UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period from to .

COMMISSION FILE NUMBER:

333-271072 (Sinclair, Inc.)

000-26076 (Sinclair Broadcast Group, LLC)

Sinclair, Inc.
Sinclair Broadcast Group, LLC

(Exact name of Registrant as specified in its charter)

Maryland	**92-1076143 (Sinclair, Inc.)**
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, Maryland 21030

(Address of principal executive office, zip code)

(410) 568-1500

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

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

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

Securities registered by Sinclair Broadcast Group, LLC pursuant to Section12(b) of the Act: None

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation 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 file).

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

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

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

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

Sinclair, Inc.	☐
Sinclair Broadcast Group, LLC	☐

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

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

As of November 6, 2024, there were 42,645,544 shares of Sinclair, Inc. Class A Common Stock outstanding and 23,775,056 shares of Sinclair, Inc. Class B Common Stock outstanding.

GENERAL

This combined report on Form 10-Q is filed by both Sinclair, Inc. ("Sinclair") and Sinclair Broadcast Group, LLC ("SBG"). Certain information contained in this document relating to SBG is filed by Sinclair and separately by SBG. SBG makes no representation as to information relating to Sinclair or its subsidiaries, except as it may relate to SBG and its subsidiaries. References in this report to "we," "us," "our," the "Company," and similar terms refer to Sinclair and its consolidated subsidiaries, including SBG, unless context indicates otherwise. 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 (the "Securities Act"), and Section 21E of the Exchange Act, and the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about us, including, among other things, the following risks. All risk factors are deemed to be related to both Sinclair and its subsidiaries, including SBG. Any risks only applicable to Sinclair are denoted as such.

Industry risks

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

Regulatory risks

- The Federal Communications Commission ("FCC") task force appointed to help ensure a smoother roll-out of NextGen TV could impact business-use cases for the NextGen TV technology and the timeframe for the discontinuance of ATSC 1.0;
- the potential for additional governmental regulation of broadcasting or changes in those regulations and court actions interpreting those regulations, including ownership regulations limiting over-the-air television's ability to compete effectively (including regulations relating to joint sales agreements ("JSA"), shared services agreements ("SSA"), cross ownership rules, the national ownership cap, and the UHF discount), arbitrary enforcement by the FCC including indecency regulations, retransmission consent regulations, and political or other advertising restrictions, such as payola rules;
- the impact of FCC and Congressional efforts which may restrict a television station's retransmission consent negotiations;
- the impact of FCC rules requiring broadcast stations to publish, among other information, political advertising rates online;
- the potential impact from changes in lowest unit rate applicability associated with political advertising spots;
- our ability to obtain regulatory approval for transactions related to FCC licenses;
- the potential impact from changes in industry ownership and multicast rules;
- our ability to execute on our initiatives and goals related to environmental, social and governance ("ESG") matters and the increasing legal and regulatory focus on ESG by numerous jurisdictions with varying requirements; and
- the impact of foreign government rules related to digital and online assets.

Risks specific to us

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

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

General risks

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

Other matters set forth in this report, including the *Risk Factors* set forth in Item 1A of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2023, may also cause actual results in the future to differ materially from those described in the forward-looking statements. However, additional factors and risks not currently known to us or that we currently deem immaterial may also cause actual results in the future to differ materially from those described in the forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In light of these risks, uncertainties, and assumptions, events described in the forward-looking statements discussed in this report might not occur.

PART I. FINANCIAL INFORMATION

SINCLAIR, INC.
SINCLAIR BROADCAST GROUP, LLC

FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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ITEM 1. FINANCIAL STATEMENTS

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

ITEM 1A. FINANCIAL STATEMENTS OF SINCLAIR, INC.

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

	As of September 30, 2024	As of December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 536	$ 662
Accounts receivable, net of allowance for doubtful accounts of $5 and $4, respectively	617	616
Income taxes receivable	7	8
Prepaid expenses and other current assets	195	189
Total current assets	1,355	1,475
Property and equipment, net	712	715
Operating lease assets	128	142
Goodwill	2,082	2,082
Indefinite-lived intangible assets	150	150
Customer relationships, net	318	369
Other definite-lived intangible assets, net	348	410
Other assets	692	742
Total assets (a)	$ 5,785	$ 6,085
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 479	$ 913
Current portion of notes payable, finance leases, and commercial bank financing	38	36
Current portion of operating lease liabilities	22	21
Current portion of program contracts payable	85	76
Other current liabilities	85	57
Total current liabilities	709	1,103
Notes payable, finance leases, and commercial bank financing, less current portion	4,093	4,139
Operating lease liabilities, less current portion	135	152
Program contracts payable, less current portion	16	14
Deferred tax liabilities	288	252
Other long-term liabilities	195	204
Total liabilities (a)	5,436	5,864
Commitments and contingencies (See Note 5)		
Shareholders' equity:		
Class A Common Stock, $.01 par value, 500,000,000 shares authorized, 42,584,090 and 39,737,682 shares issued and outstanding, respectively	1	1
Class B Common Stock, $.01 par value, 140,000,000 shares authorized, 23,775,056 and 23,775,056 shares issued and outstanding, respectively, convertible into Class A Common Stock	—	—
Additional paid-in capital	565	517
Accumulated deficit	(149)	(234)
Accumulated other comprehensive (loss) income	(2)	1
Total Sinclair shareholders' equity	415	285
Noncontrolling interests	(66)	(64)
Total equity	349	221
Total liabilities and equity	$ 5,785	$ 6,085

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

(a) Our consolidated total assets as of September 30, 2024 and December 31, 2023 include total assets of variable interest entities ("VIE") of $76 million and $85 million, respectively, which can only be used to settle the obligations of the VIEs. Our consolidated total liabilities as of both September 30, 2024 and December 31, 2023 include total liabilities of VIEs of $17 million for which the creditors of the VIEs have no recourse to us. See *Note 8. Variable Interest Entities.*

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
REVENUES:				
Media revenues	$ 908	$ 758	$ 2,519	$ 2,285
Non-media revenues	9	9	25	23
Total revenues	917	767	2,544	2,308
OPERATING EXPENSES:				
Media programming and production expenses	414	400	1,247	1,211
Media selling, general and administrative expenses	201	176	591	557
Amortization of program costs	18	18	55	59
Non-media expenses	14	15	39	36
Depreciation of property and equipment	26	24	76	80
Corporate general and administrative expenses	41	45	149	165
Amortization of definite-lived intangible assets	37	42	113	124
Loss on deconsolidation of subsidiary	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(13)	—	(11)	11
Total operating expenses	738	730	2,259	2,253
Operating income	179	37	285	55
OTHER INCOME (EXPENSE):				
Interest expense including amortization of debt discount and deferred financing costs	(78)	(77)	(230)	(227)
Gain on extinguishment of debt	—	4	1	15
Income from equity method investments	—	—	92	30
Other income (expense), net	24	(21)	22	(48)
Total other expense, net	(54)	(94)	(115)	(230)
Income (loss) before income taxes	125	(57)	170	(175)
INCOME TAX (PROVISION) BENEFIT	(29)	12	(30)	236
NET INCOME (LOSS)	96	(45)	140	61
Net loss attributable to the redeemable noncontrolling interests	—	—	—	4
Net income attributable to the noncontrolling interests	(2)	(1)	(6)	(15)
NET INCOME (LOSS) ATTRIBUTABLE TO SINCLAIR	$ 94	$ (46)	$ 134	$ 50
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:				
Basic earnings per share	$ 1.43	$ (0.74)	$ 2.06	$ 0.75
Diluted earnings per share	$ 1.43	$ (0.74)	$ 2.05	$ 0.75
Basic weighted average common shares outstanding (in thousands)	66,355	63,325	65,570	65,670
Diluted weighted average common and common equivalent shares outstanding (in thousands)	66,526	63,325	65,709	65,727

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 96	$ (45)	$ 140	$ 61
Unrealized (loss) gain on interest rate swap, net of tax	(8)	2	(3)	8
Comprehensive income (loss)	88	(43)	137	69
Comprehensive loss attributable to the redeemable noncontrolling interests	—	—	—	4
Comprehensive income attributable to the noncontrolling interests	(2)	(1)	(6)	(15)
Comprehensive income (loss) attributable to Sinclair	$ 86	$ (44)	$ 131	$ 58

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

SINCLAIR, INC.

CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NONCONTROLLING INTERESTS

(in millions, except share and per share data) (Unaudited)

Three Months Ended September 30, 2023

	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock						
	Shares	Values	Shares	Values	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
BALANCE, June 30, 2023	39,274,843	$ 1	23,775,056	$ —	$ 510	$ 184	$ 7	$ (61)	$ 641
Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	(16)	—	—	(16)
Class A Common Stock issued pursuant to employee benefit plans	374,416	—	—	—	4	—	—	—	4
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(2)	(2)
Other comprehensive income	—	—	—	—	—	—	2	—	2
Net (loss) income	—	—	—	—	—	(46)	—	1	(45)
BALANCE, September 30, 2023	39,649,259	$ 1	23,775,056	$ —	$ 514	$ 122	$ 9	$ (62)	$ 584

Nine Months Ended September 30, 2023

		Sinclair Shareholders								
		Class A Common Stock		Class B Common Stock						
	Redeemable Noncontrolling Interests	Shares	Values	Shares	Values	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
BALANCE, December 31, 2022	$ 194	45,847,879	$ 1	23,775,056	$ —	$ 624	$ 122	$ 1	$ (67)	$ 681
Dividends declared and paid on Class A and Class B Common Stock ($0.75 per share)	—	—	—	—	—	—	(50)	—	—	(50)
Repurchases of Class A Common Stock	—	(8,785,022)	—	—	—	(153)	—	—	—	(153)
Class A Common Stock issued pursuant to employee benefit plans	—	2,586,402	—	—	—	43	—	—	—	43
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(10)	(10)
Other comprehensive income	—	—	—	—	—	—	—	8	—	8
Redemption of redeemable subsidiary preferred equity, net	(190)	—	—	—	—	—	—	—	—	—
Net (loss) income	(4)	—	—	—	—	—	50	—	15	65
BALANCE, September 30, 2023	$ —	39,649,259	$ 1	23,775,056	$ —	$ 514	$ 122	$ 9	$ (62)	$ 584

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

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

	Three Months Ended September 30, 2024								
	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock				Accumulated Other		
	Shares	Values	Shares	Values	Additional Paid-In Capital	Accumulated Deficit	Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
BALANCE, June 30, 2024	42,505,771	$ 1	23,775,056	$ —	$ 560	$ (227)	$ 6	$ (65)	$ 275
Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	(16)	—	—	(16)
Class A Common Stock issued pursuant to employee benefit plans	78,319	—	—	—	5	—	—	—	5
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(3)	(3)
Other comprehensive loss	—	—	—	—	—	—	(8)	—	(8)
Net income	—	—	—	—	—	94	—	2	96
BALANCE, September 30, 2024	42,584,090	$ 1	23,775,056	$ —	$ 565	$ (149)	$ (2)	$ (66)	$ 349

	Nine Months Ended September 30, 2024								
	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock				Accumulated Other		
	Shares	Values	Shares	Values	Additional Paid-In Capital	Accumulated Deficit	Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
BALANCE, December 31, 2023	39,737,682	$ 1	23,775,056	$ —	$ 517	$ (234)	$ 1	$ (64)	$ 221
Dividends declared and paid on Class A and Class B Common Stock ($0.75 per share)	—	—	—	—	—	(49)	—	—	(49)
Class A Common Stock issued pursuant to employee benefit plans	2,846,408	—	—	—	48	—	—	—	48
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(8)	(8)
Other comprehensive loss	—	—	—	—	—	—	(3)	—	(3)
Net income	—	—	—	—	—	134	—	6	140
BALANCE, September 30, 2024	42,584,090	$ 1	23,775,056	$ —	$ 565	$ (149)	$ (2)	$ (66)	$ 349

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

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

	Nine Months Ended September 30,	
	2024	**2023**
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES:		
Net income	$ 140	$ 61
Adjustments to reconcile net income to net cash flows (used in) from operating activities:		
Amortization of definite-lived intangible and other assets	113	124
Depreciation of property and equipment	76	80
Amortization of program costs	55	59
Stock-based compensation	45	42
Deferred tax provision (benefit)	36	(237)
(Gain) loss on asset dispositions and other, net of impairment	(7)	11
Loss on deconsolidation of subsidiary	—	10
Income from equity method investments	(92)	(30)
Loss from investments	5	78
Distributions from investments	3	31
Gain on extinguishment of debt	(1)	(15)
Change in assets and liabilities, net of acquisitions:		
(Increase) decrease in accounts receivable	(5)	11
Decrease (increase) in prepaid expenses and other current assets	10	(39)
(Decrease) increase in accounts payable and accrued and other current liabilities	(408)	22
Net change in net income taxes payable/receivable	(11)	(2)
Decrease in program contracts payable	(61)	(68)
Other, net	2	5
Net cash flows (used in) from operating activities	(100)	143
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(61)	(70)
Purchases of investments	(41)	(44)
Distributions and proceeds from investments	185	205
Other, net	3	6
Net cash flows from investing activities	86	97
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Repayments of notes payable, commercial bank financing, and finance leases	(52)	(76)
Repurchase of outstanding Class A Common Stock	—	(153)
Dividends paid on Class A and Class B Common Stock	(49)	(50)
Repurchase of redeemable subsidiary preferred equity	—	(190)
Distributions to noncontrolling interests, net	(8)	(10)
Other, net	(3)	(2)
Net cash flows used in financing activities	(112)	(481)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(126)	(241)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	662	884
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ 536	$ 643

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

SINCLAIR, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Operations

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

For the quarter ended September 30, 2024, we had two reportable segments: local media and tennis. The local media segment consists primarily of our 185 broadcast television stations in 86 markets, which we own, provide programming and operating services pursuant to agreements commonly referred to as local marketing agreements ("LMA"), or provide sales services and other non-programming operating services pursuant to other outsourcing agreements (such as joint sales agreements ("JSA") and shared services agreements ("SSA")). These stations broadcast 638 channels as of September 30, 2024. For the purpose of this report, these 185 stations and 638 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.

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 8. Variable Interest Entities* for more information on our VIEs.

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

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"). 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 Ventures, a new indirect wholly-owned subsidiary of Sinclair. 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.

Interim Financial Statements

The consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 are unaudited. In the opinion of management, such financial statements have been presented on the same basis as the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the consolidated balance sheets, consolidated statements of operations, consolidated statements of comprehensive income (loss), consolidated statements of equity and redeemable noncontrolling interests, and consolidated statements of cash flows for these periods as adjusted for the adoption of recent accounting pronouncements.

As permitted under the applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), the consolidated financial statements do not include all disclosures normally included with audited consolidated financial statements and, accordingly, should be read together with the audited consolidated financial statements and notes thereto in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC. The consolidated statements of operations presented in the accompanying consolidated financial statements are not necessarily representative of operations for an entire year.

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. We adopted this guidance during the first quarter of 2023. The impact of the adoption did not 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.

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

Broadcast Television Programming

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

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

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

Hedge Accounting

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

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

Non-cash Investing and Financing Activities

Leased assets obtained in exchange for new operating lease liabilities were $ 4 million for both the nine months ended September 30, 2024 and 2023. Leased assets obtained in exchange for new finance lease liabilities were $17 million for the nine months ended September 30, 2024. Non-cash investing activities included property and equipment purchases of $5 million for both the nine months ended September 30, 2024 and 2023.

Revenue Recognition

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

For the three months ended September 30, 2024	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	$ 383	$ 51	$ —	$ —	$ 434
Core advertising revenue	283	8	9	(5)	295
Political advertising revenue	138	—	—	—	138
Other media, non-media, and intercompany revenues	41	1	10	(2)	50
Total revenues	$ 845	$ 60	$ 19	$ (7)	$ 917

For the nine months ended September 30, 2024	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	$ 1,151	$ 154	$ —	$ —	$ 1,305
Core advertising revenue	852	32	24	(13)	895
Political advertising revenue	202	—	—	—	202
Other media, non-media, and intercompany revenues	117	4	30	(9)	142
Total revenues	$ 2,322	$ 190	$ 54	$ (22)	$ 2,544

For the three months ended September 30, 2023	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	$ 365	$ 49	$ —	$ —	$ 414
Core advertising revenue	281	9	6	(3)	293
Political advertising revenue	11	—	—	—	11
Other media, non-media, and intercompany revenues	40	1	11	(3)	49
Total revenues	$ 697	$ 59	$ 17	$ (6)	$ 767

For the nine months ended September 30, 2023	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	$ 1,118	$ 140	$ —	$ —	$ 1,258
Core advertising revenue	861	32	18	(9)	902
Political advertising revenue	20	—	—	—	20
Other media, non-media, and intercompany revenues	102	2	30	(6)	128
Total revenues	$ 2,101	$ 174	$ 48	$ (15)	$ 2,308

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

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

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

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

Deferred Revenue. We record deferred revenue when cash payments are received or due in advance of our performance, including amounts which are refundable. We classify deferred revenue as either current in other current liabilities or long-term in other long-term liabilities in our consolidated balance sheets based on the timing of when we expect to satisfy our performance obligations. Deferred revenue was $189 million and $178 million as of September 30, 2024 and December 31, 2023, respectively, of which $109 million and $124 million, respectively, was reflected in other long-term liabilities in our consolidated balance sheets. Deferred revenue recognized for the nine months ended September 30, 2024 and 2023, included in the deferred revenue balance as of December 31, 2023 and 2022, was $40 million and $44 million, respectively.

For the three months ended September 30, 2024, one customer accounted for 10% of our total revenues. For the nine months ended September 30, 2024, two customers accounted for 11% and 10%, respectively, of our total revenues. For the three months ended September 30, 2023, two customers accounted for 11% and 10%, respectively, of our total revenues. For the nine months ended September 30, 2023, two customers accounted for 11% and 10%, respectively, of our total revenues. As of September 30, 2024, three customers accounted for 11%, 10%, and 10%, respectively, of our accounts receivable, net. As of December 31, 2023, two customers accounted for 10% and 10%, respectively, of our accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

Income Taxes

Our income tax provision for all periods consists of federal and state income taxes. The tax provision for the three and nine months ended September 30, 2024 and 2023 is based on the estimated effective tax rate applicable for the full year after taking into account discrete tax items and the effects of the noncontrolling interests. We provide a valuation allowance for deferred tax assets if we determine that it is more likely than not that some or all of the deferred tax assets will not be realized. In evaluating our ability to realize net deferred tax assets, we consider all available evidence, both positive and negative, including our past operating results, tax planning strategies, current and cumulative losses, and forecasts of future taxable income. In considering these sources of taxable income, we must make certain judgments that are based on the plans and estimates used to manage our underlying businesses on a long-term basis. A valuation allowance has been provided for deferred tax assets related to a substantial amount of our available state net operating loss carryforwards based on past operating results, expected timing of the reversals of existing temporary basis differences, alternative tax strategies, and projected future taxable income.

Our effective income tax rate for the three months ended September 30, 2024 was greater than the statutory rate primarily due to non-deductible expenses. Our effective income tax rate for the nine months ended September 30, 2024 was less than the statutory rate primarily due to an immaterial $7.5 million correcting adjustment related to the accrual of interest income attributable to prior years' pending income tax refund claims. Our effective income tax rate for the three months ended September 30, 2023 approximated the statutory rate. Our effective income tax rate for the nine months ended September 30, 2023 was greater than the statutory rate primarily due to a release of the 2023 valuation allowance on deferred tax assets relating to deductibility of interest expense under the Internal Revenue Code Section 163(j) ("IRC Section 163(j)") as a result of the change in the tax classification of the legal entity owning the DSG business from a partnership to disregarded entity because of the exit of the sole minority investor.

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

Reclassifications

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

Subsequent Events

In November 2024, our Board of Directors declared a quarterly dividend of $ 0.25 per share, payable on December 16, 2024 to holders of record at the close of business on December 2, 2024.

2. OTHER ASSETS:

Other assets as of September 30, 2024 and December 31, 2023 consisted of the following (in millions):

	As of September 30, 2024	As of December 31, 2023
Equity method investments	$ 82	$ 128
Other investments	349	387
Income tax receivable	143	131
Post-retirement plan assets	47	45
Other	71	51
Total other assets	$ 692	$ 742

Equity Method Investments

We have a portfolio of investments, including our investment in Diamond Sports Intermediate Holdings LLC ("DSIH"), and also a number of entities that are primarily focused on the development of real estate and other media and non-media businesses. During the nine months ended September 30, 2024, we sold one of our other media investments which had a book value of $37 million as of December 31, 2023 for proceeds of $ 130 million and recognized a gain of $93 million. No investments were individually significant for the periods presented.

Diamond Sports Intermediate Holdings LLC. We account for our equity interest in DSIH under the equity method of accounting. For the three and nine months ended September 30, 2024 and 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.

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").

As of September 30, 2024 and December 31, 2023, we held $ 214 million and $162 million, respectively, in investments measured at fair value. As of September 30, 2024 and December 31, 2023, we held $104 million and $189 million, respectively, in investments measured at NAV. We recognized a fair value adjustment gain of $15 million and a loss of $28 million for the three and nine months ended September 30, 2024, respectively, and fair value adjustment losses of $26 million and $74 million for the three and nine months ended September 30, 2023, respectively, associated with these investments, which are reflected in other income (expense), net in our consolidated statements of operations. As of September 30, 2024 and December 31, 2023, our unfunded commitments related to our investments valued using the NAV practical expedient totaled $61 million and $74 million, respectively.

Investments accounted for utilizing the measurement alternative were $31 million and $36 million as of September 30, 2024 and December 31, 2023, respectively. We recorded a $2 million impairment related to one investment for the nine months ended September 30, 2024 and a $ 6 million impairment related to one investment for the nine months ended September 30, 2023, which are reflected in other income (expense), net in our consolidated statements of operations.

Note Receivable

We were 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. 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. The A/R Facility was terminated on March 14, 2024.

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

Bank Credit Agreement and Notes

The bank credit agreement of Sinclair Television Group, Inc. ("STG"), a wholly-owned subsidiary of SBG (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, which 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 utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of September 30, 2024, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. As of September 30, 2024, the STG first lien leverage ratio was below 4.5x. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of September 30, 2024.

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

Finance Leases to Affiliates

The current portion of notes payable, finance leases, and commercial bank financing in our consolidated balance sheets includes finance leases to affiliates of $3 million and $2 million as of September 30, 2024 and December 31, 2023, respectively. Notes payable, finance leases, and commercial bank financing, less current portion, in our consolidated balance sheets includes finances leases to affiliates of $9 million and $5 million as of September 30, 2024 and December 31, 2023, respectively. See *Note 9. Related Person Transactions.*

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

STG jointly, severally, unconditionally, and irrevocably guaranteed $ 2 million of debt of certain third parties as of both September 30, 2024 and December 31, 2023, all of which related to consolidated VIEs and is included in our consolidated balance sheets as of both September 30, 2024 and December 31, 2023. We have also provided a guarantee that requires us to provide funding to Marquee regional sports network ("Marquee") if Marquee's free cash flow generated in the applicable year and its existing cash balance are insufficient to allow Marquee to make certain payments under certain of Marquee's agreements with affiliates of the Chicago Cubs, an affiliate of which is also a co-owner of Marquee. The funding obligation under the guarantee is subject to a maximum annual amount of $117 million with annual escalations of 4% for the next five years. We have determined that, as of September 30, 2024, it is not probable that we would have to perform under any of these guarantees. See *Note 5. Commitments and Contingencies* for additional information.

Interest Rate Swap

We entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of our exposure to variable interest rates. The swap agreement has a notional amount of $600 million, bears a fixed interest rate of 3.9%, and we receive a floating rate of interest based on SOFR. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further discussion. As of September 30, 2024 and December 31, 2023, the fair value of the interest rate swap was a liability of $3 million and an asset of $1 million, respectively, which are recorded in other current liabilities and other assets, respectively, in our consolidated balance sheets.

4. 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 previously consisted of the following:

Redeemable Subsidiary Preferred Equity. On August 23, 2019, Diamond Sports Holdings LLC ("DSH"), an indirect parent of Diamond Sports Group, LLC ("DSG") and indirect wholly-owned subsidiary of the Company, issued preferred equity (the "Redeemable Subsidiary Preferred Equity").

On February 10, 2023, we 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.

Dividends accrued for the nine months ended September 30, 2023 were $ 3 million and are reflected in net loss attributable to the redeemable noncontrolling interests in our consolidated statements of operations. Dividends accrued for the nine months ended September 30, 2023 were paid-in-kind and added to the liquidation preference, which was partially offset by certain required cash tax distributions.

5. COMMITMENTS AND CONTINGENCIES:

Litigation, Claims, and Regulatory Matters

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

FCC Matters

On May 22, 2020, the Federal Communications Commission ("FCC") released an Order and Consent Decree pursuant to which the Company agreed to pay $48 million to resolve the matters covered by a Notice of Apparent Liability for Forfeiture ("NAL") issued in December 2017 proposing a $ 13 million fine for alleged violations of the FCC's sponsorship identification rules by the Company and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with the Company's proposed acquisition of Tribune, and a retransmission related matter. The Company submitted the $48 million payment on August 19, 2020. As part of the consent decree, the Company also agreed to implement a 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. The consent decree expired on May 29, 2024.

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 FCC to dismiss the proceeding or, alternatively, to reduce the proposed forfeiture to $ 25,000 per station. On July 28, 2021, the FCC issued a forfeiture order in which the $0.5 million penalty was upheld for all but one station. A Petition for Reconsideration of the forfeiture order was filed on August 7, 2021. On March 14, 2022, the FCC released a Memorandum Opinion and Order and Order on Reconsideration, which reaffirmed the forfeiture order, and dismissed (and in the alternative, denied) the Petition for Reconsideration, and stated that because the fines were not paid within the period stated in the July 2021 forfeiture order the FCC may refer the case to the U.S. Department of Justice ("DOJ") for enforcement of the forfeiture pursuant to Section 504 of the Communications Act. Our understanding is that enforcement remains pending. The Company is not a party to this forfeiture order; 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 September 30, 2024, we have accrued $3.4 million. On October 21, 2022, the Company filed a written response seeking reduction of the proposed fine amount. On September 6, 2024, the FCC denied the Company's request for reduction of the fine (and similar requests filed by certain other licensees) and issued a forfeiture order imposing the fine as proposed in the NAL. The Company and all other affected licensees filed a joint petition for reconsideration of the forfeiture order on October 7, 2024 and the matter remains pending.

Other Matters

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

The Company is aware of twenty-two putative class action lawsuits that were filed against the Company following published reports of the DOJ investigation into the exchange of pacing data within the industry. On October 3, 2018, these lawsuits were consolidated in the Northern District of Illinois. The consolidated action alleges that the Company and thirteen other broadcasters conspired to fix prices for commercials to be aired on broadcast television stations throughout the United States and engaged in unlawful information sharing, in violation of the Sherman Antitrust Act. The consolidated action seeks damages, attorneys' fees, costs and interest, as well as injunctions against adopting practices or plans that would restrain competition in the ways the plaintiffs have alleged. The Court denied the defendants' motion to dismiss on November 6, 2020. Discovery commenced shortly after that and is continuing. 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 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 and certain officers of SBG and STG, as defendants.

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

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

As described under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* we have provided a guarantee that requires us to provide funding to Marquee under certain circumstances. On July 19, 2024, Marquee sent us a funding notice seeking $29 million under the Marquee guarantee by August 1, 2024 purportedly to make payments under certain agreements to affiliates of the Chicago Cubs, an affiliate of which is also a co-owner of Marquee. Based on the information provided to us by Marquee, Marquee has sufficient cash to make such payments without funding under the Marquee guarantee. For this and other reasons, we do not believe we are contractually required to provide funding under the Marquee guarantee at this time and have so informed Marquee. On August 2, 2024, Marquee sent us another letter claiming that our failure to timely pay the amounts subject to Marquee's funding notice constitutes a breach of the Marquee guarantee and requesting payment of such amounts no later than August 17, 2024 at which time Marquee has stated it will pursue any and all available remedies pursuant to the Marquee guarantee. This dispute may result in litigation, and based on our expectation of Marquee's claims, we believe we have meritorious defenses and intend to vigorously defend against such claims.

6. EARNINGS PER SHARE:

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Income (Numerator)				
Net income (loss)	$ 96	$ (45)	$ 140	$ 61
Net loss attributable to the redeemable noncontrolling interests	—	—	—	4
Net income attributable to the noncontrolling interests	(2)	(1)	(6)	(15)
Numerator for basic and diluted earnings per common share available to common shareholders	$ 94	$ (46)	$ 134	$ 50
Shares (Denominator)				
Basic weighted-average common shares outstanding	66,355	63,325	65,570	65,670
Dilutive effect of stock-settled appreciation rights and outstanding stock options	171	—	139	57
Diluted weighted-average common and common equivalent shares outstanding	66,526	63,325	65,709	65,727

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Weighted-average stock-settled appreciation rights and outstanding stock options excluded	5,120	5,120	6,328	4,137

7. SEGMENT DATA:

We measure segment performance based on operating income (loss). For the quarter ended September 30, 2024, we had two reportable segments, local media and tennis. Our local media segment includes our television stations, original networks and content and provides these through free over-the-air programming to television viewing audiences for stations in markets located throughout the continental United States, as well as distributes the content of these stations to MVPDs for distribution to their customers in exchange for contractual fees. See *Revenue Recognition* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further detail. Our tennis segment provides viewers coverage of many of tennis' top tournaments and original professional sport and tennis lifestyle shows. Other and corporate are not reportable segments but are included for reconciliation purposes. Other primarily consists of non-broadcast digital and internet solutions, technical services, and non-media investments. Corporate costs primarily include our costs to operate as a public company and to operate our corporate headquarters location. All our businesses are located within the United States. 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 periods presented (in millions):

As of September 30, 2024	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Assets	$ 4,546	$ 271	$ 971	$ (3)	$ 5,785

For the three months ended September 30, 2024	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	$ 845	$ 60	$ 19	$ (7) (a)	$ 917
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	58	5	1	(1)	63
Amortization of program costs	18	—	—	—	18
Corporate general and administrative expenses	24	1	16	—	41
Gain on asset dispositions and other, net of impairment	(11)	—	(2)	—	(13)
Operating income (loss)	182	11	(14)	—	179
Interest expense including amortization of debt discount and deferred financing costs	78	—	—	—	78
Income (loss) from equity method investments	1	(1)	—	—	—

For the nine months ended September 30, 2024	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	$ 2,322	$ 190	$ 54	$ (22) (a)	$ 2,544
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	174	16	2	(3)	189
Amortization of program costs	55	—	—	—	55
Corporate general and administrative expenses	94	2	53	—	149
Gain on asset dispositions and other, net of impairment	(11)	—	—	—	(11)
Operating income (loss)	306	32	(53)	—	285
Interest expense including amortization of debt discount and deferred financing costs	230	—	—	—	230
Income (loss) from equity method investments	1	(2)	93	—	92

For the three months ended September 30, 2023	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	$ 697	$ 59	$ 17	$ (6) (a)	$ 767
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	59	5	3	(1)	66
Amortization of program costs	18	—	—	—	18
Corporate general and administrative expenses	31	1	13	—	45
Loss on deconsolidation of subsidiary	—	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(2)	—	2	—	—
Operating income (loss)	53	13	(29)	—	37
Interest expense including amortization of debt discount and deferred financing costs	77	—	—	—	77

For the nine months ended September 30, 2023	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	$ 2,101	$ 174	$ 48	$ (15) (a)	$ 2,308
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	185	15	6	(2)	204
Amortization of program costs	59	—	—	—	59
Corporate general and administrative expenses	109	1	55	—	165
Loss on deconsolidation of subsidiary	—	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(5)	—	16	—	11
Operating income (loss)	116	34	(95)	—	55
Interest expense including amortization of debt discount and deferred financing costs	227	—	—	—	227
Income from equity method investments	—	—	30	—	30

(a) Includes $4 million and $9 million for the three and nine months ended September 30, 2024, respectively, and $2 million and $5 million for the three and nine months ended September 30, 2023, respectively, of revenue for services provided by other to local media, which is eliminated in consolidation.

8. VARIABLE INTEREST ENTITIES:

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

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

	As of September 30, 2024	As of December 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net	$ 20	$ 23
Other current assets	4	3
Total current assets	24	26
Property and equipment, net	9	11
Goodwill and indefinite-lived intangible assets	15	15
Definite-lived intangible assets, net	28	33
Total assets	$ 76	$ 85
LIABILITIES		
Current liabilities:		
Other current liabilities	$ 15	$ 14
Notes payable, finance leases and commercial bank financing, less current portion	5	6
Other long-term liabilities	3	3
Total liabilities	$ 23	$ 23

The amounts above represent the combined assets and liabilities of the VIEs described above, for which we are the primary beneficiary. Total liabilities associated with certain outsourcing agreements and purchase options with certain VIEs, which are excluded from the above, were $129 million as of September 30, 2024 and $130 million as of December 31, 2023, 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 September 30, 2024, all of the liabilities are non-recourse to us except for the debt of certain VIEs. See *Debt of Variable Interest Entities and Guarantees of Third-Party Obligations* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* for further discussion. The risk and reward characteristics of the VIEs are similar.

Other VIEs

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

The carrying amounts of our investments in these VIEs for which we are not the primary beneficiary were $ 102 million and $192 million as of September 30, 2024 and December 31, 2023, respectively, and are included in other assets in our consolidated balance sheets. See *Note 2. Other Assets* for more information related to our equity investments. Our maximum exposure is equal to the carrying value of our investments. The income and loss related to equity method investments and other investments are recorded in income from equity method investments and other income (expense), net, respectively, in our consolidated statements of operations. We recorded losses of $55 million and $77 million for the three and nine months ended September 30, 2024, respectively, and gains of $5 million and $43 million for the three and nine months ended September 30, 2023, respectively, related to these investments.

We hold substantially all the equity of DSIH and provide certain management and general and administrative services to subsidiaries of 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 were also party to the A/R Facility held by an indirect wholly-owned subsidiary of DSIH which had a maturity date of September 23, 2024. The A/R Facility was terminated on March 14, 2024. See *Note Receivable* within *Note 2. Other Assets*.

9. RELATED PERSON TRANSACTIONS:

Transactions With Our Controlling Shareholders

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

Leases. Certain assets used by us and our operating subsidiaries are leased from entities owned by the controlling shareholders. Lease payments made to these entities were $2 million and $5 million for the three and nine months ended September 30, 2024, respectively, and $ 2 million and $5 million for the three and nine months ended September 30, 2023, respectively. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. We lease aircraft owned by certain controlling shareholders. For all leases, we incurred expenses of less than $ 0.1 million and $0.1 million for the three and nine months ended September 30, 2024, respectively, and $0.2 million for the nine months ended September 30, 2023.

Real Estate Sales. A real estate project we had an investment in was purchased by a controlling shareholder during the three months ended September 30, 2024. We recognized a gain of $4 million for both the three and nine months ended September 30, 2024 as a result of this transaction.

Cunningham Broadcasting Corporation

Cunningham owns a portfolio of television stations, including: WNUV-TV Baltimore, Maryland; WRGT-TV Dayton, Ohio; WVAH-TV Charleston, West Virginia; WMYA-TV Anderson, South Carolina; WTTE-TV Columbus, Ohio; WDBB-TV Birmingham, Alabama; WBSF-TV Flint, Michigan; WGTU-TV/WGTQ-TV Traverse City/Cadillac, Michigan; WEMT-TV Tri-Cities, Tennessee; WYDO-TV Greenville, North Carolina; KBVU-TV/KCVU-TV Eureka/Chico-Redding, California; WPFO-TV Portland, Maine; KRNV-DT/KENV-DT Reno, Nevada/Salt Lake City, Utah; and KTXD-TV in Dallas, Texas (collectively, the "Cunningham Stations"). Certain of our stations provide services to the Cunningham Stations pursuant to LMAs or JSAs and SSAs. See *Note 8. Variable Interest Entities*, for further discussion of the scope of services provided under these types of arrangements.

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

The services provided to WNUV-TV, WMYA-TV, WTTE-TV, WRGT-TV and WVAH-TV are governed by a master agreement which has a current term that expires on July 1, 2028 and there is one additional five-year renewal term remaining with final expiration on July 1, 2033. We also executed purchase agreements to acquire the license related assets of these stations from Cunningham, which grant us the right to acquire, and grant Cunningham the right to require us to acquire, subject to applicable FCC rules and regulations, 100% of the capital stock or the assets of these individual subsidiaries of Cunningham. Pursuant to the terms of this agreement we are obligated to pay Cunningham an annual fee for the television stations equal to the greater of (i) 3% of each station's annual net broadcast revenue or (ii) $ 6 million. The aggregate purchase price of these television stations increases by 6% annually. A portion of the fee is required to be applied to the purchase price to the extent of the 6% increase. The cumulative prepayments made under these purchase agreements were $68 million and $65 million as of September 30, 2024 and December 31, 2023, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both September 30, 2024 and December 31, 2023, was approximately $54 million. 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, $3 million and $9 million for the three and nine months ended September 30, 2024, respectively, and $ 3 million and $9 million for the three and nine months ended September 30, 2023, 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 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 $41 million and $109 million for the three and nine months ended September 30, 2024, respectively, and $33 million and $102 million for the three and nine months ended September 30, 2023, 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 expires in November 2025.

We have multi-cast agreements with Cunningham Stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Anderson, South Carolina; Baltimore, Maryland; Portland, Maine; Charleston, West Virginia; Dallas, Texas; and Greenville, North Carolina markets. In exchange for carriage of these networks in their markets, we paid $0.2 million and $1.2 million for the three and nine months ended September 30, 2024, respectively, and $ 0.5 million and $1.5 million for the three and nine months ended September 30, 2023, respectively, under these agreements.

Leased Property by Real Estate Ventures

Prior to September 2024, certain of our real estate ventures entered into leases with entities owned by members of the Smith Family. Total rent payments received under these leases were $0.3 million and $1 million for three and nine months ended September 30, 2024, respectively, and $ 0.3 million and $1 million for the three and nine months ended September 30, 2023, respectively.

Diamond Sports Intermediate Holdings LLC

We account for our equity interest in DSIH as an equity method investment.

Management Services Agreement. We have 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. Pursuant to this agreement, the local media segment recorded $18 million and $48 million of revenue for the three and nine months ended September 30, 2024, respectively, and $ 14 million and $36 million of revenue for the three and nine months ended September 30, 2023, respectively.

Note receivable. We received payments totaling $203 million from DSPV for the nine months ended September 30, 2023, related to the note receivable associated with the A/R Facility. The A/R Facility was terminated on March 14, 2024.

We recorded revenue of $3 million and $11 million for the three and nine months ended September 30, 2024, respectively, and $ 4 million and $15 million for the three and nine months ended September 30, 2023, respectively, related to certain other transactions between DSIH and the Company.

Employees

Jason Smith, an employee of the Company, is the son of Frederick Smith, who is a Vice President of the Company and a member of the Company's Board of Directors. Jason Smith received total compensation of $0.3 million and $0.2 million for the three months ended September 30, 2024 and 2023, respectively, and $0.8 million and $0.6 million for the nine months ended September 30, 2024 and 2023, respectively, consisting of salary and bonus, and was granted 37,566 shares of restricted stock, vesting over two years, and 500,000 stock appreciation rights, vesting over two years, for the nine months ended September 30, 2024.

Ethan White, an employee of the Company, is the son-in-law of J. Duncan Smith, who is a Vice President of the Company and Secretary of the Company's Board of Directors. Ethan White received total compensation of $0.1 million for both the three months ended September 30, 2024 and 2023 and $0.2 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus, and was granted 1,503 and 1,252 shares of restricted stock, vesting over two years, for the nine months ended September 30, 2024 and 2023, respectively.

Amberly Thompson, an employee of the Company, is the daughter of Donald Thompson, who is an Executive Vice President and Chief Human Resources Officer of the Company. Amberly Thompson received total compensation of less than $0.1 million for both the three months ended September 30, 2024 and 2023 and $0.1 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus.

Frederick Smith is the brother of David Smith, Executive Chairman of the Company and Chairman of the Company's Board of Directors; Robert Smith, a member of the Company's Board of Directors; and J. Duncan Smith. Frederick Smith received total compensation of $0.2 million for both the three months ended September 30, 2024 and 2023 and $0.6 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus.

J. Duncan Smith is the brother of David Smith, Frederick Smith, and Robert Smith. J. Duncan Smith received total compensation of $ 0.2 million for both the three months ended September 30, 2024 and 2023 and $0.6 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus.

10. FAIR VALUE MEASUREMENTS:

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

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

SINCLAIR, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

	As of September 30, 2024		As of December 31, 2023	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Investments in equity securities	N/A	$ 20	N/A	$ 6
Money market funds	N/A	$ 381	N/A	$ 588
Deferred compensation assets	N/A	$ 47	N/A	$ 45
Deferred compensation liabilities	N/A	$ 46	N/A	$ 44
Level 2:				
Investments in equity securities (a)	N/A	$ 136	N/A	$ 110
Interest rate swap (b)	N/A	$ 3	N/A	$ 1
STG (c):				
5.500% Senior Notes due 2030	$ 485	$ 350	$ 485	$ 362
5.125% Senior Notes due 2027	$ 274	$ 238	$ 274	$ 248
4.125% Senior Secured Notes due 2030	$ 737	$ 574	$ 737	$ 521
Term Loan B-2, due September 30, 2026	$ 1,178	$ 1,116	$ 1,215	$ 1,124
Term Loan B-3, due April 1, 2028	$ 716	$ 530	$ 722	$ 595
Term Loan B-4, due April 21, 2029	$ 733	$ 543	$ 739	$ 602
Debt of variable interest entities (c)	$ 7	$ 7	$ 7	$ 7
Debt of non-media subsidiaries (c)	$ —	$ —	$ 15	$ 15
Level 3:				
Investments in equity securities (d)	N/A	$ 58	N/A	$ 46

N/A - Not applicable

(a) Consists of warrants to acquire marketable common equity securities. The fair value of the warrants are derived from the quoted trading prices of the underlying common equity securities less the exercise price.

(b) 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 of3.9%, and we receive a floating rate of interest based on SOFR. The fair value of the interest rate swap was a liability as of September 30, 2024 and an asset as of December 31, 2023See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing.*

(c) Amounts are carried in our consolidated balance sheets net of debt discount, premium, and deferred financing cost, which are excluded in the above table, of $38 million and $46 million as of September 30, 2024 and December 31, 2023, respectively.

(d) Amounts primarily relate to warrants and options to acquire common equity in Bally's. We recorded fair value adjustment gains of $18 million and $10 million for the three and nine months ended September 30, 2024, respectively, and losses of $10 million and $27 million for the three and nine months ended September 30, 2023, respectively. The fair value of the warrants is primarily derived from the quoted trading prices of the underlying common equity. The fair value of the options is derived utilizing the Black Scholes valuation model. The most significant inputs include the trading price of the underlying common stock and the exercise price of the options, which range from $30 to $45 per share.

The following table summarizes the changes in financial assets measured at fair value on a recurring basis and categorized as Level 3 under the fair value hierarchy for the three and nine months ended September 30, 2024 and 2023 (in millions):

Options and Warrants					
Three Months Ended September 30, 2024			**Nine Months Ended September 30, 2024**		
Fair value at June 30, 2024	$	42	Fair value at December 31, 2023	$	46
Measurement adjustments		16	Measurement adjustments		12
Fair value at September 30, 2024	$	58	Fair value at September 30, 2024	$	58

Options and Warrants					
Three Months Ended September 30, 2023			**Nine Months Ended September 30, 2023**		
Fair value at June 30, 2023	$	58	Fair value at December 31, 2022	$	75
Measurement adjustments		(10)	Measurement adjustments		(27)
Fair value at September 30, 2023	$	48	Fair value at September 30, 2023	$	48

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

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

	As of September 30, 2024	As of December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 202	$ 319
Accounts receivable, net of allowance for doubtful accounts of $4 as of both periods	560	568
Income taxes receivable	8	7
Prepaid expenses and other current assets	126	139
Total current assets	896	1,033
Property and equipment, net	700	692
Operating lease assets	128	142
Goodwill	2,016	2,016
Indefinite-lived intangible assets	123	123
Customer relationships, net	202	238
Other definite-lived intangible assets, net	347	409
Other assets	201	184
Total assets (a)	$ 4,613	$ 4,837
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 437	$ 851
Current portion of notes payable, finance leases, and commercial bank financing	38	36
Current portion of operating lease liabilities	22	21
Current portion of program contracts payable	85	76
Other current liabilities	76	50
Total current liabilities	658	1,034
Notes payable, finance leases, and commercial bank financing, less current portion	4,093	4,124
Operating lease liabilities, less current portion	135	152
Program contracts payable, less current portion	16	14
Deferred tax liabilities	306	283
Other long-term liabilities	148	158
Total liabilities (a)	5,356	5,765
Commitments and contingencies (See Note 5)		
SBG member's deficit:		
Accumulated deficit	(674)	(865)
Accumulated other comprehensive (loss) income	(2)	1
Total SBG member's deficit	(676)	(864)
Noncontrolling interests	(67)	(64)
Total deficit	(743)	(928)
Total liabilities and deficit	$ 4,613	$ 4,837

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

(a) SBG's consolidated total assets as of September 30, 2024 and December 31, 2023 include total assets of variable interest entities ("VIE") of $76 million and $85 million, respectively, which can only be used to settle the obligations of the VIEs. SBG's consolidated total liabilities as of both September 30, 2024 and December 31, 2023 include total liabilities of VIEs of $17 million for which the creditors of the VIEs have no recourse to SBG. See *Note 7. Variable Interest Entities.*

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
REVENUES:				
Media revenues	$ 845	$ 697	$ 2,322	$ 2,203
Non-media revenues	—	—	—	10
Total revenues	845	697	2,322	2,213
OPERATING EXPENSES:				
Media programming and production expenses	384	371	1,149	1,166
Media selling, general and administrative expenses	188	164	549	539
Amortization of program costs	18	18	55	59
Non-media expenses	2	3	6	22
Depreciation of property and equipment	25	25	76	80
Corporate general and administrative expenses	24	31	100	147
Amortization of definite-lived intangible assets	33	34	98	114
Loss on deconsolidation of subsidiary	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(11)	(3)	(11)	7
Total operating expenses	663	653	2,022	2,144
Operating income	182	44	300	69
OTHER INCOME (EXPENSE):				
Interest expense including amortization of debt discount and deferred financing costs	(78)	(77)	(230)	(227)
Gain on extinguishment of debt	—	4	1	15
Income from equity method investments	—	—	—	31
Other income (expense), net	3	2	36	(51)
Total other expense, net	(75)	(71)	(193)	(232)
Income (loss) before income taxes	107	(27)	107	(163)
INCOME TAX (PROVISION) BENEFIT	(25)	6	(15)	236
NET INCOME (LOSS)	82	(21)	92	73
Net loss attributable to the redeemable noncontrolling interests	—	—	—	4
Net income attributable to the noncontrolling interests	(2)	(1)	(5)	(15)
NET INCOME (LOSS) ATTRIBUTABLE TO SBG	$ 80	$ (22)	$ 87	$ 62

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	$ 82	$ (21)	$ 92	$ 73
Unrealized (loss) gain on interest rate swap, net of tax	(8)	2	(3)	8
Comprehensive income (loss)	74	(19)	89	81
Comprehensive loss attributable to the redeemable noncontrolling interests	—	—	—	4
Comprehensive income attributable to the noncontrolling interests	(2)	(1)	(5)	(15)
Comprehensive income (loss) attributable to SBG	$ 72	$ (20)	$ 84	$ 70

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY (DEFICIT) AND REDEEMABLE NONCONTROLLING INTERESTS
(in millions, except share and per share data) (Unaudited)

	Three Months Ended September 30, 2023			
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Deficit
BALANCE, June 30, 2023	$ (418)	$ 7	$ (61)	$ (472)
Deemed dividend to parent	(20)	—	—	(20)
Distribution to parent	(52)	—	—	(52)
Distributions to noncontrolling interests	—	—	(3)	(3)
Other comprehensive income	—	2	—	2
Net (loss) income	(22)	—	1	(21)
BALANCE, September 30, 2023	$ (512)	$ 9	$ (63)	$ (566)

	Nine Months Ended September 30, 2023									
							SBG Member			
	Redeemable Noncontrolling Interests	Old Class A Common Stock		Old Class B Common Stock		Old Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity (Deficit)
		Shares	Values	Shares	Values					
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)	(626)	—	(1)	(1,138)
Distribution to parent	—	—	—	—	—	—	(52)	—	—	(52)
Repurchase of redeemable subsidiary preferred equity	(190)	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(10)	(10)
Other comprehensive income	—	—	—	—	—	—	—	8	—	8
Net (loss) income	(4)	—	—	—	—	—	62	—	15	77
BALANCE, September 30, 2023	$ —	—	$ —	—	$ —	$ —	$ (512)	$ 9	$ (63)	$ (566)

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

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

	Three Months Ended September 30, 2024			
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Deficit
BALANCE, June 30, 2024	$ (714)	$ 6	$ (66)	$ (774)
Distributions to member, net	(40)	—	—	(40)
Distributions to noncontrolling interests	—	—	(3)	(3)
Other comprehensive loss	—	(8)	—	(8)
Net income	80	—	2	82
BALANCE, September 30, 2024	$ (674)	$ (2)	$ (67)	$ (743)

	Nine Months Ended September 30, 2024			
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Deficit
BALANCE, December 31, 2023	$ (865)	$ 1	$ (64)	$ (928)
Contributions from member, net	104	—	—	104
Distributions to noncontrolling interests	—	—	(8)	(8)
Other comprehensive loss	—	(3)	—	(3)
Net income	87	—	5	92
BALANCE, September 30, 2024	$ (674)	$ (2)	$ (67)	$ (743)

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

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

	Nine Months Ended September 30,	
	2024	2023
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES:		
Net income	$ 92	$ 73
Adjustments to reconcile net income to net cash flows from operating activities:		
Amortization of definite-lived intangible and other assets	98	114
Depreciation of property and equipment	76	80
Amortization of program costs	55	59
Equity-based compensation	42	34
Deferred tax benefit	24	(237)
(Gain) loss on asset dispositions and other, net of impairment	(7)	7
Loss on deconsolidation of subsidiary	—	10
Income from equity method investments	—	(31)
(Income) loss from investments	(25)	77
Distributions from investments	—	29
Gain on extinguishment of debt	(1)	(15)
Change in assets and liabilities, net of acquisitions and asset transfer to Ventures:		
Decrease in accounts receivable	2	30
Decrease (increase) in prepaid expenses and other current assets	27	(10)
Net change in due to/from member	(2)	(12)
(Decrease) increase in accounts payable and accrued and other current liabilities	(394)	27
Net change in net income taxes payable/receivable	(13)	(2)
Decrease in program contracts payable	(61)	(68)
Other, net	1	7
Net cash flows (used in) from operating activities	(86)	172
CASH FLOWS (USED IN) FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(61)	(71)
Purchases of investments	(4)	(37)
Distributions and proceeds from investments	44	204
Other, net	1	6
Net cash flows (used in) from investing activities	(20)	102
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Repayments of notes payable, commercial bank financing, and finance leases	(51)	(76)
Repurchase of outstanding Old Sinclair Class A Common Stock	—	(153)
Dividends paid on Old Sinclair Class A and Class B Common Stock	—	(18)
Repurchase of redeemable subsidiary preferred equity	—	(190)
Contributions from (distributions to) member, net	48	(429)
Distributions to noncontrolling interests, net	(8)	(10)
Other, net	—	(3)
Net cash flows used in financing activities	(11)	(879)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(117)	(605)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	319	884
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$ 202	$ 279

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

SINCLAIR BROADCAST GROUP, LLC

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

Nature of Operations

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

For the quarter ended September 30, 2024, SBG had one reportable segment: local media. The local media segment consists primarily of SBG's 185 broadcast television stations in 86 markets, which SBG owns, provides programming and operating services pursuant to agreements commonly referred to as local marketing agreements ("LMA"), or provides sales services and other non-programming operating services pursuant to other outsourcing agreements (such as joint sales agreements ("JSA") and shared services agreements ("SSA")). These stations broadcast 638 channels as of September 30, 2024. For the purpose of this report, these 185 stations and 638 channels are referred to as "SBG" stations and channels.

Principles of Consolidation

The consolidated financial statements include SBG's accounts and those of SBG's wholly-owned and majority-owned subsidiaries, and VIEs for which SBG is the primary beneficiary. Noncontrolling interests represent a minority owner's proportionate share of the equity in certain of SBG's consolidated entities. 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 has the obligation to absorb losses or the right to receive returns that would be significant to the VIE. See *Note 7. Variable Interest Entities* for more information on SBG's VIEs.

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

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"). The Share Exchange and the related steps described above collectively are referred to 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 for the nine months ended September 30, 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 refer to the periods prior to the Reorganization.

Interim Financial Statements

SBG's consolidated financial statements for the three and nine months ended September 30, 2024 and 2023 are unaudited. In the opinion of management, such financial statements have been presented on the same basis as the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of the consolidated balance sheets, consolidated statements of operations, consolidated statements of comprehensive income (loss), consolidated statements of equity and redeemable noncontrolling interests, consolidated statements of member's deficit and consolidated statements of cash flows for these periods as adjusted for the adoption of recent accounting pronouncements.

As permitted under the applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), SBG's consolidated financial statements do not include all disclosures normally included with audited consolidated financial statements and, accordingly, should be read together with the audited consolidated financial statements and notes thereto in Sinclair's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC. SBG's consolidated statements of operations presented in the accompanying consolidated financial statements are not necessarily representative of operations for an entire year.

Use of Estimates

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

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.

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

Broadcast Television Programming

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

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

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

Hedge Accounting

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

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

Non-cash Investing and Financing Activities

Leased assets obtained in exchange for new operating lease liabilities were $ 3 million and $4 million for the nine months ended September 30, 2024 and 2023, respectively. Leased assets obtained in exchange for new finance lease liabilities were $17 million for the nine months ended September 30, 2024. Non-cash investing activities included property and equipment purchases of $5 million for both the nine months ended September 30, 2024 and 2023.

Revenue Recognition

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

For the three months ended September 30, 2024	Local Media
Distribution revenue	$ 383
Core advertising revenue	283
Political advertising revenue	138
Other media and intercompany revenues	41
Total revenues	$ 845

For the nine months ended September 30, 2024	Local Media
Distribution revenue	$ 1,151
Core advertising revenue	852
Political advertising revenue	202
Other media and intercompany revenues	117
Total revenues	$ 2,322

For the three months ended September 30, 2023	Local Media
Distribution revenue	$ 365
Core advertising revenue	281
Political advertising revenue	11
Other media, non-media, and intercompany revenues	40
Total revenues	$ 697

For the nine months ended September 30, 2023	Local Media	Other	Eliminations	Total
Distribution revenue	$ 1,118	$ 76	$ —	$ 1,194
Core advertising revenue	861	29	(5)	885
Political advertising revenue	20	—	—	20
Other media, non-media, and intercompany revenues	102	14	(2)	114
Total revenues	$ 2,101	$ 119	$ (7)	$ 2,213

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

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

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

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

Deferred Revenue. SBG records deferred revenue when cash payments are received or due in advance of performance, including amounts which are refundable. SBG classifies deferred revenue as either current in other current liabilities or long-term in other long-term liabilities in SBG's consolidated balance sheets based on the timing of when SBG expects to satisfy performance obligations. Deferred revenue was $179 million and $171 million as of September 30, 2024 and December 31, 2023, respectively, of which $109 million and $124 million, respectively, was reflected in other long-term liabilities in SBG's consolidated balance sheets. Deferred revenue recognized for the nine months ended September 30, 2024 and 2023, included in the deferred revenue balance as of December 31, 2023 and 2022, was $35 million and $39 million, respectively.

For the three months ended September 30, 2024, one customer accounted for 10% of SBG's total revenues. For the nine months ended September 30, 2024, two customers accounted for 11% and 10%, respectively, of SBG's total revenues. For the three months ended September 30, 2023, one customer accounted for 11% of SBG's total revenues. For the nine months ended September 30, 2023, two customers accounted for 11% and 10%, respectively, of SBG's total revenues. As of September 30, 2024, three customers accounted for 11%, 10%, and 10%, respectively, of SBG's accounts receivable, net. As of December 31, 2023, two customers accounted for 10% and 10%, respectively, of SBG's accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

Income Taxes

SBG's income tax provision for all periods consists of federal and state income taxes. The tax provision for the three and nine months ended September 30, 2024 and 2023 is based on the estimated effective tax rate applicable for the full year after taking into account discrete tax items and the effects of the noncontrolling interests. SBG provides a valuation allowance for deferred tax assets if it is determined that it is more likely than not that some or all of the deferred tax assets will not be realized. In evaluating SBG's ability to realize net deferred tax assets, SBG considers all available evidence, both positive and negative, including past operating results, tax planning strategies, current and cumulative losses, and forecasts of future taxable income. In considering these sources of taxable income, SBG must make certain judgments that are based on the plans and estimates used to manage SBG's underlying businesses on a long-term basis. A valuation allowance has been provided for deferred tax assets related to a substantial amount of SBG's available state net operating loss carryforwards based on past operating results, expected timing of the reversals of existing temporary basis differences, alternative tax strategies, and projected future taxable income.

SBG's effective income tax rate for the three months ended September 30, 2024 was greater than the statutory rate primarily due to non-deductible expenses. SBG's effective income tax rate for the nine months ended September 30, 2024 was less than the statutory rate primarily due to an immaterial $7.5 million correcting adjustment related to the accrual of interest income attributable to prior years' pending income tax refund claims. SBG's effective income tax rate for the three months ended September 30, 2023 was less than the statutory rate primarily due to non-deductible expenses offset by federal tax credits. SBG's effective income tax rate for the nine months ended September 30, 2023 was greater than the statutory rate primarily due to a release of the 2023 valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j) as a result of the change in the tax classification of the legal entity owning the DSG business because of the exit of the sole minority investor.

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

Reclassifications

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

2. OTHER ASSETS:

Other assets as of September 30, 2024 and December 31, 2023 consisted of the following (in millions):

	As of September 30, 2024	As of December 31, 2023
Equity method investments	$ 2	$ 1
Other investments	4	—
Income tax receivable	143	131
Other	52	52
Total other assets	$ 201	$ 184

Equity Method Investments

Prior to the Reorganization, SBG had a portfolio of investments, including a number of entities that are primarily focused on the development of real estate and other media and non-media businesses. SBG has an investment in Diamond Sports Intermediate Holdings LLC ("DSIH").

Diamond Sports Intermediate Holdings LLC. SBG's equity interest in DSIH is accounted for under the equity method of accounting. For the three and nine months ended September 30, 2024 and 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.

Other Investments

SBG's investments, excluding equity method investments, were accounted for at fair value or, in situations where fair value is not readily determinable, SBG had the option to value investments at cost plus observable changes in value, less impairment. Additionally, certain investments were 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. SBG recognized a fair value adjustment loss of $73 million for the nine months ended September 30, 2023 associated with these investments, which is reflected in other income (expense), net in SBG's consolidated statements of operations.

Investments accounted for utilizing the measurement alternative were $4 million as of September 30, 2024. SBG recorded a $6 million impairment related to one investment for the nine months ended September 30, 2023, which is reflected in other income (expense), net in SBG's consolidated statements of operations.

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

Bank Credit Agreement and Notes

The bank credit agreement of Sinclair Television Group, Inc. ("STG"), a wholly-owned subsidiary of SBG (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, which 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 utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of September 30, 2024, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. As of September 30, 2024, the STG first lien leverage ratio was below 4.5x. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of September 30, 2024.

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

Finance Leases to Affiliates

The current portion of notes payable, finance leases, and commercial bank financing in SBG's consolidated balance sheets includes finance leases to affiliates of $3 million and $2 million as of September 30, 2024 and December 31, 2023, respectively. Notes payable, finance leases, and commercial bank financing, less current portion, in SBG's consolidated balance sheets includes finances leases to affiliates of $9 million and $5 million as of September 30, 2024 and December 31, 2023, respectively. See *Note. 8 Related Person Transactions*.

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

STG jointly, severally, unconditionally, and irrevocably guaranteed $ 2 million of debt of certain third parties as of both September 30, 2024 and December 31, 2023, all of which related to consolidated VIEs and is included in our consolidated balance sheets as of both September 30, 2024 and December 31, 2023. SBG has also provided a guarantee that requires SBG to provide funding to Marquee regional sports network ("Marquee") if Marquee's free cash flow generated in the applicable year and its existing cash balance are insufficient to allow Marquee to make certain payments under certain of Marquee's agreements with affiliates of the Chicago Cubs, an affiliate of which is also a co-owner of Marquee. The funding obligation under the guarantee is subject to a maximum annual amount of $117 million with annual escalations of 4% for the next five years. SBG has determined that, as of September 30, 2024, it is not probable that SBG would have to perform under any of these guarantees. See *Note 5. Commitments and Contingencies* for additional information.

Interest Rate Swap

SBG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of SBG's exposure to variable interest rates. The swap agreement has a notional amount of $600 million, bears a fixed interest rate of 3.9%, and SBG receives a floating rate of interest based on SOFR. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further discussion. As of September 30, 2024 and December 31, 2023, the fair value of the interest rate swap was a liability of $3 million and an asset of $1 million, respectively, which are recorded in other current liabilities and other assets, respectively, in SBG's consolidated balance sheets.

4. 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 control of SBG. SBG's redeemable non-controlling interests previously consisted of the following:

Redeemable Subsidiary Preferred Equity . On August 23, 2019, Diamond Sports Holdings LLC ("DSH"), an indirect parent of Diamond Sports Group, LLC ("DSG") and indirect wholly-owned subsidiary of SBG, 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 distributions up to, but not including, the date of purchase.

Distributions accrued for the nine months ended September 30, 2023 were $ 3 million which are reflected in net loss attributable to the redeemable noncontrolling interests in SBG's consolidated statements of operations. Distributions accrued for the nine months ended September 30, 2023 were paid-in-kind and added to the liquidation preference, which was partially offset by certain required cash tax distributions.

5. COMMITMENTS AND CONTINGENCIES:

Litigation, Claims, and Regulatory Matters

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

FCC Matters

On May 22, 2020, the Federal Communications Commission ("FCC") released an Order and Consent Decree pursuant to which the Company agreed to pay $48 million to resolve the matters covered by a Notice of Apparent Liability for Forfeiture ("NAL") issued in December 2017 proposing a $ 13 million fine for alleged violations of the FCC's sponsorship identification rules by the Company and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with the Company's proposed acquisition of Tribune, and a retransmission related matter. The Company submitted the $48 million payment on August 19, 2020. As part of the consent decree, the Company also agreed to implement a 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. The consent decree expired on May 29, 2024.

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 FCC to dismiss the proceeding or, alternatively, to reduce the proposed forfeiture to $25,000 per station. On July 28, 2021, the FCC issued a forfeiture order in which the $0.5 million penalty was upheld for all but one station. A Petition for Reconsideration of the forfeiture order was filed on August 7, 2021. On March 14, 2022, the FCC released a Memorandum Opinion and Order and Order on Reconsideration, which reaffirmed the forfeiture order, dismissed (and in the alternative, denied) the Petition for Reconsideration, and stated that because the fines were not paid within the period stated in the July 2021 forfeiture order the FCC may refer the case to the U.S. Department of Justice ("DOJ") for enforcement of the forfeiture pursuant to Section 504 of the Communications Act. Our understanding is that enforcement remains pending. The Company is not a party to this forfeiture order; 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 SBG, and fines ranging from $20,000 to $26,000 per station for the other licensees, including the LMA, JSA, and/or SSA stations, for a total of $ 3.4 million. As of September 30, 2024, SBG has accrued $3.4 million. On October 21, 2022, the Company filed a written response seeking reduction of the proposed fine amount. On September 6, 2024, the FCC denied the Company's request for reduction of the fine (and similar requests filed by certain other licensees) and issued a forfeiture order imposing the fine as proposed in the NAL. The Company and all other affected licensees filed a joint petition for reconsideration of the forfeiture order on October 7, 2024 and the matter remains pending.

Other Matters

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

The Company is aware of twenty-two putative class action lawsuits that were filed against the Company following published reports of the DOJ investigation into the exchange of pacing data within the industry. On October 3, 2018, these lawsuits were consolidated in the Northern District of Illinois. The consolidated action alleges that the Company and thirteen other broadcasters conspired to fix prices for commercials to be aired on broadcast television stations throughout the United States and engaged in unlawful information sharing, in violation of the Sherman Antitrust Act. The consolidated action seeks damages, attorneys' fees, costs and interest, as well as injunctions against adopting practices or plans that would restrain competition in the ways the plaintiffs have alleged. The Court denied the defendants' motion to dismiss on November 6, 2020. Discovery commenced shortly after that and is continuing. 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 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 and certain officers of SBG and STG, as defendants.

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

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

As described under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* , SBG has provided a guarantee that requires SBG to provide funding to Marquee under certain circumstances. On July 19, 2024, Marquee sent SBG a funding notice seeking $29 million under the Marquee guarantee by August 1, 2024 purportedly to make payments under certain agreements to affiliates of the Chicago Cubs, an affiliate of which is also a co-owner of Marquee. Based on the information provided to SBG by Marquee, Marquee has sufficient cash to make such payments without funding under the Marquee guarantee. For this and other reasons, SBG does not believe it is contractually required to provide funding under the Marquee guarantee at this time and have so informed Marquee. On August 2, 2024, Marquee sent SBG another letter claiming that SBG's failure to timely pay the amounts subject to Marquee's funding notice constitutes a breach of the Marquee guarantee and requesting payment of such amounts no later than August 17, 2024 at which time Marquee has stated it will pursue any and all available remedies pursuant to the Marquee guarantee. This dispute may result in litigation, and based on SBG's expectation of Marquee's claims, SBG believes that it has meritorious defenses and intends to vigorously defend against such claims.

6. SEGMENT DATA:

SBG measures segment performance based on operating income (loss). For the quarter ended September 30, 2024, SBG had one reportable segment: local media. The local media segment includes SBG's television stations, original networks, and content and provides these through free over-the-air programming to television viewing audiences for stations in markets located throughout the continental United States, as well as distributes the content of these stations to MVPDs for distribution to their customers in exchange for contractual fees. See *Revenue Recognition* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* for further detail. 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 as the parent company of its subsidiaries. All of SBG's businesses are located within the United States. The businesses included in other were transferred to Ventures as part of the Reorganization discussed within *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

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

As of September 30, 2024	Local Media	Corporate	Consolidated
Assets	$ 4,547	$ 66	$ 4,613

For the three months ended September 30, 2024	Local Media	Corporate	Consolidated
Revenue	$ 845	$ —	$ 845
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	58	—	58
Amortization of program costs	18	—	18
Corporate general and administrative expenses	24	—	24
Gain on asset dispositions and other, net of impairment	(11)	—	(11)
Operating income	182	—	182
Interest expense including amortization of debt discount and deferred financing costs	78	—	78

For the nine months ended September 30, 2024	Local Media	Corporate	Consolidated
Revenue	$ 2,322	$ —	2,322
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	174	—	174
Amortization of program costs	55	—	55
Corporate general and administrative expenses	94	6	100
Gain on asset dispositions and other, net of impairment	(11)	—	(11)
Operating income (loss)	306	(6)	300
Interest expense including amortization of debt discount and deferred financing costs	230	—	230

For the three months ended September 30, 2023	Local Media	Corporate	Consolidated
Revenue	$ 697	$ —	$ 697
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	59	—	59
Amortization of program costs	18	—	18
Corporate general and administrative expenses	31	—	31
Loss on deconsolidation of subsidiary	—	10	10
Gain on asset dispositions and other, net of impairment	(2)	(1)	(3)
Operating income (loss)	53	(9)	44
Interest expense including amortization of debt discount and deferred financing costs	77	—	77

For the nine months ended September 30, 2023	Local Media	Other & Corporate (a)	Eliminations	Consolidated
Revenue	$ 2,101	$ 119	$ (7) (b)	$ 2,213
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	185	10	(1)	194
Amortization of program costs	59	—	—	59
Corporate general and administrative expenses	109	38	—	147
Loss on deconsolidation of subsidiary	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(5)	12	—	7
Operating income (loss)	116	(47)	—	69
Interest expense including amortization of debt discount and deferred financing costs	227	—	—	227
Income from equity method investments	—	31	—	31

(a) 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*.

(b) Includes $1 million for the nine months ended September 30, 2023 of revenue for services provided by local media to other, which is eliminated in consolidation.

7. VARIABLE INTEREST ENTITIES:

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

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

	As of September 30, 2024	As of December 31, 2023
ASSETS		
Current assets:		
Accounts receivable, net	$ 20	$ 23
Other current assets	4	3
Total current assets	24	26
Property and equipment, net	9	11
Goodwill and indefinite-lived intangible assets	15	15
Definite-lived intangible assets, net	28	33
Total assets	$ 76	$ 85
LIABILITIES		
Current liabilities:		
Other current liabilities	$ 15	$ 14
Notes payable, finance leases and commercial bank financing, less current portion	5	6
Other long-term liabilities	3	3
Total liabilities	$ 23	$ 23

The amounts above represent the combined assets and liabilities of the VIEs described above, for which SBG is the primary beneficiary. Total liabilities associated with certain outsourcing agreements and purchase options with certain VIEs, which are excluded from the above, were $129 million as of September 30, 2024 and $130 million as of December 31, 2023, 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 September 30, 2024, all of the liabilities are non-recourse to SBG except for the debt of certain VIEs. See *Debt of variable interest entities and guarantees of third-party obligations* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* for further discussion. The risk and reward characteristics of the VIEs are similar.

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 income and loss related to equity method investments and other investments are recorded in income from equity method investments and other income (expense), net, respectively, in SBG's consolidated statements of operations. SBG recorded a gain of $37 million for the nine months ended September 30, 2023 related to these investments.

SBG holds substantially all of the equity of DSIH and provides certain management and general and administrative services to subsidiaries of 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.

8. RELATED PERSON TRANSACTIONS:

Transactions With SBG's Indirect Controlling Shareholders

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

Leases. Certain assets used by SBG and SBG's operating subsidiaries are leased from entities owned by the Sinclair controlling shareholders. Lease payments made to these entities were $2 million and $5 million for the three and nine months ended September 30, 2024, respectively, and $ 2 million and $5 million for the three and nine months ended September 30, 2023, respectively. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. SBG leases aircraft owned by certain Sinclair controlling shareholders. For all leases, SBG incurred expenses of less than $ 0.1 million and $0.1 million for the three and nine months ended September 30, 2024, respectively, and $ 0.2 million for the nine months ended September 30, 2023.

Cunningham Broadcasting Corporation

Cunningham owns a portfolio of television stations, including: WNUV-TV Baltimore, Maryland; WRGT-TV Dayton, Ohio; WVAH-TV Charleston, West Virginia; WMYA-TV Anderson, South Carolina; WTTE-TV Columbus, Ohio; WDBB-TV Birmingham, Alabama; WBSF-TV Flint, Michigan; WGTU-TV/WGTQ-TV Traverse City/Cadillac, Michigan; WEMT-TV Tri-Cities, Tennessee; WYDO-TV Greenville, North Carolina; KBVU-TV/KCVU-TV Eureka/Chico-Redding, California; WPFO-TV Portland, Maine; KRNV-DT/KENV-DT Reno, Nevada/Salt Lake City, Utah; and KTXD-TV in Dallas, Texas (collectively, the "Cunningham Stations"). Certain of SBG's stations provide services to the Cunningham Stations pursuant to LMAs or JSAs and SSAs. See *Note 7. Variable Interest Entities*, for further discussion of the scope of services provided under these types of arrangements.

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

The services provided to WNUV-TV, WMYA-TV, WTTE-TV, WRGT-TV and WVAH-TV are governed by a master agreement which has a current term that expires on July 1, 2028 and there is one additional five-year renewal term remaining with final expiration on July 1, 2033. SBG also executed purchase agreements to acquire the license related assets of these stations from Cunningham, which grant SBG the right to acquire, and grant Cunningham the right to require SBG to acquire, subject to applicable FCC rules and regulations, 100% of the capital stock or the assets of these individual subsidiaries of Cunningham. Pursuant to the terms of this agreement SBG is obligated to pay Cunningham an annual fee for the television stations equal to the greater of (i) 3% of each station's annual net broadcast revenue or (ii) $ 6 million. The aggregate purchase price of these television stations increases by 6% annually. A portion of the fee is required to be applied to the purchase price to the extent of the 6% increase. The cumulative prepayments made under these purchase agreements were $68 million and $65 million as of September 30, 2024 and December 31, 2023, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both September 30, 2024 and December 31, 2023, was approximately $54 million. Additionally, SBG provides services to WDBB-TV pursuant to an LMA, which expires April 22, 2025, and has a purchase option to acquire for $0.2 million. SBG paid Cunningham, under these agreements, $3 million and $9 million for the three and nine months ended September 30, 2024, respectively, and $3 million and $9 million for the three and nine months ended September 30, 2023, 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 $41 million and $109 million for the three and nine months ended September 30, 2024, respectively, and $33 million and $102 million for the three and nine months ended September 30, 2023, 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 expires in November 2025.

SBG has multi-cast agreements with Cunningham Stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Anderson, South Carolina; Baltimore, Maryland; Portland, Maine; Charleston, West Virginia; Dallas, Texas; and Greenville, North Carolina markets. In exchange for carriage of these networks in their markets, SBG paid $0.2 million and $1.2 million for the three and nine months ended September 30, 2024, respectively, and $ 0.5 million and $1.5 million for the three and nine months ended September 30, 2023, respectively, under these agreements.

Leased Property by Real Estate Ventures

Certain of SBG's real estate ventures entered into leases with entities owned by members of the Smith Family. Total rent payments received under these leases were $0.7 million for the nine months ended September 30, 2023.

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 $3 million and $8 million for the three and nine months ended September 30, 2024, respectively, and $ 2 million and $3 million for the three and nine months ended September 30, 2023, respectively, 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 $4 million and $9 million for the three and nine months ended September 30, 2024, respectively, and $ 2 million and $4 million for the three and nine months ended September 30, 2023, respectively, 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 net cash distributions of $85 million and $13 million to Sinclair, and certain of its direct and indirect subsidiaries, for the three and nine months ended September 30, 2024, respectively. SBG made net cash distributions of $67 million and $427 million to Sinclair, and certain of its direct and indirect subsidiaries, for the three and nine months ended September 30, 2023, respectively.

As of September 30, 2024, SBG had a receivable from Sinclair, and certain of its direct and indirect subsidiaries, of $ 1 million, included within prepaid expenses and other current assets in SBG's consolidated balance sheets, and 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

SBG's equity interest in DSIH is accounted for as an equity method investment.

Management Services Agreement. SBG has 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. Pursuant to this agreement, SBG recorded $18 million and $48 million of revenue for the three and nine months ended September 30, 2024, respectively, and $14 million and $36 million of revenue for the three and nine months ended September 30, 2023, respectively.

Note receivable. SBG received payments of $203 million from DSPV for the nine months ended September 30, 2023 related to the note receivable associated with the A/R Facility. The loans under the A/R Facility were transferred to Ventures as part of the Reorganization. The A/R Facility was terminated on March 14, 2024.

SBG recorded revenue of $1 million and $3 million for the three and nine months ended September 30, 2024, respectively, and $ 1 million and $10 million for the three and nine months ended September 30, 2023, respectively, within the local media segment and other related to certain other transactions between DSIH and SBG.

Employees

Jason Smith, an employee of SBG, is the son of Frederick Smith, who is a Vice President of SBG and a member of SBG's Board of Managers. Jason Smith received total compensation of $0.3 million and $0.2 million for the three months ended September 30, 2024 and 2023, respectively, and $0.8 million and $0.6 million for the nine months ended September 30, 2024 and 2023, respectively, consisting of salary and bonus, and was granted 37,566 shares of restricted stock, vesting over two years, and 500,000 stock appreciation rights, vesting over two years, for the nine months ended September 30, 2024.

Ethan White, an employee of SBG, is the son-in-law of J. Duncan Smith, who is a Vice President of SBG and a member of SBG's Board of Managers. Ethan White received total compensation of $0.1 million for both the three months ended September 30, 2024 and 2023 and $ 0.2 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus, and was granted 1,503 and 1,252 shares of restricted stock, vesting over two years, for the nine months ended September 30, 2024 and 2023, respectively.

Amberly Thompson, an employee of SBG, is the daughter of Donald Thompson, who is an Executive Vice President and Chief Human Resources Officer of SBG. Amberly Thompson received total compensation of less than $0.1 million for both the three months ended September 30, 2024 and 2023 and $0.1 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus.

Frederick Smith is the brother of David Smith, Executive Chairman of SBG and a member of SBG's Board of Managers; Robert Smith, a member of SBG's Board of Managers; and J. Duncan Smith. Frederick Smith received total compensation of $0.2 million for both the three months ended September 30, 2024 and 2023 and $0.6 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus.

J. Duncan Smith is the brother of David Smith, Frederick Smith, and Robert Smith. J. Duncan Smith received total compensation of $ 0.2 million for both the three months ended September 30, 2024 and 2023 and $0.6 million for both the nine months ended September 30, 2024 and 2023, consisting of salary and bonus.

9. FAIR VALUE MEASUREMENTS:

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

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

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

	As of September 30, 2024		As of December 31, 2023	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Money market funds	N/A	$ 116	N/A	$ 309
Level 2:				
Interest rate swap (a)	N/A	$ 3	N/A	$ 1
STG (b):				
5.500% Senior Notes due 2030	$ 485	$ 350	$ 485	$ 362
5.125% Senior Notes due 2027	$ 274	$ 238	$ 274	$ 248
4.125% Senior Secured Notes due 2030	$ 737	$ 574	$ 737	$ 521
Term Loan B-2, due September 30, 2026	$ 1,178	$ 1,116	$ 1,215	$ 1,124
Term Loan B-3, due April 1, 2028	$ 716	$ 530	$ 722	$ 595
Term Loan B-4, due April 21, 2029	$ 733	$ 543	$ 739	$ 602
Debt of variable interest entities (b)	$ 7	$ 7	$ 7	$ 7

N/A - Not applicable

(a) SBG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026 in order to manage a portion of SBG's exposure to variable interest rates. The swap agreement has a notional amount of $600 million, bears a fixed interest rate of 3.9%, and SBG receives a floating rate of interest based on SOFR. The fair value of the interest rate swap was a liability as of September 30, 2024 and an asset as of December 31, 2023. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing.*

(b) Amounts are carried in SBG's consolidated balance sheets net of debt discount, premium, and deferred financing cost, which are excluded in the above table, of $38 million and $46 million as of September 30, 2024 and December 31, 2023, respectively.

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

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

Summary of Significant Events — financial events during the three months ended September 30, 2024 and through the date this Report on Form 10-Q is filed.

Results of Operations — an analysis of Sinclair's and SBG's revenues and expenses for the three and nine months ended September 30, 2024 and 2023.

Liquidity and Capital Resources — a discussion of Sinclair's and SBG's primary sources of liquidity and an analysis of Sinclair's and SBG's cash flows from or used in operating activities, investing activities, and financing activities during the three and nine months ended September 30, 2024.

SUMMARY OF SIGNIFICANT EVENTS

Content and Distribution

- In August and September 2024, Sinclair expanded its podcast division, launching a new slate of sports programming featuring top athletes, coaches, and experts including “The Triple Option,” hosted by Urban Meyer, Mark Ingram II, and Rob Stone and “Throwbacks” with Matt Leinart and Jerry Ferrara.
- In the third quarter 2024, Sinclair entered into a multi-year renewal with Altice USA for continued carriage of SBG's broadcast stations and Tennis Channel on Altice's Optimum and Suddenlink owned systems.
- In the third quarter 2024, Sinclair entered into a multi-year renewal with DIRECTV for continued carriage of SBG's broadcast stations and Tennis Channel across DIRECTV, DIRECTV Stream, and U-verse.
- In October 2024, SBG launched the Rip City Television Network, a network of SBG affiliates throughout the Pacific Northwest to serve as the new television home of Trail Blazers starting with the 2024-25 season.
- In October 2024, Sinclair announced the launch of a soccer-focused podcast, "Unfiltered Soccer with Landon and Tim," featuring former U.S. soccer stars Landon Donovan and Tim Howard.

Corporate Social Responsibility

- In July 2024, Sinclair awarded scholarships to 12 university students as a part of its annual Diversity Scholarship program.
- In October 2024, Sinclair ran Sinclair Cares: Hurricane Helene Relief, a fundraising partnership with the Salvation Army and The United Way to assist with humanitarian relief efforts on the ground in Western North Carolina, South Carolina, Georgia, Florida, Virginia, and Tennessee in the aftermath of Hurricanes Helene and Milton. Including Sinclair's corporate donation of $50,000, the campaign raised nearly $1.3 million in donations designated for delivering emergency aid, including food, water, shelter, and cleanup kits.
- To date in 2024, SBG's newsrooms have won a total of 196 journalism awards.

NextGen Broadcast (ATSC 3.0)

- In 2024, Sinclair, in coordination with other broadcasters, and led by BitPath, its joint venture with another broadcaster, has deployed NextGen TV, powered by ATSC 3.0, in the two markets below. This brings the total number of our markets in which NextGen TV has been deployed to 45:

Month	Market	Number of Stations	Company Stations
April 2024	Portland, ME	5	WGME (CBS), WPFO[(a)] (FOX)
June 2024	Myrtle Beach, SC	4	WPDE (ABC)

(a) The license and programming assets for this station are currently owned by a third party. SBG provides certain non-programming related sales, operational, and administrative services to this station pursuant to a service agreement, such as a JSA and SSA.

Financing, Capital Allocation, and Shareholder Returns

- In August 2024, Sinclair declared a quarterly dividend of $0.25 per share and in November 2024, Sinclair declared a quarterly dividend of $0.25 per share.

SINCLAIR, INC. RESULTS OF OPERATIONS

Any references to the first, second, or fourth quarters are to the three months ended March 31, June 30, or December 31, respectively, for the year being discussed. As of September 30, 2024, we had two reportable segments for accounting purposes, local media and tennis.

Seasonality / Cyclicality

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

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

Operating Data

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Media revenues	$ 908	$ 758	$ 2,519	$ 2,285
Non-media revenues	9	9	25	23
Total revenues	917	767	2,544	2,308
Media programming and production expenses	414	400	1,247	1,211
Media selling, general and administrative expenses	201	176	591	557
Depreciation and amortization expenses	63	66	189	204
Amortization of program costs	18	18	55	59
Non-media expenses	14	15	39	36
Corporate general and administrative expenses	41	45	149	165
Loss on deconsolidation of subsidiary	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(13)	—	(11)	11
Operating income	$ 179	$ 37	$ 285	$ 55
Net income (loss) attributable to Sinclair	$ 94	$ (46)	$ 134	$ 50

SINCLAIR, INC. RESULTS OF OPERATIONS

Local Media Segment

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

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2024	2023	Increase / (Decrease)	2024	2023	Increase / (Decrease)
Revenue:						
Distribution revenue	$ 383	$ 365	5%	$ 1,151	$ 1,118	3%
Core advertising revenue	283	281	1%	852	861	(1)%
Political advertising revenue	138	11	n/m	202	20	n/m
Other media revenues	41	40	2%	117	102	15%
Media revenues (a)	$ 845	$ 697	21%	$ 2,322	$ 2,101	11%
Operating Expenses:						
Media programming and production expenses	384	371	4%	1,149	1,111	3%
Media selling, general and administrative expenses (b)	188	164	15%	549	514	7%
Depreciation and amortization expenses	58	59	(2)%	174	185	(6)%
Amortization of program costs	18	18	—%	55	59	(7)%
Corporate general and administrative expenses	24	31	(23)%	94	109	(14)%
Non-media expenses	2	3	(33)%	6	12	(50)%
Gain on asset dispositions and other, net of impairment	(11)	(2)	n/m	(11)	(5)	n/m
Operating income	$ 182	$ 53	n/m	$ 306	$ 116	n/m
Interest expense including amortization of debt discount and deferred financing costs	$ 78	$ 77	1%	$ 230	$ 227	1%
Gain on extinguishment of debt	$ —	$ 4	n/m	$ 1	$ 15	(93)%
Other income, net	$ 2	$ 6	(67)%	$ 35	$ 40	(13)%

n/m - not meaningful

(a) Includes $2 million and $7 million for the three and nine months ended September 30, 2024, respectively, and $2 million and $4 million for the three and nine months ended September 30, 2023, respectively, of intercompany revenue related to certain services provided to the tennis segment, which is eliminated in consolidation.

(b) Includes $4 million and $9 million for the three and nine months ended September 30, 2024, respectively, and $2 million and $5 million for the three and nine months ended September 30, 2023, respectively, of intercompany expense related to certain services provided by other, which is eliminated in consolidation.

Revenue

Distribution revenue. Distribution revenue, which represents fees earned from Distributors for our broadcast signals, increased $18 million or 5% and $33 million or 3% for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023. Contractual rate increases favorably impacted period-over-period distribution revenue by high-teen percentages for the three months ended September 30, 2024 and by mid-teen percentages for the nine months ended September 30, 2024. The increase in distribution revenue was offset by a decrease in subscribers by low double-digit percentages for both periods, respectively.

Core advertising revenue. Core advertising revenue increased $2 million and decreased $9 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, with no particular product/services category dominating the variance.

Political advertising revenue. Political advertising revenue increased $127 million and $182 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to 2024 being a presidential political year, compared to 2023 which was an off-year election cycle, and therefore only had a small number of political races and correspondingly less political advertising spend.

SINCLAIR, INC. RESULTS OF OPERATIONS

Other media revenues. Other media revenues increased $1 million and $15 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to an increase related to providing certain services under management services agreements.

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

	Percent of Advertising Revenue for the			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Syndicated/Other programming	35%	39%	38%	39%
Local news	31%	31%	31%	30%
Network programming	17%	15%	17%	16%
Sports programming	15%	10%	12%	11%
Paid programming	2%	5%	2%	4%

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

		Percent of Advertising Revenue for the			
		Three Months Ended September 30,		Nine Months Ended September 30,	
	# of Channels	2024	2023	2024	2023
ABC	40	28%	30%	25%	30%
FOX	55	22%	23%	22%	23%
CBS	30	20%	19%	20%	20%
NBC	25	16%	13%	20%	12%
CW	47	5%	5%	5%	5%
MNT	39	3%	4%	3%	4%
Other	402	6%	6%	5%	6%
Total	638				

Expenses

Media programming and production expenses. Media programming and production expenses increased $13 million and $38 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to an increase in fees pursuant to network affiliation agreements as a result of increased contractual rates.

Media selling, general and administrative expenses. Media selling, general and administrative expenses increased $24 million for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to a $7 million increase in third-party fulfillment costs from our digital business as a result of increased digital revenues, a $6 million increase in national sale commissions due to an increase in national advertising sales, a $5 million increase in employee compensation cost, and a $2 million increase in both information technology costs and credit card processing fees due to the increase in advertising revenue. Media selling, general and administrative expenses increased $35 million for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to an $11 million increase in third-party fulfillment costs from our digital business as a result of increased digital revenues, an $8 million increase in national sale commissions due to an increase in national advertising sales, a $6 million increase in employee compensation cost, a $3 million increase in credit card processing fees due to an increase in advertising revenue, and a $1 million increase in trade related expenses.

Amortization of program costs. The amortization of program costs remained flat for the three months ended September 30, 2024, when compared to the same period in 2023. The amortization of program costs decreased $4 million for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily related to reduced programming renewal costs.

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

Interest expense including amortization of debt discount and deferred financing costs. Interest expense increased $1 million and $3 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to increased interest expense related to our variable rate debt resulting from higher interest rates.

Other income, net. During the nine months ended September 30, 2024, we recognized a $26 million gain related to the sale of certain broadcast related assets and $9 million in interest income.

Tennis Segment

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

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2024	2023	Increase / (Decrease)	2024	2023	Increase / (Decrease)
Revenue:						
Distribution revenue	$ 51	$ 49	4%	$ 154	$ 140	10%
Core advertising revenue	8	9	(11)%	32	32	—%
Other media revenues	1	1	—%	4	2	n/m
Media revenues	60	59	2%	190	174	9%
Operating Expenses:						
Media programming and production expenses	30	29	3%	98	91	8%
Media selling, general and administrative expenses (a)	13	11	18%	42	33	27%
Depreciation and amortization expenses	5	5	—%	16	15	7%
Corporate general and administrative expenses	1	1	—%	2	1	n/m
Operating income	$ 11	$ 13	(15)%	$ 32	$ 34	(6)%

n/m - not meaningful

(a) Includes $2 million and $7 million for the three and nine months ended September 30, 2024, respectively, and $2 million and $4 million for the three and nine months ended September 30, 2023, respectively, of intercompany expense related to certain services provided by the local media segment, which is eliminated in consolidation.

Revenue

Distribution revenue. Distribution revenue, which is generated through fees earned from Distributors for the right to distribute Tennis Channel, increased $2 million or 4% and $14 million or 10% for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023. Contractual rate increases favorably impacted period-over-period distribution revenue by low double-digit percentages for both the three and nine months ended September 30, 2024. The increase in distribution revenue was offset by a decrease in subscribers by single-digit percentages for both periods, respectively.

Core advertising revenue. Core advertising revenue is primarily generated from sales of commercial time within Tennis Channel programming. Core advertising revenue decreased $1 million for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to a shift in the 2024 tournament calendar compared to the 2023 tournament calendar. Core advertising revenue remained flat for the nine months ended September 30, 2024, when compared to the same period in 2023.

Expenses

Media programming and production expenses. Media programming and production expenses increased $1 million and $7 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to an increase in live production expenses related to an increase in the number of tournaments aired in the current periods versus the prior periods.

Media selling, general and administrative expenses. Media selling, general and administrative expenses increased $2 million for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in employee compensation cost. Media selling, general and administrative expenses increased $9 million for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in expenses related to certain services provided by the local media segment, which is eliminated in consolidation, and employee compensation cost.

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

Other

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

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2024	2023	Increase / (Decrease)	2024	2023	Increase/(Decrease)
Revenue:						
Media revenues (a)	$ 9	$ 6	50%	$ 24	$ 21	14%
Non-media revenues (b)	$ 10	$ 11	(9)%	$ 30	$ 27	11%
Operating Expenses:						
Media expenses (c)	$ 6	$ 5	20%	$ 16	$ 30	(47)%
Non-media expenses (d)	$ 12	$ 13	(8)%	$ 36	$ 26	38%
Operating income (loss)	$ 1	$ (7)	n/m	$ (2)	$ (31)	(94)%
Income from equity method investments	$ —	$ —	n/m	$ 93	$ 30	n/m

n/m - not meaningful

(a) Media revenues for the three and nine months ended September 30, 2024 include $4 million and $9 million, respectively, and for the three and nine months ended September 30, 2023 include $2 million and $5 million, respectively, of intercompany revenue related to certain services and sales provided to the local media segment, which is eliminated in consolidation.

(b) Non-media revenues for the three and nine months ended September 30, 2024 include $1 million and $5 million, respectively, and for the three and nine months ended September 30, 2023 include $2 million and $4 million, respectively, of intercompany revenue related to certain services and sales provided to the local media segment, which is eliminated in consolidation.

(c) Media expenses for the nine months ended September 30, 2023 include $2 million of intercompany expense primarily related to certain services provided by the local media segment, which is eliminated in consolidation.

(d) Non-media expenses for the nine months ended September 30, 2024 include $3 million and for the three and nine months ended September 30, 2023 include $1 million and $2 million, respectively, of intercompany expense related to certain services and sales provided by the local media segment, which is eliminated in consolidation.

Revenue. Media revenues increased $3 million for both the three and nine months ended September 30, 2024, when compared to the same periods in 2023, primarily due to an increase in advertising revenue related to our digital initiatives. Non-media revenues increased $3 million for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in broadcast equipment sales.

Expenses. Media expenses increased $1 million for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in selling, general and administrative expenses related to our digital initiatives. Media expenses decreased $14 million for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to the sale of Stadium Network. Non-media expenses increased $10 million for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in expenses related to our technical services business and an increase in expenses associated with higher broadcast equipment sales.

Income from equity method investments. During the nine months ended September 30, 2024, we recognized a gain of $93 million related to the sale of one of our investments, which is included in income from equity method investments in our consolidated statements of operations. During the nine months ended September 30, 2023, we recognized a gain of $33 million on the sale of two 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

Corporate and Unallocated Expenses

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

	Three Months Ended September 30,		Percent Change	Nine Months Ended September 30,		Percent Change
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
Corporate general and administrative expenses	$ 41	$ 45	(9)%	$ 149	$ 165	(10)%
Income tax (provision) benefit	$ (29)	$ 12	n/m	$ (30)	$ 236	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 $4 million and $16 million for the three and nine months ended September 30, 2024, respectfully, when compared to the same periods in 2023, primarily due to a decrease in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 5. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements,* partially offset by an increase in employee compensation cost.

Income tax (provision) benefit. The effective tax rate for the three months ended September 30, 2024 was a provision of 23.0% as compared to a benefit of 20.7% during the same period in 2023. The change from benefit to provision is primarily due to a book loss in 2023 compared to book income in 2024.

The effective tax rate for the nine months ended September 30, 2024 was a provision of 17.4% as compared to a benefit of 134.3% during the same period in 2023. The decrease in the effective tax rate for the nine months ended September 30, 2024, as compared to the same period in 2023, is primarily due to a release of the 2023 valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j) as a result of the change in the tax classification of the legal entity owning the DSG business because of the exit of the sole minority investor.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

Any references to the first, second, or fourth quarters are to the three months ended March 31, June 30, or December 31, respectively, for the year being discussed. As of September 30, 2024, SBG had one reportable segment for accounting purposes, local media.

Seasonality / Cyclicality

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

Operating Data

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Media revenues	$ 845	$ 697	$ 2,322	$ 2,203
Non-media revenues	—	—	—	10
Total revenues	845	697	2,322	2,213
Media programming and production expenses	384	371	1,149	1,166
Media selling, general and administrative expenses	188	164	549	539
Depreciation and amortization expenses	58	59	174	194
Amortization of program costs	18	18	55	59
Non-media expenses	2	3	6	22
Corporate general and administrative expenses	24	31	100	147
Loss on deconsolidation of subsidiary	—	10	—	10
(Gain) loss on asset dispositions and other, net of impairment	(11)	(3)	(11)	7
Operating income	$ 182	$ 44	$ 300	$ 69
Net income (loss) attributable to SBG	$ 80	$ (22)	$ 87	$ 62

Local Media Segment

Refer to *Local Media Segment* above under *Sinclair, Inc.'s Results of Operations* for a discussion of SBG's local media segment, which is the same as Sinclair's local media segment for all of the three and nine months ended September 30, 2024 and 2023.

Other

The following table sets forth SBG's revenues and expenses for tennis, non-broadcast digital and internet solutions, technical services, and non-media investments (collectively, other) for the period presented, prior to the Reorganization (in millions):

	Nine Months Ended September 30,	
	2023	
Revenue:		
Distribution revenue	$	76
Core advertising revenue		29
Other media revenues		3
Media revenues (a)	$	108
Non-media revenues (b)	$	11
Operating Expenses:		
Media expenses (c)	$	86
Non-media expenses (d)	$	10
Loss on asset dispositions and other, net of impairment	$	13
Income from equity method investments	$	31

(a) Media revenues for the nine months ended September 30, 2023 include $3 million of intercompany revenue related to certain services and sales provided to the local media segment, which is eliminated in consolidation.

(b) Non-media revenues for the nine months ended September 30, 2023 include $1 million of intercompany revenue related to certain services and sales provided to the local media segment, which is eliminated in consolidation.

(c) Media expenses for the nine months ended September 30, 2023 include $1 million of intercompany expense primarily related to certain services provided by the local media segment, which is eliminated in consolidation.

(d) Non-media expenses for the nine months ended September 30, 2023 include $1 million of intercompany expense related to certain services and sales provided by the local media segment, which is eliminated in consolidation.

The revenue and expense items noted above for the nine months ended September 30, 2023 represent activity prior to the Reorganization which occurred June 1, 2023, thus there is no activity presented for periods subsequent to May 31, 2023. See *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements.*

Corporate and Unallocated Expenses

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

	Three Months Ended September 30,				Percent Change	Nine Months Ended September 30,				Percent Change
	2024		2023		Increase/ (Decrease)	2024		2023		Increase/ (Decrease)
Corporate general and administrative expenses	$	24	$	31	(23)%	$	100	$	147	(32)%
Income tax (provision) benefit	$	(25)	$	6	n/m	$	(15)	$	236	n/m

n/m - not meaningful

Corporate general and administrative expenses. The table above and the explanation that follows cover total consolidated corporate general and administrative expenses. Corporate general and administrative expenses decreased by $7 million and $47 million for the three and nine months ended September 30, 2024, respectively, when compared to the same periods in 2023, primarily due to a decrease in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 5. Commitments and Contingencies* within *SBG's Consolidated Financial Statements.*

Income tax (provision) benefit. The effective tax rate for the three months ended September 30, 2024 was a provision of 22.8% as compared to a benefit of 18.9% during the same period in 2023. The change from benefit to provision is primarily due to a book loss in 2023 compared to book income in 2024.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

The effective tax rate for the nine months ended September 30, 2024, was a provision of 13.6% as compared to a benefit of 144.6% during the same period in 2023. The decrease in the effective tax rate for the nine months ended September 30, 2024, as compared to the same period in 2023, is primarily due to a release of the 2023 valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j) as a result of the change in the tax classification of the legal entity owning the DSG business because of the exit of the sole minority investor.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

As of September 30, 2024, Sinclair had net working capital of approximately $646 million, including $536 million in cash and cash equivalent balances, and $650 million of available borrowing capacity. Cash on hand, cash generated by Sinclair's operations, and borrowing capacity under the Bank Credit Agreement are used as Sinclair's primary sources of liquidity.

As of September 30, 2024, SBG had net working capital of approximately $238 million, including $202 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 Bank Credit Agreement of STG, a wholly-owned subsidiary of SBG, 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, which 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 utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of September 30, 2024, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. As of September 30, 2024, the STG first lien leverage ratio was below 4.5x. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of September 30, 2024.

During the nine months ended September 30, 2024, STG purchased $27 million aggregate principal amount of the Term Loan B-2, due September 30, 2026, for consideration of $25 million.

During the nine months ended September 30, 2024, Sinclair and SBG entered into agreements which increased estimated contractual amounts owed for network programming rights by $1,592 million which have terms that extend into 2027. There were no other material changes to Sinclair's or SBG's contractual cash obligations as of September 30, 2024.

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

In January 2024, Sinclair announced that it had agreed 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 and on March 1, 2024, the court approved the settlement. The settlement terms included Sinclair’s cash payment to DSG of $495 million. Additionally, under the terms of the settlement, Sinclair would provide transition services to DSG to allow DSG to become a self-standing entity going forward. An initial payment of $50 million was made in the first quarter of 2024 and the remaining $445 million was paid in the second quarter of 2024. Of the total $495 million settlement amount paid, $347 million was paid by STG and $148 million was paid by Ventures.

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LIQUIDITY AND CAPITAL RESOURCES

Sinclair, Inc. Sources and Uses of Cash

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash flows from (used in) operating activities	$ 210	$ 1	$ (100)	$ 143
Cash flows (used in) from investing activities:				
Acquisition of property and equipment	$ (17)	$ (30)	$ (61)	$ (70)
Purchases of investments	(9)	(5)	(41)	(44)
Distributions and proceeds from investments	1	1	185	205
Other, net	1	2	3	6
Net cash flows (used in) from investing activities	$ (24)	$ (32)	$ 86	$ 97
Cash flows used in financing activities:				
Repayments of notes payable, commercial bank financing, and finance leases	$ (9)	$ (38)	$ (52)	$ (76)
Dividends paid on Class A and Class B Common Stock	(16)	(16)	(49)	(50)
Repurchase of outstanding Class A Common Stock	—	—	—	(153)
Repurchase of redeemable subsidiary preferred equity	—	—	—	(190)
Distributions to noncontrolling interests, net	(3)	(2)	(8)	(10)
Other, net	—	2	(3)	(2)
Net cash flows used in financing activities	$ (28)	$ (54)	$ (112)	$ (481)

Operating Activities

Net cash flows from Sinclair's operating activities increased for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in cash collections related to political revenue and Distributors, partially offset by an increase in production and overhead costs.

Net cash flows used in Sinclair's operating activities increased for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to the payment of the DSG settlement and an increase in production and overhead costs, partially offset by an increase in cash collections related to political revenue and Distributors.

Investing Activities

Net cash flows used in Sinclair's investing activities decreased for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to a decrease in the acquisition of property and equipment in the current period, partially offset by an increase in purchases of investments in the current period.

Net cash flows from Sinclair's investing activities decreased for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to a decrease in the distributions and proceeds from investments in the current period, partially offset by a decrease in the acquisition of property and equipment in the current period.

Financing Activities

Net cash flows used in Sinclair's financing activities decreased for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to a decrease in the repayment of debt in the current period.

Net cash flows used in Sinclair's financing activities decreased for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to the repurchase of outstanding Common Stock and the redeemable subsidiary preferred equity in the prior period and a decrease in the repayment of debt in the current period.

LIQUIDITY AND CAPITAL RESOURCES

Sinclair declared a quarterly dividend of $0.25 per share in August 2024 and $0.25 per share in November 2024. Future dividends on Sinclair's shares of common stock, if any, will be at the discretion of Sinclair's Board of Directors and will depend on several factors including Sinclair's results of operations, cash requirements and surplus, financial condition, covenant restrictions, and other factors that Sinclair's Board of Directors may deem relevant.

Sinclair Broadcast Group, LLC Sources and Uses of Cash

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash flows from (used in) operating activities	$ 226	$ 50	$ (86)	$ 172
Cash flows (used in) from investing activities:				
Acquisition of property and equipment	$ (17)	$ (30)	$ (61)	$ (71)
Purchases of investments	(2)	—	(4)	(37)
Distributions and proceeds from investments	18	—	44	204
Other, net	(1)	2	1	6
Net cash flows (used in) from investing activities	$ (2)	$ (28)	$ (20)	$ 102
Cash flows used in financing activities:				
Repayments of notes payable, commercial bank financing, and finance leases	$ (8)	$ (39)	$ (51)	$ (76)
Dividends paid on Old Sinclair Class A and Class B Common Stock	—	—	—	(18)
Repurchase of outstanding Old Sinclair Class A Common Stock	—	—	—	(153)
Repurchase of redeemable subsidiary preferred equity	—	—	—	(190)
Distributions to noncontrolling interests, net	(3)	(3)	(8)	(10)
Contributions from (distributions to) member, net	(63)	(69)	48	(429)
Other, net	—	—	—	(3)
Net cash flows used in financing activities	$ (74)	$ (111)	$ (11)	$ (879)

Operating Activities

Net cash flows from SBG's operating activities increased for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in cash collections related to political revenue and Distributors, partially offset by an increase in production and overhead costs.

Net cash flows used in SBG's operating activities increased for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to the payment of the DSG settlement and an increase in production and overhead costs, partially offset by an increase in cash collections related to political revenue and Distributors, as well as the impact of the Reorganization, as discussed in *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements.*

Investing Activities

Net cash flows used in SBG's investing activities decreased for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to an increase in distributions and proceeds from investments and a decrease in the acquisition of property and equipment in the current period.

Net cash flows used in SBG's investing activities increased for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to the $193 million A/R Facility principal payment received from DSPV in the prior period, offset by a decrease in the purchases of investments in the current period, as a result of the Reorganization, as discussed in *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements*, and a decrease in the acquisition of property and equipment in the current period.

LIQUIDITY AND CAPITAL RESOURCES

Financing Activities

Net cash flows used in SBG's financing activities decreased for the three months ended September 30, 2024, when compared to the same period in 2023, primarily due to a decrease in the repayment of debt in the current period.

Net cash flows used in SBG's financing activities decreased for the nine months ended September 30, 2024, when compared to the same period in 2023, primarily due to a decrease in the repayment of debt in the current period and an increase in net contributions from member in the current period, as a result of the Reorganization, as discussed in *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements,* and the repurchase of outstanding Old Sinclair Common Stock, dividends paid on Old Sinclair Class A and Class B Common Stock, and the repurchase of the redeemable subsidiary preferred equity in the prior period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There were no changes to the critical accounting policies and estimates from those disclosed in *Critical Accounting Policies and Estimates* under *Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* within our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes from the quantitative and qualitative discussion about market risk previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Each of Sinclair's and SBG's management, under the supervision and with the participation of its respective Chief Executive Officer and Chief Financial Officer, evaluated the design and effectiveness of its disclosure controls and procedures as of September 30, 2024.

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

Assessment of Effectiveness of Disclosure Controls and Procedures

Based on the evaluation of its disclosure controls and procedures as of September 30, 2024, each of Sinclair's and SBG's Chief Executive Officer and Chief Financial Officer concluded that, as of such date, Sinclair's and SBG's disclosure controls and procedures, respectively, were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in either Sinclair's or SBG's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2024, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Limitations on the Effectiveness of Controls

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Sinclair and SBG are party to lawsuits and claims from time to time in the ordinary course of business. Actions currently pending are in various stages and no material judgments or decisions have been rendered by hearing boards or courts in connection with such actions.

See *Litigation, Claims, and Regulatory Matters* under *Note 5. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements* for discussion related to certain pending lawsuits.

See *Litigation, Claims, and Regulatory Matters* under *Note 5. Commitments and Contingencies* within *SBG's Consolidated Financial Statements* for discussion related to certain pending lawsuits.

ITEM 1A. RISK FACTORS

As of the date of this report, there have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

During the three months ended September 30, 2024, none of Sinclair's or SBG's directors, managers, or officers, as applicable, adopted or terminated any contract, instruction, or written plan for the purchase or sale of Sinclair's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1†	Second Amended and Restated Employment Agreement among Sinclair, Inc., Sinclair Broadcast Group, LLC, and Christopher S. Ripley dated August 8, 2024.
31.1	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair, Inc., pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
31.2	Certification by Lucy Rutishauser, as Chief Financial Officer of Sinclair, Inc., pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
31.3	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
31.4	Certification by Lucy Rutishauser, as Chief Financial Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(a) of the Exchange Act (15 U.S.C. § 7241).
32.1**	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair, Inc., pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
32.2**	Certification by Lucy Rutishauser, as Chief Financial Officer of Sinclair, Inc., pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
32.3**	Certification by Christopher S. Ripley, as Chief Executive Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
32.4**	Certification by Lucy Rutishauser, as Chief Financial Officer of Sinclair Broadcast Group, LLC, pursuant to Rule 13a-14(b) of the Exchange Act and § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350).
101†	The Company's Consolidated Financial Statements and related Notes for the quarter ended September 30, 2024 from this Quarterly Report on Form 10-Q, formatted in iXBRL (Inline eXtensible Business Reporting Language).
104	Cover Page Interactive Data File (included in Exhibit 101).

† Filed herewith.

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each Registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized on the 8th day of November 2024.

SINCLAIR, INC.
SINCLAIR BROADCAST GROUP, LLC

By: /s/ David R. Bochenek

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

SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is dated this 8th day of August 2024 (the "Effective Date"), among Sinclair, Inc., a Maryland corporation ("Sinclair"), Sinclair Broadcast Group, LLC, a Maryland limited liability company ("SBG" or the "Company") and Christopher S. Ripley ("Employee").

R E C I T A L S

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

B. On August 23, 2017, Employee entered into an Amended and Restated Employment Agreement (the "Current Employment Agreement") with SBG.

C. Employee has been employed by SBG and serves as its and Sinclair's Chief Executive Officer and President.

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

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

1. *Duties*.

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

(a) report to the Boards of Directors ("Board") of Sinclair and SBG, respectively, and the Executive Chairman and Executive Vice Chairman (the "Office of the Chairman") of Sinclair; and

(b) have such reasonable responsibilities and perform such duties as are customarily assigned to a chief executive officer and president of companies of comparable size and as may from time to time be established and assigned by the Boards of Sinclair or SBG or Office of the Chairman, respectively.

1.2. ***Full-Time Employment*.** The Employee agrees to devote Employee's working time, attention, and best efforts to the business of the Company and its affiliates.

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

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

2. ***Term*.**

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

2.2. ***At Will Employment*.** Notwithstanding anything else in this Agreement to the contrary, including, without limitation, the provisions of Section 2.1, Section 3, or Section 4 of this Agreement, the employment of Employee is not for a specified period of time, and the Company or Employee may terminate the employment of Employee with or without Cause (as defined in Section 4.1(c) of this Agreement) at any time for any reason. There is not as of the

Effective Date, nor will there be in the future, unless by a writing signed by all of the parties to this Agreement, any express or implied agreement as to the continued employment of Employee.

3. *Compensation and Benefits*.

3.1. *Compensation*. Effective the date hereof through December 31, 2025, Employee's annual base salary ("Base Salary") shall be One Million Dollars ($1,000,000). For purposes of clarity, base salary paid to Employee pursuant to the Current Employment Agreement through the date hereof shall be unaffected. Effective January 1, 2026 and for each subsequent year of employment, Employee's Base Salary shall be determined by the Compensation Committee of the Board of Sinclair (the "Comp Committee"), in its absolute and complete discretion. In addition, Employee will be eligible to receive certain additional compensation as further described in Section 3.2 of this Agreement.

3.2 *Incentive Compensation.*

(a) Cash Bonuses.

(i) Adjusted EBITDA Performance Bonuses. For each calendar year, Employee shall be eligible for a quarterly Adjusted EBITDA performance bonus ("Adjusted EBITDA Performance Bonus") which for calendar years 2024 and 2025 shall be up to Two Hundred Fifty Thousand Dollars ($250,000) and an annual exceeds Adjusted EBITDA Performance Bonus which for calendar years 2024 and 2025 shall be up to Five Hundred Thousand Dollars ($500,000), based on the Adjusted EBITDA budgets approved by the Board of Sinclair, in its absolute and complete discretion, provided that the payout mechanism matches the Adjusted EBITDA Performance Bonus for calendar year 2023 (i.e. quarterly Adjusted EBITDA Performance Bonus pro rata starting at 92% of budget with the maximum at 100% of budget with true-up if annual Adjusted EBITDA budget is met or exceeded and annual exceeds Adjusted EBITDA Performance Bonus pro rata starting at 100% of budget with the maximum at 108% of budget). Quarterly Adjusted EBITDA Performance Bonuses are payable within sixty (60) days following the end of the calendar quarter to which such quarterly Adjusted EBITDA Performance Bonus relates. Annual Adjusted EBITDA Performance Bonuses are payable days no later than the fifteenth (15th) day of the third (3rd) calendar month following the end of the calendar year to which such annual Adjusted EBITDA Performance Bonus relates.

(ii) Discretionary Bonus. For calendar years 2024 and 2025, Employee shall also be eligible for a discretionary bonus (a "Discretionary Bonus") of up to One Million Five Hundred Thousand Dollars ($1,500,000) and One Million Dollars ($1,000,000), respectively, the payment and criteria of which shall be in the absolute and complete discretion of the Comp Committee. For subsequent years, Employee shall be eligible for a Discretionary Bonus in an amount as shall be determined by the Comp Committee, in its absolute and complete discretion.

(iii) Group Performance Bonus. For calendar year 2025, Employee shall be eligible for an annual performance bonus (the "Performance Bonus") in the amount of up to One Million Six Hundred Thousand Dollars ($1,600,000) based on reasonable criteria determined by the Comp Committee (which shall not be materially different from the criteria used for other similarly situated executives), and which shall be provided to Employee in writing, and for subsequent years, any amount shall be determined by the Comp Committee, in its absolute and complete discretion.

(iv) Long-Term Performance Bonus. Employee shall also be eligible for bonuses (the "Long-Term Performance Bonuses," and together with any Adjusted EBITDA Performance Bonuses, Performance Bonuses and Discretionary Bonuses, the "Bonuses," and with respect to any calendar year, a "Bonus") of Five Million Dollars ($5,000,000) if the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period exceeds (i) $33 per share, (ii) $40 per share, and (iii) every $5 per share interval thereafter, in each case adjusted for the impact of any cash dividends on Sinclair's common stock as well as any stock splits, reverse stock splits, spin-offs, stock dividends, recapitalizations and the like occurring after the Effective Date, with the value of the adjustment reasonably determined by the Comp Committee. For the avoidance of doubt, the Employee shall be entitled to a Long-Term Performance Bonus for achieving each stock price threshold only once. Thus, if the Employee earns a Long-Term Performance Bonus under clause (i) and, subsequent to such time, the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period falls below $33 per share, the Employee shall not be entitled to another Long-Term Performance Bonus when the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period again exceeds $33 per share. However, the Employee will be entitled to another Long-Term Performance Bonus when the average of the closing sales prices of shares of Sinclair's Class A common stock on the Nasdaq Stock Market (or the national stock exchange on which the shares are then listed) over a twenty-two (22) trading day period exceeds $40 per share. If Sinclair [or a material spun off subsidiary of Sinclair] is no longer listed on a national stock exchange, the Comp Committee and the Employee shall negotiate in good faith an adjustment to the share price calculation (including the look-forward or look-back period to value such adjustment) or to replace the Long-Term Performance Bonus opportunity with another bonus opportunity. Subject to a reasonable amount of time for the Company to review whether the conditions have been met, the Long-Term Performance Bonuses shall be paid within thirty (30) days of the conditions being met.

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

(b) Grants.

(i) Subject to Employee's employment on the date of grant, Employee shall be eligible to receive an annual grant ("Annual Grant") of restricted shares of Sinclair's Class A common stock (the "Restricted Stock") and/or stock-settled stock appreciation rights ("SARS") based upon the appreciation in value of Sinclair's Class A common stock pursuant to the Sinclair, Inc. 2022 Stock Incentive Plan ("SIP") (a copy of which is attached to this Agreement as Exhibit A). Any grants shall be determined by the Comp Committee in its absolute and complete discretion. Notwithstanding the foregoing, if Sinclair, its affiliates or any surviving or successor entity (including Ventures or any other current subsidiary or affiliate of Sinclair) does not issue shares of its capital stock or other equity to any employees related to the year that Employee is entitled to the applicable Annual Grant as set forth above, Employee shall not be entitled to the Annual Grants; provided, however if similarly situated executives receive other compensation in lieu of equity grants, Employee shall be entitled to such compensation in proportion to amount and Annual Grants set forth above.

(ii) Each Annual Grant shall be granted pursuant to the terms of a written award agreement between Sinclair and Employee, which award agreement shall be issued pursuant to the (i) Sinclair, Inc. Executive Performance Formula and Incentive Plan (the "EPFI") (a copy of which is attached to this Agreement as Exhibit B); (ii) SIP; and/or (iii) any successor plan(s) to either the EPFI or SIP (all such plans are sometimes collectively referred to in this Agreement, as the "Incentive Plans"). Except as provided above, all Annual Grant award agreements shall contain vesting and restrictions which shall be as determined by the Comp Committee at the time of issuance which shall be similar to similarly situated executive employees. In addition, such Annual Grant award agreements may contain other terms and conditions which are not inconsistent with the provisions of this Section 3.2(b) and the Incentive Plans; and such other terms and conditions shall not impair, diminish or limit in any way the rights of Employee from those contemplated by this Section 3.2(b) or impose any conditions on Employee's right to receive and retain the value provided by any such Grant.

3.3 *Equity Opportunities*. During the Employment Term, Employee shall be entitled to additional equity opportunities outlined in Attachment 1.

3.3 *Vacation*. During the Employment Term, Employee shall be entitled to paid vacation leave in accordance with such policies from time to time in effect and in accordance with the Company's Employee Handbook, plus five (5) additional days.

3.4. *Health Insurance and Other Benefits*. During the Employment Term, Employee shall be eligible to participate in health insurance programs that may from time to time be provided by Sinclair for its or its subsidiaries' employees generally, and Employee shall be eligible to participate in other employee benefits plans, including tuition reimbursement, that may from time to time be provided by Sinclair for its or its subsidiaries' employees generally.

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

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

4. ***Employment Termination*****.**

4.1. ***Termination Events*****.**

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

(1) the death of Employee;

(2) the termination of Employee's employment as a result of Employee's Disability (as defined in Section 4.1(b) of this Agreement) of Employee;

(3) the termination of Employee's employment by Employee without Good Reason (as defined in Section 4.1(d) of this Agreement);

(4) the termination of Employee's employment by the Company for Cause (as defined in Section 4.1(c) of this Agreement);

(5) the termination of Employee's employment by the Company without Cause;

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

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

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

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

(d) For purposes of this Agreement, “Good Reason” means any of the following without Employee’s prior written consent: (i) the relocation of Employee’s principal place of employment more than fifty (50) miles from the Baltimore, Maryland metropolitan area, (ii) for calendar years 2024 and 2025, a reduction in either Base Salary, Discretionary Bonus opportunity (or equivalent alternative bonus opportunity if and as set by the Comp Committee in its sole discretion) or Adjusted EBITDA Bonus opportunity (or equivalent alternative bonus opportunity if and as set by the Comp Committee in its sole discretion) from the amounts set forth in, and subject to the terms in, Section 3 hereof, (iii) for any calendar year after calendar year 2025, a reduction in Base Salary, Discretionary Bonus opportunity or Adjusted EBITDA Performance Bonus opportunity of more than 5% from the amounts set forth for calendar year 2024 in, and subject to the terms in, Section 3 hereof, (iv) for calendar year 2025, a reduction in the Performance Bonus opportunity from the amount set forth in, and subject to the terms in, Section 3 hereof, (v) a reduction in the Long-Term Performance Bonus opportunity from the amounts set forth in, and subject to the terms in, Section 3 hereof, (vi) for any calendar year after calendar year 2025, a reduction in the Performance Bonus opportunity (if applicable and subject to the terms in Section 3 hereof) that is greater than the reduction in percentage of such opportunity from the prior calendar year for similarly situated executive employees, (vii) total compensation opportunities that Employee is eligible to earn in any form, in any calendar year (including, but not limited to, cash, salary, bonuses and/or equity or option grants), subject to terms, conditions and/or other benchmarks or criteria set forth in this Agreement and/or as otherwise by the Comp Committee is lower than $7.0 million, as determined using GAAP by the Company upon a reasonable time after such calendar year, (viii) a material reduction or adverse change in the duties, position or responsibilities of Employee or a material adverse change in Employee’s working conditions, (ix) a change in reporting structure, such that the Employee no longer reports directly to the Board of Sinclair or Office of the Chairman of Sinclair, respectively, or (x) any other material breach by the Company or Sinclair of this Agreement that it fails to cure within thirty (30) days. Notwithstanding the foregoing, Good Reason shall not be deemed to exist unless Employee terminates his employment for Good Reason within ninety (90) days of the inception of the event giving rise to the Good Reason; provided, however, Employee has first given the Company written notice of the event giving rise to Good Reason within ten (10) business days of its occurrence and thirty (30) days following such notice to correct it and the Company fails to correct such event within the thirty (30)-day period.

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

4.2. *Termination Payments*.

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

1. within thirty (30) days after the Termination Date, the Base Salary with respect to the then current year that would have been payable to Employee under Section 3.1 of this Agreement up to and including the Termination Date; and

2. within thirty (30) days after the Termination Date, the prorated amounts with respect to the current year based on the prior year's Bonus under Section 3.2 of this Agreement up to and including the Termination Date; and

3. within thirty (30) days after the Termination Date, any earned but unpaid Long-Term Performance Bonus;

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

5. benefits, if any, applicable to Employee in a separate Restricted Stock Agreement or Stock Appreciation Rights Agreement, upon the terms and conditions set forth therein.

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

1. within thirty (30) days after the Termination Date, the Base Salary with respect to the then current year that would have been payable to Employee under Section 3.1 had the Employment Term ended on the last day of the month in which the Termination Date occurs;

2. within thirty (30) days after the Termination Date, the prorated amounts with respect to the current year based on the prior year's Bonus under Section 3.2 of this Agreement up to and including the Termination Date; and

3. within thirty (30) days after the Termination Date, any earned but unpaid Long-Term Performance Bonus;

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

5. benefits, if any, applicable to Employee in a separate Restricted Stock Agreement or Stock Appreciation Rights Agreement, upon the terms and conditions set forth therein.

(c) If Employee's employment is terminated pursuant to Section 4.1(a)(3) of this Agreement (i.e., by Employee without Good Reason), the Company shall, subject to Section 9.14 of this Agreement (i.e., if Employee is a "specified employee"), pay to the Employee the following:

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

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

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

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

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

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

1. within thirty (30) days after the Termination Date, (a) the Base Salary due to Employee up to and including the Termination Date; (b) any earned but unpaid Long-Term Performance Bonus; and (c) a lump-sum cash severance in the amount equal to Three Million Five Hundred Thousand Dollars ($3,500,000) and (d) within a reasonable time for the Company to determine if such criteria and/or targets have been met but no later than the fifteenth (15th) day of the third (3rd) calendar month following the end of the calendar year to which such Bonus relates, an amount equal to the Adjusted EBIDTA Performance Bonus and Group Performance Bonus (in each case, prorated for the year of termination up to and including the Termination Date) that Employee is eligible to earn in the calendar year in which the Termination Date occurs provided that the necessary criteria and/or targets are achieved (including if such targets are met after the Termination Date) (the amounts in (a), (b), (c) and (d), (the "Severance Payment"); provided however, the Company's obligation to make the Severance Payment shall be conditioned upon (i) Employee's execution and delivery to Company of a

general release by Employee of all claims against Sinclair and its subsidiaries in form and substance reasonably acceptable to the Company and consistent with the terms hereof and (ii) Employee’s compliance with the restrictive covenants and other obligations contained herein ((i) and (ii), collectively, the “Payment Conditions”);

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

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

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

5. ***Confidentiality and Non-Competition*****.**

5.1. ***Confidential Information*****.**

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

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

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

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

(4) upon termination of Employee's employment or at any other time any of the Sinclair Entities in writing so request, promptly deliver to such Sinclair Entity all materials constituting Confidential Information relating to such Sinclair Entity (including all copies) that are in Employee's possession or under Employee's control. If requested by any of the Sinclair Entities to return any Confidential Information, Employee will not make or retain any copy of or extract from such materials.

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

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

(a) Employee shall not, while Employee is employed and for a period of twelve (12) months after termination of employment for any reason directly or indirectly, participate in any activity involved in the ownership, or operation of a television broadcast station (within any Designated Market Area (as defined in Section 5.2(f) of this Agreement) in which any of the Sinclair Entities owns, operates, programs, or supplies substantially all of the program services, including network programming. As used herein, “participate” means lending one's name to, acting as a consultant or adviser for, being employed by, or acquiring any direct or indirect interest in any business or enterprise, whether as an equityholder, partner, officer, director, employee, consultant, or otherwise. Notwithstanding anything else contained in this Section 5.2 or elsewhere in this Agreement, Section 5.2 shall not apply if Employee’s employment is terminated pursuant to Section 4.1(a)(2) or Section 4.1(a)(7) of this Agreement. If Employee terminates his employment pursuant to Section 4.1(a)(6) of this Agreement or Employee is terminated pursuant to Section 4.1(a)(5), then Section 5.2 shall only apply for six (6) months following the Termination Date.

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

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

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

(c) Notwithstanding anything else contained in this Section 5.2, Employee may at any time own, for investment purposes only, up to five percent (5%) of the stock of any publicly-held corporation whose stock is either listed on a national securities exchange if Employee is not otherwise affiliated with such corporation.

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

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

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

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

6. *Remedies*.

6.1. ***Injunctive Relief*****.** The covenants and obligations contained in Section 5 of this Agreement relate to matters which are of a special, unique, and extraordinary character, and a violation of any of the terms of such Section 5 will cause irreparable injury to the Sinclair Entities, the amount of which will be impossible to estimate or determine and which cannot be adequately compensated. Therefore, the Sinclair Entities will be entitled to an injunction, a restraining order, or other equitable relief from any court of competent jurisdiction (subject to such terms and conditions that the court determines appropriate) restraining any violation or threatened violation of any of such terms by Employee and such other persons as the court orders. The parties acknowledge and agree that judicial action, rather than arbitration, is appropriate with respect to the enforcement of the provisions of Section 5 of this Agreement. The forum for any litigation hereunder shall be the Circuit Court of Baltimore County or the United States District Court (Northern Division) sitting in Baltimore, Maryland.

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

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

8. ***Change in Control***

8.1. ***Definition of Change in Control***.

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

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

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

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

(iii) the acquisition by any Person as Beneficial Owner (as defined in Section 8.1(d) of this Agreement), directly or indirectly, of securities of Sinclair, SBG or Ventures, as applicable, immediately following which such Person beneficially owns securities of Sinclair, SBG or Ventures, as applicable, representing more than fifty percent (50%) of the total voting power represented by Sinclair, SBG or Ventures', as applicable, then outstanding voting securities, other than, solely with respect to SBG and Ventures, where such Person is Sinclair or a subsidiary thereof.

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

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

(ii) The sale, spin-off, split-off or otherwise transfer of at least 75% of SBG's stations (as determined on December 31, 2023) or other assets representing at least 75% of the annual EBITDA of SBG (as determined on December 31, 2023); provided that the Employee is employed by a surviving or successor entity that reasonably has the financial capabilities to perform the obligations under this Agreement, and such entity expressly assumes in writing the rights and obligations of this Agreement.

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

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

9. *Miscellaneous*.

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

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

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

If to Company or Sinclair to: Sinclair, Inc.
10706 Beaver Dam Road
Cockeysville, Maryland 21030
Attn: Executive Chairman

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

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

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

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

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

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

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

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

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

9.10. *__Continuing Obligations__*. The provisions contained in the following Sections of this Agreement will continue and survive the termination of this Agreement: <u>Sections</u> 4.1, 4.2, 5, 6, 8 and 9.

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

9.12. *__Waiver of Jury Trial__*. The Company, Sinclair and Employee do hereby jointly and severally waive their right to a trial by jury in any action or proceeding to which both are parties arising out of, or in any manner pertaining to, this Agreement. It is understood and agreed that this waiver constitutes a waiver of the right to trial by jury of all claims against all parties to such actions or proceedings. This waiver is knowingly, voluntarily, and willingly made by Employee, Sinclair and the Company, and each represents and warrants to the other that no representations of facts or opinion have been made by any person to induce this waiver or to in any way modify or nullify its effect. Still

further, Employee, Sinclair and the Company each represents to the other that each has been represented by counsel selected by such party to review or prepare this Agreement or, if not represented, that such party has been advised, and has had the opportunity, to seek the advice of independent legal counsel to review this Agreement prior to signing this Agreement.

9.13. ***Exclusion from ERISA and Retirement and Fringe Benefit Computation***. Employee, Sinclair and the Company do hereby jointly and severally acknowledge and agree that this Agreement shall not be regarded as an "employee benefit plan" under 29 U.S.C. § 1002(3); provided, however, that if this Agreement is ever regarded as an "employee benefit plan" under 29 U.S.C. § 1002(3), Employee, Sinclair and the Company acknowledge and agree that this Agreement shall be regarded as a plan which is unfunded and is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees under 29 U.S.C. § 1051(2). Unless specifically provided otherwise pursuant to a separate plan or agreement, this Agreement (except for Section 3.1) shall not be taken into account as "wages," "salary" or "compensation" in determining eligibility or benefits under (i) any pension, retirement, profit sharing or other qualified or nonqualified plan of deferred compensation, (ii) any employee welfare or fringe benefit plan, including, but not limited to, group life insurance and disability, or (iii) any form of extraordinary pay, including, but not limited to, bonuses, sick pay, and vacation pay.

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

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

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

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

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

automatically be extended by the number of days, plus ten (10) that are taken for the determination of that matter by the arbitrator(s). Notwithstanding the foregoing, the parties agree to use their best reasonable efforts to minimize the costs and frequency of arbitration hereunder. To the fullest extent permitted by law, Employee waives any right to bring class-wide claims before any arbitrator in any forum, and Employee understands and agrees that any arbitration shall be conducted on an individual basis only, not a class basis.

9.19 ***Payment to Beneficiaries and Beneficiary Designation*.**

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

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

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

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

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

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

SINCLAIR, INC. **A Maryland corporation**

By: /s/ David Smith
Name: David Smith
Title: Executive Chairman

SINCLAIR BROADCAST GROUP, LLC. **A Maryland limited liability company**

By: /s/ David Smith
Name: David Smith
Title: Executive Chairman

EMPLOYEE:

/s/ Christopher S. Ripley
Christopher S. Ripley

Attachment 1

Ventures Carry. If any employees of Sinclair or its affiliates are eligible to receive a carried interest or other form of equity investment in Ventures or any of its subsidiaries, Employee shall also be eligible to receive such equity interest, as determined by the Comp Committee in its sole and absolute discretion.

Freestream India. Employee shall have the opportunity to purchase Five Percent (5%) of Sinclair's equity stake in Freestream India. Employee agrees not to sell or otherwise transfer his equity stake until the earlier of (i) such time as Sinclair sells all or substantially all of its equity stake or (ii) such time as fifty percent (50%) of the phase 1 Freestream India cities are operational and revenue generating, as reasonably determined by the Board or (iii) four (4) years from the effective date of the agreement providing for Freestream India's use of [such spectrum]. Following the date of the Employee's initial investment, the Employee shall have the option to participate in any new capital raises by Freestream India, on the same terms as proposed by Freestream India, in such amounts as to maintain its Five Percent (5%) ownership in Freestream India; provide that Employee shall have an option for five (5) years from each capital raise date to fund any such investment.

Foreign Investments. Employee shall be granted, or provided an option to purchase, a Five Percent (5%) profits interest (the "Profits Interest") in an entity to be formed in connection with investments by Sinclair in ATSC 3.0 (NextGen) businesses created outside of the United States, including Cast.era, which Profits Interest shall be subject to vesting at the rate of 25% per full year of employment for four (4) years and to Employee becoming a party to and bound by the terms of the operating or partnership agreement of such entity, which shall set forth additional details of such Profits Interest. Employee agrees not to sell or otherwise transfer his Profits Interest until the earliest of (i) such time as Sinclair sells all or substantially all of its equity stake or (ii) such time as fifty percent (50%) of the phase 1 foreign cities in each opportunity are operational and revenue generating, as reasonably determined by the Board or (iii) four years from the effective date of such venture.

EXHIBIT A

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

EXHIBIT B

Copy of Sinclair, Inc. Executive Performance Formula and Incentive Plan (“EPFI”)

EXHIBIT 31.1

CERTIFICATION

I, Christopher S. Ripley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sinclair, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   A) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   B) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   C) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   D) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 8, 2024

/s/ Christopher S. Ripley

Signature: Christopher S. Ripley

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Lucy A. Rutishauser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sinclair, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   A) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   B) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   C) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   D) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 8, 2024

/s/ Lucy A. Rutishauser

Signature: Lucy A. Rutishauser

Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION

I, Christopher S. Ripley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sinclair Broadcast Group, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   A) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   B) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   C) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   D) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

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

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

Date: November 8, 2024

/s/ Christopher S. Ripley

Signature: Christopher S. Ripley

Chief Executive Officer

EXHIBIT 31.4

CERTIFICATION

I, Lucy A. Rutishauser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sinclair Broadcast Group, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   A) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   B) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   C) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   D) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: November 8, 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 quarterly report on Form 10-Q of Sinclair, Inc. (the “Company”) for the period ending September 30, 2024 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
November 8, 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 quarterly report on Form 10-Q of Sinclair, Inc. (the “Company”) for the period ending September 30, 2024 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
November 8, 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 quarterly report on Form 10-Q of Sinclair Broadcast Group, LLC (the “Company”) for the period ending September 30, 2024 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
November 8, 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 quarterly report on Form 10-Q of Sinclair Broadcast Group, LLC (the “Company”) for the period ending September 30, 2024 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
November 8, 2024