on a one-for-one basis for an equivalent share of Sinclair’s Class B common stock, par value $0.01 per share ("Sinclair Class B Common Shares").

Immediately following the Share Exchange Effective Time, Old Sinclair converted from a Maryland corporation to a Maryland limited liability company named Sinclair Broadcast Group, LLC ("SBG"). On the day following the Share Exchange Effective Time (June 2, 2023), Sinclair Holdings became the intermediate holding company between Sinclair and SBG, and SBG transferred certain of its assets (the "Transferred Assets") to Sinclair Ventures, LLC, a new indirect wholly-owned subsidiary of Sinclair ("Ventures"). We refer to the Share Exchange and the related steps described above collectively as the "Reorganization." The Transferred Assets included technical and software services companies, intellectual property 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, as well as Compulse, a marketing technology and managed services company, and Tennis Channel and related assets. As a result of the Reorganization, the local media segment assets are owned and operated by SBG and the assets of the tennis segment and the Transferred Assets are owned and operated by Ventures.

At the Share Exchange Effective Time, Sinclair's articles of incorporation and bylaws were amended and restated to be the same in all material respects as the existing articles of incorporation and bylaws of Old Sinclair immediately prior to the Share Exchange. As a result, the Sinclair Class A Common Shares confer upon the holders thereof the same rights with respect to Sinclair that the holders of the Old Sinclair Class A Common Shares had with respect to Old Sinclair, and the Sinclair Class B Common Shares confer upon the holders thereof the same rights with respect to Sinclair that the holders of the Old Sinclair Class B Common Shares had with respect to Old Sinclair. Sinclair's Board of Directors, including its committees, and senior management team immediately after the Share Exchange were the same as Old Sinclair's immediately before the Share Exchange.

The Reorganization is considered transactions between entities under common control and as SBG and Ventures are both subsidiaries of Sinclair, there was no impact on the consolidated financial statements of Sinclair.

Deconsolidation of Diamond Sports Intermediate Holdings LLC

On March 1, 2022, SBG's Old Sinclair's subsidiary Diamond Sports Intermediate Holdings, LLC, and certain of its subsidiaries (collectively "DSIH") completed a series of transactions (the "Transaction"). As part of the Transaction, the governance structure of DSIH was modified including changes to the composition of its Board of Managers, resulting in the Company's loss of voting control. As a result, DSIH, whose operations represented the entirety of our local sports segment, was deconsolidated from our consolidated financial statements effective as of March 1, 2022 (the "Deconsolidation"). The consolidated statement of operations for the year ended December 31, 2022 therefore includes two months of activity related to DSIH prior to the Deconsolidation. Subsequent to February 28, 2022, the assets and liabilities of DSIH are were no longer included within our consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with DSIH are referring to the periods prior to the Deconsolidation.

Upon Deconsolidation, we recognized a gain before income taxes of approximately $3,357 million, which is recorded within gain on deconsolidation of subsidiary in our consolidated statements of operations. operations for the year ended December 31, 2022. During the year ended December 31, 2023, we recorded an adjustment to the deconsolidation gain of $10 million. Subsequent to the Deconsolidation, we accounted for our equity ownership interest in DSIH is accounted for under the equity method of accounting. See *Note 6. Other Assets* for more information.

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.

The impact of the war in Ukraine and COVID-19 pandemic continues to create significant uncertainty and disruption in the global economy and financial markets. It is reasonably possible that these uncertainties could further materially impact our estimates related to, but not limited to, revenue recognition, goodwill and intangible assets, program contract costs and income taxes. As a result, many of our estimates and assumptions require increased judgment and carry a higher degree of variability and volatility. Our estimates may change as new events occur and additional information emerges, and such changes are recognized or disclosed in our consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued amended guidance on the accounting for credit losses on financial instruments. Among other provisions, this guidance introduces a new impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans, and other instruments, entities will be required to use a forward-looking "expected loss" model that will replace the current "incurred loss" model that will generally result in the earlier recognition of allowances for losses. We adopted this guidance during the first quarter of 2020. The impact of the adoption did not have a material impact on our consolidated financial statements.

In August 2018, the FASB issued guidance which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software, with the capitalized implementation costs of a hosting arrangement that is a service contract expensed over the term of the hosting arrangement. We adopted this guidance during the first quarter of 2020. The impact of the adoption did not have a material impact on our consolidated financial statements.

In October 2018, the FASB issued guidance for determining whether a decision-making fee is a variable interest. The amendments require organizations to consider indirect interests held through related parties under common control on a proportional basis rather than as the equivalent of a direct interest in its entirety, as currently required in generally accepted accounting principles ("GAAP"). We adopted this guidance during the first quarter of 2020. The impact of the adoption did not have a material impact on our consolidated financial statements.

In March 2019, the FASB issued guidance which requires that an entity test a film or license agreement within the scope of Subtopic 920-350 for impairment at the film group level, when the film or license agreement is predominantly monetized with other films and/or license agreements. We adopted this guidance during the first quarter of 2020. The impact of the adoption did not have a material impact on our consolidated financial statements.

In December 2019, the FASB issued guidance which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 will be effective for interim and annual periods beginning after December 15, 2020. Early adoption is permitted. We early adopted this guidance during the third quarter of 2020. The impact of the adoption did not have a material impact on our consolidated financial statements.

In March 2020, the FASB issued guidance providing optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued. The guidance was effective for all entities immediately upon issuance of the update and may be applied prospectively to applicable transactions existing as of or entered into from the date of adoption through December 31, 2024. We adopted this guidance upon issuance and it did not have an impact on our consolidated financial statements.

In October 2021, the FASB issued guidance to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice. ASU 2021-08 requires that an acquiring entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, as if it had originated the contracts. The guidance is effective for acquisitions that close fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. We are currently evaluating adopted this guidance during the first quarter of 2023. The impact of this guidance, but do the adoption did not expect have a material impact on our consolidated financial statements.

In November 2023, the FASB issued guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, applied retrospectively. Early adoption is permitted. We are currently evaluating the impact of this guidance.

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.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

We regularly review accounts receivable and determine an appropriate estimate for the allowance for doubtful accounts based upon the impact of economic conditions on the merchant's ability to pay, past collection experience, and such other factors which, in management's judgment, deserve current recognition. In turn, a provision is charged against earnings in order to maintain the appropriate allowance level.

A rollforward of the allowance for doubtful accounts for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 is as follows (in millions):

		2022	2021	2020	2023	2022	2021
Balance at beginning of period	Balance at beginning of period	$ 7	$ 5	$ 8			
Charged to expense	Charged to expense	4	3	2			
Net write-offs	Net write-offs	(6)	(1)	(5)			
Balance at end of period	Balance at end of period	$ 5	$ 7	$ 5			

As of December 31, 2023, two customers accounted for 10% and 10%, respectively, of our accounts receivable, net. As of December 31, 2022, one customer accounted for 13% of our accounts receivable, net. As of December 31, 2021, three customers accounted for 15%, 15%, and 12%, respectively, of our accounts receivable, net. As of December 31, 2020, three customers accounted for 19%, 17%, and 15%, respectively, of our accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

Broadcast Television Programming

We have agreements with programming syndicators for the rights to television programming over contract periods, which generally run from one to seven 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.

SINCLAIR, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The rights to this programming are reflected in the accompanying consolidated balance sheets at the lower of unamortized cost or fair value. Program contract costs are amortized on a straight-line basis except for contracts greater than three years which are amortized utilizing an accelerated method. Program contract 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.

Fair value is determined utilizing a discounted cash flow model based on management's expectation of future advertising revenues, net of sales commissions, to be generated by the program material. We assess our program contract costs on a quarterly basis to ensure the costs are recorded at the lower of unamortized cost or fair value.

Sports Programming Rights

Prior to the Deconsolidation, DSIH had has multi-year program rights agreements that provided DSIH with the right to produce and telecast professional live sports games within a specified territory in exchange for a rights fee. A prepaid asset was recorded for rights acquired related Prior to future games upon payment of the contracted fee. The assets recorded for the acquired rights were classified as current or non-current based on the period when the games were expected to be aired. Liabilities were recorded for any program rights obligations that were incurred but not yet paid at period end. We Deconsolidation, we amortized these programming rights as an expense over each season based upon contractually stated rates. Amortization was accelerated in the event that the stated contractual rates over the term of the rights agreement resulted in an expense recognition pattern that was inconsistent with the projected growth of revenue over the contractual term.

The NBA and NHL delayed the start of their 2020-2021 seasons until December 22, 2020 and January 13, 2021, respectively, and both leagues postponed games in the fourth quarter 2021 and rescheduled these games to be played in the first quarter 2022. The sports rights expense associated with these seasons was recognized over the modified term of these seasons.

Impairment of Goodwill, Indefinite-lived Intangible Assets, and Other Long-lived Assets

We evaluate our goodwill and indefinite lived intangible assets for impairment annually in the fourth quarter, or more frequently, if events or changes in circumstances indicate that an impairment may exist. Our goodwill has been allocated to, and is tested for impairment at, the reporting unit level. A reporting unit is an operating segment or a component of an operating segment to the extent that the component constitutes a business for which discrete financial information is available and regularly reviewed by management. Components of an operating segment with similar characteristics are aggregated when testing goodwill for impairment.

In the performance of our annual assessment of goodwill for impairment, we have the option to qualitatively assess whether it is more likely than not that a reporting unit has been impaired. As part of this qualitative assessment, we weigh the relative impact of factors that are specific to the reporting units as well as industry, regulatory, and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. We also consider the significance of the excess fair value over carrying value in prior quantitative assessments.

If we conclude that it is more likely than not that a reporting unit is impaired, or if we elect not to perform the optional qualitative assessment, we will determine the fair value of the reporting unit and compare it to the net book value of the reporting unit. If the fair value is less than the net book value, we will record an impairment to goodwill for the amount of the difference. We estimate the fair value of our reporting units utilizing the income approach involving the performance of a discounted cash flow analysis. Our discounted cash flow model is based on our judgment of future market conditions based on our internal forecast of future performance, as well as discount rates that are based on a number of factors including market interest rates, a weighted average cost of capital analysis, and includes adjustments for market risk and company specific risk.

Our indefinite-lived intangible assets consist primarily of our broadcast licenses and a trade name. For our annual impairment test for indefinite-lived intangible assets, we have the option to perform a qualitative assessment to determine whether it is more likely than not that these assets are impaired. As part of this qualitative assessment we weigh the relative impact of factors that are specific to the indefinite-lived intangible assets as well as industry, regulatory, and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. We also consider the significance of the excess fair value over carrying value in prior quantitative assessments. When evaluating our broadcast licenses for impairment, the qualitative assessment is done at the market level because the broadcast licenses within the market are complementary and together enhance the single broadcast license of each station. If we conclude that it is more likely than not that one of our broadcast licenses is impaired, we will perform a quantitative assessment by comparing the aggregate fair value of the broadcast licenses in the market to the respective carrying values. We estimate the fair values of our broadcast licenses using the Greenfield method, which is an income approach. This method involves a discounted cash flow model that incorporates several variables, including, but not limited to, market revenues and long-term growth projections, estimated market share for the typical participant without a network affiliation, and estimated profit margins based on market size and station type. The model also assumes outlays for capital expenditures, future terminal values, an effective tax rate assumption and a discount rate based on a number of factors including market interest rates, a weighted average cost of capital analysis based on the target capital structure for a television station, and includes adjustments for market risk and company specific risk. If the carrying amount of the broadcast licenses exceeds the fair value, then an impairment loss is recorded to the extent that the carrying value of the broadcast licenses exceeds the fair value.

We evaluate our long-lived assets, including definite-lived intangible assets, for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We evaluate the recoverability of long-lived assets by comparing the carrying amount of the assets within an asset group to the estimated undiscounted future cash flows associated with the asset group. An asset group represents the lowest level of cash flows generated by a group of assets that are largely independent of the cash flows of other assets. At the time that such evaluations indicate that the future undiscounted cash flows are not sufficient to recover the carrying value of the asset group, an impairment loss is determined by comparing the estimated fair value of the asset group to the carrying value. We estimate fair value using an income approach involving the performance of a discounted cash flow analysis.

During the years ended December 31, 2022 December 31, 2023, 2022, and 2021, we did not identify any indicators that our goodwill, indefinite-lived or long-lived assets may not be recoverable. See *Note 5. Goodwill, Indefinite-Lived Intangible Assets, and Other Intangible Assets* for more information.

During the year ended December 31, 2020, the RSNs included in the local sports segment prior to the Deconsolidation were negatively impacted by the loss of three Distributors in 2020. In addition, their existing Distributors experienced elevated levels of subscriber erosion which we believe was influenced, in part, by shifting consumer behaviors resulting from media fragmentation, the economic environment, the COVID-19 pandemic, and related uncertainties. As a result of these factors, we performed an impairment test of the RSN reporting units' goodwill and long-lived asset groups during the third quarter of 2020 which resulted in a non-cash impairment charge of goodwill of $2,615 million, customer relationships of $1,218 million, and other definite-lived intangible assets of $431 million, included within impairment of goodwill and definite-lived intangible assets in our consolidated statements of operations for the year ended December 31, 2020.

We believe we have made reasonable estimates and utilized appropriate assumptions in the performance of our impairment assessments. If future results are not consistent with our assumptions and estimates, including future events such as a deterioration of market conditions, loss of significant customers, and significant increases in discount rates, among other factors, we could be exposed to impairment charges in the future. Any resulting impairment loss could have a material adverse impact on our consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows.

When factors indicate that there may be a decrease in value of an equity method investment, we assess whether a loss in value has occurred. If that loss is deemed to be other than temporary, an impairment loss is recorded accordingly. For any equity method investments that indicate a potential impairment, we estimate the fair values of those investments using a combination of a market-based approach, which considers earnings and cash flow multiples of comparable businesses and recent market transactions, as well as an income approach involving the performance of a discounted cash flow analysis. See *Note 6. Other Assets* for more information.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following as of December 31, 2022 December 31, 2023 and 2021 2022 (in millions):

		2022	2021	2023	2022
Compensation and employee benefits	Compensation and employee benefits	$ 100	$ 142		
Interest	Interest	11	126		
Programming related obligations	Programming related obligations	151	227		
Legal, litigation, and regulatory		10	6		
Legal, litigation, and regulatory (a)					
Accounts payable and other operating expenses	Accounts payable and other operating expenses	125	154		
Total accounts payable and accrued liabilities	Total accounts payable and accrued liabilities	$ 397	$ 655		

(a) See *Note 13. Commitments and Contingencies* for additional information regarding the litigation accruals recorded.

We expense these activities when incurred.

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Income Taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. 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. As of December 31, 2022 December 31, 2023 and 2021, 2022, a valuation allowance has been provided for deferred tax assets related to certain temporary basis differences, interest expense carryforwards under the IRC Section 163(j) and 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. Future changes in operating and/or taxable income or other changes in facts and circumstances could significantly impact the ability to realize our deferred tax assets which could have a material effect on our consolidated financial statements.

Management periodically performs a comprehensive review of our tax positions, and we record a liability for unrecognized tax benefits if such tax positions are more likely than not to be sustained upon examination based on their technical merits, including the resolution of any appeals or litigation processes. Significant judgment is required in determining whether positions taken are more likely than not to be sustained, and it is based on a variety of facts and circumstances, including interpretation of the relevant federal and state income tax codes, regulations, case law and other authoritative pronouncements. Based on this analysis, the status of ongoing audits and the expiration of applicable statute of limitations, liabilities are adjusted as necessary. The resolution of audits is unpredictable and could result in tax liabilities that are significantly higher or lower than for what we have provided. See *Note 12. Income Taxes*, for further discussion of accrued unrecognized tax benefits.

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 3.90%, 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 7. Notes Payable and Commercial Bank Financing* for further discussion.

Supplemental Information — Statements of Cash Flows

During the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, we had the following cash transactions (in millions):

		2022	2021	2020	2023	2022	2021
Income taxes paid	Income taxes paid	$ 18	$ 16	$ 11			
Income tax refunds	Income tax refunds	$ 158	$ 44	$ 2			
Interest paid	Interest paid	$ 387	$ 583	$ 634			

Non-cash investing activities included property and equipment purchases of $5 million for each of the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and $6 million for the year ended December 31, 2020; the receipt of equipment with a fair value of $58 million in connection with completing the repack process as more fully described in *Note 2. Acquisitions and Dispositions of Assets* for the year ended December 31, 2021; and the transfer of an asset for property of $7 million for the year ended December 31, 2020.

During the years ended December 31, 2022 and 2021, we received equity shares in investments valued at $3 million and $6 million, respectively, in exchange for an equivalent value of advertising spots. During the year ended December 31, 2020 the Company entered into a commercial agreement with Bally's and received equity interests in the business with a value of $199 million. See *Note 6. Other Assets* and *Note 18. Fair Value Measurements* for further discussion.Non-cash transactions related to sports rights were $22 million for the year ended December 31, 2020.

Revenue Recognition

The following table presents our revenue disaggregated by type and segment for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

For the year ended December 31, 2023
Distribution revenue
Distribution revenue
Distribution revenue
Advertising revenue
Advertising revenue
Advertising revenue
Other media, non-media, and intercompany revenue
Other media, non-media, and intercompany revenue
Other media, non-media, and intercompany revenue
Total revenues
Total revenues
Total revenues
For the year ended December 31, 2022

For the year ended December 31, 2022												
For the year ended December 31, 2022	For the year ended December 31, 2022	Broadcast	Local sports	Other	Eliminations	Total	Local media	Tennis	Local sports	Other	Eliminations	Total
Distribution revenue	Distribution revenue	$ 1,530	$ 433	$180	$ —	$2,143						
Advertising revenue	Advertising revenue	1,399	44	233	(62)	1,614						
Other media, non-media, and intercompany revenue	Other media, non-media, and intercompany revenue	142	5	60	(36)	171						
Total revenues	Total revenues	$ 3,071	$ 482	$473	$ (98)	$3,928						

For the year ended December 31, 2021	For the year ended December 31, 2021	Broadcast	Local sports	Other	Eliminations	Total						
For the year ended December 31, 2021												
For the year ended December 31, 2021							Local media	Tennis	Local sports	Other	Eliminations	Total
Distribution revenue	Distribution revenue	$ 1,475	$2,620	$193	$ —	$4,288						
Advertising revenue	Advertising revenue	1,106	409	217	(41)	1,691						
Other media, non-media, and intercompany revenue	Other media, non-media, and intercompany revenue	176	27	71	(119)	155						
Total revenues	Total revenues	$ 2,757	$3,056	$481	$ (160)	$6,134						

For the year ended December 31, 2020	Broadcast	Local sports	Other	Eliminations	Total
Distribution revenue	$ 1,414	$2,472	$199	$ —	$4,085
Advertising revenue	1,364	196	131	(2)	1,689
Other media, non-media, and intercompany revenue	144	18	121	(114)	169
Total revenues	$ 2,922	$2,686	$451	$ (116)	$5,943

Distribution Revenue. We generate distribution revenue through fees received from Distributors for the right to distribute our stations, other properties, and, prior to the Deconsolidation, the RSNs. 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.

Advertising Revenue. We generate advertising revenue primarily from the sale of advertising spots/impressions within our broadcast television, digital platforms, and, prior to the Deconsolidation, the RSNs. Advertising revenue is recognized in the period in which the advertising spots/impressions are delivered. In arrangements where we provide audience ratings guarantees, to the extent that there is a ratings shortfall, we will defer a proportionate amount of revenue until the ratings shortfall is settled through the delivery of additional advertising. The term of our advertising arrangements is generally less than one year and the timing between when an advertisement is aired and when payment is due is not significant. In certain circumstances, we require customers to pay in advance; payments received in advance of satisfying our performance obligations are reflected as deferred revenue.

Practical Expedients and Exemptions. We expense sales commissions when incurred because the period of benefit for these costs is one year or less. These costs are recorded within media selling, general and administrative expenses. 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.

Arrangements with Multiple Performance Obligations. Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenues to each performance obligation based on its relative standalone selling price, which is generally based on the prices charged to customers.

SINCLAIR, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred Revenues. 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 within our consolidated balance sheets, based on the timing of when we expect to satisfy our performance obligations. Deferred revenue was $200 million $178 million, $235 million $200 million, and $233 million $235 million as of December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively, of which $124 million, $144 million, $164 million, and $184 $164 million as of December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively, was reflected in other long-term liabilities in our consolidated balance sheets. Deferred revenue recognized during the years ended December 31, 2022 December 31, 2023 and 2021 2022 that was included in the deferred revenue balance as of December 31, 2021 December 31, 2022 and 2020 2021 was $62 million $50 million and $45 million $62 million, respectively.

On November 18, 2020 For the year ended December 31, 2023, the Company two customers accounted for 11% and DSG entered into an enterprise-wide commercial agreement with Bally's Corporation, including providing certain branding integrations in our regional sports networks, broadcast networks, and other properties. These branding integrations include naming rights associated with the majority 10%, respectively, of our regional sports networks (other than Marquee). The initial term of this arrangement is ten years and we began performing under this arrangement in 2021. The Company received non-cash consideration initially valued at $199 million which is reflected as a contract liability and recognized as revenue as the performance obligations under the arrangement are satisfied. See *Note 6. Other Assets* for more information.

total revenues. For the year ended December 31, 2022, three customers accounted for 12%, 11%, and 10%, respectively, of our total revenues. For the year ended December 31, 2021, three customers accounted for 19%, 18%, and 14%, respectively, of our total revenues. For the year ended December 31, 2020, three customers accounted for 18%, 17%, and 12%, respectively, of our total revenues. For purposes of this disclosure, a single customer may include multiple entities under common control.

Advertising Expenses

Promotional advertising expenses are recorded in the period when incurred and are included in media production and other non-media expenses. Total advertising expenses, net of advertising co-op credits, were $9 million $8 million, $22 million $9 million, and $23 million $22 million for the years ended December 31, 2022 December 31, 2023, 2022, and 2021, and 2020. respectively.

Financial Instruments

Financial instruments, as of December 31, 2022 December 31, 2023 and 2021, 2022, consisted of cash and cash equivalents, trade accounts receivable, accounts payable, accrued liabilities, stock options and warrants, and notes payable. The carrying amounts approximate fair value for each of these financial instruments, except for the notes payable. See *Note 18. Fair Value Measurements* for additional information regarding the fair value of notes payable.

Post-retirement Benefits

We maintain a supplemental executive retirement plan which we inherited upon the acquisition of certain stations. As of December 31, 2022 December 31, 2023, the estimated projected benefit obligation was $14 million, of which $1 million is included in accrued expenses and $13 million is included in other long-term liabilities in our consolidated balance sheets. At December 31, 2022 December 31, 2023, the projected benefit obligation was measured using a 5.20% 4.92% discount rate compared to a discount rate of 2.61% 5.20% for the year ended December 31, 2021 December 31, 2022. For each of the years ended December 31, 2022 December 31, 2023 and 2021, 2022, we made $1 million and $2 million, respectively, in benefit payments. We recognized an actuarial gains loss of $0.3 million and gain of $3 million and $1 million through other comprehensive income for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. For each of the years ended December 31, 2022 December 31, 2023 and 2021, 2022, we recognized $1 million of periodic pension expense, reported in other (expense) income, expense, net in our consolidated statements of operations.

We also maintain other post-retirement plans provided to certain employees. The plans are voluntary programs that primarily allow participants to defer eligible compensation and they may also qualify to receive a discretionary match on their deferral. As of December 31, 2022 December 31, 2023, the assets and liabilities included in our consolidated balance sheets related to deferred compensation plans were $41 million $45 million and $35 million $44 million, respectively.

Reclassifications

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

SINCLAIR, INC.
Subsequent Events NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026. The swap agreement has a notional amount of $600 million and bears a fixed interest rate of 3.9%.

On February 10, 2023, we entered into an agreement to facilitate the purchase of the remaining 175,000 units of the Redeemable Subsidiary Preferred Equity, as defined in *Redeemable Subsidiary Preferred Equity* within *Note 10. Redeemable Noncontrolling Interests,* for an aggregate purchase price of $190 million representing 95% of the sum of the remaining unreturned capital contribution of $175 million, and accrued and unpaid dividends up to, but not including, the date of purchase.

2. ACQUISITIONS AND DISPOSITIONS OF ASSETS:

During the years year ended December 31, 2021 and 2020, , we acquired certain businesses for an aggregate purchase price, net of cash acquired, of $26 million $10 million, including working capital adjustments and other adjustments. There were no acquisitions during the year years ended December 31, 2022. December 31, 2023 and 2022.

The following summarizes the acquisition activity during the years year ended December 31, 2021 and 2020: :

2021 Acquisitions

During the year ended December 31, 2021, we completed the acquisition of ZypMedia for approximately $7 million in cash. The acquired assets and liabilities were recorded at fair value as of the closing date of the transactions.

During the year ended December 31, 2021, we purchased 360IA, LLC for $5 million, with $2 million being paid in cash and the remaining to be paid in $1 million increments on each of the first three anniversaries following the closing date.

2020 Acquisitions

During the year ended December 31, 2020, we completed the acquisition of the license asset and certain non-license assets of a radio station for $7 million and the license assets and certain non-license assets of two television stations for $9 million. The acquisitions were completed using cash on hand.

Financial Results of Acquisitions

The following tables summarize the results of the net revenues and operating loss included in the financial statements of the Company beginning on the acquisition date of each acquisition as listed below (in millions):

2023	2023	2022	2021
Revenues:			
Other acquisitions in 2021			
Other acquisitions in 2021			
Other acquisitions in 2021			

	2022	2021	2020
Revenues:			
Other acquisitions in 2020	$ —	$ 4	$ 3
Other acquisitions in 2021	72	8	—
Total net revenues	$ 72	$12	$ 3

2023	2023	2022	2021
Operating Loss:			
Other acquisitions in 2021			
Other acquisitions in 2021			

Other acquisitions in 2021

	2022	2021	2020
Operating Loss:			
Other acquisitions in 2020	$ —	$ (9)	$ (2)
Other acquisitions in 2021	(7)	(45)	—
Total operating loss	$ (7)	$ (54)	$ (2)

In connection with the 2020 acquisition, for the year ended December 31, 2020 we recognized $5 million of transaction costs which we expensed as incurred and classified as corporate general and administrative expenses in our consolidated statements of operations.

Dispositions

2021 Dispositions. In September 2021, we sold all of our radio broadcast stations, KOMO-FM, KOMO-AM, KPLZ-FM and KVI-AM in Seattle, WA, for consideration valued at $13 million. For the year ended December 31, 2021, we recorded a net loss of $12 million related to the sale, which is included within gain loss (gain) on asset dispositions and other, net of impairment in our consolidated statements of operations, and was primarily related to the write-down of the carrying value of the assets to estimate the selling price.

In June 2021, we sold our controlling interest in Triangle Sign & Service, LLC ("Triangle") for $12 million. We recorded a gain on the sale of Triangle of $6 million, of which $3 million was attributable to noncontrolling interests, for the year ended December 31, 2021, which is included in the gain loss (gain) on asset dispositions and other, net of impairment and net (income) loss attributable to the noncontrolling interests, respectively, in our consolidated statements of operations.

In February 2021, we sold two of our television broadcast stations, WDKA-TV in Paducah, KY and KBSI-TV in Cape Girardeau, MO, for an aggregate sale price of $28 million. We recorded a gain of $12 million for the year ended December 31, 2021, which is included within gain loss (gain) on asset dispositions and other, net of impairment in our consolidated statements of operations.

2020 Dispositions. In January 2020, we agreed to sell the license and non-license assets of WDKY-TV in Lexington, KY and certain non-license assets associated with KGBT-TV in Harlingen, Texas for an aggregate purchase price of $36 million. The KGBT-TV and WDKY-TV transactions closed during the first and third quarters of 2020, respectively, and we recorded gains of $8 million and $21 million, respectively, for the year ended December 31, 2020, which are included within gain on asset dispositions and other, net of impairment in our consolidated statements of operations.

Broadcast Incentive Auction. In 2012, Congress authorized the FCC to conduct so-called "incentive auctions" to auction and re-purpose broadcast television spectrum for mobile broadband use. Pursuant to the auction, television broadcasters submitted bids to receive compensation for relinquishing all or a portion of their rights in the television spectrum of their full-service and Class A stations. Low power stations were not eligible to participate in the auction and are not protected and therefore may be displaced or forced to go off the air as a result of the post-auction repacking process.

In the repacking process associated with the auction, the FCC has reassigned some stations to new post-auction channels. We do not expect reassignment to new channels to have a material impact on our coverage. We have received notification from the FCC that 100 of our stations have been assigned to new channels. Legislation has provided the FCC with a $3 billion fund to reimburse reasonable costs incurred by stations that are reassigned to new channels in the repack. We expect that the reimbursements from the fund will cover the majority of our expenses related to the repack. We recorded gains related to reimbursements for the spectrum repack costs incurred of $4 million $8 million, $24 million $4 million, and $90 million $24 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively, which are recorded within gain loss (gain) on asset dispositions and other, net of impairment in our consolidated statements of operations. For the years ended December 31, 2022, and 2021, and 2020, capital expenditures related to the spectrum repack were $1 million, and $12 million, and $61 million, respectively.

In December 2020, the FCC began a similar repacking process associated with a portion of the C-Band spectrum in order to free up this spectrum for the use of 5G wireless services. The repack is was scheduled to be completed in two phases, the first ended on December 31, 2021 and the second will end ended on December 31, 2023. Prior to the Deconsolidation, DSG entered into an agreement with a communications provider in which they received equipment to complete the repack process at a maximum cost to DSG of $15 million. Prior to the Deconsolidation, for the year ended December 31, 2021, we recognized a gain of $43 million, which is recorded within gain loss (gain) on asset dispositions and other, net of impairment in our consolidated statements of operations, equal to the fair value of the equipment that DSG received of $58 million, less the maximum cost to DSG of $15 million.

3. STOCK-BASED COMPENSATION PLANS:

In June 1996, our the Board of Directors adopted, upon approval of the shareholders by proxy, the 1996 Long-Term Incentive Plan ("LTIP"). The purpose of the LTIP is to reward key individuals for making major contributions to our success and the success of our subsidiaries and to attract and retain the services of qualified and capable employees. Under the LTIP, we have issued restricted stock awards ("RSAs"), stock grants to our non-employee directors, stock-settled appreciation rights ("SAR"), and stock options. In June 2022, our the Board of Directors adopted, upon approval of the shareholders by proxy, the 2022 Stock Incentive Plan ("SIP"). Upon approval of the SIP, it succeeded the LTIP and no additional awards were granted under the LTIP. All outstanding awards granted under the LTIP will remain subject to their original terms. The purpose of the SIP is to provide stock-based incentives that align the interests of employees, consultants, and outside directors with those of the stockholders of the Company by motivating its employees to achieve long-term results and rewarding them for their achievements, and to attract and retain the types of employees, consultants, and outside directors who will contribute to the Company's long-range success.

A As of December 31, 2023, a total of 10,498,506 shares of Class A Common Stock are were reserved for awards under the SIP. As of December 31, 2022 December 31, 2023, 10,407,805 7,425,918 shares were available for future grants. Additionally, we have the following arrangements that involve stock-based compensation: employer matching contributions for participants in our 401(k) plan, an employee stock purchase plan ("ESPP"), and subsidiary stock awards. Stock-based compensation expense has no effect on our consolidated cash flows. For the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, we recorded stock-based compensation of $50 million, $60 million $45 million, $50 million, and $51 million $60 million, respectively. Below is a summary of the key terms and methods of valuation of our stock-based compensation awards:

RSAs. Restricted Stock Awards

RSAs issued in 2023 have certain restrictions that generally lapse after two years at 100% or over two years at 50% and 50%, respectively. RSAs issued in 2022 2021, and 2020 2021 have certain restrictions that generally lapse over two years at 50% and 50%, respectively. As the restrictions lapse, the Class A Common Stock may be freely traded on the open market. Unvested RSAs are entitled to dividends, and therefore, are included in weighted shares outstanding, resulting in a dilutive effect on basic and diluted earnings per share. The fair value assumes the closing value of the stock on the measurement date.

The following is a summary of changes in unvested restricted stock:

		RSAs	Weighted-Average Price	RSAs	Weighted-Average Price
Unvested shares at December 31, 2021		501,381	$ 28.87		
2022 Activity:					
Unvested shares at December 31, 2022					
2023 Activity:				2023 Activity:	
Granted	Granted	649,542	27.10		
Vested	Vested	(659,056)	26.64		
Forfeited		(14,146)	29.55		
Unvested shares at December 31, 2022		477,721	$ 29.53		
Forfeited (a)					
Unvested shares at December 31, 2023					

(a) Forfeitures are recognized as they occur.

For the years ended December 31, 2022, 2021, and 2020, we

We recorded compensation expense of $19 million, for both of the years ended December 31, 2023 and 2022, respectively, and $21 million, and $23 million, respectively. for the year ended December 31, 2021. The majority of the unrecognized compensation expense of $5 million $9 million as of December 31, 2022 December 31, 2023 will be recognized in 2023. 2024.

Stock Grants to Non-Employee Directors. Directors

In addition to fees paid in cash to our non-employee directors, on the date of each annual meeting of shareholders, each non-employee director receives a grant of unrestricted shares of Class A Common Stock. We issued 80,496 shares in 2023, 60,732 shares in 2022, and 45,836 shares in 2021, and 63,600 shares in 2020. 2021. We recorded expense of

$2 million $1 million for the year ended December 31, 2023 and $2 million for each of the years ended December 31, 2022 and 2021, and $1 million for the year ended December 31, 2020, which was based on the average share price of the stock on the date of grant. Additionally, these shares are included in the total shares outstanding, which results in a dilutive effect on our basic and diluted earnings per share.

SINCLAIR, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SARs. ***Stock-Settled Appreciation Rights***

These awards entitle holders to the appreciation in our Class A Common Stock over the base value of each SAR over the term of the award. The SARs have a 10-year term with vesting periods ranging from zero to four years. The base value of each SAR is equal to the closing price of our Class A Common Stock on the date of grant. For the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, we recorded compensation expense of $10 million $7 million, $15 million $10 million, and $6 million $15 million, respectively.

The following is a summary of the 2022 2023 activity:

	SARs	Weighted-Average Price	SARs	Weighted-Average Price
Outstanding SARs at December 31, 2021	2,295,247	$ 31.29		
2022 Activity:				
Outstanding SARs at December 31, 2022				
2023 Activity:				
2023 Activity:				
Granted				
Granted	974,669	27.48		
Outstanding SARs at December 31, 2022	3,269,916	$ 30.16		
Outstanding SARs at December 31, 2023				
Outstanding SARs at December 31, 2023				
Outstanding SARs at December 31, 2023				

As of December 31, 2022 December 31, 2023, there was no aggregate intrinsic value of the SARs outstanding and the outstanding SARs have a weighted average remaining contractual life of 8 years.

Valuation of SARS. Our SARs were valued using the Black-Scholes pricing model utilizing the following assumptions:

		2022	2021	2020		2023	2022	2021
Risk-free interest rate	Risk-free interest rate	1.6 %	0.6%	1.2% - 1.6%	Risk-free interest rate	4.4 %	1.6%	0.6%
Expected years to exercise	Expected years to exercise	5 years	5 years	5 years	Expected years to exercise	5 years		5 years
Expected volatility	Expected volatility	49.6 %	48.2 %	35.0 %	Expected volatility	52.1 %	49.6 %	48.2 %
Annual dividend yield	Annual dividend yield	3.0 %	2.5%	2.4% - 2.9%	Annual dividend yield	6.8 %	3.0%	2.5%

The risk-free interest rate is based on the U.S. Treasury yield curve, in effect at the time of grant, for U.S. Treasury STRIPS that approximate the expected life of the award. The expected volatility is based on our historical stock prices over a period equal to the expected life of the award. The annual dividend yield is based on the annual dividend per share divided by the share price on the grant date.

Options. During 2022, outstanding SARs increased the weighted average shares outstanding for purposes of determining dilutive earnings per share.

Options

As of December 31, 2022 December 31, 2023, there were options outstanding to purchase 375,000 shares of Class A Common Stock. These options are fully vested and have a weighted average exercise price of $31.25 and a weighted average remaining contractual term of 3 2 years. As of December 31, 2022 December 31, 2023, there was no aggregate intrinsic value for the options outstanding. There was no grant, exercise, or forfeiture activity during the year ended December 31, 2022 December 31, 2023. There was no expense recognized during the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020. 2021.

401(k) Match

During 2022, outstanding SARs and options increased the weighted average shares outstanding for purposes of determining dilutive earnings per share.

401(k) Match. The Sinclair, Broadcast Group, Inc. 401(k) Profit Sharing Plan and Trust ("the 401(k) Plan") is available as a benefit for our eligible employees. Contributions made to the 401(k) Plan include an employee elected salary reduction amount with a match calculation (the "Match"). The Match and any additional discretionary contributions may be made using our Class A Common Stock, if the Board of Directors so chooses. Typically, we make the Match using our Class A Common Stock.

The value of the Match is based on the level of elective deferrals into the 401(k) Plan. The number of our Class A Common shares granted under the Match is determined based upon the closing price on or about March 1st of each year for the previous calendar year's Match. For We recorded $17 million for each of the years ended December 31, 2022, 2021, December 31, 2023 and 2020, we recorded $17 million, 2022 and $20 million, and $19 million, respectively, for the year ended December 31, 2021 of stock-based compensation expense related to the Match. A As of December 31, 2023, a total of 7,000,000 shares of Class A Common Stock are were reserved for matches under the plan. As of December 31, 2022 December 31, 2023, 1,645,489 445,970 shares were available for future grants.

ESPP.

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Employee Stock Purchase Plan

The ESPP allows eligible employees to purchase Class A Common Stock at 85% of the lesser of the fair value of the common stock as of the first day of the quarter and as of the last day of that quarter, subject to certain limits as defined in the ESPP. The stock-based compensation expense recorded related to the ESPP was $2 million $1 million for the year ended December 31, 2023 and $2 million for each of the years ended December 31, 2022 and 2021, and $3 million for the year ended December 31, 2020. A respectively. As of December 31, 2023, a total of 5,200,000 shares of Class A Common Stock are were reserved for awards under the plan. As of December 31, 2022 December 31, 2023, 1,658,120 1,273,854 shares were available for future purchases.

4. PROPERTY AND EQUIPMENT:

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is generally computed under the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 30 years
Operating equipment	5 - 10 years
Office furniture and equipment	5 - 10 years
Leasehold improvements	Lesser of 10 - 30 years or lease term
Automotive equipment	3 - 5 years
Property and equipment under finance leases	Lease term

Acquired property and equipment is depreciated on a straight-line basis over the respective estimated remaining useful lives.

Property and equipment consisted of the following as of December 31, 2022 December 31, 2023 and 2021 2022 (in millions):

		2022	2021	2023	2022
Land and improvements	Land and improvements	$ 72	$ 72		
Real estate held for development and sale	Real estate held for development and sale	19	21		
Buildings and improvements	Buildings and improvements	300	308		
Operating equipment	Operating equipment	873	973		

Office furniture and equipment	Office furniture and equipment	130	129
Leasehold improvements	Leasehold improvements	45	60
Automotive equipment	Automotive equipment	63	63
Finance lease assets	Finance lease assets	61	61
Construction in progress	Construction in progress	74	34
		1,637	1,721
Less: accumulated depreciation	Less: accumulated depreciation	(909)	(888)
		$ 728	$ 833

5. GOODWILL, INDEFINITE-LIVED INTANGIBLE ASSETS, AND OTHER INTANGIBLE ASSETS:

Goodwill, which arises from the purchase price exceeding the assigned value of the net assets of an acquired business, represents the value attributable to unidentifiable intangible elements being acquired. The change in the carrying amount of goodwill at December 31, 2022 December 31, 2023 and 2021 2022 was as follows (in millions):

		Broadcast	Other	Consolidated
Balance at December 31, 2020		$ 2,017	$75	$ 2,092
Disposition (a)		(1)	(3)	(4)
		Local media	Tennis	Other	Consolidated
Balance at December 31, 2021	Balance at December 31, 2021	$ 2,016	$72	$ 2,088
Balance at December 31, 2022	Balance at December 31, 2022	$ 2,016	$72	$ 2,088
Balance at December 31, 2022				
Balance at December 31, 2022				
Disposition (a)				
Balance at December 31, 2023				
Balance at December 31, 2023				
Balance at December 31, 2023				

(a) See *Note 2. Acquisitions and Dispositions of Assets* for discussion of dispositions made during 2021.

During the year ended December 31, 2020, we recorded a $2,615 million goodwill impairment charge related to the RSNs included within the local sports segment prior to the Deconsolidation based upon an interim impairment test performed during the three-month period ended September 30, 2020. See *Impairment of Goodwill and Definite-Lived Intangible Assets* below for additional discussion surrounding this impairment charge. Our accumulated goodwill impairment was $3,029 million as of both December 31, 2022 December 31, 2023 and 2021. 2022.

SINCLAIR, INC.

For our annual goodwill impairment test related to our broadcast reporting unit in 2022, we elected to perform a quantitative assessment and concluded that its fair value substantially exceeded its carrying value. The key assumptions used to determine the fair value of our broadcast reporting unit consisted primarily of significant unobservable inputs (Level 3 fair value inputs), including discount rates, estimated cash flows, profit margins and growth rates. The discount rate used to determine

the fair value of our broadcast reporting unit is based on a number of factors including market interest rates, a weighted average cost of capital analysis based on the target capital structure for a television broadcasting company, and includes adjustments for market risk and company specific risk. Estimated cash flows are based upon internally developed estimates and growth rates and profit margins are based on market studies, industry knowledge, and historical performance. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For our annual goodwill impairment tests related to our other reporting unit in 2022 and our broadcast local media and other reporting units in 2021 2023, our other reporting units in 2022, and 2020, our local media and other reporting units in 2021, we concluded that it was more-likely-than-not that goodwill was not impaired for the reporting units in which we performed a qualitative assessment. The qualitative factors reviewed during our annual assessments indicated stable or improving margins and favorable or stable forecasted economic conditions including stable discount rates and comparable or improving business multiples. Additionally, the results of prior quantitative assessments supported significant excess fair value over carrying value of our reporting units. We did not have any indicators of impairment in any interim period in 2022 2023 or 2021, 2022, and therefore did not perform interim impairment tests for goodwill during those periods.

For our annual goodwill impairment test related to our local media reporting unit in 2022, we elected to perform a quantitative assessment and concluded that its fair value substantially exceeded its carrying value. The key assumptions used to determine the fair value of our local media reporting unit consisted primarily of significant unobservable inputs (Level 3 fair value inputs), including discount rates, estimated cash flows, profit margins, and growth rates. The discount rate used to determine the fair value of our local media reporting unit is based on a number of factors including market interest rates, a weighted average cost of capital analysis based on the target capital structure for a television broadcasting company, and includes adjustments for market risk and company specific risk. Estimated cash flows are based upon internally developed estimates and growth rates and profit margins are based on market studies, industry knowledge, and historical performance.

As of December 31, 2022 December 31, 2023 and 2021, 2022, the carrying amount of our indefinite-lived intangible assets was as follows (in millions):

	Broadcast		Other		Consolidated	
Balance at December 31, 2020 (a) (b)	$	144	$	27	$	171
Acquisition / Disposition (c)		(21)		—		(21)
Balance at December 31, 2021 (a) (b)	$	123	$	27	$	150
Balance at December 31, 2022	$	123	$	27	$	150

	Local media		Tennis		Other		Consolidated	
Balance at December 31, 2021 (a)	$	123	$	24	$	3	$	150
Balance at December 31, 2022 (a) (b)	$	123	$	24	$	3	$	150
Balance at December 31, 2023 (a) (b)	$	123	$	24	$	3	$	150

(a) Our indefinite-lived intangible assets in our broadcast local media segment relate to broadcast licenses and our indefinite-lived intangible assets in our tennis segment and other relate to trade names.

(b) Approximately $14 million of indefinite-lived intangible assets relate to consolidated VIEs as of December 31, 2022 December 31, 2023 and 2021.

(c) See *Note 2. Acquisitions and Dispositions of Assets* for discussion of acquisitions and dispositions during 2021 and 2020. 2022.

We did not have any indicators of impairment for our indefinite-lived intangible assets in 2022 2023 or 2021, 2022, and therefore did not perform interim impairment tests during those periods. We performed our annual impairment tests for indefinite-lived intangibles in 2022 2023 and 2021 2022 and as a result of our qualitative assessments, we recorded no impairment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table shows the gross carrying amount and accumulated amortization of definite-lived intangibles (in millions):

		As of December 31, 2022			As of December 31, 2023		
		Gross Carrying Value	Accumulated Amortization	Net	Gross Carrying Value	Accumulated Amortization	Net
Amortized intangible assets:	Amortized intangible assets:						
Customer relationships (b)		$ 1,103	$ (659)	$ 444			
Customer relationships							
Customer relationships							

Customer relationships			
Network affiliation Network affiliation	$ 1,436	$ (948)	$ 488
Network affiliation			
Network affiliation			
Other			
Total other definite-lived intangible assets (a)			
Other	34	(20)	14
Total other definite-lived intangible assets, net (a) (b)	$ 1,470	$ (968)	$ 502
Total definite-lived intangible assets			
Total definite-lived intangible assets			
Total definite-lived intangible assets			

	As of December 31, 2021			As of December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net	Gross Carrying Value	Accumulated Amortization	Net
Amortized intangible assets: Amortized intangible assets:						
Customer relationships	$ 5,323	$ (1,419)	$ 3,904			
Customer relationships (b)						
Customer relationships (b)						
Customer relationships (b)						
Network affiliation Network affiliation	$ 1,436	$ (861)	$ 575			
Favorable sports contracts	840	(251)	589			
Network affiliation						
Network affiliation						
Other Other	51	(31)	20			
Total other definite-lived intangible assets, net (a)	$ 2,327	$ (1,143)	$ 1,184			
Total other definite-lived intangible assets (a) (b)						

Total definite-lived intangible assets
Total definite-lived intangible assets
Total definite-lived intangible assets

(a) Approximately $40 million $33 million and $47 million $40 million of definite-lived intangible assets relate to consolidated VIEs as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

(b) During 2022, we deconsolidated $3,330 million of customer relationships and $585 million of favorable sports contracts related to the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* *Deconsolidation.*

Definite-lived intangible assets and other assets subject to amortization are being amortized on a straight-line basis over their estimated useful lives. The definite-lived intangible assets are amortized over a weighted average useful life of 14 years for customer relationships and 15 years for network affiliations. The amortization expense of the definite-lived intangible and other assets for the years ended December 31, 2022 December 31, 2023, 2022, and 2021 was $166 million, $225 million, and 2020 was $225 million, $554 million, and $703 million, $554 million, respectively, of which $4 million, and $77 million, as of December 31, 2022 and $131 million, 2021, respectively, was associated with the amortization of favorable sports contracts prior to the Deconsolidation and is presented within media programming and production expenses in our statements of operations. We analyze specific definite-lived intangibles for impairment when events occur that may impact their value in accordance with the respective accounting guidance for long-lived assets. There were no impairment charges recorded for the years ended December 31, 2023, 2022, and 2021, as there were no indicators of impairment.

The following table shows the estimated annual amortization expense of the definite-lived intangible assets for the next five years and thereafter (in millions):

2023		$	162
2024	2024		152
2025	2025		145
2026	2026		141
2027	2027		127
2028 and thereafter			219
		$	946
2028			
2029 and thereafter			
	$		

SINCLAIR, INC.

Impairment of Goodwill and Definite-Lived Intangible Assets **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The Company performed an interim goodwill and long-lived asset impairment test during the three-month period ending September 30, 2020 related to the RSNs that were included in the local sports segment prior to the Deconsolidation, which were negatively impacted by the loss of certain distributors. In addition, the RSN's existing distributors experienced elevated levels of subscriber erosion which we believe was influenced, in part, by shifting consumer behaviors resulting from media fragmentation, the economic environment, the COVID 19 pandemic, and related uncertainties.

The long-lived asset impairment test requires a comparison of undiscounted cash flows expected to be generated over the useful life of an asset group to the carrying value of the asset group. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. We evaluated each of the regional sports networks individually as asset groups. We estimated the projected undiscounted cash flows over the remaining useful life of each asset group. The more sensitive inputs used in the undiscounted cash flow analysis include projected revenues and margins. We identified 10 regional sports networks which had carrying values in excess of the future undiscounted cash flows. For these regional sports networks, an impairment loss was measured as the amount by which the carrying value of the asset group exceeded the fair value. The calculated impairment was then allocated to the long-lived assets within the asset group, which primarily consisted of definite lived intangible assets, based upon relative fair value.

The fair value of the asset groups, reporting units and definite lived intangible assets were determined based upon a discounted cash flow analysis which uses the present value of projected cash flows. The projected cash flows were based upon our estimates of future revenues and margins, among other inputs. The discount rates used in the valuation were based on a weighted-average cost of capital determined from relevant market comparisons and taking into consideration the risk specifically associated with our asset groups and underlying assets. Terminal values were determined based upon the final year of projected cash flows which reflected our estimate of stable perpetual growth. The more sensitive inputs used in the discounted cash flow analysis include projected revenues and margins, as well as the discount rates used to calculate the present value of future cash flows. Projected revenue was based on the consideration of historical experience of the business, market data surrounding subscriber projections and advertising growth, our ability to retain existing customers, and our ability to obtain new customers.

In conjunction with the interim third quarter 2020 impairment testing related to the RSNs discussed above, we recorded a non-cash impairment charge prior to the Deconsolidation associated with customer relationships and other definite-lived intangible assets of $1,218 million and $431 million, respectively, included in impairment of goodwill and definite-lived intangible assets in our consolidated statements of operations for the year ended December 31, 2020.

There were no impairment charges recorded for the years ended December 31, 2022 and 2021, as there were no indicators of impairment.

We tested the RSN reporting units' goodwill for impairment on an interim basis by comparing the fair value of each of the RSN reporting units to their revised carrying value after adjustments were made related to the impairments of the asset groups, as described above. To the extent that the carrying value of the respective reporting units exceeded the fair value, a goodwill impairment charge was recorded. The fair value of the reporting units was determined based upon a discounted cash flow analysis, as described above. Prior to the Deconsolidation, we recorded a non-cash goodwill impairment charge of $2,615 million, included in impairment of goodwill and definite-lived intangible assets in our consolidated statements of operations for the year ended December 31, 2020.

6. OTHER ASSETS:

Other assets as of December 31, 2022 December 31, 2023 and 2021 2022 consisted of the following (in millions):

		2022	2021	2023	2022
Equity method investments	Equity method investments	$ 113	$ 517		
Other investments	Other investments	442	567		
Note receivable	Note receivable	193	—		
Income tax receivable					
Post-retirement plan assets	Post-retirement plan assets	41	50		
Other	Other	175	274		
Total other assets	Total other assets	$ 964	$ 1,408		

Equity Method Investments

We have a portfolio of investments including an investment in the YES Network (prior to the Deconsolidation), our investment in DSIH (subsequent to the Deconsolidation), and also a number of entities that are primarily focused on the development of real estate and other media and non-media businesses. businesses, our investment in DSIH (subsequent to the Deconsolidation), and an investment in the YES Network (prior to the Deconsolidation). No investments were individually significant for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020.

Summarized Financial Information. As described under *Principles of Consolidation* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*, we record our proportionate share of net income generated by equity method investees in income (loss) from equity method investments in our consolidated statements of operations. The summarized results of operations and financial position of the investments accounted for under the equity method are as follows (in millions):

	For the Years Ended December 31,		
	2022	2021	2020
Revenues, net	$ 272	$ 994	$ 611
Operating income	$ 199	$ 316	$ 147
Net income	$ 161	$ 465	$ 23

	As of December 31,	
	2022	2021
Current assets	$ 161	$ 468
Noncurrent assets	$ 1,169	$ 4,259
Current liabilities	$ 145	$ 184
Noncurrent liabilities	$ 412	$ 2,030

YES Network Investment. Prior to the Deconsolidation, we accounted for our investment in the YES Network as an equity method investment, which was recorded within other assets in our consolidated balance sheets, and in which our proportionate share of the net income generated by the investment was included within income (loss) from equity method investments in our consolidated statements of operations. We recorded income of $10 million, $41 million, and $6 million related to our investment for the years ended December 31, 2022, 2021, and 2020, respectively. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* 2021.

Diamond Sports Intermediate Holdings LLC. Subsequent to the Deconsolidation, we began accounting for our equity interest in DSIH under the equity method of accounting. As of March 1, 2022, we reflected the investment in DSIH at fair value, which was determined to be nominal. For the year ended December 31, 2022 December 31, 2023, we recorded no equity method loss related to the investment because the carrying value of the investment is zero and we are not obligated to fund losses incurred by DSIH. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

YES Network Investment. Prior to the Deconsolidation, we accounted for our investment in the YES Network as an equity method investment, which was recorded within other assets in our consolidated balance sheets, and in which our proportionate share of the net income generated by the investment was included within income from equity method investments in our consolidated statements of operations. We recorded income of $10 million and $41 million related to our investment for the years ended December 31, 2022 and 2021, respectively.

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").

At December 31, 2022 December 31, 2023 and 2021, 2022, we held $234 $162 million and $402 $234 million, respectively, in investments measured at fair value and $190 million $189 million and $147 million $190 million, respectively, in investments measured at NAV. We recognized a fair value adjustment loss of $87 million, a loss of $145 million, and a loss of $42 million and a gain of $156 million during the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively, associated with these securities, which is reflected in other (expense) income, net in our consolidated statements of operations.

Investments accounted for utilizing the measurement alternative were $36 million as of December 31, 2023 and $18 million, net of $7 million of cumulative impairments, as of both December 31, 2022 and December 31, 2021. We recorded a $6 million impairment related to one investment during the year ended December 31, 2023, which is reflected in other expense, net in our consolidated statements of operations. We recorded no impairments related to these investments for the years ended December 31, 2022, 2021, and 2020. 2021.

On November 18, 2020, we entered into a commercial agreement with Bally's. As part of this arrangement, we received warrants to acquire up to 8.2 million shares of Bally's common stock for a penny per share, of which 3.3 million are exercisable upon meeting certain performance metrics. We also received options to purchase up to 1.6 million shares of Bally's common stock with exercise prices between $30 and $45 per share, exercisable after four years. In April 2021, we made an incremental investment of $93 million in Bally's in the form of non-voting perpetual warrants, convertible into 1.7 million shares of Bally's common stock at an exercise price of $0.01 per share, subject to certain adjustments. These investments are reflected at fair value within our financial statements. See *Note 18. Fair Value Measurements* for further discussion.

As of December 31, 2022 December 31, 2023 and 2021, 2022, our unfunded commitments related to certain equity investments totaled $128 million $103 million and $111 million $128 million, respectively, including $88 million $74 million and $81 million $88 million, respectively, related to investments measured at NAV.

Note Receivable

On November 5, 2021, we purchased and assumed the lenders' and the administrative agent's rights and obligations under the We are party to an Accounts Receivable Securitization Facility ("A/R Facility"), held by Diamond Sports Finance SPV, LLC ("DSPV"), an indirect wholly-owned subsidiary of DSIH, by making a payment to the lenders equal to approximately $184 million, representing 101% of the aggregate outstanding principal amount of the loans under the A/R Facility, plus any accrued interest and outstanding fees and expenses. The maximum facility limit availability under the A/R Facility is $400 million and has a maturity date of September 23, 2024. DSIH. Subsequent to the Deconsolidation, transactions related to the A/R Facility are no longer eliminated as intercompany transactions and, therefore, are reflected in our consolidated financial statements. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* As of December 31, 2022 On May 10, 2023, the note receivable due to DSPV paid the Company is approximately $199 million, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. There was no outstanding balance as of December 31, 2023 and an outstanding balance of $193 million as of December 31, 2022, which is recorded within other assets in our consolidated balance sheets. As of December 31, 2023, the maximum aggregate commitment under the A/R Facility is $50 million and the A/R Facility has a maturity date of September 23, 2024.

7. NOTES PAYABLE AND COMMERCIAL BANK FINANCING:

Notes payable, finance leases, and commercial bank financing (including "finance leases to affiliates") consisted of the following as of December 31, 2022 December 31, 2023 and 2021 2022 (in millions):

	2022	2021
STG Bank Credit Agreement:		
Term Loan B-1, due January 3, 2024 (a)	$ —	$ 379
Term Loan B-2, due September 30, 2026	1,258	1,271
Term Loan B-3, due April 1, 2028	729	736
Term Loan B-4, due April 21, 2029 (a)	746	—
DSG Bank Credit Agreement (b):		
Term Loan, due August 24, 2026	—	3,226
STG Notes:		
5.875% Unsecured Notes, due March 15, 2026 (a)	—	348
5.125% Unsecured Notes, due February 15, 2027 (c)	282	400
5.500% Unsecured Notes, due March 1, 2030	500	500
4.125% Senior Secured Notes, due December 1, 2030	750	750
DSG Notes (b):		
12.750% Senior Secured Notes, due December 1, 2026	—	31
5.375% Senior Secured Notes, due August 15, 2026	—	3,050
6.625% Unsecured Notes, due August 15, 2027	—	1,744
Debt of variable interest entities	8	9
Debt of non-media subsidiaries	16	17
Finance leases	23	28
Finance leases - affiliate	9	9
Total outstanding principal	4,321	12,498
Less: Deferred financing costs and discounts	(56)	(158)
Less: Current portion	(35)	(66)
Less: Finance leases - affiliate, current portion	(3)	(3)
Net carrying value of long-term debt	$ 4,227	$ 12,271

	2023	2022
Bank Credit Agreement:		
Term Loan B-2, due September 30, 2026 (a)	$ 1,215	$ 1,258
Term Loan B-3, due April 1, 2028	722	729
Term Loan B-4, due April 21, 2029	739	746
STG Notes (b):		
5.125% Unsecured Notes, due February 15, 2027	274	282
5.500% Unsecured Notes, due March 1, 2030	485	500
4.125% Senior Secured Notes, due December 1, 2030	737	750
Debt of variable interest entities	7	8
Debt of non-media subsidiaries	15	16
Finance leases	20	23
Finance leases - affiliate	7	9
Total outstanding principal	4,221	4,321
Less: Deferred financing costs and discounts	(46)	(56)
Less: Current portion	(34)	(35)
Less: Finance leases - affiliate, current portion	(2)	(3)
Net carrying value of long-term debt	$ 4,139	$ 4,227

(a) In April 2022, During the year ended December 31, 2023, STG raised Term B-4 Loans in an repurchased $30 million aggregate principal amount of $750 million, the proceeds of which were used to refinance all of STG's outstanding Term Loan B-1 due January 2024 and to redeem STG's outstanding 5.875% senior notes due 2026. B-2 for consideration of $26 million. See STG *Bank Credit Agreement* below.

(b) The debt of DSG, a wholly-owned subsidiary of DSIH, was deconsolidated from our balance sheet as part of the Deconsolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

(c) During the year ended December 31, 2022 December 31, 2023, we purchased $118 million $7 million, $15 million, and $13 million aggregate principal amount of the STG 5.125% Notes, 5.500% Notes, the 4.125% Notes, respectively, in open market transactions for consideration of $104 million. $6 million, $8 million, and $8 million, respectively. The STG 5.125% Notes acquired during the year ended December 31, 2022 December 31, 2023 were canceled immediately following their acquisition. See *STG Notes* below.

Debt under the STG Bank Credit Agreement, notes payable, and finance leases as of December 31, 2022 December 31, 2023 matures as follows (in millions):

		Notes and Bank Credit Agreement	Finance Leases	Total	Notes and Bank Credit Agreement	Finance Leases	Total
2023		$ 31	$ 9	$ 40			
2024	2024	29	7	36			
2025	2025	43	7	50			
2026	2026	1,234	7	1,241			
2027	2027	299	4	303			
2028 and thereafter		2,653	6	2,659			
2028							
2029 and thereafter							
Total minimum payments	Total minimum payments	4,289	40	4,329			
Less: Deferred financing costs and discounts	Less: Deferred financing costs and discounts	(56)	—	(56)			
Less: Amount representing future interest	Less: Amount representing future interest	—	(8)	(8)			
Net carrying value of debt		$ 4,233	$ 32	$ 4,265			
Net carrying value of total debt							

Interest expense in our consolidated statements of operations was $296 million $305 million, $618 million $296 million, and $656 million $618 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively. Interest expense included amortization of deferred financing costs, debt discounts, and premiums of $12 million $10 million, $30 million $12 million, and $31 million $30 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively.

The stated and weighted average effective interest rates on the above obligations are as follows, for the years ended December 31, 2022 December 31, 2023 and 2021: 2022:

	Stated Rate	Weighted Average Effective Rate 2022	Weighted Average Effective Rate 2021
STG Bank Credit Agreement:			
Term Loan B-1 (a)	LIBOR plus 2.25%	—%	2.36%
Term Loan B-2 (d)	LIBOR plus 2.50%	4.62%	2.77%

Term Loan B-3 (d)	LIBOR plus 3.00%	4.88%	3.89%
Term Loan B-4 (a) (e)	SOFR plus 3.75%	8.21%	—%
Revolving Credit Facility (b) (e)	SOFR plus 2.00%	—%	—%
DSG Bank Credit Agreement (c):			
Term Loan	LIBOR plus 3.25%	—%	3.62%
STG Notes:			
5.875% Unsecured Notes (a)	5.88%	—%	6.09%
5.125% Unsecured Notes	5.13%	5.33%	5.33%
5.500% Unsecured Notes	5.50%	5.66%	5.66%
4.125% Secured Notes	4.13%	4.31%	4.31%
DSG Notes (c):			
12.750% Secured Notes	12.75%	—%	11.95%
5.375% Secured Notes	5.38%	—%	5.73%
6.625% Unsecured Notes	6.63%	—%	7.00%

		Weighted Average Effective Rate	
	Stated Rate	**2023**	**2022**
Bank Credit Agreement:			
Term Loan B-2 (a)	SOFR plus 2.50%	7.98%	4.62%
Term Loan B-3 (a)	SOFR plus 3.00%	8.35%	4.88%
Term Loan B-4 (b)	SOFR plus 3.75%	9.77%	8.21%
Revolving Credit Facility (b) (c)	SOFR plus 2.00%	—%	—%
STG Notes:			
5.125% Unsecured Notes	5.13%	5.33%	5.33%
5.500% Unsecured Notes	5.50%	5.66%	5.66%
4.125% Secured Notes	4.13%	4.31%	4.31%

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(a) In April 2022, STG raised Term B-4 Loans in an aggregate principal amount of $750 million, the proceeds of which were used to refinance all of STG's outstanding Term Loan B-1 due January 2024 and to redeem STG's outstanding 5.875% senior notes due 2026. See *STG Bank Credit Agreement* below.

(b) We incur a commitment fee on undrawn capacity of 0.25%, 0.375%, or 0.50% if our first lien indebtedness ratio is less than or equal to 2.75x, less than or equal to 3.0x but greater than 2.75x, or greater than 3.0x, respectively. The STG Revolving Credit Facility is priced at LIBOR plus 2.00%, subject to decrease if the specified first lien leverage ratio (as defined in the STG Bank Credit Agreement) is less than or equal to certain levels. As of December 31, 2022 and 2021, there were no outstanding borrowings, $1 million in letters of credit outstanding, and $649 million available under the STG Revolving Credit Facility. See *STG Bank Credit Agreement* below for further information.

(c) The debt of DSG, a wholly-owned subsidiary of DSIH, was deconsolidated from our balance sheet as part of the Deconsolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*.

(d) The STG Term Loan B-2 will convert converted to using the Secured Overnight Financing Rate ("SOFR") upon the complete phase-out of LIBOR on June 30, 2023 and will be was subject to customary credit spread adjustments set at the time of the rate conversion. The STG Term Loan B-3 has LIBOR to SOFR conversion terms, including the applicable credit spread adjustments, built into the existing agreement.

(e) (b) Interest rate terms on the STG Term Loan B-4 and revolving credit facility include additional customary credit spread adjustments.

(c) We incur a commitment fee on undrawn capacity of 0.25%, 0.375%, or 0.50% if our first lien indebtedness ratio (as defined in the Bank Credit Agreement) is less than or equal to 2.75x, less than or equal to 3.0x but greater than 2.75x, or greater than 3.0x, respectively. The revolving credit facility is priced at SOFR plus 2.00%, subject to decrease if the specified first lien leverage ratio (as defined in the Bank Credit Agreement) is less than or equal to certain levels. As of December 31, 2023 and 2022, there were no outstanding borrowings, $1 million in letters of credit outstanding, and $649 million available under the revolving credit facility and the revolving credit facility matures on December 4, 2025. See *Bank Credit Agreement* below for further information.

We recorded a $23 million original issuance discount during the year ended December 31, 2022, and $4 million of debt issuance costs during the year ended December 31, 2021, and $19 million of debt issuance costs and a $25 million original issuance premium during the year ended December 31, 2020. Debt issuance costs and original issuance discounts and premiums are presented as a direct deduction from, or addition to, the carrying amount of an associated debt liability, except for debt issuance costs related to our STG Revolving Credit Facility and DSG Revolving Credit Facility (prior to the Deconsolidation), revolving credit facility, which are presented within other assets in our consolidated balance sheets.

STG Bank Credit Agreement

We have STG, a wholly owned subsidiary of SBG, has a syndicated credit facility which includes both revolving credit and issued term loans (the "STG Bank "Bank Credit Agreement").

The STG Bank Credit Agreement includes a financial maintenance covenant, the first lien leverage ratio (as defined in the "STG Bank Credit Agreement") Agreement), which requires the such ratio not to exceed 4.5x, measured as of the end of each fiscal quarter. As of December 31, 2022 December 31, 2023, the STG first lien leverage ratio was below 4.5x. The financial maintenance covenant is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the STG Revolving Credit Facility, revolving credit facility, measured as of the last day of each quarter, is utilized under the STG Revolving Credit Facility revolving credit facility as of such date. Since there was no utilization under the STG Revolving Credit Facility revolving credit facility as of December 31, 2022 December 31, 2023, STG was not subject to the financial maintenance covenant under the STG Bank Credit Agreement. The STG Bank Credit Agreement contains other restrictions and covenants which we were in compliance with as of December 31, 2022.

On December 4, 2020, we entered into an amendment to the STG Bank Credit Agreement to extend the maturity date of the STG Revolving Credit Facility to December 4, 2025 December 31, 2023.

On April 1, 2021, STG amended the STG Bank Credit Agreement to raise additional term loans in an aggregate principal amount of $740 million ("STG Term Loan B-3"), with an original issuance discount of $4 million, the proceeds of which were used to refinance a portion of the STG Term Loan B-1 maturing in January 2024. The STG Term Loan B-3 matures in April 2028 and bears interest at LIBOR (or "successor rate") SOFR plus 3.00%.

On April 21, 2022, STG entered into the Fourth Amendment (the "Fourth Amendment") to the STG Bank Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, the guarantors party thereto (the "Guarantors") and the lenders and other parties thereto.

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Pursuant to the Fourth Amendment, STG raised Term B-4 Loans (as defined in the STG Bank Credit Agreement) in an aggregate principal amount of $750 million, which mature on April 21, 2029 (the "STG Term "Term Loan B-4"). The STG Term Loan B-4 was issued at 97% of par and bears interest, at STG's option, at Term SOFR plus 3.75% (subject to customary credit spread adjustments) or base rate plus 2.75%. The proceeds from the Term Loan B-4 were used to refinance all of STG's outstanding STG Term Loan B-1 due January 2024 and to redeem STG's outstanding 5.875% senior notes due 2026 (the "STG 5.875% Notes"). 2026. In addition, the maturity of $612.5 million of the total $650 million of revolving commitments under the STG Bank Credit Agreement were extended to April 21, 2027, with the remaining $37.5 million continuing to mature on December 4, 2025. For the year ended December 31, 2022, we capitalized an original issuance discount of $23 million associated with the issuance of the STG Term Loan B-4, which is reflected as a reduction to the outstanding debt balance and will be recognized as interest expense over the term of the outstanding debt utilizing the effective interest method. We recognized a loss on extinguishment of $10 million for the year ended December 31, 2022.

The STG Term Loan B-2, STG Term Loan B-3, and STG Term Loan B-4 amortize in equal quarterly installments in an aggregate amount equal to 1% of the original amount of such term loan, with the balance being payable on the maturity date.

During the year ended December 31, 2023, STG Notes

On December 4, 2020, we issued $750 million repurchased $30 million aggregate principal amount of senior secured notes, which bear interest at the Term Loan B-2 for consideration of $26 million. SBG recognized a rate gain on extinguishment of 4.125% per annum and mature on December 1, 2030 (" $3 million for the year ended December 31, 2023.

In January 2024, STG 4.125% Secured Notes"). The net proceeds of the STG 4.125% Secured Notes were used, plus cash on hand, to redeem $550 million repurchased $27 million aggregate principal amount of STG's 5.625% senior unsecured notes due 2024 ("the STG 5.625% Notes") for a redemption price, including the outstanding principal amount of the STG 5.625% Notes, accrued and unpaid interest, and a call premium, of $571 million and to prepay $200 million outstanding under the STG Term Loan B-1. We recognized a loss on extinguishment B-2 for consideration of the STG 5.625% Notes and prepayment of the STG Term Loan B-1 of $15 million for the year ended December 31, 2020 $25 million.

Prior to December 1, 2025, we may redeem the STG 4.125% Secured Notes 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 STG 4.125% Secured Notes plus accrued and unpaid interest, if any, to the redemption date, plus a "make-whole" premium. In addition, on or prior to December 1, 2023, we may redeem up to 40% of the STG 4.125% Secured Notes using the proceeds of certain equity offerings. Beginning on December 1, 2025, we may redeem some or all of the STG 4.125% Secured Notes at any time or from time to time at certain redemption prices, plus accrued and unpaid interest, if any, to the date of redemption. If the notes are redeemed during the twelve-month period beginning December 1, 2025, 2026, 2027, and 2028 and thereafter, then the redemption prices for the STG 4.125% Secured Notes are 102.063%, 101.375%, 100.688%, and 100%, respectively. Upon the sale of certain of STG's assets or certain changes of control, we may be required to repurchase some or all of the STG 4.125% Secured Notes.

STG's obligations under the STG 4.125% Secured Notes are secured on a first-lien basis by substantially all tangible and intangible personal property of STG and each wholly-owned subsidiary of STG or the Company that guarantees the STG Bank Credit Agreement ("the Guarantors") and on a pari passu basis with all of STG's and the Guarantor's existing and future debt that is secured by a first-priority lien on the collateral securing the STG 4.125% Secured Notes, including the debt under the STG Bank Credit Agreement, subject to permitted liens and certain other exceptions.

During the year ended December 31, 2022, we purchased $118 million aggregate principal amount of STG's the 5.125% senior notes due 2027 (the "STG 5.125% Notes") Notes in open market transactions for consideration of $104 million. The STG 5.125% Notes acquired during the year ended December 31, 2022 were canceled immediately following their acquisition. We recognized a gain on extinguishment of the STG 5.125% Notes of $13 million for the year ended December 31, 2022.

Upon issuance, During the year ended December 31, 2023, we purchased $7 million, $15 million, and $13 million aggregate principal amount of the 5.125% Notes, the 5.500% Notes, and the 4.125% Notes, respectively, in open market transactions for consideration of $6 million, $8 million, and $8 million, respectively. The STG Notes acquired during the year ended December 31, 2023 were canceled immediately following their acquisition. We recognized a gain on extinguishment of the STG 5.125% Notes were redeemable up to 35%. We may redeem 100% of $12 million for the notes upon the date set forth in the indenture of the notes. year ended December 31, 2023.

The price at which we may redeem the notes STG Notes is set forth in the respective indenture of the notes. STG Notes. Also, if we sell certain of our assets or experience specific kinds of changes of control, the holders of these notes STG Notes may require us to repurchase some or all of the outstanding notes. STG Notes.

DSG Bank Credit Agreement and Notes

The debt of DSG, a wholly-owned subsidiary of DSIH, was deconsolidated from our balance sheet as part of the Deconsolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Debt of variable interest entities Variable Interest Entities and guarantees Guarantees of third-party obligations Third-party Obligations

We jointly, severally, unconditionally, and irrevocably guaranteed $2 million and $39 million of debt of certain third parties as of December 31, 2022 both December 31, 2023 and 2021, respectively, 2022, all of which $2 million and $9 million, net of deferred financing costs, related to consolidated VIEs is included in our consolidated balance sheets as of December 31, 2022 and 2021, respectively. sheets. We provide a guarantee of certain obligations of a regional sports network subject to a maximum annual amount of $112 million $117 million with annual escalations of 4% for the next seven five years. As of December 31, 2022 December 31, 2023, we have determined that it is not probable that we would have to perform under any of these guarantees.

Interest Rate Swap

During the year ended December 31, 2023, 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. As of December 31, 2023, the fair value of the interest rate swap was an asset of $1 million, which is recorded in other assets in our consolidated balance sheets.

Finance leases Leases

For more information related to our finance leases and affiliate finance leases see *Note 8. Leases* and *Note 15. Related Person Transactions*, respectively.

8. LEASES:

We determine if a contractual arrangement is a lease at inception. Our lease arrangements provide the Company the right to utilize certain specified tangible assets for a period of time in exchange for consideration. Our leases primarily relate to building space, tower space, and equipment. We do not separate non-lease components from our building and tower leases for the purposes of measuring our lease liabilities and assets. Our leases consist of operating leases and finance leases which are presented separately in our consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

We recognize a lease liability and a right of use asset at the lease commencement date based on the present value of the future lease payments over the lease term discounted using our incremental borrowing rate. Implicit interest rates within our lease arrangements are rarely determinable. Right of use assets also include, if applicable, prepaid lease payments and initial direct costs, less incentives received.

We recognize operating lease expense on a straight-line basis over the term of the lease within operating expenses. Expense associated with our finance leases consists of two components, including interest on our outstanding finance lease obligations and amortization of the related right of use assets. The interest component is recorded in interest expense and amortization of the finance lease asset is recognized on a straight-line basis over the term of the lease in depreciation of property and equipment.

Our leases do not contain any material residual value guarantees or material restrictive covenants. Some of our leases include optional renewal periods or termination provisions which we assess at inception to determine the term of the lease, subject to reassessment in certain circumstances.

The following table presents lease expense we have recorded in our consolidated statements of operations for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

	2022	**2021**	**2020**
2023	**2023**	**2022**	**2021**
Finance lease expense: Finance lease expense:			
Amortization of finance lease asset			

Amortization of finance lease asset				
Amortization of finance lease asset	Amortization of finance lease asset	$ 3	$ 3	$ 3
Interest on lease liabilities	Interest on lease liabilities	3	3	4
Total finance lease expense	Total finance lease expense	6	6	7
Operating lease expense (a)	Operating lease expense (a)	41	60	64
Total lease expense	Total lease expense	$47	$66	$71

(a) Includes variable lease expense of $6 million for the year ended December 31, 2023 and $7 million for each of the years ended December 31, 2022, and 2021 and 2020 and short-term lease expense of $1 million for each of the years year ended December 31, 2021 and 2020. December 31 2021.

The following table summarizes our outstanding operating and finance lease obligations as of December 31, 2022 December 31, 2023 (in millions):

		Operating Leases	Finance Leases	Total
2023		$ 33	$ 9	$ 42
	Operating Leases	Operating Leases	Finance Leases	Total
2024	2024	27	7	34
2025	2025	26	7	33
2026	2026	24	7	31
2027	2027	22	4	26
2028 and thereafter		96	6	102
2028				
2029 and thereafter				
Total undiscounted obligations	Total undiscounted obligations	228	40	268
Less imputed interest	Less imputed interest	(51)	(8)	(59)
Present value of lease obligations	Present value of lease obligations	$ 177	$ 32	$ 209

The following table summarizes supplemental balance sheet information related to leases as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022 (in millions, except lease term and discount rate):

	2022		2021	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
	2023			
	Operating Leases			

		Operating Leases											
		Operating Leases											
Lease assets, non-current													
Lease assets, non-current													
Lease assets, non-current	Lease assets, non-current	$ 145	$ 16 (a)	$ 207	$ 18 (a)	$ 142	$	$ 12 (a)	(a)	$ 145	$	$ 16 (a)	(a)
Lease liabilities, current	Lease liabilities, current	$ 23	$ 6	$ 35	$ 5								
Lease liabilities, current													
Lease liabilities, current													
Lease liabilities, non-current	Lease liabilities, non-current	154	26	205	32								
Lease liabilities, non-current													
Lease liabilities, non-current													
Total lease liabilities													
Total lease liabilities													
Total lease liabilities	Total lease liabilities	$ 177	$ 32	$ 240	$ 37								
Weighted average remaining lease term (in years)	Weighted average remaining lease term (in years)	8.68	5.76	8.39	7.71								
Weighted average remaining lease term (in years)													
Weighted average remaining lease term (in years)													
Weighted average discount rate	Weighted average discount rate	5.8 %	8.0 %	5.4 %	7.9 %								
Weighted average discount rate													
Weighted average discount rate													

(a) Finance lease assets are reflected in property and equipment, net in our consolidated balance sheets.

The following table presents other information related to leases for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

		2022	2021	2020			
2023					2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases							
Operating cash flows from operating leases							
Operating cash flows from operating leases	Operating cash flows from operating leases	$35	$52	$55			
Operating cash flows from finance leases	Operating cash flows from finance leases	$ 3	$ 3	$ 3			
Financing cash flows from finance leases	Financing cash flows from finance leases	$ 6	$ 5	$ 5			
Leased assets obtained in exchange for new operating lease liabilities	Leased assets obtained in exchange for new operating lease liabilities	$15	$50	$20			
Leased assets obtained in exchange for new finance lease liabilities	Leased assets obtained in exchange for new finance lease liabilities	$ 1	$ 4	$ 6			

9. PROGRAM CONTRACTS:

Future payments required under television program contracts as of December 31, 2022 December 31, 2023 were as follows (in millions):

2023		$	83
2024	2024		8
2025	2025		2
2026			
Total			
Total			
Total	Total		93
Less: Current portion	Less: Current portion		(83)

Long-term portion of program contracts payable	Long-term portion of program contracts payable	$	10

Each future period’s film liability includes contractual amounts owed, but what is contractually owed does not necessarily reflect what we are expected to pay during that period. While we are contractually bound to make the payments reflected in the table during the indicated periods, industry protocol typically enables us to make film payments on a three-month lag. Included in the current portion amount are payments due in arrears of $17 million $13 million. In addition, we have entered into non-cancelable commitments for future television program rights aggregating to $34 million $14 million as of December 31, 2022 December 31, 2023.

10. REDEEMABLE NONCONTROLLING INTERESTS:

We account for redeemable noncontrolling interests in accordance with ASC 480, *Distinguishing Liabilities from Equity*, and classify them as mezzanine equity in our consolidated balance sheets because their possible redemption is outside of the control of the Company. Our redeemable non-controlling interests consist of the following:

Redeemable Subsidiary Preferred Equity.

On August 23, 2019, Diamond Sports Holdings, LLC ("DSH"), an indirect parent of DSG and indirect wholly-owned subsidiary of the Company, issued preferred equity ("the Redeemable Subsidiary Preferred Equity") for $1,025 million.

The Redeemable Subsidiary Preferred Equity is redeemable by the holder in the following circumstances (1) in the event of a change of control with respect to DSH, the holder will have the right (but not the obligation) to require the redemption of the securities at a per unit amount equal to the liquidation preference per share plus accrued and unpaid dividends (2) in the event of the sale of new equity interests in DSG or direct and indirect subsidiaries to the extent of proceeds received and (3) beginning on August 23, 2027, so long as any Redeemable Subsidiary Preferred Equity remains outstanding, the holder, subject to certain minimum holding requirements, or investors holding a majority of the outstanding Redeemable Subsidiary Preferred Equity, may compel DSH and DSG to initiate a process to sell DSG and/or conduct an initial public offering.

We may redeem some or all of the Redeemable Subsidiary Preferred Equity from time to time thereafter at a price equal to $1,000 per unit plus the amount of dividends per unit previously paid in kind ("the Liquidation Preference"), multiplied by the applicable premium as follows (presented as a percentage of the Liquidation Preference): (i) on or after November 22, 2019 until February 19, 2020: 100%; (ii) on or after February 20, 2020 until August 22, 2020: 102%; (iii) on or after August 23, 2020 but prior to August 23, 2021: at a customary "make-whole" premium representing the present value of 103% plus all required dividend payments due on such Redeemable Subsidiary Preferred Equity through August 23, 2021; (iv) on or after August 23, 2021 until August 22, 2022: 103%; (v) on or after August 23, 2022 until August 22, 2023: 101%; and (vi) August 23, 2023 and thereafter: 100%, in each case, plus accrued and unpaid dividends.

The Redeemable Subsidiary Preferred Equity accrues an initial quarterly dividend equal to 1-Month LIBOR (with a 0.75% floor) plus 8.0% (8.5% if paid in kind) per annum on the sum of (i) $1,025 million ("the Aggregate Liquidation Preference") plus (ii) the amount of aggregate accrued and unpaid dividends as of the end of the immediately preceding dividend accrual period, payable, at DSH's election, in cash or, to the extent not paid in cash, by automatically increasing the Aggregate Liquidation Preference, whether or not such dividends have been declared and whether or not there are profits, surplus, or other funds legally available for the payment of dividends. The Redeemable Subsidiary Preferred Equity dividend rate is subject to rate step-ups of 0.5% per annum, beginning on August 23, 2022; provided that, and subject to other applicable increases in the dividend rate described below, the cumulative dividend rate will be capped at 1-Month LIBOR plus 10.5% per annum until (a) on February 23, 2028, the Redeemable Subsidiary Preferred Equity dividend rate will increase by 1.50% with further increases of 0.5% on each six month anniversary thereafter and (b) the Redeemable Subsidiary Preferred Equity dividend rate will increase by 2% if we do not redeem the Redeemable Subsidiary Preferred Equity, to the extent elected by holders of the Redeemable Subsidiary Preferred Equity, upon a change of control; provided, in each case, that the cumulative dividend rate will be capped at 1-Month LIBOR plus 14% per annum.

Subject to limited exceptions, DSH shall not, and shall not permit its subsidiaries, directly or indirectly, to pay a dividend or make a distribution, unless DSH applies 75% of the amount of such dividend or distribution payable to DSH or its subsidiaries (with the amount payable calculated on a pro rata basis based on their direct or indirect common equity ownership by DSH) to make an offer to the holders of Redeemable Subsidiary Preferred Equity to redeem the Redeemable Subsidiary Preferred Equity (subject to certain redemption restrictions) at a price equal to 100% of the Liquidation Preference of such Redeemable Subsidiary Preferred Equity, plus accrued and unpaid dividends.

We redeemed no Redeemable Subsidiary Preferred Equity during the years ended December 31, 2022 and 2021. During the year ended December 31, 2020, we redeemed 550,000 units of the Redeemable Subsidiary Preferred Equity for an aggregate redemption price equal to $550 million plus accrued and unpaid dividends, representing 100% of the unreturned capital contribution with respect to the units redeemed, plus accrued and unpaid dividends with respect to the units redeemed up to, but not including, the redemption date, and after giving effect to any applicable rebates.

Dividends accrued during the years ended December 31, 2022, 2021, and 2020 were $13 million, $14 million, and $36 million, respectively, and are reflected in net income attributable to redeemable noncontrolling interests in our consolidated statements of operations. Dividends accrued during 2022 and during the 2nd, 3rd, and 4th quarters of 2021 were paid in kind and added to the liquidation preference. The balance of the Redeemable Subsidiary Preferred Equity, net of issuance costs, was $194 million and $181 million as of December 31, 2022 and 2021, respectively. The liquidation preference of the Redeemable Subsidiary Preferred Equity was $198 million and $185 million as of December 31, 2022 and 2021, respectively.

In connection with the Redeemable Subsidiary Preferred Equity, the Company provides a guarantee of collection of distributions.

On February 10, 2023, we entered into an agreement to facilitate the purchase of purchased the remaining 175,000 units of the Redeemable Subsidiary Preferred Equity for an aggregate purchase price of $190 million representing 95% of the sum of the remaining unreturned capital contribution of $175 million, and accrued and unpaid dividends up to, but not including, the date of purchase. See *Subsequent Events* within *Note 1. Nature* *We redeemed no Redeemable Subsidiary Preferred Equity during the years ended December 31, 2022 and 2021.*

Dividends accrued during the years ended December 31, 2023, 2022, and 2021 were $3 million, $13 million, and $14 million, respectively, and are reflected in net income attributable to redeemable noncontrolling interests in our consolidated statements of Operations operations. Dividends accrued during 2023, 2022, and Summary the 2nd, 3rd, and 4th quarters of Significant Accounting Policies. 2021 were paid in kind and added to the liquidation preference. The balance, net of issuance costs, and the liquidation preference of the Redeemable Subsidiary Preferred Equity was $194 million and $198 million, respectively, as of December 31, 2022.

Subsidiary Equity Put Right. A noncontrolling equity holder of DSIH has the right to sell their interest to DSIH at any time during the 30-day period following September 30, 2025. The value of this redeemable noncontrolling interest was $16 million as of December 31, 2021. This redeemable noncontrolling interest was deconsolidated as part of the Deconsolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

11. COMMON STOCK:

Holders of Class A Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to ten votes per share, except for votes relating to “going private” and certain other transactions. Substantially all of the Class B Common Stock is held by David D. Smith, Frederick G. Smith, J. Duncan Smith and Robert E. Smith who entered into a stockholders’ agreement pursuant to which they have agreed to vote for each other as candidates for election to our board of directors the Board until December 31, 2025. The Class A Common Stock and the Class B Common Stock vote together as a single class, except as otherwise may be required by Maryland law, on all matters presented for a vote. Holders of Class B Common Stock may at any time convert their shares into the same number of shares of Class A Common Stock. During 2023 and 2022, no Class B Common Stock shares were converted into Class A Common Stock shares. During 2021, 952,626 Class B Common Stock shares were converted into Class A Common Stock shares.

The STG Bank Credit Agreement and some of our subordinate debt instruments have restrictions on our ability to pay dividends on our common stock unless certain specific conditions are satisfied, including, but not limited to:

- no event of default then exists under each indenture or certain other specified agreements relating to our debt; and
- after taking into account the dividends payment, we are within certain restricted payment requirements contained in each indenture.

During 2023 and 2022, and 2021, our the Board of Directors declared a quarterly dividend in the months of February, May, August, and November which were paid in March, June, September, and December, respectively. Total dividend payments for each of the years ended December 31, 2022 December 31, 2023 and 2021 2022 were $1.00 per share and $0.80 per share, respectively. share. In February 2023, our 2024, the Board of Directors declared a quarterly dividend of $0.25 per share. Future dividends on our common shares, if any, will be at the discretion of our the Board of Directors and will depend on several factors including our results of operations, cash requirements and surplus, financial condition, covenant restrictions, and other factors that the Board of Directors may deem relevant. The holders of Class A Common Stock and Class B Common Stock holders have the same rights related to dividends.

On August 4, 2020, the Board of Directors authorized an additional $500 million share repurchase authorization in addition to the previous repurchase authorization of $1 billion. There is no expiration date and currently, management has no plans to terminate this program. For the year ended December 31, 2022 December 31, 2023, we repurchased approximately 4.9 million 8.8 million shares of Class A Common Stock for $120 million $153 million. As of December 31, 2022 December 31, 2023, the total remaining repurchase authorization was $698 million $547 million. All shares were repurchased under a Rule 10b5-1 plan.

12. INCOME TAXES:

The provision (benefit) for income taxes consisted of the following for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

		2022	2021	2020		2023	2022	2021
Current provision (benefit) for income taxes:	Current provision (benefit) for income taxes:				Current provision (benefit) for income taxes:			
Federal	Federal	$ 6	$ (78)	$ (126)				
State	State	3	2	9				
		9	(76)	(117)				
Deferred provision (benefit) for income taxes:								

Deferred (benefit) provision for income taxes:					Deferred (benefit) provision for income taxes:
Federal	Federal	868	(93)	(584)	
State	State	36	(4)	(19)	
		904	(97)	(603)	
Provision (benefit) for income taxes		$913	$(173)	$(720)	
(Benefit) provision for income taxes					

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The following is a reconciliation of federal income taxes at the applicable statutory rate to the recorded provision:

		2022	2021	2020		2023	2022	2021
Federal statutory rate	Federal statutory rate	21.0 %	21.0 %	21.0 %	Federal statutory rate	21.0 %	21.0 %	21.0 %
Adjustments:	Adjustments:				Adjustments:			
State income taxes, net of federal tax benefit (a)	State income taxes, net of federal tax benefit (a)	2.0 %	(4.2)%	4.0 %	State income taxes, net of federal tax benefit (a)	4.6 %	2.0 %	(4.2) %
Valuation allowance (b)	Valuation allowance (b)	1.6 %	(1.5)%	(6.1)%	Valuation allowance (b)	30.6 %	1.6 %	(1.5) %
Noncontrolling interest (c)	Noncontrolling interest (c)	0.2 %	2.6 %	0.7 %	Noncontrolling interest (c)	0.4 %	0.2 %	2.6 %
Federal tax credits (d)	Federal tax credits (d)	(0.2)%	10.6 %	1.7 %	Federal tax credits (d)	0.6 %	(0.2) %	10.6 %
Net Operating Loss Carryback (e)	Net Operating Loss Carryback (e)	— %	7.5 %	1.9 %	Net Operating Loss Carryback (e)	— %	— %	7.5 %
Other	Other	0.7 %	(1.3)%	(0.3)%	Other	(0.9) %	0.7 %	(1.3) %
Effective income tax rate	Effective income tax rate	25.3 %	34.7 %	22.9 %	Effective income tax rate	56.3 %	25.3 %	34.7 %

(a) Included in state income taxes are deferred income tax effects related to certain acquisitions, intercompany mergers, tax elections, law changes and/or impact of changes in apportionment.

(b) Our 2023 income tax provision includes a $212 million decrease related to the release of valuation allowance associated with the federal interest expense carryforwards under the IRC Section 163(j). Our 2022 income tax provision includes a net $56 million addition related to an increase in valuation allowance associated with the federal interest expense carryforwards under the IRC Section 163(j) and primarily offset by a decrease in valuation allowance on certain state deferred tax assets resulting from the Deconsolidation. Deconsolidation of Diamond. Our 2021 income tax provision includes a net $8 million addition related to an increase in valuation allowance associated with the federal interest expense carryforwards under the IRC Section 163(j) and primarily offset by a decrease in valuation allowance on certain state deferred tax assets as a result of the changes in estimate of the state apportionment. Our 2020 income tax provision includes a $192 million addition related to an increase in valuation allowance primarily due to the change in judgement in the realizability of certain deferred tax assets resulting from the reduction in forecast of future operating income and the RSN impairment.

(c) Our 2023, 2022, 2021, and 2020 2021 income tax provisions include a $3 million benefit, a $9 million expense, and a $13 million and a $23 million benefit, respectively, related to noncontrolling interest of various partnerships.

(d) Our 2021 and 2020 income tax provisions include provision includes a benefit of $40 million and $42 million, respectively, related to investments in sustainability initiatives whose activities qualify for federal income tax credits through 2021.

(e) Our 2021 and 2020 income tax provisions include provision includes a benefit of $38 million and $61 million, respectively, as result of the CARES Act allowing for the 2020 federal net operating loss to be carried back to the pre-2018 years when the federal tax rate was 35%.

Temporary differences between the financial reporting carrying amounts and the tax bases of assets and liabilities give rise to deferred taxes. Total deferred tax assets and deferred tax liabilities as of December 31, 2022 December 31, 2023 and 2021 2022 were as follows (in millions):

		2022	2021		2023	2022
Deferred Tax Assets:	Deferred Tax Assets:			Deferred Tax Assets:		
Net operating losses:	Net operating losses:			Net operating losses:		
Federal	Federal	$ 14	$ 16			
State	State	131	120			
Goodwill and intangible assets		2	6			
Basis in DSH		—	704			
DSH's interest expense carryforward		212	110			
IRC Section 163(j) interest expense carryforward						
Investment in Bally's securities	Investment in Bally's securities	70	28			
Tax Credits	Tax Credits	79	87			
Other	Other	96	80			
		604	1,151			
Valuation allowance for deferred tax assets	Valuation allowance for deferred tax assets	(312)	(256)			
Total deferred tax assets	Total deferred tax assets	$ 292	$ 895			
Deferred Tax Liabilities:	Deferred Tax Liabilities:					
Deferred Tax Liabilities:						
Deferred Tax Liabilities:						
Goodwill and intangible assets	Goodwill and intangible assets	$ (384)	$ (397)			
Property & equipment, net	Property & equipment, net	(110)	(165)			
Basis in DSH		(356)	—			
Investment in DSIH						
Other	Other	(52)	(40)			
Total deferred tax liabilities	Total deferred tax liabilities	(902)	(602)			
Net deferred tax (liabilities) assets		$ (610)	$ 293			

Net deferred tax liabilities

At December 31, 2022 December 31, 2023, the Company had approximately $68 million $527 million and $2.9 billion $3,236 million of gross federal and state net operating losses, respectively. Except for those without an expiration date, these losses will expire during various years from 2023 2024 to 2042, 2043, and some of them are subject to annual limitations under the IRC Section 382 and similar state provisions. As discussed in *Income Taxes* under within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*, we establish a valuation allowances allowance in accordance with the guidance related to accounting for income taxes. As of December 31, 2022 December 31, 2023, a valuation allowance has been provided for deferred tax assets related to certain temporary basis differences interest expense carryforwards under the IRC Section 163(j) and a substantial portion 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, current and cumulative losses, and projected future taxable income. Although realization is not assured for the remaining deferred tax assets, we believe it is more likely than not that they will be realized in the future. During the year ended December 31, 2023, we decreased our valuation allowance by $192 million to $120 million. The decrease was primarily due to the release of valuation allowance related to interest expense carryforwards under the IRC Section 163(j) offset by a change in judgement in the realizability of certain state deferred tax assets. During the year ended December 31, 2022, we increased our valuation allowance by $56 million to $312 million. The increase in valuation allowance was primarily due to uncertainty in the realizability of deferred tax assets related to interest expense carryforwards under the IRC Section 163(j), offset by a change in the realizability of certain state deferred tax assets. During the year ended December 31, 2021, we increased our valuation allowance by $4 million to $256 million. The increase in valuation allowance was primarily due to uncertainty in the realizability of deferred tax assets related to interest expense carryforwards under the IRC Section 163(j), offset by a change judgement in the realizability of certain state deferred tax assets.

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The following table summarizes the activity related to our accrued unrecognized tax benefits (in millions):

		2022	2021	2020	2023	2022	2021
Balance at January 1,	Balance at January 1,	$15	$11	$11			
Additions related to prior year tax positions	Additions related to prior year tax positions	2	1	5			
Additions related to current year tax positions	Additions related to current year tax positions	1	3	3			
Reductions related to prior year tax positions		—	—	(1)			
Reductions related to settlements with taxing authorities							
Reductions related to settlements with taxing authorities							
Reductions related to settlements with taxing authorities	Reductions related to settlements with taxing authorities	—	—	(4)			
Reductions related to expiration of the applicable statute of limitations	Reductions related to expiration of the applicable statute of limitations	(1)	—	(3)			

Balance at December 31,	Balance at December 31,	$17	$15	$11

We are subject to U.S. federal income tax as well as income tax of multiple state jurisdictions. Our 2014 through 2020 federal tax returns are currently under audit, and several of our subsidiaries are currently under state examinations for various years. We do not anticipate the that resolution of these matters will result in a material change to our consolidated financial statements. In addition, we believe that our liability for unrecognized tax benefits could be reduced by up to $4 $1 million, in the next twelve months, as a result of expected statute of limitations expirations and the resolution of examination issues and settlements with tax authorities.

13. COMMITMENTS AND CONTINGENCIES:

Other Liabilities

Prior to the Deconsolidation, other liabilities included certain fixed payment obligations which were payable through 2027. As of December 31, 2021, $32 million was recorded within other current liabilities and $71 million was recorded within other long-term liabilities in our consolidated balance sheets. Interest expense of $1 million, $6 million, and $8 million was recorded for the years ended December 31, 2022, 2021, and 2020, respectively. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Prior to the Deconsolidation, other liabilities included certain variable payment obligations which were payable through 2030. These contractual obligations were based upon the excess cash flow of certain RSNs. As of December 31, 2021, $8 million was recorded within other current liabilities and $23 million was recorded within other long-term liabilities in our consolidated balance sheets. We recorded a measurement adjustment loss of $3 million and gains of $15 million and $159 million for the years ended December 31, 2022, 2021, and 2020, respectively, recorded within other (expense) income, net in our consolidated statements of operations. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Litigation

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 the Company's financial statements.

FCC Litigation Matters

Matters. On May 22, 2020, the FCC 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 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 4-year compliance plan. 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 petition Company timely filed its reply on February 13, 2024, and the matter remains pending.

On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom 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, reaffirming the forfeiture order and dismissing (and in the alternative, denying) the Petition for Reconsideration. The Company is not a party to this forfeiture order; however, our consolidated financial statements include an accrual of additional expenses of $8 million for the above legal matters during the year ended December 31, 2021, as we consolidate these stations as VIEs.

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. As of December 31, 2022 December 31, 2023, we have accrued $3.4 million. On October 21, 2022, the Company filed a written response seeking reduction of the proposed fine amount, and the matter remains pending.

Other Litigation Matters

Matters. On November 6, 2018, the Company agreed to enter into a proposed consent decree with the DOJ. Department of Justice ("DOJ"). This consent decree resolves the DOJ's 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 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' 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' defendants' motion to dismiss on November 6, 2020. Since then, Discovery commenced shortly after that and is continuing. Under the Plaintiffs have served current schedule set by the Defendants with written Court, fact discovery requests and have begun taking depositions is scheduled to close 90 days after a Special Master completes his review of the employees plaintiffs' objections to the defendant's privilege claims. That privilege review is ongoing. On August 18, 2023, the defendants filed objections to the Special Master's First Report and Recommendations with the Court. The Court overruled the defendants' objections on January 31, 2024. The Special Master has not indicated when he expects to complete his privilege review. 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 certain third parties. The Court has set ShareBuilders), who agreed to pay a pretrial schedule which currently requires discovery total of $48 million to be completed by April 15, 2023 and briefing on class certification to be completed by September 1, 2023. settle the plaintiffs' claims against them. The Company believes and the other non-settling defendants continue to believe the lawsuits are without merit and intends intend to vigorously defend itself themselves against all such claims.

On July 19, 2023, as part of the ongoing bankruptcy proceedings of DSG, 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, David D. Smith, Sinclair's Executive Chairman, Christopher S. Ripley, Sinclair's President and Chief Executive Officer, Lucy A. Rutishauser, Sinclair's Executive Vice President & Chief Financial Officer, and Scott Shapiro, Sinclair's Executive Vice President, Corporate Development and Strategy, as defendants.

In the complaint, plaintiffs challenge 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 alleges, 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 alleges 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 asserts 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 are seeking, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined.

On January 17, 2024, Sinclair announced that it had agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the Diamond Litigation, which settlement includes an amendment to the MSA. The settlement terms include, 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. The cash payment will be funded by cash on hand at Ventures and STG, and/or a loan backed by Ventures. Under the terms of the settlement, Sinclair will provide transition services to DSG to allow DSG to become a self-standing entity going forward. As of December 31, 2023, we have accrued $495 million, exclusive of any potential offsetting benefits to be received, related to the above matter, which is recorded within accounts payable and accrued liabilities in our consolidated balance sheets and corporate general and administrative expenses in our consolidated statement of operations.

The settlement is subject to definitive documentation. On February 26, 2024, the court approved the settlement, subject to Sinclair and DSG completing definitive documentation.

Sinclair has entered into the settlement, without admitting any fault or wrongdoing. If the settlement does not receive final court approval, Sinclair remains committed to vigorously defending against the claims asserted in the litigation.

Changes in the Rules of Television Ownership, Local Marketing Agreements, Joint Sales Agreements, Retransmission Consent Negotiations, and National Ownership Cap

Certain of our stations have entered into what have commonly been referred to as local marketing agreements or LMAs. One typical type of LMA is a programming agreement between two separately owned television stations serving the same market, whereby the licensee of one station programs substantial portions of the broadcast day and sells advertising time during such programming segments on the other licensee's station subject to the latter licensee's ultimate editorial and other controls. We believe these arrangements allow us to reduce our operating expenses and enhance profitability.

In 1999, the FCC established a local television ownership rule that made certain LMAs attributable. The FCC adopted policies to exempt from attribution "legacy" LMAs that were entered into prior to November 5, 1996 and permitted the applicable stations to continue operations pursuant to the LMAs until the conclusion of the FCC's 2004 biennial review. The FCC stated it would conduct a case-by-case review of legacy LMAs and assess the appropriateness of extending the exemption periods. The FCC did not initiate any review of legacy LMAs in 2004 or as part of its subsequent quadrennial reviews. We do not know when, or if, the FCC will conduct any such review of legacy LMAs. Currently, all of our LMAs are exempt from attribution under the local television ownership rule because they were entered into prior to November 5, 1996. If the FCC were to eliminate the exemption for these LMAs, we would have to terminate or modify these LMAs.

In September 2015, the FCC released a Notice of Proposed Rulemaking in response to a Congressional directive in STELAR to examine the "totality of the circumstances test" for good-faith negotiations of retransmission consent. The proposed rulemaking seeks comment on new factors and evidence to consider in its evaluation of claims of bad faith negotiation, including service interruptions prior to a "marquee sports or entertainment event," restrictions on online access to broadcast programming during negotiation impasses, broadcasters' ability to offer bundles of broadcast signals with other broadcast stations or cable networks, and broadcasters' ability to invoke the FCC's exclusivity rules during service interruptions. On July 14, 2016, the FCC's Chairman at the time announced that the FCC would not, at that time, proceed to adopt additional rules governing good faith negotiations of retransmission consent but did not formally terminate the rulemaking. No formal action has yet been taken on this Proposed Rulemaking, and we cannot predict if the FCC will terminate the rulemaking or take other action.

In August 2016, the FCC completed both its 2010 and 2014 quadrennial reviews of its media ownership rules and issued an order ("Ownership Order") which left most of the existing multiple ownership rules intact, but amended the rules to provide for the attribution of JSAs under certain circumstances. Certain existing JSAs were later exempted from attribution until 2025. On November 20, 2017, the FCC released an Ownership Order on Reconsideration that among eliminated or revised several media ownership rules. Among other things, the Order on Reconsideration (1) eliminated the “Eight-Voices Test” that previously allowed common ownership of two stations in a single market only if eight or more independently-owned television stations would remain in the market (allowing common ownership of up to two stations in a market as long as such ownership does not violate the Top-Four Prohibition), and (3) eliminated the JSA attribution rule. The Ownership Order on Reconsideration was vacated and remanded by the U.S. Court of Appeals for the Third Circuit in September 2019, but the Supreme Court ultimately reversed the Third Circuit's decision on April 1, 2021 and the Ownership Order on Reconsideration is currently in effect. became effective on June 30, 2021.

On December 18, 2017, the FCC released a Notice of Proposed Rulemaking to examine the FCC's national ownership cap, including the UHF discount. The UHF discount allows television station owners to discount the coverage of UHF stations when calculating compliance with the FCC's national ownership cap, which prohibits a single entity from owning television stations that reach, in total, more than 39% of all the television households in the nation. All but 34 of the stations we currently own and operate, or to which we provide programming services are UHF. We cannot predict the outcome of the rulemaking proceeding. With the application of the UHF discount counting all our present stations we reach approximately 24% of U.S. households. Changes to the national ownership cap could limit our ability to make television station acquisitions.

On December 13, 2018, the FCC released a Notice of Proposed Rulemaking to initiate the 2018 Quadrennial Regulatory Review of the FCC's broadcast ownership rules. With respect to the local television ownership rule specifically, among other things, the Notice of Proposed Rulemaking seeks sought comment on possible modifications to the rule's operation, including the relevant product market, the numerical limit, the top-four prohibition; Top-Four Prohibition, and the implications of multicasting, satellite stations, low power television ("LPTV") stations and the next generation Next Generation broadcasting standard. In addition, the Notice of Proposed Rulemaking examines further several diversity related proposals raised in the last quadrennial review proceeding. On July 16, 2021 December 22, 2023, the FCC extended the comment deadline and the comment and reply comment deadline closed on October 1, 2021 completed its 2018 Quadrennial Regulatory Review (the "2018 Ownership Order"). The proceeding remains pending. 2018 Ownership Order declined to loosen or eliminate any of the existing television ownership rules and expanded the Top-Four Prohibition to multicast streams and LPTV stations, each of which were not previously considered as part of the local television ownership rules. The expanded rule prohibits a broadcaster with a top-four-rated television station from acquiring the network affiliation of another top-four rated station in the market and airing that second top-four network on a multicast stream or commonly owned LPTV station under certain circumstances. Affiliation arrangements existing as of the release of the 2018 Ownership Order that would otherwise violate the expanded Top-Four Prohibition will not be subject to divestiture, but such arrangements will not be transferrable or assignable. The 2018 Ownership Order also revised the methodology for determining whether a station is rated among the top-four stations in the market, retained the SSA disclosure requirement, and declined to attribute SSAs or JSAs. The 2018 Ownership Order's expansion of the Top-Four Prohibition to multicast streams and LPTV stations may affect the Company's ability to acquire programming or to sell or acquire stations due to the need to divest grandfathered affiliations.

On December 22, 2022, the FCC released a Public Notice to initiate the 2022 Quadrennial Regulatory Review, seeking comment on the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule. Comments are due on March 3, 2023 and reply comments are due March 20, 2023. This proceeding remains pending. We cannot predict the outcome of the that rulemaking proceedings. proceeding. Changes to these rules could impact our ability to make radio or television station acquisitions.

14. 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.

A subsidiary of DSIH is a party to a joint venture associated with Marquee. Marquee is party to a long term telecast rights agreement which provides the rights to air certain live game telecasts and other content, which we guarantee. In connection with a prior acquisition, we became party to a joint venture associated with one other regional sports network. DSIH participated significantly in the economics and had the power to direct the activities which significantly impacted the economic performance of these regional sports networks, including sales and certain operational services. As of December 31, 2021, we consolidated these regional sports networks because they were variable interest entities and we were the primary beneficiary. As of March 1, 2022, as a result of the Deconsolidation, we no longer consolidate these regional sports networks. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

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 December 31, 2022 December 31, 2023 and 2021 2022 were as follows (in millions):

		2022	2021		2023	2022
ASSETS	ASSETS			ASSETS		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents		$ —	$ 43			
Accounts receivable, net	Accounts receivable, net	47	83			
Prepaid sports rights		—	2			
Accounts receivable, net						
Accounts receivable, net						
Other current assets						
Other current assets						
Other current assets	Other current assets	3	4			
Total current asset						
Total current asset						
Total current asset	Total current asset	50	132			
Property and equipment, net	Property and equipment, net	10	17			
Operating lease assets		—	5			
Property and equipment, net						
Property and equipment, net						
Goodwill and indefinite-lived intangible assets						
Goodwill and indefinite-lived intangible assets						
Goodwill and indefinite-lived intangible assets	Goodwill and indefinite-lived intangible assets	15	15			
Definite-lived intangible assets, net	Definite-lived intangible assets, net	40	47			
Other assets		—	1			
Definite-lived intangible assets, net						
Definite-lived intangible assets, net						
Total assets						

Total assets			
Total assets	Total assets	$115	$217
LIABILITIES			
LIABILITIES			
LIABILITIES	LIABILITIES		
Current liabilities:	Current liabilities:	Current liabilities:	
Other current liabilities	Other current liabilities	$ 15	$ 62
Long-term liabilities:	Long-term liabilities:		
Long-term liabilities:			
Long-term liabilities:			
Notes payable, finance leases, and commercial bank financing, less current portion	Notes payable, finance leases, and commercial bank financing, less current portion	7	—
Operating lease liabilities, less current portion		—	4
Program contracts payable, less current portion	Program contracts payable, less current portion	1	2
Other long term liabilities		3	4
Program contracts payable, less current portion			
Program contracts payable, less current portion			
Other long-term liabilities			
Total liabilities	Total liabilities	$ 26	$ 72

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 above, were $130 million and $127 million as of December 31, 2022 both December 31, 2023 and December 31, 2021 December 31, 2022, respectively, 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 December 31, 2022 December 31, 2023, all of the liabilities are non-recourse to us except for the debt of certain VIEs. See *Debt of variable interest entities Variable Interest Entities and guarantees Guarantees of third-party obligations Third-party Obligations* under *Note 7. Notes Payable 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.

The carrying amounts of our investments in these VIEs for which we are not the primary beneficiary were $187 million $192 million and $175 million $187 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, and are included in other assets in our consolidated balance sheets. See *Note 6. 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 equity investments are recorded in income (loss) from equity method investments and other (expense) income, expense, net, respectively, in our consolidated statements of operations. We recorded a gains of $27 million, $58 million, and $37 million and a loss of $38 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, respectively, related to these investments.

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In conjunction with the Transaction, the composition of the DSIH board of managers was modified resulting in our loss of voting control over DSIH. We hold substantially all of the equity of DSIH and provide certain management and general and administrative services to DSIH. However, it was determined that we are not the primary beneficiary because we lack the ability to control the activities that most significantly drive the economics of the business. The carrying amount of our investment in DSIH is zero and there is no obligation for us to provide additional financial support. We are also party to an A/R facility held by an indirect wholly-owned subsidiary of DSIH which had has a maturity date of September 23, 2024. There was no outstanding balance as of December 31, 2023 and an outstanding balance of approximately $193 million as of December 31, 2022 , which is recorded within other assets in our consolidated balance sheets. On May 10, 2023, DSPV paid the Company approximately $199 million, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. As of December 31, 2023, the maximum aggregate commitment under the A/R Facility is $50 million. See *Note Receivable* within *Note 6. Other Assets*. The amounts drawn under the A/R facility represent our maximum loss exposure.

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15. RELATED PERSON TRANSACTIONS:

Transactions with our controlling shareholders With Our Controlling Shareholders

David, Frederick, J. Duncan, and Robert Smith (collectively, "the controlling shareholders") are brothers and hold substantially all of the 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 $6 million for both years ended December 31, 2023 and 2022 and $5 million for the year ended December 31, 2022 and $5 million for each of the years ended December 31, 2021 and 2020. .

Finance leases payable related to the aforementioned relationships were $7 million, net of $1 million interest, and $9 million, net of $1 million interest, as of both December 31, 2022 December 31, 2023 and 2021. 2022, respectively. The finance leases mature in periods through 2029. 2030. For further information on finance leases to affiliates, see *Note 7. Notes Payable and Commercial Bank Financing*.

Charter Aircraft. We lease aircraft owned by certain controlling shareholders. For all leases, we incurred aggregate expenses of $0.2 million, $0.4 million and $1 million for the years ended December 31, 2023, 2022, and 2021, respectively.

For the year ended December 31, 2022 and $1 million for each December 31, 2023, we made a $22 million investment in a company in which certain of the years ended December 31, 2021 and 2020. our controlling shareholders also hold an equity interest.

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 these Cunningham Stations pursuant to LMAs or JSAs and SSAs. See *Note 14. 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 our controlling shareholders. We consolidate certain subsidiaries of Cunningham with which we have 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, 2023 July 1, 2028 and there are two is one additional five-year renewal terms 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) $5 million $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 $61 million $65 million and $58 million $61 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The remaining aggregate purchase price of these stations, net of prepayments, was $54 million for both the years ended December 31, 2022 December 31, 2023 and 2021. 2022. Additionally, we provide services to WDBB-TV pursuant to an LMA, which expires April 22, 2025, and have a purchase option to acquire for $0.2 million. We paid Cunningham, under these agreements, $10 million $12 million, $11 million $10 million, and $8 million $11 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, 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 May 2023 April 2025 and November 2029, 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 $159 million $140 million, $144 million $159 million, and $157 million $144 million for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, 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 June 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 which expires in November 2024.

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 $2 million, $1 million for the year ended December 31, 2022, and $2 million for each of the years ended December 31, 2021 December 31, 2023, 2022, and 2020 2021, respectively, under these agreements.

Atlantic Automotive Corporation MileOne Autogroup, Inc.

We sell advertising time to Atlantic Automotive Corporation certain operating subsidiaries of MileOne Autogroup, Inc. ("Atlantic Automotive" MileOne"), a holding company that owns including automobile dealerships, body shops, and an automobile leasing company. David D. Smith, our Executive Chairman, has a controlling interest in, and is a member of the Board of Directors of, Atlantic Automotive. MileOne. We received payments for advertising totaling less than $0.1 million $0.1 million, and $0.2 million for each of the years ended December 31, 2022, 2021, December 31, 2023 and 2020, respectively. 2022 and $0.1 million for the year December 31, 2021.

Leased property Property by real estate ventures Real Estate Ventures

Certain of our real estate ventures have entered into leases with entities owned by members of the Smith Family. Total rent received under these leases was $1 million for each of the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020. 2021.

Diamond Sports Intermediate Holdings LLC

Subsequent to February 28, 2022, we accounted account for our equity interest in DSIH as an equity method investment. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Management Services Agreement. In 2019, we entered into a management services agreement with DSG, a wholly-owned subsidiary of DSIH, in which we provide DSG with affiliate sales and marketing services and general and administrative services. The contractual annual amount due from DSG for these services during the fiscal year ended December 31, 2022 December 31, 2023 is $75 million $78 million, which is subject to increases on an annual basis. Additionally, the agreement contains an incentive fee payable to us calculated based on certain terms contained within new or renewed distribution agreements with Distributors. As a condition to the Transaction, DSG will defer the cash payment of a portion of its management fee payable to the Company over the next five four years. Pursuant to this agreement, excluding the amounts deferred as part of the Transaction, the Broadcast local media segment recorded $49 million and $60 million of revenue for the year years ended December 31, 2022 December 31, 2023 and 2022 related to both the contractual and incentive fees, of which $24 million was eliminated in consolidation prior to the Deconsolidation. Deconsolidation for the year ended December 31, 2022. We will not recognize the portion of deferred management fees as revenue until such fees are determined to be collectible. The terms of this agreement are subject to change depending upon the outcome of the settlement with DSG discussed in *Note 13. Commitments and Contingencies*.

Distributions. DSIH made distributions to DSH for tax payments on the dividends of the Redeemable Subsidiary Preferred Equity of $7 million for the year ended December 31, 2022.

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Note receivable. For the year ended December 31, 2023, we received payments totaling $203 million related to the note receivable associated with the A/R facility, including $199 million from DSPV on May 10, 2023, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. For the year ended December 31, 2022, we received payments totaling $60 million from DSPV and funded an additional $40 million related to the note receivable associated with the A/R facility.

For the year ended December 31, 2022, we We recorded revenue of $19 million and $15 million for the years ended December 31, 2023 and 2022, respectively, within other related to certain other transactions between DSIH and the Company.

Other equity method investees Equity Method Investees

YES Network. In August 2019, YES Network, which was accounted for as an equity method investment prior to the Deconsolidation, entered into a management services agreement with the Company, in which the Company provides certain services for an initial term that expires on August 29, 2025. The agreement will automatically renew for two 2-year renewal terms, with a final expiration on August 29, 2029. Pursuant to the terms of the agreement, the YES Network paid us a management services fee of $1 million, and $6 million, and $5 million for the years ended December 31, 2022, and 2021, and 2020, respectively. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

DSIH has a minority interest in certain mobile production businesses. Prior to the Deconsolidation, we accounted for these as equity method investments. DSIH made payments to these businesses for production services totaling $5 million, and $45 million, and $19 million for the years ended December 31, 2022, and 2021, and 2020, respectively.

We have a minority interest in a sports marketing company, which we account for as an equity method investment. We made payments to this business for marketing services totaling $2 million and $17 million for the years ended December 31, 2022 and 2021, respectively.

Sports Programming rights Rights

Affiliates of six professional teams have had non-controlling equity interests in certain of DSIH's regional sports networks. DSIH paid $61 million, $61 million and $424 million, and $168 million, net of rebates, for the years ended December 31, 2022, and 2021, and 2020, respectively, under sports programming rights agreements covering the broadcast of regular season games associates associated with these professional teams. Prior to the Deconsolidation, these payments were recorded in our consolidated statements of operations and cash flows. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Employees

Jason Smith, an employee of the Company, is the son of Frederick Smith. Frederick Smith, who is a Vice President of the Company and a member of the Company's Board of Directors. Board. Jason Smith received total compensation of $0.8 million, $0.6 million, consisting of salary and bonus, for the year ended December 31, 2022 and $0.2 million, consisting of salary and bonus, for each of the years ended December 31, 2021 December 31, 2023, 2022, and 2020, 2021, respectively, consisting of salary and bonus, and was granted RSAs with respect to 2,239 shares and 355 shares, of restricted stock, vesting over two years, for during the years year ended December 31, 2022 and 2021, respectively. December 31, 2021.

Ethan White, an employee of the Company, is the son-in-law of J. Duncan Smith. J. Duncan Smith, who is a Vice President of the Company and Secretary of the Company's Board of Directors. Board. Ethan White received total compensation of $0.2 million, consisting of salary and bonus, for the year ended December 31, 2023 and $0.1 million, consisting of salary and bonus, for each of the years ended December 31, 2022, and 2021, and 2020. was granted 1,252 shares of restricted stock, vesting over two years, during the year ended December 31, 2023.

Amberly Thompson, an employee of the Company, is the daughter of Donald Thompson. Donald Thompson, who is an Executive Vice President and Chief Human Resources Officer of the Company. Amberly Thompson received total compensation of $0.2 million, $0.1 million, consisting of salary and bonus, for the year ended December 31, 2022 and $0.2 million, consisting of salary and bonus, for each of the years ended December 31, 2021 December 31, 2023, 2022, and 2020. 2021, respectively.

Edward Kim, an employee of the company, is the brother-in-law of Christopher Ripley. Christopher Ripley, who is the President and Chief Executive Officer of the Company. Edward Kim received total compensation of $0.2 million, consisting of salary, for each of the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and $0.1 million, consisting of salary, for the year ended December 31, 2020 and was granted RSAs with respect to 516 and 302 shares of restricted stock, vesting over two years, for during the year years ended December 31, 2022. December 31, 2023 and 2022, respectively.

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Frederick Smith a Vice President of the Company and a member of the Company's Board of Directors, is the brother of David Smith, Executive Chairman of the Company and Chairman of the Company's Board of Directors; Board; J. Duncan Smith, a Vice President of the Company and Secretary of the Company's Board of Directors; Smith; and Robert Smith, a member of the Company's Board of Directors. Board. Frederick Smith received total compensation of $1 million for each of the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, consisting of salary, bonus, and earnings related to Frederick Smith's participation in the Company's deferred compensation plan. J. Duncan Smith a Vice President of the Company and Secretary of the Company's Board of Directors, is the brother of David Smith, Executive Chairman of the Company and Chairman of the Company's Board of Directors; Frederick Smith, a Vice President of the Company and a member of the Company's Board of Directors; and Robert Smith, a member of the Company's Board of Directors. Smith. J. Duncan Smith received total compensation of $1 million for each of the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021, consisting of salary and bonus.

16. EARNINGS PER SHARE:

The following table reconciles income ("numerator") and shares ("denominator") used in our computations of earnings per share for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions, except share amounts which are reflected in thousands):

		2022	2021	2020		2023	2022	2021
Income ("Numerator")	**Income ("Numerator")**				**Income ("Numerator")**			
Net income (loss)		$ 2,701	$ (326)	$ (2,429)				
Net income attributable to the redeemable noncontrolling interests		(20)	(18)	(56)				
Net (income) loss attributable to the noncontrolling interests		(29)	(70)	71				
Net (loss) income								
Net loss (income) attributable to the redeemable noncontrolling interests								
Net income attributable to the noncontrolling interests								
Numerator for basic and diluted earnings per common share available to common shareholders	Numerator for basic and diluted earnings per common share available to common shareholders	$ 2,652	$ (414)	$ (2,414)				
Shares ("Denominator")								
Shares ("Denominator")								
Shares ("Denominator")	**Shares ("Denominator")**							
Basic weighted-average common shares outstanding	Basic weighted-average common shares outstanding	70,653	75,050	79,924				
Dilutive effect of stock settled appreciation rights and outstanding stock options	Dilutive effect of stock settled appreciation rights and outstanding stock options	3	—	—				
Diluted weighted-average common and common equivalent shares outstanding	Diluted weighted-average common and common equivalent shares outstanding	70,656	75,050	79,924				

The net earnings per share amounts are the same for Class A and Class B Common Stock because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation.

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.

	2022	2021	2020

Weighted-average stock-settled appreciation rights and outstanding stock options excluded	3,370	1,973	3,288

	2023	2022	2021
Weighted-average stock-settled appreciation rights and outstanding stock options excluded	4,425	3,370	1,973

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17. SEGMENT DATA:

During the year ended December 31, 2022 December 31, 2023, we modified our segment reporting to align with the new organizational structure of the Company discussed within *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies*. The segment information within the comparative periods have been recast to reflect this new presentation. During the year ended December 31, 2023, we measured segment performance based on operating income (loss). For the year ended December 31, 2023, we had two reportable segments: local media and tennis. Prior to the Deconsolidation on March 1, 2022, we had two one additional reportable segments: broadcast and segment: local sports. Our broadcast 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 Our tennis segment provides viewers coverage of Operations many of tennis' top tournaments and Summary of Significant Accounting Policies* for further detail. original professional sport and tennis lifestyle shows. Prior to the Deconsolidation, our local sports segment provided viewers with live professional sports content and included the Bally RSNs, Marquee, and a minority equity interest our investment in the YES Network. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* Other and corporate are not reportable segments but are included for reconciliation purposes. Other primarily consists of original networks and content, including Tennis, 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 of our businesses are located within the United States. As a result of the Reorganization, 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 other Transferred Assets, which are included in other and corporate, are owned and operated by Ventures.

Segment financial information is included in the following tables for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 (in millions):

As of December 31, 2022	Broadcast	Local sports	Other & Corporate	Eliminations	Consolidated
As of December 31, 2023	**Local media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
Goodwill Goodwill	$ 2,016	$ —	$ 72	$ —	$ 2,088
Assets Assets	4,436	—	2,268	—	6,704

As of December 31, 2021	Broadcast	Local sports	Other & Corporate	Eliminations	Consolidated
As of December 31, 2022	**Local media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
Goodwill Goodwill	$ 2,016	$ —	$ 72	$ —	$ 2,088
Assets Assets	4,793	5,769	2,009	(30)	12,541

For the year ended December 31, 2022	Broadcast	Local sports (d)	Other & Corporate	Eliminations	Consolidated
For the year ended December 31, 2023	**Local media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
Revenue Revenue	$ 3,071 (e)	$482	$ 473	$ (98) (c)	$ 3,928

Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	240	54	30	(3)	321
Amortization of sports programming rights (a)		—	326	—	—	326
Amortization of program contract costs	Amortization of program contract costs	72	—	18	—	90
Corporate general and administrative expenses	Corporate general and administrative expenses	117	1	42	—	160
Gain on deconsolidation of subsidiary		—	—	(3,357) (f)	—	(3,357)
Gain on asset dispositions and other, net of impairment		(15) (b)	—	(49)	—	(64)
Loss on deconsolidation of subsidiary						
(Gain) loss on asset dispositions and other, net of impairment						
Operating income (loss)	Operating income (loss)	607 (b)	(4)	3,377	—	3,980
Operating income (loss)						
Operating income (loss)						
Interest expense including amortization of debt discount and deferred financing costs	Interest expense including amortization of debt discount and deferred financing costs	3	72	235	(14)	296
Income from equity method investments		—	10	46	—	56
(Loss) income from equity method investments						
Capital expenditures	Capital expenditures	96	2	7	—	105

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For the year ended December 31, 2021	Broadcast	Local sports	Other & Corporate	Eliminations	Consolidated
Revenue	$ 2,757	$ 3,056	$ 481	$ (160) (c)	$ 6,134

Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	247	316	31	(3)	591
Amortization of sports programming rights (a)	—	2,350	—	—	2,350
Amortization of program contract costs	76	—	17	—	93
Corporate general and administrative expenses	147	10	13	—	170
Gain on asset dispositions and other, net of impairment	(24) (b)	(43) (b)	(4)	—	(71)
Operating income (loss)	374 (b)	(317) (b)	39	(1)	95
Interest expense including amortization of debt discount and deferred financing costs	4	436	192	(14)	618
Income (loss) from equity method investments	—	49	(4)	—	45
Capital expenditures	52	16	12	—	80

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For the year ended December 31, 2022	Local media	Tennis	Local sports (d)	Other & Corporate	Eliminations	Consolidated
Revenue	$ 3,193 (a)	$ 217	$ 482	$ 95	$ (59) (c)	$ 3,928
Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	243	21	54	7	(4)	321
Amortization of sports programming rights (e)	—	—	326	—	—	326
Amortization of program contract costs	90	—	—	—	—	90
Corporate general and administrative expenses	117	—	1	42	—	160
Gain on deconsolidation of subsidiary	—	—	—	(3,357) (f)	—	(3,357)
Gain on asset dispositions and other, net of impairment	(17) (b)	—	—	(47)	—	(64)
Operating income (loss)	591 (b)	52	(4)	3,341	—	3,980
Interest expense including amortization of debt discount and deferred financing costs	226	—	72	6	(8)	296
Income from equity method investments	—	—	10	46	—	56
Capital expenditures	96	1	2	6	—	105

For the year ended December 31, 2020		Broadcast	Local sports	Other & Corporate	Eliminations	Consolidated
Revenue	Revenue	$ 2,922	$ 2,686	$ 451	$ (116) (c)	$ 5,943
Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	239	410	27	(2)	674
Amortization of sports programming rights (a)		—	1,078	—	—	1,078
Amortization of sports programming rights (e)						
Amortization of program contract costs	Amortization of program contract costs	83	—	3	—	86

For the year ended December 31, 2021	For the year ended December 31, 2021	Local media	Tennis	Local sports	Other & Corporate	Eliminations	Consolidated

Corporate general and administrative expenses	Corporate general and administrative expenses	119		10	19	—	148
(Gain) loss on asset dispositions and other, net of impairment		(118)	(b)	—	3	—	(115)
Impairment of goodwill and definite-lived intangible assets		—		4,264	—	—	4,264
Gain on asset dispositions and other, net of impairment							
Operating income (loss)	Operating income (loss)	789	(b)	(3,602)	47	(6)	(2,772)
Interest expense including amortization of debt discount and deferred financing costs	Interest expense including amortization of debt discount and deferred financing costs	5		460	203	(12)	656
Income (loss) from equity method investments	Income (loss) from equity method investments	—		6	(42)	—	(36)
Capital expenditures	Capital expenditures	101		24	32	—	157

(a) Includes $52 million and $39 million for the year ended December 31, 2023 and 2022, respectively, of revenue for services provided by local media under management services agreements after the Deconsolidation, which is not eliminated in consolidation.

(b) Local media includes gains of $8 million, $4 million, and $24 million related to reimbursements for spectrum repack costs for the years ended December 31, 2023, 2022, and 2021, respectively. Local sports includes $43 million related to the fair value of equipment that we received for the C-Band spectrum repack for the year ended December 31, 2021. See *Note 2. Acquisitions and Dispositions of Assets.*

(c) Includes $26 million, and $111 million of revenue for the years ended December 31, 2022 and 2021, respectively, for services provided by local media to local sports and other and $8 million, $12 million, and $35 million for the year ended December 31, 2023, 2022, and 2021, respectively, for services provided by other to local media, which are eliminated in consolidation.

(d) Represents the activity prior to the Deconsolidation on March 1, 2022.

(e) The amortization of sports programming rights is included within media programming and production expenses on our consolidated statements of operations.

(b) (f) Includes gains Represents the gain recognized on the Deconsolidation.

18. FAIR VALUE MEASUREMENTS:

Accounting guidance provides for valuation techniques, such as the market approach (comparable market prices), the income approach (present value of $4 million related future income or cash flow), and the cost approach (cost to reimbursements 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 spectrum repack costs, $67 million related to 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 equipment that we received for our financial assets and liabilities as of December 31, 2023 and 2022 (in millions):

	2023		2022	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Investments in equity securities	N/A	$ 6	N/A	$ 6
Money market funds	N/A	$ 588	N/A	$ 741
Deferred compensation assets	N/A	$ 45	N/A	$ 41
Deferred compensation liabilities	N/A	$ 44	N/A	$ 35
Level 2:				
Investments in equity securities (a)	N/A	$ 110	N/A	$ 153
Interest rate swap (b)	N/A	$ 1	N/A	$ —
STG (c):				
5.500% Senior Notes due 2030	$ 485	$ 362	$ 500	$ 347
5.125% Senior Notes due 2027	$ 274	$ 248	$ 282	$ 230
4.125% Senior Secured Notes due 2030	$ 737	$ 521	$ 750	$ 560
Term Loan B-2, due September 30, 2026	$ 1,215	$ 1,124	$ 1,258	$ 1,198
Term Loan B-3, due April 1, 2028	$ 722	$ 595	$ 729	$ 692
Term Loan B-4, due April 21, 2029	$ 739	$ 602	$ 746	$ 709
Debt of variable interest entities (c)	$ 7	$ 7	$ 8	$ 8
Debt of non-media subsidiaries (c)	$ 15	$ 15	$ 16	$ 16
Level 3:				
Investments in equity securities (d)	N/A	$ 46	N/A	$ 75

N/A - Not applicable

(a) Consists of unrestricted warrants to acquire marketable common equity securities. The fair value of the C-Band spectrum repack warrants are derived from the quoted trading prices of the underlying common equity securities less the exercise price.

(b) and reimbursements for spectrum repack costs, and$90 million related to reimbursements for spectrum repack costs for the years ended December 31, 2022, 2021, and 2020, respectively. See *Note 2. Acquisitions and Dispositions of Assets.*

(c) Includes $26 million, $111 million, and $100 million of revenue for the years ended December 31, 2022, 2021, and 2020, respectively, for services provided by broadcast to local sports and other and $58 million for the year ended December 31, 2022 for services provided by other to broadcast, which are eliminated in consolidation.

(d) Represents the activity prior to the Deconsolidation on March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies. Policies* and *Interest Rate Swap* within *Note 7. Notes Payable and Commercial Bank Financing*.

(e) (c) Includes $39 million Amounts are carried in our consolidated balance sheets net of debt discount and deferred financing costs, which are excluded in the above table, of $46 million and $56 million as of December 31, 2023 and 2022, respectively.

(d) On November 18, 2020, we entered into a commercial agreement with Bally's and received warrants and options to acquire common equity in the business. During the years ended December 31, 2023, 2022, and 2021, we recorded a fair value adjustment loss of $29 million, loss of $112 million, and loss of $50 million, respectively, related to these interests. 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.

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 (in millions):

	Options and Warrants
Fair Value at December 31, 2021	$ 282
Measurement adjustments	(112)
Transfer to Level 2	(95)
Fair Value at December 31, 2022	75
Measurement adjustments	(29)
Fair Value at December 31, 2023	$ 46

19. SUBSEQUENT EVENTS:

On January 17, 2024, we announced that we agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the litigation filed by DSG and DSG's wholly-owned subsidiary, Diamond Sports Net, LLC, in July 2023, which settlement includes an amendment to the management services agreement between STG and DSG.

The settlement is subject to definitive documentation, including finalization of certain transition terms, and approval by the U.S. Bankruptcy Court in Houston overseeing DSG's chapter 11 case. A motion for approval of the settlement was filed with the court on January 23, 2024. On February 26, 2024, the court approved the settlement, subject to Sinclair and DSG completing definitive documentation.

See *Note 13. Commitments and Contingencies* for additional information regarding the settlement.

SINCLAIR BROADCAST GROUP, LLC

FINANCIAL STATEMENTS OF SINCLAIR BROADCAST GROUP, LLC

Report of Independent Registered Public Accounting Firm

To the Board of Managers of Sinclair Broadcast Group, LLC and to the Board of Directors of Sinclair, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Sinclair Broadcast Group, LLC and its subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, of comprehensive (loss) income, and of cash flows for each of the three years in the period ended December 31, 2023, of member's equity (deficit) and redeemable noncontrolling interests for the year ended December 31, 2023, and of equity (deficit) and redeemable noncontrolling interests for each of the years ended December 31, 2022 and 2021, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework*(2013)issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Report of Management on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with thestandards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Local Media Segment Advertising Revenue

As discussed in Note 1 to the consolidated financial statements, the Company recorded advertising revenue of $1,236 million relating to the local media segment for services the year ended December 31, 2023. Advertising revenue is generated primarily from the sale of advertising spots/impressions. Advertising revenue is recognized in the period in which the advertising spots/impressions are delivered.

The principal consideration for our determination that performing procedures relating to the local media segment advertising revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to revenue recognition for advertising revenue, including controls over the recording of advertising revenue in the period in which the advertising spots/impressions are delivered. These procedures also included, among others, evaluating revenue recognition for a sample of advertising transactions by obtaining taped recordings denoting the as-aired advertisements and comparing those ads to the invoices generated and cash received against revenue transactions recorded in the consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
Baltimore, Maryland
February 29, 2024

We have served as the Company's auditor since 2009.

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

	As of December 31,	
	2023	**2022**
ASSETS		
Current Assets:		

Cash and cash equivalents	$	319	$	884
Accounts receivable, net of allowance for doubtful accounts of $4 and $5, respectively		568		612
Income taxes receivable		7		5
Prepaid expenses and other current assets		139		182
Total current assets		1,033		1,683
Property and equipment, net		692		728
Operating lease assets		142		145
Goodwill		2,016		2,088
Indefinite-lived intangible assets		123		150
Customer relationships, net		238		444
Other definite-lived intangible assets, net		409		502
Other assets		184		964
Total assets (a)	$	4,837	$	6,704
LIABILITIES , REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY				
Current Liabilities:				
Accounts payable and accrued liabilities	$	851	$	397
Current portion of notes payable, finance leases, and commercial bank financing		36		38
Current portion of operating lease liabilities		21		23
Current portion of program contracts payable		76		83
Other current liabilities		50		67
Total current liabilities		1,034		608
Notes payable, finance leases, and commercial bank financing, less current portion		4,124		4,227
Operating lease liabilities, less current portion		152		154
Program contracts payable, less current portion		14		10
Deferred tax liabilities		283		610
Other long-term liabilities		158		220
Total liabilities (a)		5,765		5,829
Commitments and contingencies (See *Note 12*)				
Redeemable noncontrolling interests		—		194
SBG member's (deficit) equity:				
Accumulated deficit		(865)		—
Accumulated other comprehensive income		1		—
Total SBG member's deficit		(864)		—
Old Sinclair shareholders' equity:				
Old Sinclair Class A Common Stock, $0.01 par value, 500,000,000 shares authorized and 45,847,879 shares issued and outstanding as of December 31, 2022		—		1
Old Sinclair Class B Common Stock, $0.01 par value, 140,000,000 shares authorized and 23,775,056 shares issued and outstanding as of December 31, 2022, convertible into Old Sinclair Class A Common Stock		—		—
Additional paid-in capital		—		624
Retained earnings		—		122
Accumulated other comprehensive income		—		1
Total Old Sinclair shareholders' equity		—		748
Noncontrolling interests		(64)		(67)
Total (deficit) equity		(928)		681
Total liabilities, redeemable noncontrolling interests, and equity	$	4,837	$	6,704

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

(a) Our consolidated total assets as of December 31, 2023 and 2022 include total assets of VIEs of $85 million and $115 million, respectively, which can only be used to settle the obligations of the VIEs. Our consolidated total liabilities as of December 31, 2023 and 2022 include total liabilities of the VIEs of $17 million and $18 million, respectively, for which the creditors of the VIEs have no recourse to us. See *Note 13. Variable Interest Entities*.

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(In millions, except share and per share data)

	2023	2022	2021
REVENUES:			
Media revenues	$ 2,968	$ 3,894	$ 6,083
Non-media revenues	10	34	51
Total revenues	2,978	3,928	6,134
OPERATING EXPENSES:			
Media programming and production expenses	1,543	1,942	4,291
Media selling, general and administrative expenses	719	812	908
Amortization of program contract costs	80	90	93
Non-media expenses	24	44	57
Depreciation of property and equipment	104	100	114
Corporate general and administrative expenses	654	160	170
Amortization of definite-lived intangible and other assets	148	221	477
Loss (gain) on deconsolidation of subsidiary	10	(3,357)	—
Gain on asset dispositions and other, net of impairment	(2)	(64)	(71)
Total operating expenses (gains)	3,280	(52)	6,039
Operating (loss) income	(302)	3,980	95
OTHER INCOME (EXPENSE):			
Interest expense including amortization of debt discount and deferred financing costs	(305)	(296)	(618)
Gain (loss) on extinguishment of debt	15	3	(7)
Income from equity method investments	31	56	45
Other expense, net	(43)	(129)	(14)
Total other expense, net	(302)	(366)	(594)
(Loss) income before income taxes	(604)	3,614	(499)
INCOME TAX BENEFIT (PROVISION)	359	(913)	173
NET (LOSS) INCOME	(245)	2,701	(326)
Net loss (income) attributable to redeemable noncontrolling interests	4	(20)	(18)
Net (income) loss attributable to the noncontrolling interests	(16)	(29)	(70)
NET (LOSS) INCOME ATTRIBUTABLE TO SBG	$ (257)	$ 2,652	$ (414)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(In millions)

	2023	2022	2021
Net (loss) income	$ (245)	$ 2,701	$ (326)
Adjustments to post-retirement obligations, net of taxes	—	3	1
Share of other comprehensive gain of equity method investments	—	3	7
Comprehensive (loss) income	(245)	2,707	(318)
Comprehensive loss (income) attributable to redeemable noncontrolling interests	4	(20)	(18)
Comprehensive income attributable to noncontrolling interests	(16)	(29)	(70)
Comprehensive (loss) income attributable to SBG	$ (257)	$ 2,658	$ (406)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In millions, except share data)

		Old Sinclair Shareholders								
	Redeemable Noncontrolling Interests	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Deficit
		Shares	Values	Shares	Values					
BALANCE, December 31, 2020	$ 190	49,252,671	$ 1	24,727,682	$ —	$ 721	$ (1,986)	$ (10)	$ 89	$ (1,185)
Dividends declared and paid on Old Sinclair Class A and Class B Common Stock ($0.80 per share)	—	—	—	—	—	—	(60)	—	—	(60)
Old Sinclair Class B Common Stock converted into Old Sinclair Class A Common Stock	—	952,626	—	(952,626)	—	—	—	—	—	—
Repurchases of Old Sinclair Class A Common Stock	—	(2,438,585)	—	—	—	(61)	—	—	—	(61)
Old Sinclair Class A Common Stock issued pursuant to employee benefit plans	—	1,547,591	—	—	—	31	—	—	—	31
Distributions to noncontrolling interests, net	(11)	—	—	—	—	—	—	—	(95)	(95)
Other comprehensive income	—	—	—	—	—	—	—	8	—	8
Net income (loss)	18	—	—	—	—	—	(414)	—	70	(344)
BALANCE, December 31, 2021	$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$ (1,706)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In millions, except share data)

		Old Sinclair Shareholders								
	Redeemable Noncontrolling Interest	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total (Deficit) Equity
		Shares	Values	Shares	Values					
BALANCE, December 31, 2021	$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$ (1,706)
Dividends declared and paid on Old Sinclair Class A and Class B Common Stock ($1.00 per share)	—	—	—	—	—	—	(70)	—	—	(70)
Repurchases of Old Sinclair Class A Common Stock	—	(4,850,398)	—	—	—	(120)	—	—	—	(120)
Old Sinclair Class A Common Stock issued pursuant to employee benefit plans	—	1,383,974	—	—	—	53	—	—	—	53
Distributions to noncontrolling interests, net	(7)	—	—	—	—	—	—	—	(12)	(12)
Other comprehensive income	—	—	—	—	—	—	—	6	—	6
Deconsolidation of subsidiary	(16)	—	—	—	—	—	—	(3)	(148)	(151)
Net income	20	—	—	—	—	—	2,652	—	29	2,681
BALANCE, December 31, 2022	$ 194	45,847,879	$ 1	23,775,056	$ —	$ 624	$ 122	$ 1	$ (67)	$ 681

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENT OF MEMBER'S EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In millions, except share data)

	Redeemable Noncontrolling Interests	Old Class A Common Stock Shares	Old Class A Common Stock Values	Old Class B Common Stock Shares	Old Class B Common Stock Values	Old Additional Paid-In Capital	SBG Member Retained Earnings (Accumulated Deficit)	SBG Member Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Member's Equity (Deficit)
BALANCE, December 31, 2022	$ 194	45,847,879	$ 1	23,775,056	$ —	$ 624	$ 122	$ 1	$ (67)	$ 681
Dividends declared and paid on Old Sinclair Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	—	(18)	—	—	(18)
Repurchases of Old Sinclair Class A Common Stock	—	(8,785,022)	—	—	—	(153)	—	—	—	(153)
Old Sinclair Class A Common Stock issued pursuant to employee benefit plans	—	2,274,558	—	—	—	40	—	—	—	40
Old Sinclair Class A And Class B Common Stock converted to SBG member's equity	—	(39,337,415)	(1)	(23,775,056)	—	—	—	—	—	(1)
Deemed dividend to parent	—	—	—	—	—	(511)	(635)	—	(1)	(1,147)
Distribution to parent	—	—	—	—	—	—	(77)	—	—	(77)
Repurchase of redeemable subsidiary preferred equity	(190)	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(12)	(12)
Net (loss) income	(4)	—	—	—	—	—	(257)	—	16	(241)
BALANCE, December 31, 2023	$ —	—	$ —	—	$ —	$ —	$ (865)	$ 1	$ (64)	$ (928)

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021
(In millions)

	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$ (245)	$ 2,701	$ (326)
Adjustments to reconcile net (loss) income to net cash flows from operating activities:			
Amortization of sports programming rights	—	326	2,350
Amortization of definite-lived intangible and other assets	148	221	477
Depreciation of property and equipment	104	100	114
Amortization of program contract costs	80	90	93
Stock-based compensation	45	50	60
Deferred tax (benefit) provision	(359)	906	(92)
Gain on asset dispositions and other, net of impairment	(2)	(11)	(69)
Loss (gain) on deconsolidation of subsidiary	10	(3,357)	—
Income from equity method investments	(31)	(56)	(45)
Loss from investments	77	133	38
Distributions from investments	29	87	54
Sports programming rights payments	—	(325)	(1,834)
Rebate payments to distributors	—	(15)	(202)
(Gain) loss on extinguishment of debt	(15)	(3)	7
Changes in assets and liabilities, net of acquisitions, deconsolidation of subsidiary, and asset transfer to Ventures:			

Decrease (increase) in accounts receivable	9	20	(187)
Decrease (increase) in prepaid expenses and other current assets	4	(96)	(86)
Decrease in due from member	43	—	—
Increase (decrease) in accounts payable and accrued and other current liabilities	486	(14)	113
Net change in current and long-term net income taxes payable/receivable	(3)	147	(52)
Decrease in program contracts payable	(88)	(103)	(102)
Other, net	(32)	(2)	16
Net cash flows from operating activities	260	799	327
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Acquisition of property and equipment	(90)	(105)	(80)
Spectrum repack reimbursements	8	4	24
Proceeds from the sale of assets	—	9	43
Deconsolidation of subsidiary cash	—	(315)	—
Purchases of investments	(39)	(75)	(256)
Distributions from investments	204	99	26
Other, net	1	2	(3)
Net cash flows from (used in) investing activities	84	(381)	(246)
CASH FLOWS USED IN FINANCING ACTIVITIES:			
Proceeds from notes payable and commercial bank financing	—	728	357
Repayments of notes payable, commercial bank financing, and finance leases	(85)	(863)	(601)
Repurchase of outstanding Old Sinclair Class A Common Stock	(153)	(120)	(61)
Dividends paid on Old Sinclair Class A and Class B Common Stock	(18)	(70)	(60)
Dividends paid on redeemable subsidiary preferred equity	—	(7)	(5)
Repurchase of redeemable subsidiary preferred equity	(190)	—	—
Distributions to member	(448)	—	—
Distributions to noncontrolling interests, net	(12)	(12)	(95)
Distributions to redeemable noncontrolling interests	—	—	(6)
Other, net	(3)	(9)	(53)
Net cash flows used in financing activities	(909)	(353)	(524)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(565)	65	(443)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	884	819	1,262
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	$ 319	$ 884	$ 819

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

SINCLAIR BROADCAST GROUP, LLC
NOTES TO THE 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, digital platform, and, prior to the Deconsolidation (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC*), regional sports networks. The content, distributed through SBG's broadcast platform and third-party platforms, consists of programming provided by broadcast under management services agreements after third-party networks and syndicators, local news, other original programming produced by SBG and SBG owned networks, and, prior to the Deconsolidation, college and professional sports. Additionally, prior to the Reorganization (as defined below in *Company Reorganization*), SBG had interests in, owned, managed, and/or operated Tennis Channel, digital media companies, 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.

As of December 31, 2023, SBG had one reportable segment: local media. Prior to the Deconsolidation (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC*),SBG had one additional reportable segment, local sports. The local media segment consists primarily of SBG's 185 broadcast television stations in 86 markets, which is not eliminated SBG owns, provides programming and operating services pursuant to LMAs, or provides sales services and other non-programming operating services pursuant to other outsourcing agreements, such as JSAs and SSAs. These stations broadcast 640 channels as of December 31, 2023. For the purpose of this report, these 185 stations and

640 channels are referred to as SBG's stations and channels. The local sports segment consisted primarily of the Bally Sports network brands ("Bally RSNs"), the Marquee Sports Network ("Marquee") joint venture, and a minority equity interest in consolidation. the Yankee Entertainment and Sports Network, LLC ("YES Network") through February 28, 2022. On March 1, 2022, the Bally RSNs, Marquee, and YES Network were deconsolidated from SBG's financial statements. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* below. Through February 28, 2022, the Bally RSNs and Marquee are referred to as "the RSNs." The RSNs and YES Network own the exclusive rights to air, among other sporting events, the games of professional sports teams in designated local viewing areas.

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. Noncontrolling interests which may be redeemed by the holder, and the redemption is outside of SBG's control, are presented as redeemable noncontrolling interests. 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 have the obligation to absorb losses or the right to receive returns that would be significant to the VIE. See *Note 13. 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 or loss generated by equity method investees.

Company Reorganization

On April 3, 2023, the company formerly known as Sinclair Broadcast Group, Inc., a Maryland corporation ("Old Sinclair"), entered into an Agreement of Share Exchange and Plan of Reorganization (the "Share Exchange Agreement") with Sinclair and Sinclair Holdings, LLC, a Maryland limited liability company ("Sinclair Holdings"). The purpose of the transactions contemplated by the Share Exchange Agreement was to effect a holding company reorganization in which Sinclair would become the publicly-traded parent company of Old Sinclair.

Effective at 12:00 am Eastern U.S. time on June 1, 2023 (the "Share Exchange Effective Time"), pursuant to the Share Exchange Agreement and Articles of Share Exchange filed with the Maryland State Department of Assessments and Taxation, the share exchange between Sinclair and Old Sinclair was completed (the "Share Exchange"). Immediately following the Share Exchange Effective Time, Old Sinclair converted from a Maryland corporation to a Maryland limited liability company named Sinclair Broadcast Group, LLC. On the day following the Share Exchange Effective Time, Sinclair Holdings became the intermediate holding company between Sinclair and SBG, and SBG transferred certain of its assets (the "Transferred Assets") to Sinclair Ventures, LLC, a new indirect wholly-owned subsidiary of Sinclair ("Ventures"). We refer to the Share Exchange and the related steps described above collectively as the "Reorganization." The Transferred Assets included technical and software services companies, intellectual property 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, as well as Compulse, a marketing technology and managed services company, and Tennis Channel and related assets.

As a result of the Reorganization, SBG's consolidated statement of operations the year ended December 31, 2023 includes five months of activity related to the Transferred Assets prior to the Reorganization. Subsequent to June 1, 2023, the assets and liabilities of the Transferred Assets are no longer included within SBG's consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with the Transferred Assets are referring to the periods prior to the Reorganization.

The Reorganization is considered a transaction between entities under common control and therefore the Transferred Assets were transferred from SBG to Ventures at a net book value of $1,147 million during the year ended December 31, 2023, which is recognized in SBG's consolidated statements of equity and redeemable noncontrolling interests as a dividend to SBG's parent.

Deconsolidation of Diamond Sports Intermediate Holdings LLC

On March 1, 2022, Old Sinclair's subsidiary Diamond Sports Intermediate Holdings, LLC, and certain of its subsidiaries (collectively "DSIH") completed a series of transactions (the "Transaction"). As part of the Transaction, the governance structure of DSIH was modified including changes to the composition of its Board of Managers, resulting in the SBG's loss of voting control. As a result, DSIH, whose operations represented the entirety of SBG's local sports segment, was deconsolidated from SBG's consolidated financial statements effective as of March 1, 2022 (the "Deconsolidation"). SBG's consolidated statement of operations for the year ended December 31, 2022 therefore includes two months of activity related to DSIH prior to the Deconsolidation. Subsequent to February 28, 2022, the assets and liabilities of DSIH are no longer included within SBG's consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with DSIH are referring to the periods prior to the Deconsolidation.

Upon Deconsolidation, SBG recognized a gain before income taxes of approximately $3,357 million, which is recorded within gain on deconsolidation of subsidiary in SBG's consolidated statements of operations for the year ended December 31, 2022. During the year ended December 31, 2023, we recorded an adjustment to the deconsolidation gain of $10 million. Subsequent to the Deconsolidation, SBG's equity ownership interest in DSIH is accounted for under the equity method of accounting. See *Note 6. Other Assets* for more information.

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 October 2021, the FASB issued guidance to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice. ASU 2021-08 requires that an acquiring entity recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, as if it had originated the contracts. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. SBG adopted this guidance during the first quarter of 2023. The impact of the adoption did not have a material impact on SBG's consolidated financial statements.

In November 2023, the FASB issued guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, applied retrospectively. Early adoption is permitted. SBG is currently evaluating the impact of this guidance.

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.

Cash and Cash Equivalents

SBG consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

SBG regularly reviews accounts receivable and determine an appropriate estimate for the allowance for doubtful accounts based upon the impact of economic conditions on the merchant's ability to pay, past collection experience, and such other factors which, in management's judgment, deserve current recognition. In turn, a provision is charged against earnings in order to maintain the appropriate allowance level.

A rollforward of the allowance for doubtful accounts for the years ended December 31, 2023, 2022, and 2021 is as follows (in millions):

	2023	2022	2021
Balance at beginning of period	$ 5	$ 7	$ 5
Charged to expense	3	4	3
Net write-offs	(3)	(6)	(1)
Transferred to Ventures	(1)	—	—
Balance at end of period	$ 4	$ 5	$ 7

As of December 31, 2023, two customers accounted for 10% and 10%, respectively, of our accounts receivable, net. As of December 31, 2022, one customer accounted for 13% of SBG's accounts receivable, net. As of December 31, 2021, three customers accounted for 15%, 15%, and 12%, respectively, of SBG's accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

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.

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The rights to this programming are reflected in the accompanying consolidated balance sheets at the lower of unamortized cost or fair value. Program contract costs are amortized on a straight-line basis except for contracts greater than three years which are amortized utilizing an accelerated method. Program contract 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.

Fair value is determined utilizing a discounted cash flow model based on management's expectation of future advertising revenues, net of sales commissions, to be generated by the program material. SBG assesses program contract costs on a quarterly basis to ensure the costs are recorded at the lower of unamortized cost or fair value.

Sports Programming Rights

DSIH has multi-year program rights agreements that provided DSIH with the right to produce and telecast professional live sports games within a specified territory in exchange for a rights fee. Prior to the Deconsolidation, SBG amortized these rights as an expense over each season based upon contractually stated rates. Amortization was accelerated in the event that the stated contractual rates over the term of the rights agreement resulted in an expense recognition pattern that was inconsistent with the projected growth of revenue over the contractual term.

Impairment of Goodwill, Indefinite-lived Intangible Assets, and Other Long-lived Assets

SBG evaluates goodwill and indefinite lived intangible assets for impairment annually in the fourth quarter, or more frequently, if events or changes in circumstances indicate that an impairment may exist. SBG's goodwill has been allocated to, and is tested for impairment at, the reporting unit level. A reporting unit is an operating segment or a component of an operating segment to the extent that the component constitutes a business for which discrete financial information is available and regularly reviewed by management. Components of an operating segment with similar characteristics are aggregated when testing goodwill for impairment.

In the performance of SBG's annual assessment of goodwill for impairment, SBG has the option to qualitatively assess whether it is more likely than not that a reporting unit has been impaired. As part of this qualitative assessment, SBG weighs the relative impact of factors that are specific to the reporting units as well as industry, regulatory, and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. SBG also considers the significance of the excess fair value over carrying value in prior quantitative assessments.

If SBG concludes that it is more likely than not that a reporting unit is impaired, or if SBG elects not to perform the optional qualitative assessment, SBG will determine the fair value of the reporting unit and compare it to the net book value of the reporting unit. If the fair value is less than the net book value, SBG will record an impairment to goodwill for the amount of the difference. SBG estimates the fair value of SBG's reporting units utilizing the income approach involving the performance of a discounted cash flow analysis. SBG's discounted cash flow model is based on SBG's judgment of future market conditions based on SBG's internal forecast of future performance, as well as discount rates that are based on a number of factors including market interest rates, a weighted average cost of capital analysis, and includes adjustments for market risk and company specific risk.

SBG's indefinite-lived intangible assets consist primarily of SBG's broadcast licenses and a trade name. For SBG's annual impairment test for indefinite-lived intangible assets, SBG has the option to perform a qualitative assessment to determine whether it is more likely than not that these assets are impaired. As part of this qualitative assessment SBG weighs the relative impact of factors that are specific to the indefinite-lived intangible assets as well as industry, regulatory, and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. SBG also considers the significance of the excess fair value over carrying value in prior quantitative assessments. When evaluating SBG's broadcast licenses for impairment, the qualitative assessment is done at the market level because the broadcast licenses within the market are complementary and together enhance the single broadcast license of each station. If SBG concludes that it is more likely than not that one of SBG's broadcast licenses is impaired, SBG will perform a quantitative assessment by comparing the aggregate fair value of the broadcast licenses in the market to the respective carrying values. SBG estimates the fair values of SBG's broadcast licenses using the Greenfield method, which is an income approach. This method involves a discounted cash flow model that incorporates several variables, including, but not limited to, market revenues and long-term growth projections, estimated market share for the typical participant without a network affiliation, and estimated profit margins based on market size and station type. The model also assumes outlays for capital expenditures, future terminal values, an effective tax rate assumption and a discount rate based on a number of factors including market interest rates, a weighted average cost of capital analysis based on the target capital structure for a television station, and includes adjustments for market risk and company specific risk. If the carrying amount of the broadcast licenses exceeds the fair value, then an impairment loss is recorded to the extent that the carrying value of the broadcast licenses exceeds the fair value.

SBG evaluates long-lived assets, including definite-lived intangible assets, for impairment if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. SBG evaluates the recoverability of long-lived assets by comparing the carrying amount of the assets within an asset group to the estimated undiscounted future cash flows associated with the asset group. An asset group represents the lowest level of cash flows generated by a group of assets that are largely independent of the cash flows of other assets. At the time that such evaluations indicate that the future undiscounted cash flows are not sufficient to recover the carrying value of the asset group, an impairment loss is determined by comparing the estimated fair value of the asset group to the carrying value. SBG estimates fair value using an income approach involving the performance of a discounted cash flow analysis.

During the years ended December 31, 2023, 2022, and 2021, SBG did not identify any indicators that goodwill, indefinite-lived or long-lived assets may not be recoverable. See *Note 5. Goodwill, Indefinite-Lived Intangible Assets, and Other Intangible Assets* for more information.

SBG believes it has made reasonable estimates and utilized appropriate assumptions in the performance of SBG's impairment assessments. If future results are not consistent with SBG's assumptions and estimates, including future events such as a deterioration of market conditions, loss of significant customers, and significant increases in discount rates, among other factors, SBG could be exposed to impairment charges in the future. Any resulting impairment loss could have a material adverse impact on SBG's consolidated balance sheets, consolidated statements of operations, and consolidated statements of cash flows.

When factors indicate that there may be a decrease in value of an equity method investment, SBG assesses whether a loss in value has occurred. If that loss is deemed to be other than temporary, an impairment loss is recorded accordingly. For any equity method investments that indicate a potential impairment, SBG estimates the fair values of those investments using a combination of a market-based approach, which considers earnings and cash flow multiples of comparable businesses and recent market transactions, as well as an income approach involving the performance of a discounted cash flow analysis. See *Note 6. Other Assets* for more information.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following as of December 31, 2023 and 2022 (in millions):

	2023	2022
Compensation and employee benefits	$ 93	$ 100
Interest	12	11
Programming related obligations	156	151

Legal, litigation, and regulatory (a)	504	10
Accounts payable and other operating expenses	86	125
Total accounts payable and accrued liabilities	$ 851	$ 397

(a) See *Note 12. Commitments and Contingencies* for additional information regarding the litigation accruals recorded.

We expense these activities when incurred.

Income Taxes

SBG recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. SBG provides a valuation allowance for deferred tax assets if SBG determines 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 SBG's 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. As of December 31, 2023 and 2022, a valuation allowance has been provided for deferred tax assets related to certain temporary basis differences, and 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. Future changes in operating and/or taxable income or other changes in facts and circumstances could significantly impact the ability to realize SBG's deferred tax assets which could have a material effect on SBG's consolidated financial statements.

Management periodically performs a comprehensive review of SBG's tax positions, and SBG records a liability for unrecognized tax benefits if such tax positions are more likely than not to be sustained upon examination based on their technical merits, including the resolution of any appeals or litigation processes. Significant judgment is required in determining whether positions taken are more likely than not to be sustained, and it is based on a variety of facts and circumstances, including interpretation of the relevant federal and state income tax codes, regulations, case law and other authoritative pronouncements. Based on this analysis, the status of ongoing audits and the expiration of applicable statute of limitations, liabilities are adjusted as necessary. The resolution of audits is unpredictable and could result in tax liabilities that are significantly higher or lower than for what SBG has provided. See *Note 11. Income Taxes*, for further discussion of accrued unrecognized tax benefits.

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 3.90%, 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 7. Notes Payable and Commercial Bank Financing* for further discussion.

Supplemental Information — Statements of Cash Flows

During the years ended December 31, 2023, 2022, and 2021, SBG had the following cash transactions (in millions):

	2023	2022	2021
Income taxes paid	$ 5	$ 18	$ 16
Income tax refunds	$ 1	$ 158	$ 44
Interest paid	$ 294	$ 387	$ 583

Non-cash investing activities included property and equipment purchases of $5 million for each of the years ended December 31, 2023, 2022, and 2021 and the receipt of equipment with a fair value of $58 million in connection with completing the repack process as more fully described in *Note 2. Acquisitions and Dispositions of Assets* for the year ended December 31, 2021.

During the years ended December 31, 2022 and 2021, SBG received equity shares in investments valued at $3 million and $6 million respectively, in exchange for an equivalent value of advertising spots.

Revenue Recognition

The following table presents SBG's revenue disaggregated by type and segment for the years ended December 31, 2023, 2022, and 2021 (in millions):

For the year ended December 31, 2023	Local media	Other	Eliminations	Total
Distribution revenue	$ 1,491	$ 76	$ —	$ 1,567

Advertising revenue	1,236	29	(5)	1,260	
Other media, non-media, and intercompany revenue	139	14	(2)	151	
Total revenues	$ 2,866	$ 119	$ (7)	$ 2,978	
For the year ended December 31, 2022	**Local media**	**Local sports**	**Other**	**Eliminations**	**Total**
Distribution revenue	$ 1,531	$ 433	$ 179	$ —	$ 2,143
Advertising revenue	1,518	44	74	(22)	1,614
Other media, non-media, and intercompany revenue	144	5	59	(37)	171
Total revenues	$ 3,193	$ 482	$ 312	$ (59)	$ 3,928
For the year ended December 31, 2021	**Local media**	**Local sports**	**Other**	**Eliminations**	**Total**
Distribution revenue	$ 1,476	$ 2,620	$ 192	$ —	$ 4,288
Advertising revenue	1,230	409	93	(41)	1,691
Other media, non-media, and intercompany revenue	181	27	67	(120)	155
Total revenues	$ 2,887	$ 3,056	$ 352	$ (161)	$ 6,134

Distribution Revenue. SBG generates distribution revenue through fees received from Distributors for the right to distribute SBG's stations, other properties, and, prior to the Deconsolidation, the RSNs. 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.

Advertising Revenue. SBG generates advertising revenue primarily from the sale of advertising spots/impressions within SBG's broadcast television, digital platforms, and, prior to the Deconsolidation, RSNs. Advertising revenue is recognized in the period in which the advertising spots/impressions are delivered. In arrangements where SBG provides audience ratings guarantees, to the extent that there is a ratings shortfall, SBG will defer a proportionate amount of revenue until the ratings shortfall is settled through the delivery of additional advertising. The term of SBG's advertising arrangements is generally less than one year and the timing between when an advertisement is aired and when payment is due is not significant. In certain circumstances, SBG requires customers to pay in advance; payments received in advance of satisfying SBG's performance obligations are reflected as deferred revenue.

Practical Expedients and Exemptions. SBG expenses sales commissions when incurred because the period of benefit for these costs is one year or less. These costs are recorded within media selling, general and administrative expenses. 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.

Arrangements with Multiple Performance Obligations. SBG's contracts with customers may include multiple performance obligations. For such arrangements, SBG allocates revenues to each performance obligation based on its relative standalone selling price, which is generally based on the prices charged to customers.

Deferred Revenues. SBG records deferred revenue when cash payments are received or due in advance of SBG's 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 within SBG's consolidated balance sheets, based on the timing of when SBG expects to satisfy performance obligations. Deferred revenue was $171 million, $200 million, and $235 million as of December 31, 2023, 2022, and 2021, respectively, of which $124 million, $144 million, and $164 million as of December 31, 2023, 2022, and 2021, respectively, was reflected in other long-term liabilities in SBG's consolidated balance sheets. Deferred revenue recognized during the years ended December 31, 2023 and 2022 that was included in the deferred revenue balance as of December 31, 2022 and 2021 was $47 million and $62 million, respectively.

For the year ended December 31, 2023, two customers accounted for 11% and 10% of SBG's total revenues. For the year ended December 31, 2022, three customers accounted for 12%, 11%, and 10%, respectively, of SBG's total revenues. For the year ended December 31, 2021, three customers accounted for 19%, 18%, and 14%, respectively, of SBG's total revenues. For purposes of this disclosure, a single customer may include multiple entities under common control.

Advertising Expenses

Promotional advertising expenses are recorded in the period when incurred and are included in media production and other non-media expenses. Total advertising expenses, net of advertising co-op credits, were $9 million, $9 million, and $22 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Financial Instruments

Financial instruments, as of December 31, 2023 and 2022, consisted of cash and cash equivalents, trade accounts receivable, accounts payable, accrued liabilities, stock options, warrants, and notes payable. The carrying amounts approximate fair value for each of these financial instruments, except for the notes payable. See *Note 16. Fair Value Measurements* for additional information regarding the fair value of notes payable.

Post-retirement Benefits

SBG maintains a supplemental executive retirement plan which was inherited upon the acquisition of certain stations. As of December 31, 2023, the estimated projected benefit obligation was $14 million, of which $1 million is included in accrued expenses and $13 million is included in other long-term liabilities in SBG's consolidated balance sheets. At December 31, 2023, the projected benefit obligation was measured using a 4.92% discount rate compared to a discount rate of 5.20% for the year ended December 31, 2022. For each of the years ended December 31, 2023 and 2022, SBG made $1 million in benefit payments. SBG recognized an actuarial loss of $0.3 million and gain of $3 million through other comprehensive income for the years ended December 31, 2023 and 2022, respectively. For each of the years ended December 31, 2023 and 2022, SBG recognized $1 million of periodic pension expense, reported in other expense, net in SBG's consolidated statements of operations.

Reclassifications

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

2. ACQUISITIONS AND DISPOSITIONS OF ASSETS:

During the year ended December 31, 2021, SBG acquired certain businesses for an aggregate purchase price, net of cash acquired, of $10 million, including working capital adjustments and other adjustments. There were no acquisitions during the years ended December 31, 2023 and 2022.

The following summarizes the acquisition activity during the year ended December 31, 2021:

2021 Acquisitions

During the year ended December 31, 2021, SBG completed the acquisition of ZypMedia for approximately $7 million in cash. The acquired assets and liabilities were recorded at fair value as of the closing date of the transactions.

During the year ended December 31, 2021, SBG purchased 360IA, LLC for $5 million, with $2 million being paid in cash and the remaining to be paid in $1 million increments on each of the first three anniversaries following the closing date.

Financial Results of Acquisitions

The following tables summarize the results of the net revenues and operating loss included in the financial statements of SBG beginning on the acquisition date of each acquisition as listed below (in millions):

	2023	2022	2021
Revenues:			
Other acquisitions in 2021	$ 25	$ 72	$ 8

	2023	2022	2021
Operating Loss:			
Other acquisitions in 2021	$ (7)	$ (7)	$ (45)

Dispositions

2021 Dispositions. In September 2021, SBG sold all of its radio broadcast stations, KOMO-FM, KOMO-AM, KPLZ-FM and KVI-AM in Seattle, WA, for consideration valued at $13 million. For the year ended December 31, 2021, SBG recorded a net loss of $12 million related to the sale, which is included within gain on asset dispositions and other, net of impairment in SBG's consolidated statements of operations, and was primarily related to the write-down of the carrying value of the assets to estimate the selling price.

In June 2021, SBG sold its controlling interest in Triangle Sign & Service, LLC ("Triangle") for $12 million. SBG recorded a gain on the sale of Triangle of $6 million, of which $3 million was attributable to noncontrolling interests, for the year ended December 31, 2021, which is included in the gain on asset dispositions and other, net of impairment and net (income) loss attributable to the noncontrolling interests, respectively, in SBG's consolidated statements of operations.

In February 2021, SBG sold two television broadcast stations, WDKA-TV in Paducah, KY and KBSI-TV in Cape Girardeau, MO, for an aggregate sale price of $28 million. SBG recorded a gain of $12 million for the year ended December 31, 2021, which is included within gain on asset dispositions and other, net of impairment in SBG's consolidated statements of operations.

Broadcast Incentive Auction. In 2012, Congress authorized the FCC to conduct so-called "incentive auctions" to auction and re-purpose broadcast television spectrum for mobile broadband use. Pursuant to the auction, television broadcasters submitted bids to receive compensation for relinquishing all or a portion of their rights in the television spectrum of their full-service and Class A stations. Low power stations were not eligible to participate in the auction and are not protected and therefore may be displaced or forced to go off the air as a result of the post-auction repacking process.

In the repacking process associated with the auction, the FCC has reassigned some stations to new post-auction channels. SBG does not expect reassignment to new channels to have a material impact on its coverage. SBG has received notification from the FCC that 100 of its stations have been assigned to new channels. Legislation has provided the FCC with a $3 billion fund to reimburse reasonable costs incurred by stations that are reassigned to new channels in the repack. SBG expects that the reimbursements from the fund will cover the majority of its expenses related to the repack. SBG recorded gains related to reimbursements for the spectrum repack costs incurred of $8 million, $4 million, and $24 million for the years ended December 31, 2023, 2022, and 2021, respectively, which are recorded within gain on asset dispositions and other, net of impairment in SBG's consolidated statements of operations. For the years ended December 31, 2022 and 2021, capital expenditures related to the spectrum repack were $1 million and $12 million.

In December 2020, the FCC began a similar repacking process associated with a portion of the C-Band spectrum in order to free up this spectrum for the use of 5G wireless services. The repack is scheduled to be completed in two phases, the first ended on December 31, 2021 and the second ended on December 31, 2023. Prior to the Deconsolidation, DSG entered into an agreement with a communications provider in which they received equipment to complete the repack process at a maximum cost to DSG of $15 million. Prior to the Deconsolidation, for the year ended December 31, 2021, SBG recognized a gain of $43 million, which is recorded within gain on asset dispositions and other, net of impairment in SBG's consolidated statements of operations, equal to the fair value of the equipment that DSG received of $58 million, less the maximum cost to DSG of $15 million.

3. STOCK-BASED COMPENSATION PLANS:

In June 1996, Old Sinclair's Board of Directors adopted, upon approval of the shareholders by proxy, the 1996 Long-Term Incentive Plan ("LTIP"). Under the LTIP, SBG issued restricted stock awards ("RSAs"), stock grants to its non-employee directors, stock-settled appreciation rights ("SARs"), and stock options. In June 2022, Old Sinclair's Board of Directors adopted, upon approval of the shareholders by proxy, the 2022 Stock Incentive Plan ("SIP"). Upon approval of the SIP, it succeeded the LTIP and no additional awards were granted under the LTIP. All outstanding awards granted under the LTIP will remain subject to their original terms. The purpose of the SIP is to provide stock-based incentives that align the interests of employees, consultants, and outside directors with those of the stockholders of Sinclair by motivating employees to achieve long-term results and rewarding them for their achievements, and to attract and retain the types of employees, consultants, and outside directors who will contribute to SBG's long-range success. The amounts presented here represent stock-based compensation associated with employees of SBG that were awarded and issued stock of Sinclair.

Additionally, SBG has the following arrangements that involve stock-based compensation: employer matching contributions for participants in Sinclair's 401(k) plan and an employee stock purchase plan ("ESPP"). Stock-based compensation expense has no effect on SBG's consolidated cash flows. For the years ended December 31, 2023, 2022, and 2021, SBG recorded stock-based compensation of $45 million, $50 million, and $60 million, respectively. Below is a summary of the key terms and methods of valuation of SBG's stock-based compensation awards:

Restricted Stock Awards

RSAs issued in 2023 have certain restrictions that generally lapse after two years at 100% or over two years at 50% and 50%, respectively. RSAs issued in 2022 and 2021 have certain restrictions that generally lapse over two years at 50% and 50%, respectively. As the restrictions lapse, the Sinclair Class A Common Stock may be freely traded on the open market. The fair value assumes the closing value of the stock on the measurement date.

The following is a summary of changes in unvested restricted stock:

	RSAs		Weighted-Average Price
Unvested shares at December 31, 2022	477,721	$	29.53
2023 Activity:			
Granted	1,438,990		15.54
Vested	(985,881)		17.12
Forfeited (a)	(12,461)		20.43
Transferred to Ventures	(84,211)		15.52
Unvested shares at December 31, 2023	834,158	$	21.62

(a) Forfeitures are recognized as they occur.

SBG recorded compensation expense of $19 million for both of the years ended December 31, 2023 and 2022, respectively, and $21 million for the year ended December 31, 2021. The majority of the unrecognized compensation expense of $9 million as of December 31, 2023 will be recognized in 2024.

Stock Grants to Non-Employee Directors

Prior to the Reorganization, in addition to fees paid in cash to Old Sinclair non-employee directors, on the date of each annual meeting of Old Sinclair shareholders, each Old Sinclair non-employee director received a grant of unrestricted shares of Sinclair Class A Common Stock. Old Sinclair issued 80,496 shares in 2023, 60,732 shares in 2022, and 45,836 shares in 2021. SBG recorded expense of $1 million for the year ended December 31, 2023 and $2 million for each of the years ended December 31, 2022 and 2021, which was based on the average share price of the stock on the date of grant.

Stock-Settled Appreciation Rights

These awards entitle holders to the appreciation in Sinclair's Class A Common Stock over the base value of each SAR over the term of the award. The SARs have a 10-year term with vesting periods ranging from zero to four years. The base value of each SAR is equal to the closing price of Sinclair's Class A Common Stock on the date of grant. For the years ended December 31, 2023, 2022, and 2021, SBG recorded compensation expense of $7 million, $10 million, and $15 million, respectively.

The following is a summary of the 2023 activity:

	SARs		Weighted-Average Price
Outstanding SARs at December 31, 2022	3,269,916	$	30.16
2023 Activity:			
Granted	1,474,764		15.97
Outstanding SARs at December 31, 2023	4,744,680	$	25.75

As of December 31, 2023, there was no aggregate intrinsic value of the SARs outstanding and the outstanding SARs have a weighted average remaining contractual life of 8 years.

Valuation of SARS. Our SARs were valued using the Black-Scholes pricing model utilizing the following assumptions:

	2023	2022	2021
Risk-free interest rate	4.4 %	1.6 %	0.6 %
Expected years to exercise	5 years	5 years	5 years
Expected volatility	52.1 %	49.6 %	48.2 %
Annual dividend yield	6.8 %	3.0 %	2.5 %

The risk-free interest rate is based on the U.S. Treasury yield curve, in effect at the time of grant, for U.S. Treasury STRIPS that approximate the expected life of the award. The expected volatility is based on Sinclair's historical stock prices over a period equal to the expected life of the award. The annual dividend yield is based on Sinclair's annual dividend per share divided by Sinclair's share price on the grant date.

Options

As of December 31, 2023, there were options outstanding to purchase 375,000 shares of Sinclair Class A Common Stock. These options are fully vested and have a weighted average exercise price of $31.25 and a weighted average remaining contractual term of 2 years. As of December 31, 2023, there was no aggregate intrinsic value for the options outstanding. There was no grant, exercise, or forfeiture activity during the year ended December 31, 2023. There was no expense recognized during the years ended December 31, 2023, 2022, and 2021.

401(k) Match

The Sinclair, Inc. 401(k) Profit Sharing Plan and Trust ("the 401(k) Plan") is available as a benefit for SBG's eligible employees. Contributions made to the 401(k) Plan include an employee elected salary reduction amount with a match calculation (the "Match"). The Match and any additional discretionary contributions may be made using Sinclair's Class A Common Stock, if the Sinclair Board so chooses. Typically, the Match is made using Sinclair's Class A Common Stock.

The value of the Match is based on the level of elective deferrals into the 401(k) Plan. The number of Sinclair's Class A Common shares granted under the Match is determined based upon the closing price on or about March 1st of each year for the previous calendar year's Match. SBG recorded $17 million for each of the years ended December 31, 2023 and 2022 and $20 million for the year ended December 31, 2021 of stock-based compensation expense related to the Match.

Employee Stock Purchase Plan

The ESPP allows eligible employees to purchase Sinclair Class A Common Stock at 85% of the lesser of the fair value of the common stock as of the first day of the quarter and as of the last day of that quarter, subject to certain limits as defined in the ESPP. The stock-based compensation expense recorded related to the ESPP was $1 million for the year ended December 31, 2023 and $2 million for each of the years ended December 31, 2022 and 2021.

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4. PROPERTY AND EQUIPMENT:

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is generally computed under the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 30 years
Operating equipment	5 - 10 years
Office furniture and equipment	5 - 10 years
Leasehold improvements	Lesser of 10 - 30 years or lease term
Automotive equipment	3 - 5 years
Property and equipment under finance leases	Lease term

Acquired property and equipment is depreciated on a straight-line basis over the respective estimated remaining useful lives.

Property and equipment consisted of the following as of December 31, 2023 and 2022 (in millions):

	2023	2022
Land and improvements	$ 71	$ 72
Real estate held for development and sale	—	19
Buildings and improvements	287	300
Operating equipment	894	873
Office furniture and equipment	142	130
Leasehold improvements	45	45
Automotive equipment	64	63
Finance lease assets	61	61
Construction in progress	93	74
	1,657	1,637
Less: accumulated depreciation	(965)	(909)
	$ 692	$ 728

5. GOODWILL, INDEFINITE-LIVED INTANGIBLE ASSETS, AND OTHER INTANGIBLE ASSETS:

Goodwill, which arises from the purchase price exceeding the assigned value of the net assets of an acquired business, represents the value attributable to unidentifiable intangible elements being acquired. The change in the carrying amount of goodwill at December 31, 2023 and 2022 was as follows (in millions):

	Local media	Other	Consolidated
Balance at December 31, 2021	$ 2,016	$ 72	$ 2,088
Balance at December 31, 2022	$ 2,016	$ 72	$ 2,088
Disposition	—	(6)	(6)
Transferred to Ventures	—	(66)	(66)
Balance at December 31, 2023	$ 2,016	$ —	$ 2,016

SBG's accumulated goodwill impairment was $3,029 million as of both December 31, 2023 and 2022.

For SBG's annual goodwill impairment tests related to its local media reporting unit in 2023, its other reporting units in 2022, and its local media and other reporting units in 2021, SBG concluded that it was more-likely-than-not that goodwill was not impaired for the reporting units in which we performed a qualitative assessment. The qualitative factors reviewed during SBG's annual assessments indicated stable or improving margins and favorable or stable forecasted economic conditions including stable discount rates and comparable or improving business multiples. Additionally, the results of prior quantitative assessments supported significant excess fair value over carrying value of SBG's reporting units. SBG did not have any indicators of impairment in any interim period in 2023 or 2022, and therefore did not perform interim impairment tests for goodwill during those periods.

For SBG's annual goodwill impairment test related to its local media reporting unit in 2022, SBG elected to perform a quantitative assessment and concluded that its fair value substantially exceeded its carrying value. The key assumptions used to determine the fair value of SBG's local media reporting unit consisted primarily of significant unobservable inputs (Level 3 fair value inputs), including discount rates, estimated cash flows, profit margins, and growth rates. The discount rate used to determine the fair value of SBG's local media reporting unit is based on a number of factors including market interest rates, a weighted average cost of capital analysis based on the target capital structure for a television broadcasting company, and includes adjustments for market risk and company specific risk. Estimated cash flows are based upon internally developed estimates and growth rates and profit margins are based on market studies, industry knowledge, and historical performance.

As of December 31, 2023 and 2022, the carrying amount of SBG's indefinite-lived intangible assets was as follows (in millions):

	Local media	Other	Consolidated
Balance at December 31, 2021 (a)	$ 123	$ 27	$ 150
Balance at December 31, 2022 (a) (b)	$ 123	$ 27	$ 150
Transferred to Ventures	—	(27)	(27)
Balance at December 31, 2023 (a) (b)	$ 123	$ —	$ 123

(a) SBG's indefinite-lived intangible assets in its local media segment relate to broadcast licenses and SBG's indefinite-lived intangible assets in other relate to trade names.

(b) Approximately $14 million of indefinite-lived intangible assets relate to consolidated VIEs as of December 31, 2023 and 2022.

SBG did not have any indicators of impairment for its indefinite-lived intangible assets in 2023 or 2022, and therefore did not perform interim impairment tests during those periods. SBG performed its annual impairment tests for indefinite-lived intangibles in 2023 and 2022 and as a result of its qualitative assessments, SBG recorded no impairment.

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The following table shows the gross carrying amount and accumulated amortization of SBG's definite-lived intangibles (in millions):

	As of December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net
Amortized intangible assets:			
Customer relationships (a)	$ 817	$ (579)	$ 238
Network affiliation	$ 1,435	$ (1,032)	$ 403
Other	21	(15)	6
Total other definite-lived intangible assets (a) (b)	$ 1,456	$ (1,047)	$ 409
Total definite-lived intangible assets	$ 2,273	$ (1,626)	$ 647

	As of December 31, 2022		
	Gross Carrying Value	Accumulated Amortization	Net
Amortized intangible assets:			
Customer relationships (c)	$ 1,103	$ (659)	$ 444
Network affiliation	$ 1,436	$ (948)	$ 488
Other	34	(20)	14
Total other definite-lived intangible assets (b) (c)	$ 1,470	$ (968)	$ 502
Total definite-lived intangible assets	$ 2,573	$ (1,627)	$ 946

(a) During 2023, $142 million of customer relationships and $7 million of other definite-lived intangible assets were transferred to Ventures as part of the Reorganization, as discussed in *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies. Policies*.

(f) (b) Represents Approximately $33 million and $40 million of definite-lived intangible assets relate to consolidated VIEs as of December 31, 2023 and 2022, respectively.

(c) During 2022, SBG deconsolidated $3,330 million of customer relationships and $585 million of favorable sports contracts related to the gain recognized Deconsolidation.

Definite-lived intangible assets and other assets subject to amortization are being amortized on a straight-line basis over their estimated useful lives. The definite-lived intangible assets are amortized over a weighted average useful life of 14 years for customer relationships and 15 years for network affiliations. The amortization expense of the definite-lived intangible and other assets for the years ended December 31, 2023, 2022, and 2021 was $148 million, $225 million, and $554 million, respectively, of which $4 million and $77 million as of December 31, 2022 and 2021, respectively, was associated with the amortization of favorable sports contracts prior to the Deconsolidation and is presented within media programming and production expenses in SBG's statements of operations. SBG analyzes specific definite-lived intangibles for impairment when events occur that may impact their value in accordance with the respective accounting guidance for long-lived assets. There were no impairment charges recorded for the years ended December 31, 2023, 2022, and 2021, as there were no indicators of impairment.

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The following table shows the estimated annual amortization expense of the definite-lived intangible assets for the next five years and thereafter (in millions):

2024	$ 129
2025	123
2026	122
2027	109
2028	83
2029 and thereafter	81
	$ 647

6. OTHER ASSETS:

Other assets as of December 31, 2023 and 2022 consisted of the following (in millions):

	2023	2022
Equity method investments (a)	$ 1	$ 113
Other investments (a)	—	442
Note receivable (a)	—	193
Income tax receivable	131	131
Other	52	85
Total other assets	$ 184	$ 964

(a) The note receivable, other investments, and certain of the equity method investments were transferred to Ventures as part of the Reorganization.

Equity Method Investments

Prior to the Reorganization, SBG had a portfolio of investments, including a number of entities that are primarily focused on the Deconsolidation. development of real estate and other media and non-media businesses. Subsequent to the Deconsolidation, SBG has an investment in DSIH that is accounted for under the equity method of accounting and, prior to the Deconsolidation, SBG had an investment in the YES Network. No investments were individually significant for the years ended December 31, 2023, 2022, and 2021.

Diamond Sports Intermediate Holdings LLC. Subsequent to the Deconsolidation, SBG's equity interest in DSIH is accounted for under the equity method of accounting. As of March 1, 2022, SBG reflected the investment in DSIH at fair value, which was determined to be nominal. For the year ended December 31, 2023, SBG recorded no equity method loss related to the investment because the carrying value of the investment is zero and SBG is not obligated to fund losses incurred by DSIH. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

YES Network Investment. Prior to the Deconsolidation, SBG accounted for its investment in the YES Network as an equity method investment, which was recorded within other assets in SBG's consolidated balance sheets, and in which SBG's proportionate share of the net income generated by the investment was included within income from equity method investments in SBG's consolidated statements of operations. SBG recorded income of $10 million and $41 million related to its investment for the years ended December 31, 2022 and 2021, respectively.

Other 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 are measured at net asset value ("NAV").

All of the investments measured at fair value and NAV were transferred to Ventures as part of the Reorganization. As of December 31, 2022, SBG held $234 million in investments measured at fair value and $190 million in investments measured at NAV. SBG recognized a fair value adjustment loss of $73 million, a loss of $145 million, and a loss of $42 million during the years ended December 31, 2023, 2022, and 2021, respectively, associated with these securities, which is reflected in other expense, net in SBG's consolidated statements of operations.

All of the investments accounted for utilizing the measurement alternative were transferred to Ventures as part of the Reorganization. Investments accounted for utilizing the measurement alternative were $18 million, net of $7 million of cumulative impairments, as of December 31, 2022. SBG recorded a $6 million impairment related to one investment during the year ended December 31, 2023, which is reflected in other expense, net in SBG's consolidated statements of operations. SBG recorded no impairments related to these investments for the years ended December 31, 2022 and 2021.

As of December 31, 2022, SBG's unfunded commitments related to certain equity investments totaled $128 million, including $88 million related to investments measured at NAV.

Note Receivable

SBG was party to an Accounts Receivable Securitization Facility ("A/R Facility"), held by Diamond Sports Finance SPV, LLC ("DSPV"), an indirect wholly-owned subsidiary of DSIH. Subsequent to the Deconsolidation, transactions related to the A/R Facility are no longer intercompany transactions and, therefore, are reflected in SBG's consolidated financial statements. There was no outstanding balance as of December 31, 2023 and an outstanding balance of $193 million as of December 31, 2022, which is recorded within other assets in SBG's consolidated balance sheets. On May 10, 2023, DSPV paid SBG approximately $199 million, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. The loans under the A/R Facility and cash received were transferred to Ventures as part of the Reorganization.

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7. NOTES PAYABLE AND COMMERCIAL BANK FINANCING:

Notes payable, finance leases, and commercial bank financing (including "finance leases to affiliates") consisted of the following as of December 31, 2023 and 2022 (in millions):

	2023	2022
Bank Credit Agreement:		
Term Loan B-2, due September 30, 2026 (a)	$ 1,215	$ 1,258
Term Loan B-3, due April 1, 2028	722	729
Term Loan B-4, due April 21, 2029	739	746
STG Notes (b):		
5.125% Unsecured Notes, due February 15, 2027	274	282
5.500% Unsecured Notes, due March 1, 2030	485	500
4.125% Senior Secured Notes, due December 1, 2030	737	750
Debt of variable interest entities	7	8
Debt of non-media subsidiaries	—	16
Finance leases	20	23
Finance leases - affiliate	7	9
Total outstanding principal	4,206	4,321
Less: Deferred financing costs and discounts	(46)	(56)
Less: Current portion	(34)	(35)
Less: Finance leases - affiliate, current portion	(2)	(3)
Net carrying value of long-term debt	$ 4,124	$ 4,227

(a) During the year ended December 31, 2023, STG repurchased $30 million aggregate principal amount of the Term Loan B-2 for consideration of $26 million. See *Bank Credit Agreement* below.

(b) During the year ended December 31, 2023, STG purchased $7 million, $15 million, and $13 million aggregate principal amount of the 5.125% Senior Notes due 2027 (the "5.125% Notes"), the 5.500% Senior Notes due 2030 (the "5.500% Notes"), and the 4.125% Senior Secured Notes due 2030 (the "4.125% Notes" and, collectively with the 5.125% Notes and 5.500% Notes, the notes are referred to as the "STG Notes"), respectively, in open market transactions for consideration of $6 million, $8 million, and $8 million, respectively. The STG Notes acquired during the year ended December 31, 2023 were canceled immediately following their acquisition. See *STG Notes* below.

Debt under the Bank Credit Agreement, notes payable, and finance leases as of December 31, 2023 matures as follows (in millions):

	Notes and Bank Credit Agreement	Finance Leases	Total
2024	$ 31	$ 7	$ 38
2025	28	7	35
2026	1,204	7	1,211
2027	292	4	296
2028	699	2	701
2029 and thereafter	1,925	5	1,930
Total minimum payments	4,179	32	4,211
Less: Deferred financing costs and discounts	(46)	—	(46)
Less: Amount representing future interest	—	(5)	(5)
Net carrying value of total debt	$ 4,133	$ 27	$ 4,160

Interest expense in SBG's consolidated statements of operationswas $305 million, $296 million, and $618 million for the years ended December 31, 2023, 2022, and 2021, respectively. Interest expense included amortization of deferred financing costs, debt discounts, and premiums of $10 million, $12 million, and $30 million for the years ended December 31, 2023, 2022, and 2021, respectively.

The stated and weighted average effective interest rates on the above obligations are as follows, for the years ended December 31, 2023 and 2022:

		Weighted Average Effective Rate	
	Stated Rate	2023	2022
Bank Credit Agreement:			
Term Loan B-2 (a)	SOFR plus 2.50%	7.98%	4.62%

Term Loan B-3 (a)	SOFR plus 3.00%	8.35%	4.88%
Term Loan B-4 (b)	SOFR plus 3.75%	9.77%	8.21%
Revolving Credit Facility (b) (c)	SOFR plus 2.00%	—%	—%
STG Notes:			
5.125% Unsecured Notes	5.13%	5.33%	5.33%
5.500% Unsecured Notes	5.50%	5.66%	5.66%
4.125% Secured Notes	4.13%	4.31%	4.31%

(a) The STG Term Loan B-2 converted to using the Secured Overnight Financing Rate ("SOFR") upon the complete phase-out of LIBOR on June 30, 2023 and was subject to customary credit spread adjustments set at the time of the rate conversion. The STG Term Loan B-3 has LIBOR to SOFR conversion terms, including the applicable credit spread adjustments, built into the existing agreement.

(b) Interest rate terms on the STG Term Loan B-4 and revolving credit facility include additional customary credit spread adjustments.

(c) STG incurs a commitment fee on undrawn capacity of 0.25%, 0.375%, or 0.50% if the first lien indebtedness ratio (as defined in the Bank Credit Agreement) is less than or equal to 2.75x, less than or equal to 3.0x but greater than 2.75x, or greater than 3.0x, respectively. The revolving credit facility is priced at SOFR plus 2.00%, subject to decrease if the specified first lien leverage ratio (as defined in the Bank Credit Agreement) is less than or equal to certain levels. As of December 31, 2023 and 2022, there were no outstanding borrowings, $1 million in letters of credit outstanding, and $649 million available under the revolving credit facility and the revolving credit facility matures on December 4, 2025. See *Bank Credit Agreement* below for further information.

SBG recorded a $23 million original issuance discount during the year ended December 31, 2022 and $4 million of debt issuance costs during the year ended December 31, 2021. Debt issuance costs and original issuance discounts and premiums are presented as a direct deduction from, or addition to, the carrying amount of an associated debt liability, except for debt issuance costs related to the revolving credit facility, which are presented within other assets in SBG's consolidated balance sheets.

Bank Credit Agreement

STG, a wholly owned subsidiary of SBG, has a syndicated credit facility which includes both revolving credit and issued term loans (the "Bank Credit Agreement").

The Bank Credit Agreement includes a financial maintenance covenant, the first lien leverage ratio (as defined in the Bank Credit Agreement), which requires such ratio not to exceed 4.5x, measured as of the end of each fiscal quarter. As of December 31, 2023, the STG first lien leverage ratio was below 4.5x. The financial maintenance covenant is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the revolving credit facility, measured as of the last day of each quarter, is utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of December 31, 2023, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of December 31, 2023.

On April 1, 2021, STG amended the Bank Credit Agreement to raise additional term loans in an aggregate principal amount of $740 million ("Term Loan B-3"), with an original issuance discount of $4 million, the proceeds of which were used to refinance a portion of the Term Loan B-1 maturing in January 2024. The Term Loan B-3 matures in April 2028 and bears interest at SOFR plus 3.00%.

On April 21, 2022, STG entered into the Fourth Amendment (the "Fourth Amendment") to the Bank Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, the guarantors party thereto (the "Guarantors") and the lenders and other parties thereto.

Pursuant to the Fourth Amendment, STG raised Term B-4 Loans (as defined in the Bank Credit Agreement) in an aggregate principal amount of $750 million, which mature on April 21, 2029 (the "Term Loan B-4"). The Term Loan B-4 was issued at 97% of par and bears interest, at STG's option, at Term SOFR plus 3.75% (subject to customary credit spread adjustments) or base rate plus 2.75%. The proceeds from the Term Loan B-4 were used to refinance all of STG's outstanding Term Loan B-1 due January 2024 and to redeem STG's outstanding 5.875% senior notes due 2026. In addition, the maturity of $612.5 million of the total $650 million of revolving commitments under the Bank Credit Agreement were extended to April 21, 2027, with the remaining $37.5 million continuing to mature on December 4, 2025. For the year ended December 31, 2022, SBG capitalized an original issuance discount of $23 million associated with the issuance of the Term Loan B-4, which is reflected as a reduction to the outstanding debt balance and will be recognized as interest expense over the term of the outstanding debt utilizing the effective interest method. SBG recognized a loss on extinguishment of $10 million for the year ended December 31, 2022.

The Term Loan B-2, Term Loan B-3, and Term Loan B-4 amortize in equal quarterly installments in an aggregate amount equal to 1% of the original amount of such term loan, with the balance being payable on the maturity date.

During the year ended December 31, 2023, STG repurchased $30 million aggregate principal amount of the Term Loan B-2 for consideration of $26 million. SBG recognized a gain on extinguishment of $3 million for the year ended December 31, 2023.

In January 2024, STG repurchased $27 million aggregate principal amount of the Term Loan B-2 for consideration of $25 million.

STG Notes

During the year ended December 31, 2022, STG purchased $118 million aggregate principal amount of the 5.125% Notes in open market transactions for consideration of $104 million. The 5.125% Notes acquired during the year ended December 31, 2022 were canceled immediately following their acquisition. SBG recognized a gain on extinguishment of the 5.125% Notes of $13 million for the year ended December 31, 2022.

During the year ended December 31, 2023, STG purchased $7 million, $15 million, and $13 million aggregate principal amount of the 5.125% Notes, the 5.500% Notes, and the 4.125% Notes, respectively, in open market transactions for consideration of $6 million, $8 million, and $8 million, respectively. The STG Notes acquired during the year ended December 31, 2023 were canceled immediately following their acquisition. SBG recognized a gain on extinguishment of the STG Notes of $12 million for the year ended December 31, 2023.

The price at which STG may redeem the STG Notes is set forth in the respective indenture of the STG Notes. Also, if SBG sells certain assets or experiences specific kinds of changes of control, the holders of these STG Notes may require SBG to repurchase some or all of the outstanding STG Notes.

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

SBG jointly, severally, unconditionally, and irrevocably guaranteed $2 million of debt of certain third parties as of both December 31, 2023 and 2022, all of which related to consolidated VIEs is included in our consolidated balance sheets. SBG provides a guarantee of certain obligations of a regional sports network subject to a maximum annual amount of $117 million with annual escalations of 4% for the next five years. As of December 31, 2023, SBG has determined that it is not probable that SBG would have to perform under any of these guarantees.

Interest Rate Swap

During the year ended December 31, 2023, 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. As of December 31, 2023, the fair value of the interest rate swap was an asset of $1 million, which is recorded in other assets in SBG's consolidated balance sheets.

Finance Leases

For more information related to our finance leases and affiliate finance leases see *Note 8. Leases* and *Note 14. Related Person Transactions*, respectively.

8. LEASES:

SBG determines if a contractual arrangement is a lease at inception. SBG's lease arrangements provide SBG the right to utilize certain specified tangible assets for a period of time in exchange for consideration. SBG's leases primarily relate to building space, tower space, and equipment. SBG does not separate non-lease components from building and tower leases for the purposes of measuring lease liabilities and assets. SBG's leases consist of operating leases and finance leases which are presented separately in SBG's consolidated balance sheets. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

SBG recognizes a lease liability and a right of use asset at the lease commencement date based on the present value of the future lease payments over the lease term discounted using SBG's incremental borrowing rate. Implicit interest rates within SBG's lease arrangements are rarely determinable. Right of use assets also include, if applicable, prepaid lease payments and initial direct costs, less incentives received.

SBG recognizes operating lease expense on a straight-line basis over the term of the lease within operating expenses. Expense associated with SBG's finance leases consists of two components, including interest on outstanding finance lease obligations and amortization of the related right of use assets. The interest component is recorded in interest expense and amortization of the finance lease asset is recognized on a straight-line basis over the term of the lease in depreciation of property and equipment.

SBG's leases do not contain any material residual value guarantees or material restrictive covenants. Some of SBG's leases include optional renewal periods or termination provisions which SBG assess at inception to determine the term of the lease, subject to reassessment in certain circumstances.

The following table presents lease expense SBG has recorded in SBG's consolidated statements of operations for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023	2022	2021
Finance lease expense:			
Amortization of finance lease asset	$ 4	$ 3	$ 3
Interest on lease liabilities	2	3	3
Total finance lease expense	6	6	6
Operating lease expense (a)	38	41	60
Total lease expense	$ 44	$ 47	$ 66

(a) Includes variable lease expense of $6 million for the year ended December 31, 2023 and $7 million for each of the years ended December 31, 2022 and 2021 and short-term lease expense of $1 million for the year ended December 31 2021.

The following table summarizes SBG's outstanding operating and finance lease obligations as of December 31, 2023 (in millions):

	Operating Leases	Finance Leases	Total
2024	$ 31	$ 7	$ 38
2025	30	7	37
2026	29	7	36
2027	28	4	32
2028	24	2	26
2029 and thereafter	78	5	83
Total undiscounted obligations	220	32	252
Less imputed interest	(47)	(5)	(52)
Present value of lease obligations	$ 173	$ 27	$ 200

The following table summarizes supplemental balance sheet information related to leases as of December 31, 2023 and December 31, 2022 (in millions, except lease term and discount rate):

	2023		2022	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Lease assets, non-current	$ 142	$ 12 (a)	$ 145	$ 16 (a)
Lease liabilities, current	$ 21	$ 6	$ 23	$ 6
Lease liabilities, non-current	152	21	154	26
Total lease liabilities	$ 173	$ 27	$ 177	$ 32
Weighted average remaining lease term (in years)	7.85	5.26	8.68	5.76
Weighted average discount rate	6.2 %	7.9 %	5.8 %	8.0 %

(a) Finance lease assets are reflected in property and equipment, net in SBG's consolidated balance sheets.

The following table presents other information related to SBG's leases for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 33	$ 35	$ 52
Operating cash flows from finance leases	$ 2	$ 3	$ 3
Financing cash flows from finance leases	$ 7	$ 6	$ 5
Leased assets obtained in exchange for new operating lease liabilities	$ 25	$ 15	$ 50
Leased assets obtained in exchange for new finance lease liabilities	$ —	$ 1	$ 4

18. 9. PROGRAM CONTRACTS:

Future payments required under television program contracts as of December 31, 2023 were as follows (in millions):

2024	$ 76
2025	9
2026	5
Total	90
Less: Current portion	(76)
Long-term portion of program contracts payable	$ 14

Each future period's film liability includes contractual amounts owed, but what is contractually owed does not necessarily reflect what we are expected to pay during that period. While we are contractually bound to make the payments reflected in the table during the indicated periods, industry protocol typically enables us to make film payments on a three-month lag. Included in the current portion amount are payments due in arrears of $13 million. In addition, we have entered into non-cancelable commitments for future television program rights aggregating to $14 million as of December 31, 2023.

10. REDEEMABLE NONCONTROLLING INTERESTS:

SBG accounts for redeemable noncontrolling interests in accordance with ASC 480, *Distinguishing Liabilities from Equity*, and classifies them as mezzanine equity in SBG's consolidated balance sheets because their possible redemption is outside of the SBG's control. SBG's redeemable non-controlling interests consist of the following:

Redeemable Subsidiary Preferred Equity

On August 23, 2019, Diamond Sports Holdings, LLC ("DSH"), an indirect parent of DSG and indirect wholly-owned subsidiary of the Company, issued preferred equity ("the Redeemable Subsidiary Preferred Equity").

On February 10, 2023, SBG purchased the remaining 175,000 units of the Redeemable Subsidiary Preferred Equity for an aggregate purchase price of $190 million representing 95% of the sum of the remaining unreturned capital contribution of $175 million, and accrued and unpaid dividends up to, but not including, the date of purchase. SBG redeemed no Redeemable Subsidiary Preferred Equity during the years ended December 31, 2022 and 2021.

Dividends accrued during the years ended December 31, 2023, 2022, and 2021 were $3 million, $13 million, and $14 million, respectively, and are reflected in net loss (income) attributable to redeemable noncontrolling interests in SBG's consolidated statements of operations. Dividends accrued during 2023, 2022, and the 2nd, 3rd, and 4th quarters of 2021 were paid in kind and added to the liquidation preference. The balance, net of issuance costs, and the liquidation preference of the Redeemable Subsidiary Preferred Equity was $194 million and $198 million, respectively, as of December 31, 2022.

11. INCOME TAXES:

The provision (benefit) for income taxes consisted of the following for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023	2022	2021
Current provision (benefit) for income taxes:			
Federal	$ 5	$ 6	$ (78)
State	(5)	3	2
	—	9	(76)
Deferred (benefit) provision for income taxes:			
Federal	(331)	868	(93)
State	(28)	36	(4)
	(359)	904	(97)
(Benefit) provision for income taxes	$ (359)	$ 913	$ (173)

The following is a reconciliation of federal income taxes at the applicable statutory rate to the recorded provision:

	2023	2022	2021
Federal statutory rate	21.0 %	21.0 %	21.0 %
Adjustments:			
State income taxes, net of federal tax benefit (a)	4.7 %	2.0 %	(4.2)%
Valuation allowance (b)	33.5 %	1.6 %	(1.5)%
Noncontrolling interest (c)	0.5 %	0.2 %	2.6 %
Federal tax credits (d)	0.6 %	(0.2)%	10.6 %
Net Operating Loss Carryback (e)	— %	— %	7.5 %
Other	(0.9)%	0.7 %	(1.3)%
Effective income tax rate	59.4 %	25.3 %	34.7 %

(a) Included in state income taxes are deferred income tax effects related to certain acquisitions, intercompany mergers, tax elections, law changes and/or impact of changes in apportionment.

(b) SBG's 2023 income tax provision includes a $212 million decrease related to the release of valuation allowance associated with the federal interest expense carryforwards under the IRC Section 163(j). SBG's 2022 income tax provision includes a net $56 million addition related to an increase in valuation allowance associated with the federal interest expense carryforwards under the IRC Section 163(j) and primarily offset by a decrease in valuation allowance on certain state deferred tax assets resulting from the Deconsolidation of Diamond. SBG's 2021 income tax provision includes a net $8 million addition related to an increase in valuation allowance associated with the federal interest expense carryforwards under the IRC Section 163(j) and primarily offset by a decrease in valuation allowance on certain state deferred tax assets as a result of the changes in estimate of the state apportionment.

(c) SBG's 2023, 2022, and 2021 income tax provisions include a $3 million benefit, a $9 million expense, and a $13 million benefit, respectively, related to noncontrolling interest of various partnerships.

(d) SBG's 2021 income tax provision included a benefit of $40 million related to investments in sustainability initiatives whose activities qualify for federal income tax credits through 2021.

(e) SBG's 2021 income tax provision included a benefit of $38 million as result of the CARES Act allowing for the 2020 federal net operating loss to be carried back to the pre-2018 years when the federal tax rate was 35%.

Temporary differences between the financial reporting carrying amounts and the tax bases of assets and liabilities give rise to deferred taxes. Total deferred tax assets and deferred tax liabilities as of December 31, 2023 and 2022 were as follows (in millions):

	2023	2022
Deferred Tax Assets:		
Net operating losses:		
Federal	$ 97	$ 14
State	152	131
IRC Section 163(j) interest expense carryforward	93	212
Investment in Bally's securities	6	70
Tax Credits	87	79
Other	112	98
	547	604
Valuation allowance for deferred tax assets	(113)	(312)
Total deferred tax assets	$ 434	$ 292
Deferred Tax Liabilities:		
Goodwill and intangible assets	$ (334)	$ (384)
Property & equipment, net	(98)	(110)
Investment in DSIH	(250)	(356)
Other	(35)	(52)
Total deferred tax liabilities	(717)	(902)
Net deferred tax liabilities	$ (283)	$ (610)

At December 31, 2023, SBG had approximately $462 million and $3,222 million of gross federal and state net operating losses, respectively. Except for those without an expiration date, these losses will expire during various years from 2024 to 2043, and some of them are subject to annual limitations under the IRC Section 382 and similar state provisions. As discussed in *Income taxes* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies*, SBG establishes valuation allowance in accordance with the guidance related to accounting for income taxes. As of December 31, 2023, a valuation allowance has been provided for deferred tax assets related to certain temporary basis differences and a substantial portion 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, current and cumulative losses, and projected future taxable income. Although realization is not assured for the remaining deferred tax assets, SBG believes it is more likely than not that they will be realized in the future. During the year ended December 31, 2023, SBG decreased its valuation allowance by $199 million to $113 million. The decrease was primarily due to the release of valuation allowance related to interest expense carryforwards under the IRC Section 163(j) offset by a change in judgement in the realizability of certain state deferred tax assets. During the year ended December 31, 2022, SBG increased its valuation allowance by $56 million to $312 million. The increase was primarily due to uncertainty in the realizability of deferred tax assets related to interest expense carryforwards under the IRC Section 163(j), offset by a change in judgement in the realizability of certain state deferred tax assets.

The following table summarizes the activity related to SBG's accrued unrecognized tax benefits (in millions):

	2023	2022	2021
Balance at January 1,	$ 17	$ 15	$ 11
Additions related to prior year tax positions	—	2	1
Additions related to current year tax positions	1	1	3
Reductions related to positions transferred to Ventures	(2)	—	—
Reductions related to settlements with taxing authorities	(2)	—	—

Reductions related to expiration of the applicable statute of limitations	(2)	(1)	—
Balance at December 31,	$ 12	$ 17	$ 15

As of 2023, SBG is a subsidiary of Sinclair and is subject to U.S. federal income tax as part of the consolidated return. SBG is also subject to income tax of multiple state jurisdictions. SBG’s 2014 through 2020 federal tax returns are currently under audit, and several of SBG’s subsidiaries are currently under state examinations for various years. SBG does not anticipate that resolution of these matters will result in a material change to SBG’s financial statements. In addition, SBG believes that its liability for unrecognized tax benefits could be reduced by up to $1 million, in the next twelve months, as a result of expected statute of limitations expirations and resolution of examination issues and settlements with tax authorities.

12. COMMITMENTS AND CONTINGENCIES:

Litigation

SBG is 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 Litigation 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 4-year compliance plan. 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, and the matter remains pending.

On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom 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 Commission 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, reaffirming the forfeiture order and dismissing (and in the alternative, denying) the Petition for Reconsideration. The Company is not a party to this forfeiture order; however, SBG's consolidated financial statements include an accrual of additional expenses of $8 million for the above legal matters during the year ended December 31, 2021, as SBG consolidates these stations as VIEs.

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 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. As of December 31, 2023, SBG has accrued $3.4 million. On October 21, 2022, the Company filed a written response seeking reduction of the proposed fine amount, and the matter remains pending.

Other Litigation Matters. On November 6, 2018, the Company agreed to enter into a proposed consent decree with the Department of Justice ("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. 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 defendant's privilege claims. That privilege review is ongoing. On August 18, 2023, the defendants filed objections to the Special Master’s First Report and Recommendations with the Court. The Court overruled the defendants’ objections on January 31, 2024. The Special Master has not indicated when he expects to complete his privilege review. 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 Company and the other non-settling defendants continue to believe the lawsuits are without merit and intend to vigorously defend themselves against all such claims.

On July 19, 2023, as part of the ongoing bankruptcy proceedings of DSG, an independently managed and unconsolidated subsidiary of Sinclair, DSG and its wholly-owned subsidiary, Diamond Sports Net, LLC, filed a complaint (the "DSG Litigation"), under seal, in the United States Bankruptcy Court for the Southern District of Texas naming certain subsidiaries of Sinclair, including SBG and STG, David D. Smith, Sinclair's Executive Chairman, Christopher S. Ripley, Sinclair's President and Chief Executive Officer, Lucy A. Rutishauser, Sinclair's Executive Vice President & Chief Financial Officer, and Scott Shapiro, Sinclair's Executive Vice President, Corporate Development and Strategy, as defendants.

In the complaint, plaintiffs challenge 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 alleges, 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 alleges 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 asserts 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 are seeking, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined. The defendants believe the allegations in this lawsuit are without merit and intend to vigorously defend against plaintiffs' claims.

On January 17, 2024, Sinclair announced that it had agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the Diamond Litigation, which settlement includes an amendment to the MSA. The settlement terms include, 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. The cash payment will be funded by cash on hand at Ventures and STG, and/or a loan backed by Ventures. Under the terms of the settlement, Sinclair will provide transition services to DSG to allow DSG to become a self-standing entity going forward. As of December 31, 2023, we have accrued $495 million, exclusive of any potential offsetting benefits to be received, related to the above matter, which is recorded within accounts payable and accrued liabilities in SBG's consolidated balance sheets and corporate general and administrative expenses in in SBG's consolidated statements of operations.

The settlement is subject to definitive documentation. On February 26, 2024, the court approved the settlement, subject to Sinclair and DSG completing definitive documentation.

Sinclair has entered into the settlement, without admitting any fault or wrongdoing. If the settlement does not receive final court approval, Sinclair remains committed to vigorously defending against the claims asserted in the litigation.

Changes in the Rules of Television Ownership, Local Marketing Agreements, Joint Sales Agreements, Retransmission Consent Negotiations, and National Ownership Cap

Certain of SBG's stations have entered into what have commonly been referred to as local marketing agreements or LMAs. One typical type of LMA is a programming agreement between two separately owned television stations serving the same market, whereby the licensee of one station programs substantial portions of the broadcast day and sells advertising time during such programming segments on the other licensee’s station subject to the latter licensee’s ultimate editorial and other controls. SBG believes these arrangements allow it to reduce SBG's operating expenses and enhance profitability.

In 1999, the FCC established a local television ownership rule that made certain LMAs attributable. The FCC adopted policies to exempt from attribution "legacy" LMAs that were entered into prior to November 5, 1996 and permitted the applicable stations to continue operations pursuant to the LMAs until the conclusion of the FCC’s 2004 biennial review. The FCC stated it would conduct a case-by-case review of legacy LMAs and assess the appropriateness of extending the exemption periods. The FCC did not initiate any review of legacy LMAs in 2004 or as part of its subsequent quadrennial reviews. SBG does not know when, or if, the FCC will conduct any such review of legacy LMAs. Currently, all of SBG's LMAs are exempt from attribution under the local television ownership rule because they were entered into prior to November 5, 1996. If the FCC were to eliminate the exemption for these LMAs, SBG would have to terminate or modify these LMAs.

In September 2015, the FCC released a Notice of Proposed Rulemaking in response to a Congressional directive in STELAR to examine the "totality of the circumstances test" for good-faith negotiations of retransmission consent. The proposed rulemaking seeks comment on new factors and evidence to consider in its evaluation of claims of bad faith negotiation, including service interruptions prior to a "marquee sports or entertainment event," restrictions on online access to broadcast programming during negotiation impasses, broadcasters' ability to offer bundles of broadcast signals with other broadcast stations or cable networks, and broadcasters' ability to invoke the FCC's exclusivity rules during service interruptions. On July 14, 2016, the FCC’s Chairman at the time announced that the FCC would not, at that time, proceed to adopt additional rules governing good faith negotiations of retransmission consent but did not formally terminate the rulemaking. No formal action has yet been taken on this Proposed Rulemaking, and SBG cannot predict if the FCC will terminate the rulemaking or take other action.

On November 20, 2017, the FCC released an Ownership Order on Reconsideration that eliminated or revised several media ownership rules. Among other things, the Order on Reconsideration (1) retained the “Top-Four Prohibition” (which generally restricts common ownership of two top-four rated stations in a market) but introduced a process by which entities could seek a waiver of the Top-Four Prohibition on a case-by-case basis; (2) eliminated the “Eight-Voices Test” that previously allowed common ownership of two stations in a single market only if eight or more independently-owned television stations would remain in the market (allowing common ownership of up to two stations in a market as long as such ownership does not violate the Top-Four Prohibition), and (3) eliminated the JSA attribution rule. The Ownership Order on Reconsideration was vacated and remanded by the

U.S. Court of Appeals for the Third Circuit in September 2019, but the Supreme Court ultimately reversed the Third Circuit's decision on April 1, 2021 and the Ownership Order on Reconsideration became effective on June 30, 2021.

On December 18, 2017, the FCC released a Notice of Proposed Rulemaking to examine the FCC's national ownership cap, including the UHF discount. The UHF discount allows television station owners to discount the coverage of UHF stations when calculating compliance with the FCC's national ownership cap, which prohibits a single entity from owning television stations that reach, in total, more than 39% of all the television households in the nation. All but 34 of the stations SBG currently owns and operates, or to which SBG provides programming services are UHF. SBG cannot predict the outcome of the rulemaking proceeding. With the application of the UHF discount counting all of SBG's present stations SBG reaches approximately 24% of U.S. households. Changes to the national ownership cap could limit SBG's ability to make television station acquisitions.

On December 13, 2018, the FCC released a Notice of Proposed Rulemaking to initiate the 2018 Quadrennial Regulatory Review of the FCC's broadcast ownership rules. With respect to the local television ownership rule specifically, among other things, the Notice of Proposed Rulemaking sought comment on possible modifications to the rule's operation, including the relevant product market, the numerical limit, the Top-Four Prohibition; and the implications of multicasting, satellite stations, low power television ("LPTV") stations and the Next Generation broadcasting standard. On December 22, 2023, the FCC completed its 2018 Quadrennial Regulatory Review (the "2018 Ownership Order"). The 2018 Ownership Order declined to loosen or eliminate any of the existing television ownership rules and expanded the Top-Four Prohibition to multicast streams and LPTV stations, each of which were not previously considered as part of the local television ownership rules. The expanded rule prohibits a broadcaster with a top-four-rated television station from acquiring the network affiliation of another top-four rated station in the market and airing that second top-four network on a multicast stream or commonly owned LPTV station under certain circumstances. Affiliation arrangements existing as of the release of the 2018 Ownership Order that would otherwise violate the expanded Top-Four Prohibition will not be subject to divestiture, but such arrangements will not be transferrable or assignable. The 2018 Ownership Order also revised the methodology for determining whether a station is rated among the top-four stations in the market, retained the SSA disclosure requirement, and declined to attribute SSAs or JSAs. The 2018 Ownership Order's expansion of the Top-Four Prohibition to multicast streams and LPTV stations may affect the Company's ability to acquire programming or to sell or acquire stations due to the need to divest grandfathered affiliations.

On December 22, 2022, the FCC released a Public Notice to initiate the 2022 Quadrennial Regulatory Review, seeking comment on the Local Radio Ownership Rule, the Local Television Ownership Rule, and the Dual Network Rule and the proceeding remains pending. We cannot predict the outcome of that rulemaking proceeding. Changes to these rules could impact our ability to make radio or television station acquisitions.

13. 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.

A subsidiary of DSIH is a party to a joint venture associated with Marquee. Marquee is party to a long term telecast rights agreement which provides the rights to air certain live game telecasts and other content, which SBG guarantees. In connection with a prior acquisition, SBG became party to a joint venture associated with one other regional sports network. DSIH participated significantly in the economics and had the power to direct the activities which significantly impacted the economic performance of these regional sports networks, including sales and certain operational services. As of March 1, 2022, as a result of the Deconsolidation, SBG no longer consolidates these regional sports networks. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*.

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 December 31, 2023 and 2022 were as follows (in millions):

	2023	2022
ASSETS		
Current assets:		
Accounts receivable, net	23	47
Other current assets	3	3
Total current asset	26	50
Property and equipment, net	11	10
Goodwill and indefinite-lived intangible assets	15	15
Definite-lived intangible assets, net	33	40
Total assets	$ 85	$ 115
LIABILITIES		
Current liabilities:		
Total current liabilities	14	15

Long-term liabilities:		
Notes payable, finance leases, and commercial bank financing, less current portion	6	7
Program contracts payable, less current portion	—	1
Other long-term liabilities	3	3
Total liabilities	$ 23	$ 26

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 above, were $130 million as of both December 31, 2023 and 2022, 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 December 31, 2023, 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 7. Notes Payable and Commercial Bank Financing* for further discussion. The risk and reward characteristics of the VIEs are similar.

Other VIEs

Prior to the Reorganization, SBG had several investments in entities which are considered VIEs. However, SBG did not participate in the management of these entities, including the day-to-day operating decisions or other decisions which would allow SBG to control the entity, and therefore, SBG was not considered the primary beneficiary of these VIEs. SBG's investments in these VIEs for which SBG was not the primary beneficiary were transferred to Ventures as part of the Reorganization.

The carrying amounts of SBG's investments in these VIEs for which SBG was not the primary beneficiary were $187 million as of December 31, 2022 and are included in other assets in SBG's consolidated balance sheets. The income and loss related to equity method investments and other equity investments are recorded in income from equity method investments and other expense, net, respectively, in SBG's consolidated statements of operations. SBG recorded gains of $37 million, $58 million, and $37 million for the years ended December 31, 2023, 2022, and 2021, respectively, related to these investments.

In conjunction with the Transaction, the composition of the DSIH board of managers was modified resulting in SBG's loss of voting control over DSIH. SBG holds substantially all of the equity of DSIH and provides certain management and general and administrative services to DSIH. However, it was determined that SBG is not the primary beneficiary because SBG lacks the ability to control the activities that most significantly drive the economics of the business. The carrying amount of SBG's investment in DSIH is zero and there is no obligation for SBG to provide additional financial support. Prior to the Reorganization, SBG was also party to the A/R Facility held by an indirect wholly-owned subsidiary of DSIH which had an outstanding balance of approximately $193 million as of December 31, 2022. See *Note Receivable* within *Note 6. Other Assets*. The amounts drawn under the A/R facility represent our maximum loss exposure. The loans under the A/R Facility were transferred to Ventures as part of the Reorganization.

14. 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. 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 $6 million for both the years ended December 31, 2023 and 2022 and $5 million for the year ended December 31, 2021.

Finance leases payable related to the aforementioned relationships were $7 million, net of $1 million interest, and $9 million, net of $1 million interest, as of December 31, 2023 and 2022, respectively. The finance leases mature in periods through 2030. For further information on finance leases to affiliates, see *Note 7. Notes Payable and Commercial Bank Financing*.

Charter Aircraft. SBG leases aircraft owned by certain controlling shareholders. For all leases, we incurred aggregate expenses of $0.2 million, $0.4 million and $1 million for the years ended December 31, 2023, 2022, and 2021, 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 SBG's stations provide services to these Cunningham Stations pursuant to LMAs or JSAs and SSAs. See *Note 13. 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 5-year renewal terms 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 $65 million and $61 million as of December 31, 2023 and 2022, respectively. The remaining aggregate purchase price of these stations, net of prepayments, was $54 million for both the years ended December 31, 2023 and 2022. Additionally, SBG provides services to WDBB-TV pursuant to an LMA, which expires April 22, 2025, and have a purchase option to acquire for $0.2 million. SBG paid Cunningham, under these agreements, $12 million, $10 million, and $11 million for the years ended December 31, 2023, 2022, and 2021, 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 April 2025 and November 2029, 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 $140 million, $159 million, and $144 million for the years ended December 31, 2023, 2022, and 2021, 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 June 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 which expires in November 2024.

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 $2 million, $1 million, and $2 million for the years ended December 31, 2023, 2022, and 2021, respectively, under these agreements.

MileOne Autogroup, Inc.

SBG sells advertising time to certain operating subsidiaries of MileOne Autogroup, Inc. ("MileOne"), including automobile dealerships, body shops, and an automobile leasing company. David Smith has a controlling interest in, and is a member of the Board of Directors of, MileOne. SBG received payments for advertising totaling less than $0.1 million for each of the years ended December 31, 2023 and 2022 and $0.1 million for the year December 1, 2021.

Leased Property by Real Estate Ventures

Certain of SBG's real estate ventures have entered into leases with entities owned by members of the Smith Family. Total rent received under these leases was $1 million for each of the years ended December 31, 2023, 2022, and 2021.

Sinclair, Inc.

Subsequent to the Reorganization, Sinclair is the sole member of SBG. See *Company Reorganization* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further discussion.

SBG recorded revenue of $5 million for the year ended December 31, 2023 within the local media segment related to sales services provided by SBG to Sinclair, and certain of its direct and indirect subsidiaries.

SBG recorded expenses of $6 million for the year ended December 31, 2023 within the local media segment related to digital advertising services provided by Sinclair, and certain of its direct and indirect subsidiaries, to SBG.

SBG made cash distributions of $554 million to Sinclair, and certain of its direct and indirect subsidiaries, for the year ended December 31, 2023.

SBG received cash payments of $72 million from Sinclair, and certain of its direct and indirect subsidiaries, for the year ended December 31, 2023.

As of December 31, 2023, SBG had a receivable from Sinclair, and certain of its direct and indirect subsidiaries, of $3 million, included within prepaid expenses and other current assets in SBG's consolidated balance sheets.

Diamond Sports Intermediate Holdings LLC

Subsequent to February 28, 2022, SBG's equity interest in DSIH is accounted for as an equity method investment.

SINCLAIR BROADCAST GROUP, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management Services Agreement. In 2019, SBG entered into a management services agreement with DSG, a wholly-owned subsidiary of DSIH, in which SBG provides DSG with affiliate sales and marketing services and general and administrative services. The contractual annual amount due from DSG for these services during the fiscal year ended

December 31, 2023 is $78 million, which is subject to increases on an annual basis. Additionally, the agreement contains an incentive fee payable to SBG calculated based on certain terms contained within new or renewed distribution agreements with Distributors. As a condition to the Transaction, DSG will defer the cash payment of a portion of its management fee payable to SBG over the next four years. Pursuant to this agreement, excluding the amounts deferred as part of the Transaction, the local media segment recorded $49 million and $60 million of revenue for the years ended December 31, 2023 and 2022 related to both the contractual and incentive fees, of which $24 million was eliminated in consolidation prior to the Deconsolidation for the year ended December 31, 2022. SBG will not recognize the portion of deferred management fees as revenue until such fees are determined to be collectible. The terms of this agreement are subject to change depending upon the outcome of the settlement with DSG discussed in *Note 12. Commitments and Contingencies*.

Distributions. DSIH made distributions to DSH for tax payments on the dividends of the Redeemable Subsidiary Preferred Equity of $7 million for the year ended December 31, 2022.

Note receivable. For the year ended December 31, 2023, SBG received payments totaling $203 million related to the note receivable associated with the A/R facility, including $199 million from DSPV on May 10, 2023, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. For the year ended December 31, 2022, SBG received payments totaling $60 million from DSPV and funded an additional $40 million related to the note receivable associated with the A/R facility.

SBG recorded revenue of $11 million and $15 million for the years ended December 31, 2023 and 2022, respectively, within the local media segment and other related to certain other transactions between DSIH and SBG.

Other Equity Method Investees

YES Network. In August 2019, YES Network, which was accounted for as an equity method investment prior to the Deconsolidation, entered into a management services agreement with SBG, in which SBG provides certain services for an initial term that expires on August 29, 2025. The agreement will automatically renew for two 2-year renewal terms, with a final expiration on August 29, 2029. Pursuant to the terms of the agreement, the YES Network paid SBG a management services fee of $1 million and $6 million for the years ended December 31, 2022 and 2021, respectively.

DSIH has a minority interest in certain mobile production businesses. Prior to the Deconsolidation, SBG accounted for these as equity method investments. DSIH made payments to these businesses for production services totaling $5 million and $45 million for the years ended December 31, 2022 and 2021, respectively.

SBG has a minority interest in a sports marketing company, which SBG accounts for as an equity method investment. Payments to this business for marketing services totaling $2 million and $17 million for the years ended December 31, 2022 and 2021, respectively.

Sports Programming Rights

Affiliates of six professional teams had non-controlling equity interests in certain of DSIH's regional sports networks. DSIH paid $61 million and $424 million, net of rebates, for the years ended December 31, 2022 and 2021, respectively, under sports programming rights agreements covering the broadcast of regular season games associates with these professional teams. Prior to the Deconsolidation, these payments were recorded in SBG's consolidated statements of operations and cash flows.

Employees

Jason Smith, an employee of the 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 $0.8 million, $0.6 million, and $0.2 million, consisting of salary and bonus, for the years ended December 31, 2023, 2022, and 2021, respectively, consisting of salary and bonus, and was granted 2,239 shares of restricted stock, vesting over two years, during the year December 31, 2021.

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 $0.2 million, consisting of salary and bonus, for the year ended December 31, 2023 and $0.1 million, consisting of salary and bonus, for each of the years ended December 31, 2022 and 2021, and was granted 1,252 shares of restricted stock, vesting over two years, during the year ended December 31, 2023.

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 SBG. Amberly Thompson received total compensation of $0.2 million, $0.1 million, and $0.2 million, consisting of salary and bonus, for the years ended December 31, 2023, 2022, and 2021, respectively.

Edward Kim, an employee of the company, is the brother-in-law of Christopher Ripley, who is the President and Chief Executive Officer of the SBG. Edward Kim received total compensation of $0.2 million, consisting of salary, for each of the years ended December 31, 2023, 2022, and 2021 and was granted 516 and 302 shares of restricted stock, vesting over two years, during the years ended December 31, 2023 and 2022, respectively.

Frederick Smith is the brother of David Smith, Executive Chairman of SBG and a member of SBG's Board of Managers, and J. Duncan Smith. Frederick Smith received total compensation of $1 million for each of the years ended December 31, 2023, 2022, and 2021, consisting of salary, bonus, and earnings related to Frederick Smith's participation in the Company's deferred compensation plan. J. Duncan Smith is the brother of David Smith and Frederick Smith. J. Duncan Smith received total compensation of $1 million for each of the years ended December 31, 2023, 2022, and 2021, consisting of salary and bonus.

15. SEGMENT DATA:

During the year ended December 31, 2023, SBG modified its segment reporting to align with the new organizational structure of SBG discussed within *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies*. The segment information within the comparative periods have been recast to reflect this new presentation. During the year ended December 31, 2023, SBG measured segment performance based on operating income (loss). For the year ended December 31, 2023, SBG had one reportable segment: local media. Prior to the Deconsolidation on March 1, 2022, SBG had one additional reportable segment: local sports. SBG's 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. Prior to the Deconsolidation, the local sports segment provided viewers with live professional sports content and included the Bally RSNs, Marquee, and SBG's investment in the YES Network. Other and corporate are not reportable segments but are included for reconciliation purposes. Other primarily consists of tennis, non-broadcast digital and internet solutions, technical services, and non-media investments. Corporate costs primarily include SBG's costs to operate 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 years ended December 31, 2023, 2022, and 2021 (in millions):

As of December 31, 2023	Local media	Other & Corporate	Eliminations	Consolidated
Goodwill	$ 2,016	$ —	$ —	$ 2,016
Assets	4,750	87	—	4,837

As of December 31, 2022	Local media	Other & Corporate	Eliminations	Consolidated
Goodwill	$ 2,016	$ 72	$ —	$ 2,088
Assets	5,554	1,150	—	6,704

For the year ended December 31, 2023	Local media	Other & Corporate (d)	Eliminations	Consolidated
Revenue	$ 2,866 (a)	$ 119	$ (7) (c)	$ 2,978
Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	243	10	(1)	252
Amortization of program contract costs	80	—	—	80
Corporate general and administrative expenses	134	520	—	654
Loss on deconsolidation of subsidiary	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(14) (b)	12	—	(2)
Operating income (loss)	227 (b)	(529)	—	(302)
Interest expense including amortization of debt discount and deferred financing costs	305	—	—	305
Income from equity method investments	—	31	—	31
Capital expenditures	86	4	—	90

For the year ended December 31, 2022	Local media	Local sports (e)	Other & Corporate	Eliminations	Consolidated
Revenue	$ 3,193 (a)	$ 482	$ 312	$ (59) (c)	$ 3,928
Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	243	54	28	(4)	321
Amortization of sports programming rights (f)	—	326	—	—	326
Amortization of program contract costs	90	—	—	—	90
Corporate general and administrative expenses	117	1	42	—	160
Gain on deconsolidation of subsidiary	—	—	(3,357) (g)	—	(3,357)
Gain on asset dispositions and other, net of impairment	(17) (b)	—	(47)	—	(64)
Operating income (loss)	591 (b)	(4)	3,393	—	3,980
Interest expense including amortization of debt discount and deferred financing costs	226	72	6	(8)	296
Income from equity method investments	—	10	46	—	56

Capital expenditures	96	2	7	—	105

For the year ended December 31, 2021	Local media	Local sports	Other & Corporate	Eliminations	Consolidated
Revenue	$ 2,887	$ 3,056	$ 352	$ (161) (c)	$ 6,134
Depreciation of property and equipment and amortization of definite-lived intangible assets and other assets	248	316	30	(3)	591
Amortization of sports programming rights (f)	—	2,350	—	—	2,350
Amortization of program contract costs	93	—	—	—	93
Corporate general and administrative expenses	148	10	12	—	170
Gain on asset dispositions and other, net of impairment	(23) (b)	(43) (b)	(5)	—	(71)
Operating income (loss)	388 (b)	(317) (b)	24	—	95
Interest expense including amortization of debt discount and deferred financing costs	183	436	13	(14)	618
Income (loss) from equity method investments	—	49	(4)	—	45
Capital expenditures	52	16	12	—	80

(a) Includes $55 million and $39 million for the year ended December 31, 2023 and 2022, respectively, of revenue for services provided by local media under management services agreements after the Deconsolidation, which is not eliminated in consolidation.

(b) Local Media includes gains of $8 million, $4 million, and $24 million related to reimbursements for spectrum repack costs for the years ended December 31, 2023, 2022, and 2021, respectively. Local sports includes $43 million related to the fair value of equipment that we received for the C-Band spectrum repack for the year ended December 31, 2021. See *Note 2. Acquisitions and Dispositions of Assets.*

(c) Includes $26 million and $111 million,of revenue for the years ended December 31, 2022 and 2021, respectively, for services provided by local media, which are eliminated in consolidation.

(d) Represents the activity in tennis, non-broadcast digital and internet solutions, technical services, and non-media investments (collectively, "Other") prior to the Reorganization on June 1, 2023 and the activity in corporate prior and subsequent to the Reorganization. See *Company Reorganization* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*.

(e) Represents the activity prior to the Deconsolidation on March 1, 2022.

(f) The amortization of sports programming rights is included within media programming and production expenses on our consolidated statements of operations.

(g) Represents the gain recognized on the Deconsolidation.

16. 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 our financial assets and liabilities as of December 31, 2022 December 31, 2023 and 2021 2022 (in millions):

	2022		2021	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Investments in equity securities	N/A	$ 6	N/A	$ 5
Deferred compensation assets	$ 41	41	$ 48	48
Deferred compensation liabilities	35	35	38	38
STG:				
Money market funds	N/A	741	N/A	265
DSG (a):				
Money market funds	N/A	—	N/A	101
Level 2:				
Investments in equity securities (b)	N/A	153	N/A	114

STG (c):				
5.875% Senior Notes due 2026 (d)	—	—	348	357
5.500% Senior Notes due 2030	500	347	500	489
5.125% Senior Notes due 2027 (e)	282	230	400	391
4.125% Senior Secured Notes due 2030	750	560	750	712
Term Loan B-1, due January 3, 2024 (d)	—	—	379	373
Term Loan B-2, due September 30, 2026	1,258	1,198	1,271	1,239
Term Loan B-3, due April 1, 2028	729	692	736	722
Term Loan B-4, due April 21, 2029 (d)	746	709	—	—
DSG (a) (c):				
12.750% Senior Secured Notes due 2026	—	—	31	17
6.625% Senior Notes due 2027	—	—	1,744	490
5.375% Senior Secured Notes due 2026	—	—	3,050	1,525
Term Loan, due August 24, 2026	—	—	3,226	1,484
Debt of variable interest entities (c)	8	8	9	9
Debt of non-media subsidiaries (c)	16	16	17	17
Level 3:				
Investments in equity securities (f)	N/A	75	N/A	282

	2023		2022	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Investments in equity securities (a)	N/A	$ —	N/A	$ 6
Money market funds	N/A	$ 309	N/A	$ 741
Deferred compensation assets	N/A	$ —	N/A	$ 41
Deferred compensation liabilities	N/A	$ —	N/A	$ 35
Level 2:				
Investments in equity securities (a) (b)	N/A	$ —	N/A	$ 153
Interest rate swap (c)	N/A	$ 1	N/A	$ —
STG (d):				
5.500% Senior Notes due 2030	$ 485	$ 362	$ 500	$ 347
5.125% Senior Notes due 2027	$ 274	$ 248	$ 282	$ 230
4.125% Senior Secured Notes due 2030	$ 737	$ 521	$ 750	$ 560
Term Loan B-2, due September 30, 2026	$ 1,215	$ 1,124	$ 1,258	$ 1,198
Term Loan B-3, due April 1, 2028	$ 722	$ 595	$ 729	$ 692
Term Loan B-4, due April 21, 2029	$ 739	$ 602	$ 746	$ 709
Debt of variable interest entities (d)	$ 7	$ 7	$ 8	$ 8
Debt of non-media subsidiaries (a) (d)	$ —	$ —	$ 16	$ 16
Level 3:				
Investments in equity securities (a) (e)	N/A	$ —	N/A	$ 75

N/A - Not applicable

(a) The debt of DSG, a wholly-owned subsidiary of DSIH, was deconsolidated from our balance sheet non-media subsidiaries and the investments in equity securities were transferred to Ventures as part of the Deconsolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* *Reorganization.*

(b) Consists of unrestricted 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.

(c) Amounts are carried SBG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in our consolidated balance sheets net order to manage a portion of debt discount, premium, SBG's exposure to variable interest rates. The swap agreement has a notional amount of $600 million, bears a fixed interest rate of 3.90%, and deferred financing costs, which are excluded in SBG receives a floating rate of interest based on SOFR. The fair value of the above table, of $56 million and $158 million interest rate swap was an asset as of December 31, 2022 and 2021, respectively.

(d) In April 2022, STG raised Term B-4 Loans in an aggregate principal amount of $750 million, the proceeds of which were used to refinance all of STG's outstanding Term Loan B-1 due January 2024 and to redeem STG's outstanding 5.875% senior notes due 2026. December 31, 2023. See *STG Bank Credit Agreement* *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 7. Notes Payable and Commercial Bank Financing*.

(e) (d) During Amounts are carried in SBG's consolidated balance sheets net of debt discount and deferred financing costs, which are excluded in the year ended December 31, 2022, we purchased $118 million aggregate principal amount above table, of the STG 5.125% Notes in open market transactions for consideration $46 million and $56 million as of $104 million. The STG 5.125% Notes acquired during the nine months ended September 30, 2022 were canceled immediately following their acquisition. See *STG Notes* within *Note 7. Notes Payable* *December 31, 2023* and *Commercial Bank Financing.* 2022, respectively.

(f) (e) On November 18, 2020, we SBG entered into a commercial agreement with Bally's and received warrants and options to acquire common equity in the business. During the years ended December 31, 2023, 2022, 2021, and 2020, 2021, we SBG recorded a fair value adjustment loss of $112 million $25 million, loss of $50 million $112 million, and gain loss of $133 million $50 million, respectively, related to these interests. The fair value of the warrants is primarily derived from the quoted trading prices of the underlying common equity adjusted for a 16% discount for lack of marketability ("DLOM") as of December 31, 2021. 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, the exercise price of the options, which range from $30 to $45 per share, and a DLOM of 16% as of December 31, 2021. There are certain restrictions surrounding the sale and ownership of common stock through the second anniversary of the agreement. share. The Company is also precluded from owning more than 4.9% of the outstanding common shares of Bally's, inclusive of shares obtained through the exercise of the warrants and options described above. See *Note 6. Other Assets* for further discussion. were transferred to Ventures as part of the Reorganization.

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 (in millions):

		Options and Warrants
Fair Value at December 31, 2020 December 31, 2021	$	332
Measurement adjustments		(50)
Fair Value at December 31, 2021		282
Measurement adjustments		(112)
Transfer to Level 2		(95)
Fair Value at December 31, 2022		75
Measurement Adjustments		(25)
Transfer to Ventures		(50)
Fair Value at December 31, 2023	$	75 —

19. CONDENSED CONSOLIDATING FINANCIAL STATEMENTS: 17. SUBSEQUENT EVENTS:

STG is On January 17, 2024, Sinclair announced that it agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the primary obligor under STG's Bank Credit Agreement litigation filed by DSG and DSG's wholly-owned subsidiary, Diamond Sports Net, LLC, in July 2023, which settlement includes an amendment to the STG Notes. Our Class A Common Stock and Class B Common Stock as of December 31, 2022, were obligations or securities of SBG and not obligations or securities of STG. SBG is a guarantor under the STG Notes. As of December 31, 2022, our consolidated total debt of $4,265 million included $4,249 million of debt related to management services agreement between STG and its subsidiaries of which SBG guaranteed $4,216 million.

SBG, KDSM, LLC, a wholly-owned subsidiary of SBG, and STG's wholly-owned subsidiaries ("guarantor subsidiaries"), have fully and unconditionally guaranteed, subject to certain customary automatic release provisions, all of STG's obligations. Those guarantees are joint and several. There are certain contractual restrictions on the ability of SBG, STG or KDSM, LLC to obtain funds from their subsidiaries in the form of dividends or loans. DSG.

The following condensed consolidating financial statements present the consolidated balance sheets, consolidated statements of operations and comprehensive income, and consolidated statements of cash flows of SBG, STG, KDSM, LLC and the guarantor subsidiaries, the direct and indirect non-guarantor subsidiaries of SBG, and the eliminations necessary settlement is subject to arrive at our information on a consolidated basis and are provided pursuant to the terms definitive documentation, including finalization of certain transition terms, and approval by the U.S. Bankruptcy Court in Houston overseeing DSG's chapter 11 case. A motion for approval of our debt agreements. Investments in the subsidiaries of SBG, STG, KDSM, LLC and the guarantor subsidiaries, the direct and indirect non-guarantor subsidiaries of SBG are presented in each column under the equity method of accounting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. As such, these condensed consolidating financial statements should be read in conjunction settlement was filed with the accompanying notes court on January 23, 2024. On February 26, 2024, the court approved the settlement, subject to consolidated financial statements. Sinclair and DSG completing definitive documentation.

CONDENSED CONSOLIDATED BALANCE SHEET

AS OF DECEMBER 31, 2022

(In millions)

See

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
Cash and cash equivalents	$ 47	$ 750	$ 1	$ 86	$ —	$ 884
Accounts receivable, net	—	—	555	57	—	612
Other current assets	32	42	159	19	(65)	187
Total current assets	79	792	715	162	(65)	1,683
Property and equipment, net	—	31	668	51	(22)	728
Investment in equity of consolidated subsidiaries	962	3,463	—	—	(4,425)	—
Goodwill	—	—	2,081	7	—	2,088
Indefinite-lived intangible assets	—	—	136	14	—	150
Definite-lived intangible assets, net	—	—	935	42	(31)	946
Other long-term assets	542	938	512	573	(1,456)	1,109
Total assets	$ 1,583	$ 5,224	$ 5,047	$ 849	$ (5,999)	$ 6,704
Accounts payable and accrued liabilities	$ —	$ 80	$ 300	$ 18	$ (1)	$ 397
Current portion of long-term debt	—	28	6	5	(1)	38
Other current liabilities	4	8	139	87	(65)	173
Total current liabilities	4	116	445	110	(67)	608
Long-term debt	—	4,181	24	387	(365)	4,227
Other long-term liabilities	831	52	1,120	314	(1,323)	994
Total liabilities	835	4,349	1,589	811	(1,755)	5,829
Redeemable noncontrolling interests	—	—	—	194	—	194
Total Sinclair Broadcast Group equity (deficit)	748	875	3,458	(86)	(4,247)	748
Noncontrolling interests in consolidated subsidiaries	—	—	—	(70)	3	(67)
Total liabilities, redeemable noncontrolling interests, and equity	$ 1,583	$ 5,224	$ 5,047	$ 849	$ (5,999)	$ 6,704

CONDENSED CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2021

(In millions)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
Cash and cash equivalents	$ 2	$ 316	$ 2	$ 496	$ —	816
Accounts receivable, net	—	—	649	596	—	1,245
Other current assets	10	82	293	136	(111)	410
Total current assets	12	398	944	1,228	(111)	2,471
Property and equipment, net	1	31	664	161	(24)	833
Investment in equity of consolidated subsidiaries	451	3,448	—	—	(3,899)	—
Restricted cash	—	—	—	3	—	3
Goodwill	—	—	2,081	7	—	2,088

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
Indefinite-lived intangible assets	—	—	136	14	—	150
Definite-lived intangible assets	—	—	1,105	4,019	(36)	5,088
Other long-term assets	331	1,956	427	1,853	(2,659)	1,908
Total assets	$ 795	$ 5,833	$ 5,357	$ 7,285	$ (6,729)	$ 12,541
Accounts payable and accrued liabilities	$ 31	$ 85	$ 295	$ 279	$ (35)	$ 655
Current portion of long-term debt	—	20	5	45	(1)	69
Other current liabilities	2	6	155	392	(77)	478
Total current liabilities	33	111	455	716	(113)	1,202
Long-term debt	915	4,317	33	8,488	(1,482)	12,271
Investment in deficit of consolidated subsidiaries	1,605	—	—	—	(1,605)	—
Other long-term liabilities	12	69	1,426	468	(1,398)	577
Total liabilities	2,565	4,497	1,914	9,672	(4,598)	14,050
Redeemable noncontrolling interests	—	—	—	197	—	197
Total Sinclair Broadcast Group (deficit) equity	(1,770)	1,336	3,443	(2,644)	(2,135)	(1,770)
Noncontrolling interests in consolidated subsidiaries	—	—	—	60	4	64
Total liabilities, redeemable noncontrolling interests, and equity	$ 795	$ 5,833	$ 5,357	$ 7,285	$ (6,729)	$ 12,541

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(In millions)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
Net revenue	$ —	$ 65	$ 3,349	$ 681	$ (167)	$ 3,928
Media programming and production expenses	—	5	1,485	530	(78)	1,942
Selling, general and administrative	41	140	790	80	(79)	972
Gain on deconsolidation of subsidiary	(3,357)	—	—	—	—	(3,357)
Depreciation, amortization and other operating (gains) expenses	(32)	6	329	98	(10)	391
Total operating (gains) expenses	(3,348)	151	2,604	708	(167)	(52)
Operating income (loss)	3,348	(86)	745	(27)	—	3,980
Equity in earnings of consolidated subsidiaries	16	575	—	—	(591)	—
Interest expense	(4)	(222)	(3)	(85)	18	(296)
Other income (expense)	26	6	8	(104)	(6)	(70)
Total other income (expense), net	38	359	5	(189)	(579)	(366)
Income tax (provision) benefit	(734)	58	(170)	(67)	—	(913)
Net income (loss)	2,652	331	580	(283)	(579)	2,701
Net income attributable to the redeemable noncontrolling interests	—	—	—	(20)	—	(20)
Net income attributable to the noncontrolling interests	—	—	—	(29)	—	(29)
Net income (loss) attributable to Sinclair Broadcast Group	$ 2,652	$ 331	$ 580	$ (332)	$ (579)	$ 2,652
Comprehensive income (loss)	$ 2,652	$ 334	$ 580	$ (280)	$ (579)	$ 2,707

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021
(In millions)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
Net revenue	$ —	$ 111	$ 2,979	$ 3,251	$ (207)	$ 6,134
Media programming and production expenses	—	4	1,425	2,916	(54)	4,291
Selling, general and administrative	12	160	715	336	(145)	1,078
Depreciation, amortization and other operating expenses	1	8	327	341	(7)	670
Total operating expenses	13	172	2,467	3,593	(206)	6,039
Operating (loss) income	(13)	(61)	512	(342)	(1)	95
Equity in (loss) earnings of consolidated subsidiaries	(350)	435	—	—	(85)	—
Interest expense	(13)	(180)	(3)	(450)	28	(618)
Other (expense) income	(63)	16	(24)	111	(16)	24
Total other (expense) income, net	(426)	271	(27)	(339)	(73)	(594)
Income tax benefit (provision)	25	35	(44)	157	—	173
Net (loss) income	(414)	245	441	(524)	(74)	(326)
Net income attributable to the redeemable noncontrolling interests	—	—	—	(18)	—	(18)
Net income attributable to the noncontrolling interests	—	—	—	(70)	—	(70)
Net (loss) income attributable to Sinclair Broadcast Group	$ (414)	$ 245	$ 441	$ (612)	$ (74)	$ (414)
Comprehensive (loss) income	$ (414)	$ 246	$ 441	$ (517)	$ (74)	$ (318)

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020
(In millions)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
Net revenue	$ —	$ 100	$ 3,081	$ 2,946	$ (184)	$ 5,943
Media programming and production expenses	—	3	1,284	1,519	(71)	2,735
Selling, general and administrative	18	122	658	279	(97)	980
Impairment of goodwill and definite-lived intangible assets	—	—	—	4,264	—	4,264
Depreciation, amortization and other operating expenses	2	8	211	525	(10)	736
Total operating expenses	20	133	2,153	6,587	(178)	8,715
Operating (loss) income	(20)	(33)	928	(3,641)	(6)	(2,772)
Equity in (loss) earnings of consolidated subsidiaries	(2,409)	877	—	—	1,532	—
Interest expense	(13)	(191)	(3)	(474)	25	(656)
Other income (expense)	27	4	(41)	303	(14)	279
Total other (expense) income, net	(2,395)	690	(44)	(171)	1,543	(377)

Income tax benefit	1	51	3	665	—	720
Net (loss) income	(2,414)	708	887	(3,147)	1,537	(2,429)
Net income attributable to redeemable noncontrolling interests	—	—	—	(56)	—	(56)
Net loss attributable to the noncontrolling interests	—	—	—	71	—	71
Net (loss) income attributable to Sinclair Broadcast Group	$ (2,414)	$ 708	$ 887	$ (3,132)	$ 1,537	$ (2,414)
Comprehensive (loss) income	$ (2,414)	$ 707	$ 887	$ (3,154)	$ 1,537	$ (2,437)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In millions)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	$ 6	$ (210)	$ 600	$ 401	$ 2	$ 799
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:						
Acquisition of property and equipment	—	(4)	(100)	(5)	4	(105)
Deconsolidation of subsidiary cash		—	—	(315)	—	(315)
Proceeds from the sale of assets	—	—	5	4	—	9
Purchases of investments	(48)	(1)	(4)	(22)	—	(75)
Distributions from investments	64	—	10	25	—	99
Spectrum repack reimbursements	—	—	4	—	—	4
Other, net	—	3	(1)	—	—	2
Net cash flows from (used in) investing activities	16	(2)	(86)	(313)	4	(381)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:						
Proceeds from notes payable and commercial bank financing	—	728	—	—	—	728
Repayments of notes payable, commercial bank financing and finance leases	—	(855)	(5)	(3)	—	(863)
Dividends paid on Class A and Class B Common Stock	(70)	—	—	—	—	(70)
Repurchase of outstanding Class A Common Stock	(120)	—	—	—	—	(120)
Dividends paid on redeemable subsidiary preferred equity	—	—	—	(7)	—	(7)
Distributions to noncontrolling interests	—	—	—	(12)	—	(12)
Increase (decrease) in intercompany payables	214	781	(510)	(479)	(6)	—
Other, net	(1)	(8)	—	—	—	(9)
Net cash flows from (used in) financing activities	23	646	(515)	(501)	(6)	(353)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	45	434	(1)	(413)	—	65
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	2	316	2	499	—	819
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ 47	$ 750	$ 1	$ 86	$ —	$ 884

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In million)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
NET CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES	$ (5)	$ (216)	$ 583	$ (46)	$ 11	$ 327
NET CASH FLOWS USED IN INVESTING ACTIVITIES:						
Acquisition of property and equipment	—	(2)	(64)	(18)	4	(80)
Acquisition of businesses, net of cash acquired	—	—	(4)	—	—	(4)
Proceeds from the sale of assets	—	—	34	9	—	43
Purchases of investments	(9)	(9)	(46)	(192)	—	(256)
Spectrum repack reimbursements	—	—	24	—	—	24
Other, net	(183)	—	(1)	28	183	27
Net cash flows used in investing activities	(192)	(11)	(57)	(173)	187	(246)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:						
Proceeds from notes payable and commercial bank financing	—	341	—	46	(30)	357
Repayments of notes payable, commercial bank financing and finance leases	—	(362)	(6)	(51)	(182)	(601)
Dividends paid on Class A and Class B Common Stock	(60)	—	—	—	—	(60)
Repurchases of outstanding Class A Common Stock	(61)	—	—	—	—	(61)
Dividends paid on redeemable subsidiary preferred equity	—	—	—	(5)	—	(5)
Distributions to noncontrolling interests	—	—	—	(95)	—	(95)
Distributions to redeemable noncontrolling interests	—	—	—	(6)	—	(6)
Increase (decrease) in intercompany payables	333	106	(518)	65	14	—
Other, net	(13)	—	—	(40)	—	(53)
Net cash flows from (used in) financing activities	199	85	(524)	(86)	(198)	(524)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	2	(142)	2	(305)	—	(443)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	—	458	—	804	—	1,262
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ 2	$ 316	$ 2	$ 499	$ —	$ 819

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In millions)

	Sinclair Broadcast Group, Inc.	Sinclair Television Group, Inc.	Guarantor Subsidiaries and KDSM, LLC	Non-Guarantor Subsidiaries	Eliminations	Sinclair Consolidated
NET CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES	$ (119)	$ (75)	$ 864	$ 875	$ 3	$ 1,548
NET CASH FLOWS USED IN INVESTING ACTIVITIES:						
Acquisition of property and equipment	—	(8)	(130)	(26)	7	(157)
Acquisition of businesses, net of cash acquired	—	—	(16)	—	—	(16)
Spectrum repack reimbursements	—	—	90	—	—	90
Proceeds from the sale of assets	—	—	36	—	—	36
Purchases of investments	(43)	(8)	(43)	(45)	—	(139)
Other, net	1	—	(2)	28	—	27
Net cash flows used in investing activities	(42)	(16)	(65)	(43)	7	(159)

NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:						
Proceeds from notes payable and commercial bank financing	—	1,398	—	421	—	1,819
Repayments of notes payable, commercial bank financing and finance leases	—	(1,434)	(4)	(301)	—	(1,739)
Dividends paid on Class A and Class B Common Stock	(63)	—	—	—	—	(63)
Dividends paid on redeemable subsidiary preferred equity	—	—	—	(36)	—	(36)
Repurchase of outstanding Class A Common Stock	(343)	—	—	—	—	(343)
Redemption of redeemable subsidiary preferred equity	—	—	—	(547)	—	(547)
Debt issuance costs	—	(11)	—	(8)	—	(19)
Distributions to noncontrolling interests	—	—	—	(32)	—	(32)
Distributions to redeemable noncontrolling interests	—	—	—	(383)	—	(383)
Increase (decrease) in intercompany payables	565	239	(798)	4	(10)	—
Other, net	2	—	—	(119)	—	(117)
Net cash flows from (used in) financing activities	161	192	(802)	(1,001)	(10)	(1,460)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	—	101	(3)	(169)	—	(71)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	—	357	3	973	—	1,333
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ —	$ 458	$ —	$ 804	$ —	$ 1,262

QUARTERLY FINANCIAL INFORMATION (UNAUDITED): *Note 12. Commitments and Contingencies* for additional information regarding the settlement.

(In millions, except per share data)

	For the Quarter Ended			
	3/31/2022	6/30/2022	9/30/2022	12/31/2022
Total revenues	$ 1,288	$ 837	$ 843	$ 960
Operating income	$ 3,466	$ 107	$ 154	$ 253
Net income (loss)	$ 2,616	$ (6)	$ 29	$ 62
Net income (loss) attributable to Sinclair Broadcast Group	$ 2,587	$ (11)	$ 21	$ 55
Basic earnings (loss) per common share	$ 35.85	$ (0.17)	$ 0.32	$ 0.79
Diluted earnings (loss) per common share	$ 35.84	$ (0.17)	$ 0.32	$ 0.79

	For the Quarter Ended			
	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Total revenues	$ 1,511	$ 1,612	$ 1,535	$ 1,476
Operating income (loss)	$ 35	$ (178)	$ 73	$ 165
Net income (loss)	$ 26	$ (328)	$ 17	$ (41)
Net (loss) income attributable to Sinclair Broadcast Group	$ (12)	$ (332)	$ 19	$ (89)
Basic (loss) earnings per common share	$ (0.16)	$ (4.41)	$ 0.25	$ (1.18)
Diluted (loss) earnings per common share	$ (0.16)	$ (4.41)	$ 0.25	$ (1.18)

Exhibit 4.4

Description of the Registrant's Securities
Registered Pursuant to Section 12 of the

Securities Exchange Act of 1934

The following description sets forth certain material terms and provisions of our securities that are registered under Section 12 of the Securities Exchange Act of 1934, as amended. This description also contains summaries of relevant portions of the Maryland General Corporation Law, our articles of incorporation and our bylaws. The following summary of the material terms, rights and preferences of our securities does not purport to be complete and is subject to and qualified in its entirety by reference to our articles of incorporation and our bylaws, copies of which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part, as well as the Maryland General Corporation Law. We encourage you to read the laws of the Maryland General Corporation Law, our articles of incorporation and our bylaws for additional information.

In this exhibit, references to references to "Sinclair," "we," "our" or "us" refer only to Sinclair, Broadcast Group, Inc. and not any of its our current or future subsidiaries.

General

Our authorized capital stock consists of 500,000,000 shares of Class A common stock, Common Stock, par value $0.01 per share, 140,000,000 shares of Class B common stock, Common Stock, par value $0.01 per share, and 50,000,000 shares of preferred stock, par value $0.01 per share. As of February 26, 2020 February 26, 2024, we had 66,843,180 39,826,747 shares of Class A common stock Common Stock outstanding, 24,727,682 23,775,056 shares of Class B common stock Common Stock outstanding, and no shares of preferred stock outstanding. All issued and outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable.

Class A Common Stock

Voting Rights

Each holder of our Class A common stock is entitled to one vote per share. The holders of all classes of common stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval, including the election of directors, except as otherwise required by Maryland General Corporation Law. There is no cumulative voting in the election of directors.

Dividends

Subject to the rights of our outstanding preferred stock, if any, which may be hereafter classified and issued, holders of Class A common stock Common Stock are entitled to receive dividends, if any, as may be declared by our Board of Directors out of funds legally available therefor. All holders of our common stock shall have identical rights to receive any dividends or distributions, and no dividends or distributions shall be paid on any shares of Class A common stock Common Stock unless the same is paid on all shares of our common stock. Common Stock.

Preemptive Rights

Holders of shares of our Class A common stock Common Stock do not have any preemptive rights.

Redemption Rights

Our shares of Class A common stock Common Stock are not subject to redemption by operation of a sinking fund or otherwise.

Conversion Rights

Our shares of Class A common stock Common Stock are not convertible into any other security.

Liquidation Rights

In the event of any liquidation, dissolution, or winding up of Sinclair, after the payment of debts and liabilities and subject to the prior rights of the preferred stockholders, if any, and the rights of the holders of our Class B common stock, Common Stock, the holders of our Class A common stock Common Stock are entitled to receive any of our assets available for distribution to our stockholders ratably in proportion to the number of shares held by them.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock Common Stock is American Stock Transfer & Equiniti Trust Company. Company, LLC.

Listing

Our Class A common stock Common Stock is listed on the NASDAQ Global Select Market under the symbol "SBGI."

Certain Provisions of Maryland Law and Our Articles of Incorporation and Bylaws

Limitation of Liability of Directors and Officers.

Our bylaws also provide that each director shall perform his or her duties in good faith and with such care as an ordinarily prudent person in like position would use under similar circumstances. In performing his or her duties, each director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in which case prepared or presented by: (a) one or more officers or employees of ours whom the director reasonably believes to be reliable and competent in the matters presented; (b) counsel, certified public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or (c) a committee of our Board of Directors that has been duly designated upon which such director does not serve as to matters within its designated authority, which committee such director reasonably believes to merit confidence. Our bylaws provide that a director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted. A director who performs his or her duties in compliance with the foregoing shall have no liability by reason of being or having been a director of ours.

Our articles of incorporation also contain a provision eliminating personal liability of a present or former director or officer to the Company or its stockholders for money damages.

Indemnification of Directors and Officers.

Our articles of incorporation and bylaws require us to indemnify our directors and officers to the fullest extent permitted by Maryland law. Under current Maryland law, we will indemnify (i) any director or officer who has been successful, on the merits or otherwise, in the defense of a proceeding to which he or she was made a party by reason of his or her service in that capacity, against reasonable expense incurred by him or her in connection with the proceeding and (ii) any present or former director or officer against any claim or liability unless it is established that (a) his or her act or omission was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty; (b) he or she actually received an improper personal benefit in money, property or services; or (c) in the case of a criminal proceeding, he or she had reasonable cause to believe that his or her act or omission was unlawful. In addition, our articles of incorporation and bylaws require us to pay or reimburse, in advance of the final disposition of a proceeding, expenses incurred by a director or officer to the fullest extent provided by Maryland law. Current Maryland law provides that we shall have received, before providing any such payment or reimbursement, (i) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by us as authorized by Maryland law and our bylaws and (ii) a written undertaking by or on his or her behalf to repay the amount paid or reimbursed by us if it shall ultimately be determined that the standard of conduct was not met. Our articles of association and bylaws also permit our Board of Directors to provide indemnification, payment or reimbursement of expenses to any of our employees or agents in such capacity. Our articles of incorporation also provide that no amendment thereto may limit or eliminate this limitation of liability with respect to events occurring prior to the effective date of such amendment.

Meetings of Stockholders.

Our bylaws provide for an annual meeting of stockholders to elect individuals to the Board of Directors and transact such other business as may properly be brought before the meeting. Special meetings of stockholders may be called at any time by the Chairman of the Board of Directors, the President, a Vice President, the Secretary or any director of the Board of Directors upon the request in writing of the holders of a majority of all the votes entitled to be cast with regard to the business to be transacted at such special meeting and such request shall state the purpose of purposes of the special meeting. Business transacted at all special meetings of stockholders shall be confined to the purpose or purposes listed in the notice of such special meeting.

Voting as a Separate Class.

Under Maryland General Corporation Law, the holders of common stock Common Stock are entitled to vote as a separate class with respect to any amendment of our articles of incorporation that would increase or decrease the aggregate number of authorized shares of the class, increase or decrease the par value of the shares of the class or modify or change the powers, preferences or special rights of the shares of the class so as to adversely affect the class.

Business Combinations.

Maryland General Corporation Law prohibits us from entering into “business combinations” and other corporate transactions unless special actions are taken. The business combinations that require these special actions include a merger, consolidation, share exchange, or, in certain circumstances, an asset transfer or issuance of equity securities when the combination is between us and an “interested stockholder” (as defined below). An interested stockholder is:

- is any person who beneficially owns 10% or more of the voting power of our shares; or
- any of our affiliates which beneficially owned 10% or more of the voting power of our shares within two years prior to the date in question.

We may not engage in a business combination with an interested stockholder or any of its affiliates for five years after the interested stockholder becomes an interested stockholder. We may engage in business combinations with an interested stockholder if at least five years have passed since the person became an interested stockholder, but only if the transaction is:

- is recommended by our Board of Directors; Directors and
- approved by at least
- 80% of our outstanding shares entitled to vote; vote and
- two-thirds of our outstanding shares entitled to vote that are not held by the interested stockholder.

Stockholder approval will not be required if our stockholders receive a minimum price (as defined in the statute) for their shares and our stockholders receive cash or the same form of consideration as the interested stockholder paid for its shares.

This prohibition does not apply to business combinations involving us that are exempted by the Board of Directors before the interested stockholder becomes an interested stockholder. It is anticipated that our Board of Directors will exempt from the Maryland statute any business combination with the controlling stockholders, any present or future affiliate or associate of any of them, or any other person acting in concert or as a group with any of the foregoing persons.

Control Share Acquisitions.

The Maryland General Corporation Law provides that “control shares” of a Maryland corporation acquired in a “control share acquisition” have no voting rights unless two-thirds of the stockholders (excluding shares owned by the acquirer, and by the officers and directors who are employees of the Maryland corporation) approve their voting rights.

“Control Shares” are shares that, if added with all other shares previously acquired, would entitle that person to vote, in electing the directors,

- 10% or more but less than one-third of such shares;
- shares, one-third or more but less than a majority of such shares; shares, or
- a majority of the outstanding shares.

Control shares do not include shares the acquiring person is entitled to vote with stockholder approval. A “control share acquisition” means the acquisition of control shares, subject to certain exceptions.

If this provision becomes applicable to us, a person who has made or proposes to make a control share acquisition could, under certain circumstances, compel our Board of Directors to call a special meeting of stockholders to consider the voting rights of the control shares. We could also present the question at any stockholders' meeting on our own.

If this provision becomes applicable to us, subject to certain conditions and limitations, we would be able to redeem any or all control shares. If voting rights for control shares were approved at a stockholders stockholders' meeting and the acquirer were entitled to vote a majority of the shares entitled to vote, all other stockholders could exercise appraisal rights and exchange their shares for a fair value as defined by statute.

The control share acquisition statute does not apply to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or to acquisitions approved or exempted by our articles of incorporation or bylaws.

Foreign Ownership

Under our articles of incorporation and in order to comply with rules and regulations administered by the Federal Communications Commission, or the FCC, we are not permitted to issue or transfer on our books any of our capital stock to or for the account of any non-U.S. Person (as defined below) if after giving effect to the issuance or transfer, the capital stock held by or for the account of any non-U.S. Person(s) would exceed, individually or in the aggregate, 25% of our capital stock at any time outstanding. Pursuant to our articles of incorporation, we will have the right to repurchase any shares of our capital stock owned beneficially by a non-U.S. Person or non-U.S. Persons at the fair market value to the extent necessary, in the judgment of the Board of Directors, to comply with the foregoing ownership restrictions. Our articles of incorporation also provides that no non-U.S. Person(s) shall be entitled to vote, direct or control the vote of more than 25% of the total voting power of all of the shares of our capital stock outstanding and entitled to vote at any time and from time to time.

Our articles of incorporation also provide that no non-U.S. Person shall be qualified to act as an officer of Sinclair at any time and that no more than 25% of the total number of directors of Sinclair at any time may be non-U.S. Persons. Our articles of incorporation give our Board of Directors all powers necessary to implement and administer the foregoing provisions.

For purposes of our articles of incorporation a non-U.S. Person is: (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.

Amendment No. 2

This AMENDMENT NO. 2, dated as of January 1, 2024 (the "Effective Date"), is made by and between Keyser Investment Group, Inc. ("Landlord") and Sinclair Communications, LLC ("Tenant") and
amends the following Leases by and between Landlord and Tenant, both dated February 8, 2010 and Amendment No.l, dated January 1, 2013: (i) the Lease for the original building consisting of 37,190 square feet and ending on August 31,2011 and (ii) the Lease for additional space consisting of 13,360 feet and ending on January 21, 2011 and (iii) the Amendment No. 1, dated January 1, 2013 and ending December 31, 2023 (collectively referred to herein as "the Leases").

WHEREAS, Landlord and Tenant ("the parties") entered into the Leases which collectively cover the entire building and surrounding land located at 2000-2008 West 41stStreet, City of Baltimore, State of Maryland 21211 and referred herein and in the Leases as the "Demised Premises" or "Premises";

WHEREAS, the parties wish to extend the term of the Leases with certain modifications;

WHEREAS, the parties acknowledge and agree that Landlord and Tenant are both in full compliance with the terms of, and obligations under, the Leases;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. **LEASE TERM.** A new term for the Leases shall commence as of January 1, 2024 and will continue until December 31, 2030 and thereafter unless extended or sooner terminated as provided herein; provided that Tenant shall have the right to extend the term of the Leases for three (3) successive, additional five (S) year renewal periods ending December 31, 2045, by providing written notice thereof to Landlord ninety (90) days prior to the end of the initial term or any renewal period. This extension and renewal shall be under the same terms and conditions as the Leases, including the terms of Section 30 of the Leases (Cost of Living Adjustment in Rent) unless otherwise mutually agreed in writing by the parties. Notwithstanding anything contained in the Leases to the contrary, from the Effecttve Date hereof, the Leases shall have the same dates for commencement, termination and renewal.

2. **RENT.** As of the Effective Date, the annual rent for the Demised Premises under the Leases shall be $24.50 per square foot with a total 50,550 square feet. The total annual rent of One Million Two-Hundred Thirty-Eight Thousand Four Hundred and Seventy-Five dollars {$1,238,475.00) shall be payable in equal and successive monthly payments of One Hundred and Three Thousand Two

Hundred and Six Dollars and Twenty-Five Cents ($103,206.25).

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3. **Section 30** of the Leases shall be revised to read as follows:

"The parties hereto further mutually agree that a record shall be made at the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers (CPI-U), All Items, for Washington-Baltimore (the "Index") for the month of January 2024 (the "Base Month"), which record shall serve as a base or beginning point of computing whether there shall be any additional rent paid by the Tenant to the Landlord during the term hereof. If the Index for the month of January 2025 shows an increase in the Index, the Tenant shall pay the Landlord additional rent during the following lease year period of said Lease in an amount equivalent to the percentage of increase in the Cost of Living 1 ndex. For example, if, for the month of January 2025, it is determined that the cost in the Index increased eleven (11%) over the Index for the month of January 2024, the Tenant shall pay to the Landlord (or owe for January and pay in arrears) as additional rental for the next year of this Lease beginning on the 1st day of January 2025 through December 31, 2025 eleven percent (11%) more than the fixed annual rental provided for herein. The rent shall continue to increase annually thereafter during each and every year hereof for the initial or any renewal term based upon the annual increase in the Cost of Living Index calculated in the same manner as hereinabove. In no event shall any annual increase in rent ever by less than three percent (3%) over the prior year."

4. Except as expressly provided herein, the Leases shall not be amended or modified by this Amendment No. 2 except as specifically provided herein and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the date first above written:

KEYSER INVESTMENT GROUP, INC.

BY:____________________

J Duncan Smith, Secretary

SINCLAIR COMMUNICATIONS, LLC

BY:____________________

Lucy Rutishauser

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is entered into as of the last date of signature below, by and between **EXECUTIVE FLIGHT SOLUTIONS, LLC,** a Maryland limited liability company with an office at 509 Wilson Point Road, Martin State Airport, Box 16, Baltimore, Maryland 21220 ("EFS"), and **SINCLAIR BROADCAST GROUP, INC.**, a Maryland corporation with offices at 10706 Beaver Dam Road, Hunt Valley, Maryland 21030 ("Sinclair"). Sinclair is sometimes referred to as herein as the "Client."

WHEREAS, Sinclair is a non-exclusive lessee of the following Aircraft (collectively, the "Aircrafts"):

MANUFACTURER: Learjet
MODEL: Learjet 60

SERIAL NO.: **100**
U.S. REGISTRATION NO.: **N876SF**

MANUFACTURER: **Learjet**
MODEL: **Learjet 60**
SERIAL NO.: **193**
U.S. REGISTRATION NO.: **N876MA**

MANUFACTURER: **Gulfstream Aerospace**
MODEL: **G-IV**
SERIAL NO.: **1257**
U.S. REGISTRATION NO.: **N776MA**

WHEREAS, Client desires to engage EFS to provide certain professional services for the Aircrafts in accordance with the Standard Term and Conditions set forth in *Exhibit A* to this Agreement.

I. Professional Services Fee (the "Fees"): See Schedule I attached hereto.

II. Term:

The initial term of this Agreement shall commence as of March 1, 2022 and shall continue through and including February 28, 2025 (the "Initial Term"), and Client shall have the option to renew thereafter for successive terms of one (1) year each (each a "Successive Term") upon the same terms herein provided, so long as (a) either party to this Agreement has not given the other party to this Agreement written notice of its election not to renew no less than thirty (30) days prior to the expiration of the then existing Term; or (b) this Agreement is earlier terminated in accordance with its terms and conditions. The Initial Term and all Successive Terms as sometimes collectively referred to herein as the "Term". At any time during the Term, either party may terminate this Agreement for any reason whatsoever upon ninety (90) days' prior notice to the other party.

III. Notices:

To Sinclair:

Sinclair Broadcast Group, Inc.
10706 Beaver Dam Road

Hunt Valley, Maryland 21030
Attention: Lucy Rutishauser, EVP & CFO
Telephone: 410-458-1592

with a required copy to:

Sinclair Broadcast Group, Inc.
10706 Beaver Dam Road
Hunt Valley, MD 21030
Attn: General Counsel
legalnotification@sbgtv.com

To EFS:

Executive Flight Solutions, LLC
509 Wilson Point Road
Martin State Airport, Box 16
Baltimore, Maryland 21220
Attention: ______________________
Telephone: 410-574-8996

with a required copy to:

Steven A. Thomas, Esq. and Anastasia T. Nardangeli, Esq.
Thomas & Libowitz, P.A.
25 South Charles Street, Suite 2015
Baltimore, MD 21201
and
Deborah Feinberg
One Olympic Place
Suite 1240
Towson, MD 21204

IV. Aircrafts Operating Base:

The Aircrafts will be based at Martin State Airport (MTN), Baltimore, Maryland.

The attached Standard Terms and Conditions are incorporated into this Professional Services Agreement and made a part hereof.

IN WITNESS WHEREOF the parties have executed this Professional Services Agreement this day of _______, 2022.

EXECUTIVE FLIGHT SOLUTIONS, LLC SINCLAIR BROADCAST GROUP, INC.

By: By:

Title: Title:
Date: Date:

EXHIBIT A

STANDARD TERMS AND CONDITIONS

1. Professional Services:

1.1 Professional Services. In consideration of the Fees paid by Client, EFS will perform the following services on behalf of Client:

(a) Employment and supervision of flight/maintenance personnel assigned to the Aircrafts;

(b) Aircrafts maintenance at the Operating Base, maintenance management at contract facilities, and related maintenance support functions;

(c) Advice regarding insurance for the Aircrafts and acquire such insurance naming Client, EFS, and owner of Aircrafts as name insured thereunder insured, as their interest appears;

(d) FAA liaison;

(e) Aircrafts hangar, office, and shop facilities at the Operating Base and other airport locations, as required;

(f) Record keeping, reporting, budgeting, payment of Aircrafts-related invoices, and other administrative requirements;

(g) Aircrafts, passenger, and flight/maintenance personnel scheduling support services for Client and Client's passengers; and

(h) Management supervision of the maintenance and operation of the Aircrafts by Client.

1.2 Part 91 Operations. All flight operations of the Aircrafts under this Agreement will be conducted by Client under Part 91 of the Federal Aviation Regulations, as amended (the "FAR"), and in accordance with any other laws and rules pertaining to the operation of the Aircrafts. Client acknowledges that services to be provided by EFS to Client under this Agreement are intended to assist Client in the operation by Client of the Aircrafts under Part 91 of the FAR in the conduct of Client's business and shall be undertaken by EFS consistent with such intentions and only for such purposes.

1.3 Operational Control. In compliance with Part 91 of the FAR, Client, as Lessee from AP Aviation, LLC, shall have and retain complete and exclusive operational control, and complete and exclusive possession, command and control of the Aircrafts for all flights of the Aircrafts conducted under this Agreement. Client will have and retain complete and exclusive responsibility for scheduling, dispatching and flight of the Aircrafts on all flights of the Aircrafts conducted under this Agreement, which responsibility includes the sole and exclusive right over initiating, conducting and terminating any such flights, subject to the pilot-in-command’s authority for all safety-of-flight matters. Client will have complete and absolute control of the crewmembers in preparation for and in connection with the operation of all flights of the Aircrafts conducted under this Agreement.

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2. Flight Support Personnel:

2.1 General. "Flight Support Personnel" shall mean pilots/mechanics for the Aircrafts, who will be appropriately certified, rated and trained as required by the FAR. EFS will assign sufficient pilots/mechanics exclusively to the Aircrafts but shall also have the right to utilize as Flight Support Personnel other fully qualified individuals who are not assigned exclusively to the Aircrafts. Flight Support Personnel will be employed by EFS and carried on EFS's payroll, and EFS shall be responsible for and shall timely pay and withhold all payroll or employment-related taxes (including, without limitation, Social Security, Medicare or unemployment taxes) relating to Flight Support Personnel and shall timely file returns with respect to such taxes with the proper taxing authorities. EFS shall pay the entire cost of salary, benefits, training and testing for Flight Support Personnel who are assigned exclusively to the Aircrafts, including the cost of supporting a drug and alcohol testing program, and a reasonable and appropriate percentage of the cost of salary, benefits, training and testing for Flight Support Personnel who are not assigned exclusively to the Aircrafts, but who are used for Client's flight operations.

2.2 Availability. Flight Support Personnel will be available to Client, as required, to support Client's flight schedule. If Flight Support Personnel are unable to support a requested flight due to such circumstances as sickness, training, vacation, personal emergency or crew duty limits, EFS will use commercially reasonable efforts to obtain the services of substitute personnel meeting the standards set forth in this Agreement. Client acknowledges that EFS may utilize the services of substitute qualified personnel, as required, to support the Aircrafts' flight schedule, and that the applicable FAR and EFS's crew duty limits will be used to determine when Flight Support Personnel relief is required. The out-of-pocket cost of substitute Flight Support Personnel will be the responsibility of EFS.

2.3 Monitoring and Reviews. On Client's behalf, EFS will monitor the qualifications and performance of Flight Support Personnel through a process of recordkeeping, performance reviews, direct supervision and flight checks, as set forth in this Agreement. Client will provide reasonable access to the Aircrafts, subject to Client's prior permission, for EFS supervisory personnel to conduct required training and flight checks to observe Flight Support Personnel performance. On Client's behalf, EFS will conduct an annual performance review for all Flight Support Personnel.

2.4 Termination or Replacement. If the credentials or performance of any Flight Support Personnel are unsatisfactory to Client, EFS agrees that upon notice to that effect from Client, it shall reassign and replace such Flight Support Personnel as quickly as possible with another qualified individual reasonably acceptable to Client.

3. Flight Support Personnel Training and Qualification:

3.1 Training. On Client's behalf, EFS will conduct or contract for Flight Support Personnel training that meets or exceeds the requirements of the FAR governing the type of operation being conducted. Training will include, but not be limited to:

(a) Pilot Function: (i) initial Aircraft qualification, if required; (ii) Aircraft-specific recurrent training; (iii) policy and procedures recurrent training; (iv) emergency situations training; and (v) professional qualifications enhancement training, as required, such as cockpit resource management, international operations, and cabin medical safety.

(b) Mechanic Function: (i) initial Aircraft qualification, if required; (ii) biennial Aircraft-specific recurrent training; and (iii) biennial system-specific recurrent training (engines, avionics, etc.).

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3.2 Training Flights; Supervision. Client shall make available at its expense a reasonable amount of time in the Aircrafts to accomplish pilot training, proficiency checks, and line checks as required by the FAR. In addition to required FAA pilot checkrides, EFS supervisory personnel will observe line operations of Flight Support Personnel to confirm performance and adherence to company procedures. Client will provide reasonable access to the Aircrafts, subject to Client's prior permission, for EFS supervisory personnel to conduct this observation. On Client's behalf, EFS will maintain a current training record for Flight Support Personnel documenting satisfactory completion of FAA and EFS training and currency requirements.

4. Aircrafts Maintenance:

4.1 Maintenance Obligations. On Client's behalf, EFS will cause the Aircrafts to be enrolled on a FAA-approved or manufacturer approved maintenance and inspection program under Part 91 of the FAR, and will conduct, contract for and/or supervise aircraft maintenance services to cause the Aircrafts to be maintained in accordance with the requirements of the applicable approved inspection program, all applicable FAA regulations and the requirements of this Agreement.

4.2 Records. On Client's behalf, EFS will maintain records on the Aircrafts, their engines and systems in accordance with the applicable FAR, EFS's maintenance procedures and this Agreement.

4.3 Maintenance Scheduling. Client will cooperate with EFS to schedule all maintenance requirements. EFS will schedule maintenance, to the extent practicable, to minimize conflicts with Client's use of the Aircrafts. EFS will keep Client apprised of the Aircrafts' maintenance schedule.

5. Flight Scheduling:

5.1 Services. On behalf of Client, EFS will perform the following services related to scheduling by Client of the Aircrafts:

(a) Assist Client in scheduling the Aircrafts;

(b) Receive trip notices from Client and produce an itinerary for each trip giving the pertinent details of the trip;

(c) Arrange ground transportation for Aircrafts passengers, as required;

(d) Schedule Flight Support Personnel;

(e) Arrange for Aircrafts catering per Client's request;

(f) Aircraft cleaning following and during flights;

(g) Arrange for landing permits, clearances, and ground handling for domestic and international destinations; and

(h) Coordinate the Aircrafts' movements to support Client's travel schedule.

5.2 Hours of Service. EFS will provide the above-listed services 24 hours per day, seven days per week during the Term.

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5.3 Client Information. Client will make best efforts to give EFS the most up-to-date and complete information available on the Aircrafts' proposed travel schedule proposed by Client at least one week in advance of such schedule. EFS agrees to hold in confidence any information that it may gain regarding Client's travel, business service preferences and security arrangements.

6. Records and Administration:

6.1 Record Keeping. EFS will maintain facilities and personnel at its office for the Aircrafts' record keeping, operations supervision, scheduling assistance, and accounting support. EFS will keep all flight, passenger, maintenance, operational, logbook, tax, and cost records up-to-date and in accordance with good accounting practice and all the requirements of the FAR and all other applicable laws and regulations.

6.2 Fee Increases. No later than sixty (60) days before the expiration of any Term, EFS will supply Client with any increase in the Fees in accordance with Section 7.1 for the upcoming Term for review and approval by Client.

6.3 Record Retention. All records pertaining to the performance of EFS' services hereunder will be open for reasonable inspection and audit by Client at Client's expense at EFS' office upon not less than forty-eight (48) hours' notice throughout the Term, and for the period ending one (1) year after the termination hereof. EFS will not destroy such records prior to the time when Client's right to inspect and audit terminates. The provisions of this Section 6.3 will survive the termination or expiration of this Agreement.

7. Fees, Expenses, Deposits and Billing Procedures:

7.1 Professional Services Fee. The Fees to be charged to Client, specified in Schedule I, will be billed to and payable by Client. Such Fees shall be paid by Client upon receipt of the invoice(s) therefor. Notwithstanding anything to the contrary contained in this agreement, assuming the Fees have not otherwise increased for twelve (12) consecutive months, the Fees shall be increased during the Term every twelve (12) months based on the lesser of, (a) the Consumer Price Index for all items for urban consumers in the U.S. and (b) two percent (2%), from the Fee being charged during the immediately preceding 12-month period.

7.2 Non-Variable Operating Expenses. The following Non-Variable Operating Expenses (which under no circumstances include such variable items as relocations of Aircrafts, Client ground transportation costs, costs associated with delays in takeoffs and landings, etc.) incurred in the ordinary course of operating the Aircrafts (and which are incurred on the Client's behalf), are included in the Fees and paid by EFS in accordance with Section 8.3 and Section 8.4 of this Agreement:

(a) Fuel, oil, and additives at the costs equal to those costs charged by Martin State Airport (any cost above such rates shall be the responsibility of, and paid for by, the Client);

(b) Replacement and consumable parts (including shipping costs and core charges for parts and components), maintenance labor (other than the cost of maintenance labor performed by Flight Support Personnel), and third-party service fees for technical support of the Aircrafts;

(c) Non-variable landing, parking, handling, customs, airways, and overflight fees, hangarage fees at locations other than the Operating Base, and computer flight plans;

(d) Navigation, operations, and maintenance publications;

(e) Customary and ordinary (and not Client special-order) catering, supplies, and in-flight entertainment materials;

(f) Flight Support Personnel and EFS supervisory personnel travel expenses incurred in support of Client's operation of the Aircrafts;

(g) Communications charges and outside computer services related to Aircrafts operations and maintenance;

(h) Substitute flight support personnel (day rate) in accordance with Section 2.2;

(i) Flight Support Personnel salaries and benefits in accordance with Section 2.1;

(j) Operating base hangar/office/shop rent in accordance with Section 7.1; and

(k) Flight Support Personnel professional training and related travel expenses in accordance with Section 2.1.

7.3 Non-Recurring Expenses. “Non-recurring Expenses” include, but are not limited to, such items as Aircrafts’ painting and refurbishing, major maintenance items such as engine overhaul and airframe modifications, maintenance ground support equipment, initial spare parts provisioning and inventories, office and shop equipment, communications and computer equipment at the Operating Base and special training requirements incurred by EFS in compliance with the FARs on Client's behalf with respect to the Aircrafts. Coordinating the payment of any Non-recurring Expenses will the responsibility of EFS, and the Client shall have no economic responsibility for same.

7.4 Payment of Expenses. Subject to the provisions of Schedule I attached hereto and incorporated herein, promptly following all flights by Client, EFS will issue to Client an invoice for the Fees detailing all charges reasonably and properly incurred on Client's behalf pursuant to the terms of this Agreement that are the responsibility of the Client under this Agreement. To the extent the invoice includes Expenses incurred that are not included in the Fees, EFS will include supporting documentation with the invoice for such Expenses. The invoice will be due upon presentment to Client. For purposes of calculating the Fees, EFS’s services shall be measured in "flight hours," which shall be hours and tenths of hours from the time of the Aircraft’s lift-off at its place of departure to time of the Aircraft’s touchdown at its intended destination or other geographic point at which the Aircraft’s flight is terminated for any reason.

7. Insurance and Indemnity:

8.1 General. During the Term, and notwithstanding anything in this Agreement to the contrary, EFS shall procure, either at its sole cost and expense or (depending on the terms and conditions of any Non-Exclusive Aircraft Lease Agreement by and between the AP Aviation, LLC, the Owner of the Aircrafts, and the Client) at the cost and expense of the AP Aviation, LLC, aircraft insurance (the "Policy") that at a minimum satisfies all the following requirements:

(a) All risk, both ground and in flight, hull insurance in an amount not less than the full replacement value of the Aircrafts (which value shall not be less than the current Blue Book retail value of the Aircrafts). Client hereby agrees to the inclusion in the hull insurance proceeds of a waiver of subrogation rights against EFS, its owners, shareholders, officers, directors, employees, agents, invitees and licensees.

(b) Hangar keeper's insurance in an amount and with conditions that are standard for operations such as those performed by AP Aviation, LLC, Client or EFS and contemplated hereunder.

(c) Aircrafts liability insurance, including passenger liability, public liability and property damage liability, which aggregate a combined single limit of not less than One Hundred Million Dollars ($100,000,000) against claims for death or injury to persons or loss of or damage to property in connection with the possession, use or operation of the Aircrafts. EFS, Client, AP Aviation, Sinclair, and any financial institution which holds a security interest in the Aircrafts and their respective employees and agents shall be named insureds on such policy or policies.

8.2 Policy Provisions. The Policy will provide that:

(a) The insurer will provide all named insureds with at least thirty (30) days' prior notification (except ten (10) days written notice for non-payment of premium and seven (7) days, or such shorter period as is customarily available in the business aviation marketplace, in the case of war risk or allied perils) in the event of cancellation, failure to renew or material change in coverage of the policy;

(b) All coverages will be considered primary and not contributory with respect to any other policies in force; and

(c) The insurance, except for the limit of liability, will operate to give each insured the same protection as if there were a separate policy issued to each insured (a severability of interest clause).

8.3 Certificate of Insurance. On or before the Effective Date, EFS will provide Client with a certificate of insurance evidencing all coverages in compliance with the requirements of this Agreement.

8.4 EFS Insurance. At all times during the Term of this Agreement, EFS, at its own cost and expense, will maintain the following types of insurance:

(a) Workers' compensation insurance that provides applicable statutory benefits for all EFS's employees including, without limitation, Flight Support Personnel, performing services pursuant to this Agreement and includes broad form all states coverage; and

(b) Employer's liability insurance for bodily injury by accident or disease.

8.5 Cross Indemnities. Without limiting their respective obligations hereunder, each party (in each case, the "Indemnitor") hereby indemnifies and holds harmless the other party and its respective officers, directors, partners, employees, owners, managers, agents, and contractors (in each case, collectively, the "Indemnitee") for any claim, damage, loss, or reasonable expense, including reasonable attorneys' fees (an "Indemnified Loss"), resulting from bodily injury or

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property damage arising out of the maintenance or use of the Aircrafts by the Indemnitor or any of its officers, directors, partners, employees, owners, managers, agents, or contractors; provided, however, that no party will be liable for any Indemnified Loss to the extent:

(a) Such loss is covered by the insurance policies described in this Section 8 (the "Policies");

(b) Such loss is covered by the Policies, but the amount of such loss exceeds the policy limits specified by Client;

(c) Such loss consists of expenses incurred in connection with any loss covered in whole or in part by the Policies, but such expenses are not fully covered by the Policies; or

(d) Such loss is caused by the gross negligence or willful misconduct of the Indemnitee.

8.6 LIMITATION ON LIABILITY. EACH PARTY ACKNOWLEDGES AND AGREES THAT:

(a) THE PROCEEDS OF INSURANCE TO WHICH IT IS ENTITLED;

(b) ITS RIGHTS TO INDEMNIFICATION FROM THE OTHER PARTIES UNDER SECTION 8.5; AND

(c) ITS RIGHT TO DIRECT DAMAGES ARISING IN CONTRACT FROM A BREACH OF THE OTHER PARTIES' OBLIGATIONS UNDER THIS AGREEMENT

ARE THE SOLE REMEDIES FOR ANY DAMAGE, LOSS, OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY.

EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 8.6, EACH PARTY WAIVES ANY RIGHT TO RECOVER ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. IN NO EVENT SHALL A PARTY BE LIABLE FOR OR HAVE ANY DUTY FOR INDEMNIFICATION OR CONTRIBUTION TO ANOTHER PARTY FOR ANY CLAIMED INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, OR FOR ANY DAMAGES CONSISTING OF DAMAGES FOR LOSS OF USE, REVENUE, PROFIT, BUSINESS OPPORTUNITIES AND THE LIKE, OR DEPRECIATION OF VALUE OF THE AIRCRAFTS, OR INSURANCE DEDUCTIBLE, EVEN IF THE PARTY HAD BEEN ADVISED, OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

8.7 Survival. The provisions of Sections 8.5 and 8.6 will survive the termination or expiration of this Agreement.

8. Notification, Default, and Termination:

9.1 Notices. All notices or other communications delivered or given under this Agreement shall be in writing and shall be deemed to have been duly given if hand delivered or sent by nationally reputable overnight courier. Such notices shall be addressed to the parties at the addresses set forth above, or to such other address as may be designated by any party in a writing

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delivered to the other in the manner set forth in this Section 9.1. Notices shall be deemed received on the date on which hand delivered or one day following the date on which sent by nationally reputable overnight courier. Routine communications may be made by e-mail to the addresses as determined by the parties from time to time.

9.2 Default. This Agreement may be terminated immediately by the party not in default (without prejudice to any other rights that such party may have) upon written notice to the defaulting party in the event of any of the following:

(a) failure of the defaulting party to make payments due hereunder within five (5) days of a notice from the non-defaulting party that such payment was not timely made when due;

(b) except as provided in this Section 9.2 (c)-(f), violation or default of any term, obligation or condition of a non-monetary nature set forth in this Agreement, together with a failure to cure within ten (10) business days after receipt of written notice of such violation;

(c) breach of any material warranty or provision, or falsity of any material representation, made by Client or EFS in connection with this Agreement;

(d) if an Aircraft is operated by or maintained in violation of any law, regulation, directive or order of any governmental authority or in violation of any provision of any insurance policy contemplated by this Agreement;

(e) lapse of insurance coverage required to be kept in force by either party; or

(f) if Client or EFS shall make a general assignment for the benefit of creditors, or be declared insolvent or bankrupt under any bankruptcy, insolvency or other similar law, or commence a voluntary proceeding seeking liquidation, reorganization or other relief under any such law or seeking the appointment of a receiver or liquidator over any substantial portion of their respective assets.

9.3 Termination of Agreement. In the event of a termination of this Agreement, whether as a result of a default or the expiration of the Term or otherwise, EFS shall immediately return the Aircrafts to AP Aviation, LLC. The Aircrafts shall be delivered airworthy, clean and orderly at EFS's expense. Not later than fifteen (15) days after the effective date of the termination of this Agreement, a full accounting shall be made between EFS and Client and all accounts settled between the parties. In no event shall any termination affect the rights and obligations of the parties arising prior to the effective date of such termination.

9. Force Majeure:

Neither party will be deemed to be in breach of its obligations hereunder or have any liability for any delay, cancellation, or damage arising in whole or in part from any act of God, act of nature, acts of civil or military authority, civil unrest, war, terrorism, strike or labor dispute, lack of essential supplies or parts, or for any cause, whether similar or dissimilar to any of the foregoing, beyond the control of such party. The time required for any performance hereunder shall be extended by the duration of any such event(s).

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10. Miscellaneous:

11.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland determined without regard to its choice of law rules. If any provision of this Agreement conflicts with any statute or rule of law of the State of Maryland or is otherwise unenforceable, such provision shall be deemed null and void only to the extent of such conflict or unenforceability and shall be deemed separate from and shall not invalidate any other provision of this Agreement.

11.2 Headings. Captions and Section headings in this Agreement are inserted only as a matter of convenience, and in no way define, limit, extend or interpret the scope of this Agreement or of any Section of this Agreement.

11.3 Modification. This Agreement shall not be modified or amended, or any provision waived except by an instrument in writing signed by authorized representatives of the parties.

11.4 Successors and Assigns. Except as otherwise expressly provided in this Agreement, neither party shall have the right to assign this Agreement without the prior written consent of the other party. This Agreement shall be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

11.5 Counterparts. This Agreement may for all purposes be executed in several counterparts, each of which shall be deemed an original, and all such counterparts, taken together, shall constitute the same instrument, even though all parties may not have executed the same counterpart of this Agreement. This Agreement may be executed via digital or electronic signatures, which shall have the same force and effect as an original signature.

11.6 Venue. Any legal action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby may be instituted in any state or federal court in the State of Maryland. Each party waives any objection which such party may now or hereinafter have to the venue of Baltimore County, Maryland in any such action, suit or proceeding, and irrevocably submits to the jurisdiction of any such court in any such action, suit or proceeding.

11.7 Integration. This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other agreements, understandings, communications, representations or negotiations, whether oral or written, between the parties with respect to the operation, maintenance, repair, and management of the Aircrafts. There are no other agreements, representations or warranties, whether oral or written, express or implied, relating to the management of the Aircrafts that are not expressly set forth in this Agreement.

IN WITNESS WHEREOF, the parties have executed these Standard Terms and Conditions to the Professional Services Agreement this day of 2022.

EXECUTIVE FLIGHT SOLUTIONS, LLC

By: ___________________________
Title:
Date:

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SINCLAIR BROADCAST GROUP, INC.

By:
Title:
Date:

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SCHEDULE I

The per flight Professional Services Fees below will be set at a fixed rate for each Aircraft and shall be paid by Sinclair based on one hundred percent (100%) of flight hours logged by Sinclair on each of the Aircrafts, regardless of the use of the Aircrafts by any of the direct and indirect owners of Atlantic Automotive Group, Inc., Executive Flight Solutions, LLC (i.e. S&F Aviation, LLC and Steven B. Fader and David D. Smith), and all third-party charters.

During the initial Term, the fixed per flight hourly rate (including any time any of the Aircrafts are in being use by, or are in the service of, Sinclair or at all times any of the Aircrafts are traveling to and from a destination designated by Sinclair for passenger pick-up or drop-off) shall be as follows:

MANUFACTURER: Learjet
MODEL: Learjet 60
SERIAL NO.: 100
U.S. REGISTRATION NO.: N876SF

$3,250.00 per hour

MANUFACTURER: Learjet
MODEL: Learjet 60
SERIAL NO.: 193
U.S. REGISTRATION NO.: N876MA

$3,250.00 per hour

MANUFACTURER: Gulfstream Aerospace
MODEL: G-IV
SERIAL NO.: 1257
U.S. REGISTRATION NO.: N776MA

$6,500.00 per hour

Notwithstanding anything to the contrary contained in the Agreement, Sinclair shall be, in addition to the above per flight Professional Fees, responsible and pay for all ground transportation expenses and all variable expenses incurred during the term (e.g., out of the ordinary and customary catering charges and expenses, relocation fees associated with any of the Aircrafts during Sinclair's use and possession of said Aircrafts, non-EFS occasioned costs and expenses associated with delays in flights and takeoffs, etc.).

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Exhibit 21

SINCLAIR, BROADCAST GROUP, INC.
List of Subsidiaries as of March 1, 2023 February 29, 2024

Diamond Sports Topco, Sinclair Ventures, LLC (Delaware)
- Diamond Digital Group, LLC (Delaware)
- Diamond Sports Holdings, LLC (Delaware) *
  - Diamond Sports Intermediate Holdings A, LLC (Delaware) *
    - Diamond Sports Intermediate Holdings, LLC (Delaware)
      - Diamond Sports Finance Company (Delaware)
      - Diamond Sports Group, LLC (Delaware)
        - Sports Network, LLC (Delaware)
        - Sports Network II, LLC (Delaware)
        - Diamond Sports Net, LLC (Delaware)
          - Diamond Sports Finance SPV, LLC (Delaware)
          - Diamond Ohio Holdings, LLC (Delaware)
            - Diamond Ohio Holdings II, LLC (Delaware)
              - Fastball Sports Productions, LLC (Ohio)
              - Diamond Sports Net Ohio, LLC (Delaware)
              - Diamond Sports Net Cincinnati, LLC (Delaware) *
          - Diamond Sports Net West 2, LLC (Delaware)
          - Diamond Sports Net Arizona Holdings, LLC (Delaware)
            - Diamond Sports Net Arizona, LLC (Delaware)
          - Diamond College Sports, LLC (Delaware)
          - FRSM Holdings, LLC (Delaware)
            - Diamond Sports Net Detroit, LLC (Delaware)
          - Diamond Mobile Holdings, LLC (Delaware)
          - Sports Holding, LLC (Delaware

ARC Holdings Ltd. (Texas)
Diamond St. Louis Holdings, LLC (Delaware)
Diamond Sports Net St. Louis, LLC (Delaware) *
Diamond Sports Kansas City, LLC (Delaware) *
Diamond San Diego Holdings, LLC (Delaware)
SoCal SportsNet, LLC (Delaware) *
Diamond West Holdings, LLC (Delaware)
Diamond Sports Net West, LLC (Delaware) *
Diamond Southern Holdings, LLC (Colorado)
Diamond-BRV Southern Sports Holdings, LLC (Delaware)
SportSouth Network, LLC (Delaware)
SportSouth Network II, LLC (Delaware)
Sunshine Holdco, LLC (Delaware)
Diamond Sports Sun, LLC (Delaware)
Diamond Sports Net North, LLC (Delaware
Diamond Sports Net Florida, LLC (Delaware)
Diamond Sports Net Florida 2, LLC (Delaware)

KDSM, LLC (Maryland)

Keyser Capital, LLC (Maryland)

Keyser Capital II, LLC (Maryland)

SBG Gaming, LLC (Delaware)

Sinclair Investment Group, LLC (Maryland)
Sinclair-CVP, LLC (Maryland) *

Sinclair Television of Bakersfield, The Tennis Channel Holdings, Inc. (Delaware)
The Tennis Channel, LLC (Delaware)

Compulse Enterprises, Inc.
Sinclair Digital Agency, LLC (Maryland)

Sinclair Broadcast Group, LLC

Sinclair Television Group, Inc. (Maryland)

KDSM, LLC (Maryland)

Sinclair Television of Bakersfield, LLC (Delaware)

Action TV, LLC (Nevada)

Chesapeake Media I, LLC (Nevada)
KAME, LLC(Nevada)
KENV, LLC (Nevada)
KRNV, LLC (Nevada)
KRXI, LLC (Nevada)
KVCW, LLC (Nevada)
KVMY, LLC (Nevada)

Perpetual Corporation (Delaware)
Sinclair Television Stations, LLC (Delaware)
KATV, LLC (Delaware)
KTUL, LLC (Delaware)
Harrisburg Television, Inc. (Delaware)
ACC Licensee, LLC (Delaware)

Sinclair Acquisition VII, Inc. (Maryland)

Sinclair Acquisition VIII, Inc. (Maryland)

Sinclair Acquisition IX, Inc. (Maryland)

Sinclair Communications, LLC (Maryland)

Illinois Television, LLC (Maryland)
Sinclair Television of Illinois, LLC (Nevada)

KOKH LLC, (Nevada LLC)

Milwaukee Television, LLC (Wisconsin)

San Antonio Television, LLC (Delaware)

Sinclair Media III, Inc. (Maryland)

Sinclair Escrow, LLC (Maryland)

Sinclair Properties, LLC (Virginia)

Sinclair Television of El Paso, LLC (Delaware)

WGME, Inc. (Maryland)

WRDC, LLC (Nevada)

WSMH, Inc. (Maryland)

WUCW, LLC (Maryland)

Chesapeake Television Licensee, LLC (Maryland)

Sinclair Digital Group, LLC (Maryland)

Sinclair Digital Agency, LLC (Maryland)
Sinclair Digital News, LLC (Maryland)
ZypMedia, Inc. (Delaware)

Sinclair Media VI, Inc. (Delaware)

Sinclair Networks Group, LLC (Maryland)

Sinclair Programming Company, LLC (Maryland)

Sinclair Television of Fresno, LLC (Delaware)

Sinclair Television of Omaha, LLC (Delaware)

Sinclair Television of Seattle, Inc. (Washington)
Fisher Properties, Inc. (Washington)
Fisher Mills, Inc. (Washington)
Sinclair Television Media, Inc. (Washington)
Sinclair Broadcasting of Seattle, LLC (Delaware)
Sinclair Media of Boise, LLC (Delaware)
Sinclair Television of Portland, LLC (Delaware)
Sinclair Television of Oregon, LLC (Delaware)
Sinclair Radio of Seattle, LLC (Delaware)

Sinclair Media of Seattle, LLC (Delaware)
Sinclair Media of Washington, LLC (Delaware)
Sinclair Television of Washington, Inc. (Washington)

TBD TV, LLC (Nevada LLC)

The Tennis Channel Holdings, Inc. (Delaware)
The Tennis Channel, Inc. (Delaware)

* Not a wholly owned subsidiary.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-58135, 333-43047, 333-31569, 333-31571, 333-103528, 333-129615, 333-152884, 333-209476, 333-223723, 333-257503 and 333-265508) of Sinclair, Broadcast Group, Inc. Inc of our report dated March 1, 2023 February 29, 2024 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Baltimore, Maryland
March 1, 2023 February 29, 2024

EXHIBIT 31.1

CERTIFICATION

I, Christopher S. Ripley, certify that:

1. I have reviewed this annual report on Form 10-K of Sinclair, Broadcast Group, 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: March 1, 2023 February 29, 2024

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

EXHIBIT 31.2

CERTIFICATION

I, Lucy A. Rutishauser, certify that:

1. I have reviewed this annual report on Form 10-K of Sinclair, Broadcast Group, 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: March 1, 2023 February 29, 2024

Signature: /s/ Lucy A. Rutishauser
Lucy A. Rutishauser
Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION

I, Christopher S. Ripley, certify that:

1.I have reviewed this annual report on Form 10-K 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: February 29, 2024

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

EXHIBIT 31.4

CERTIFICATION

I, Lucy A. Rutishauser, certify that:

1.I have reviewed this annual report on Form 10-K 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: February 29, 2024

/s/ Lucy A. Rutishauser

Signature: Lucy A. Rutishauser

Chief Financial Officer

EXHIBIT 32.1

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 annual report on Form 10-K of Sinclair, Broadcast Group, Inc. (the "Company") for the year ending December 31, 2022 December 31, 2023 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

March 1, 2023 February 29, 2024

EXHIBIT 32.2

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 annual report on Form 10-K of Sinclair, Broadcast Group, Inc. (the "Company") for the year ending December 31, 2022 December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lucy A. Rutishauser, 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/ Lucy A. Rutishauser

Lucy A. Rutishauser

Chief Financial Officer

March 1, 2023 February 29, 2024

EXHIBIT 32.3

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 annual report on Form 10-K of Sinclair Broadcast Group, LLC (the “Company”) for the year ending December 31, 2023 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

February 29, 2024

EXHIBIT 32.4

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 annual report on Form 10-K of Sinclair Broadcast Group, LLC (the “Company”) for the year ending December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lucy A. Rutishauser, 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/ Lucy A. Rutishauser

Lucy A. Rutishauser

Chief Financial Officer

February 29, 2024

Exhibit 97.1

INCENTIVE-BASED COMPENSATION CLAWBACK POLICY

1. Purpose

The Board of Directors (the "**Board**") of Sinclair, Inc., a Maryland corporation (the "**Company**"), has adopted this Incentive-Based Compensation Recoupment Policy (this "**Policy**") to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as codified by Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the applicable Nasdaq Stock Market LLC (the "**NASDAQ**") listing rules. This Policy provides for the Company's recoupment of Incentive-Based Compensation paid erroneously to Covered Executives in the event of a Restatement. Capitalized terms will have the meanings set forth in Section 11.

2. Administration

This Policy will be administered by the Compensation Committee of the Board (the "**Committee**"). The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. This Policy will be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act, any applicable rules or standards adopted by the Securities and Exchange Commission (the "**SEC**") and NASDAQ listing rules. Any determinations made by the Committee will be final and binding on all affected individuals.

3. Recoupment of Incentive-Based Compensation

In the event the Company is required to prepare a Restatement, the Committee will require that the Covered Executive promptly repay or forfeit to the Company, on a pre-tax basis, the full amount of: (a) the amount of any Incentive-Based Compensation received by the Covered Executive that was calculated based on the erroneous data in the original financial statements that were subsequently restated, less (b) the amount of such Incentive-Based Compensation to which the Covered Executive would have been entitled to receive based on the restated financial statements (such excess amount, the "**Recoverable Incentive-Based Compensation**").

In the case of compensation based on stock price or total shareholder return, the amount subject to recoupment will be based on a reasonable estimate of the effect of the Restatement on the Company's stock price or total shareholder return upon which the Incentive-Based Compensation was received.

Such recoupment will apply on a "no-fault" basis—that is, regardless of whether any misconduct occurred or a Covered Executive officer's responsibility for the Restatement. In addition, the Company's obligation to recoup Recoverable Incentive-Based Compensation is not dependent on if or when restated financial statements are filed with the SEC.

4. Recoupment Methods

The Committee will determine, in its reasonable discretion, the method or methods for recouping Recoverable Incentive-Based Compensation pursuant to this Policy. The Committee will have no obligation to apply the same method of recoupment to each affected Covered Executive in connection with any Restatement.

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5. Exceptions to Recovery for Impracticability

The Committee will recover any Recoverable Incentive-Based Compensation unless such recovery would be impracticable, as determined in good faith by the Committee.

Specifically, no recovery will be required pursuant to this Policy if: (a) the direct expense paid to a third-party to assist in enforcing this Policy would exceed the amount of the Recoverable Incentive-Based Compensation and the Company (i) makes a reasonable attempt to recover the Recoverable Incentive-Based Compensation and (ii) documents such reasonable attempts, which documentation will be provided to the NASDAQ, or (b) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

6. Notice

The Company will provide notice of this Policy to each Covered Executive. In addition, before the Company takes any action to seek recovery of Recoverable Incentive-Based Compensation ("**clawback**") pursuant to this Policy or any other action provided for hereunder against a Covered Executive, the Company will provide reasonable notice of such clawback or other action. Notwithstanding anything to the contrary contained herein, the Company's failure to provide notice will have no impact on the applicability or enforceability of this Policy.

7. Other Recoupment Rights

Any rights or remedies under this Policy are in addition to, and not in lieu of, any other rights or remedies that the Company may have pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement, and any other legal rights and remedies available to the Company, or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities.

8. Amendment

The Committee may amend this Policy from time to time in its discretion, and will amend this Policy as it deems necessary to reflect the regulations adopted by the SEC under Section 10D of the Exchange Act and to comply with any rules or standards adopted by the NASDAQ or any other national securities exchange on which the Company's securities are then listed.

9. Indemnification or Reimbursement

Neither the Company nor any of its affiliates will: (a) indemnify any Covered Executive against the loss of any incorrectly awarded Incentive-Based Compensation or (b) pay or reimburse any Covered Executive for premiums incurred or paid for any insurance policy to fund such Covered Executive's potential recovery obligations.

10. Effective Date

This Policy was adopted by the Board on October 31, 2023, and applies to Incentive-Based Compensation that is granted, earned, or vested by Covered Executives on or after October 2, 2023 (the "**Effective Date**"). For the avoidance of doubt, this Policy will not apply to Incentive-Based Compensation that was received by a Covered Executive prior to the Effective Date.

11. Definitions

For purposes of this Policy:

(a) "**Covered Executive**" means current and former executive officers who are, or were at any time, during an applicable Covered Period, executive officers as defined in Rule 10D-1(d) of the

Exchange Act, the same definition used to determine the Company's officers obligated to file Exchange Act section 16(a) beneficial ownership reports. Subsequent changes in a Covered Executive's employment status, including retirement or termination of employment (including after serving in an interim capacity), do not affect the Company's rights to recover Incentive-Based Compensation pursuant to this Policy.

(b) "**Covered Period**" means the three (3) completed fiscal years immediately preceding the earlier of: (i) the date the Board, a Board committee, or officer(s) authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that a Restatement is required, or (ii) the date a court, regulator, or other legally authorized body directs the Company to undertake a Restatement. For purposes of clause (ii), the date of the initial court order or other regulatory agency action would be the measurement date for the Covered Period, but the application of this Policy would occur only after such order is final and non-appealable. The Covered Period also includes any transition period that results from a change in the Company's fiscal year within or immediately following such three (3) completed fiscal years. For the avoidance of doubt, this Policy will not apply to Incentive-Based Compensation that was received by a Covered Executive prior to the Effective Date.

(c) A "**financial reporting measure**" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures, including, but not limited to, stock price and total shareholder return. For the avoidance of doubt, (i) financial reporting measures include non-GAAP financial measures for purposes of Regulation G of the Exchange Act, as well as other measures, metrics and ratios that are not non-GAAP measures, and (ii) financial reporting measures may or may not be included in a filing with the SEC, and may be presented outside the financial statements.

(d) “**GAAP**” means U.S. Generally Accepted Accounting Principles.

(e) “**Incentive-Based Compensation**” means any compensation that is granted, earned, or vested on or after the Effective Date based wholly or in part upon the attainment of a financial reporting measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. Examples of compensation that is not Incentive-Based Compensation include, but are not limited to: (i) salary (except to the extent that a Covered Executive receives a salary increase earned wholly or in part based on the attainment of a financial reporting measure performance goal), (ii) bonuses paid solely at the discretion of the Board or the Committee that are not paid from a “bonus pool” that is determined by satisfying a financial reporting measure performance goal, (iii) bonuses awarded based solely on completion of a specified period of service, (iv) bonuses awarded based solely on subjective standards, strategic measures, or operational measures, or (v) equity awards for which the grant is not contingent upon achieving any financial reporting measure performance goal and vesting is contingent solely upon completion of a specified service period and/or attaining one or more nonfinancial reporting measures.

(f) Incentive-Based Compensation will be deemed to have been “**received**” during the fiscal period during which the financial reporting measure specified in the compensation award is attained, even if the grant or payment of such Incentive-Based Compensation occurs after the end of such fiscal period.

(g) “**Restatement**” means an accounting restatement of the Company’s financial statements due to the Company’s material non-compliance with any financial reporting requirement under the U.S. federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (often referred to as a “Big R” restatement), or that would result in a material misstatement if the correction of the error was recognized in the current period or left uncorrected in the current period (often referred to as a “little R” restatement).