REFINITIV

DELTA REPORT

10-Q

SINCLAIR BROADCAST GROUP,

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2908
CHANGES	347
DELETIONS	1147
ADDITIONS	1414

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, 2023 March 31, 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, 2023 May 6, 2024, there were 39,739,528 42,402,724 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" "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, particularly in the political, automotive, and service categories;
- the performance of networks and syndicators that provide us with programming content, as well as the performance of internally originated programming;
- subscriber churn due to the impact of technological changes, the proliferation of over-the-top ("OTT") direct to consumer platforms, and economic conditions on consumers desire to pay for subscription services;
- 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, 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"), and the consumer's appetite for mobile television;
- 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 local multi-channel video programming distributors ("MVPD") and virtual MVPDs ("vMVPD," and together with MVPDs, "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

Regulatory risks

- the 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 of 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;
- 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; ESG by numerous jurisdictions with varying requirements; and
- the impact of foreign government rules related to digital and online assets; and
- the potential impact from the elimination of rules prohibiting mergers of the four major television networks. assets.

Risks specific to us

- the bankruptcy proceedings involving The settlement agreement with Diamond Sports Group, LLC ("DSG"), an independently managed could have a material adverse effect on Sinclair and unconsolidated subsidiary of Sinclair; DSG and its wholly-owned subsidiary, Diamond Sports Net, LLC may require us to pay monetary damages, which could materially and adversely affect our SBG's financial position condition and results of operations;
- the impact of the war in Ukraine and conflict in the Middle East, including related disruption to supply chains and the increased price of energy, all of which affect our operations as well as those of our advertisers;
- 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 operating results; 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 FAST channels; 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

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- 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;
- acts of violence or war, such as geopolitical conditions, including the war in Ukraine, conflict conflicts in the Middle East, and other geopolitical events; 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 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 Old Sinclair's our Annual Report on Form 10-K for the year ended December 31, 2022 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, 2023 MARCH 31, 2024

TABLE OF CONTENTS

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, 2023	As of December 31, 2022		As of March 31, 2024	As of December 31, 2023
ASSETS	**ASSETS**			**ASSETS**		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	$ 643	$ 884			
Accounts receivable, net of allowance for doubtful accounts of $4 and $5, respectively		597	612			

Accounts receivable, net of allowance for doubtful accounts of $4 as of both periods				
Income taxes receivable	Income taxes receivable	8	5	
Prepaid expenses and other current assets	Prepaid expenses and other current assets	206	182	
Total current assets	Total current assets	1,454	1,683	
Property and equipment, net	Property and equipment, net	719	728	
Operating lease assets	Operating lease assets	127	145	
Goodwill				
Goodwill				
Goodwill	Goodwill	2,082	2,088	
Indefinite-lived intangible assets	Indefinite-lived intangible assets	150	150	
Customer relationships, net	Customer relationships, net	387	444	
Other definite-lived intangible assets, net	Other definite-lived intangible assets, net	434	502	
Other assets	Other assets	730	964	
Total assets (a)	Total assets (a)	$ 6,083	$ 6,704	
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY	**LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY**			
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY				
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY				
Current liabilities:	Current liabilities:			Current liabilities:

Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	$ 419	$ 397
Current portion of notes payable, finance leases, and commercial bank financing			
Current portion of notes payable, finance leases, and commercial bank financing			
Current portion of notes payable, finance leases, and commercial bank financing	Current portion of notes payable, finance leases, and commercial bank financing	37	38
Current portion of operating lease liabilities	Current portion of operating lease liabilities	19	23
Current portion of program contracts payable	Current portion of program contracts payable	85	83
Other current liabilities	Other current liabilities	64	67
Total current liabilities	Total current liabilities	624	608
Notes payable, finance leases, and commercial bank financing, less current portion	Notes payable, finance leases, and commercial bank financing, less current portion	4,145	4,227
Operating lease liabilities, less current portion	Operating lease liabilities, less current portion	140	154
Program contracts payable, less current portion	Program contracts payable, less current portion	7	10
Deferred tax liabilities	Deferred tax liabilities	376	610
Other long-term liabilities	Other long-term liabilities	207	220

Total liabilities (a)	Total liabilities (a)	5,499	5,829	
Commitments and contingencies (See Note 5)	Commitments and contingencies (See Note 5)			Commitments and contingencies (See Note 5)
Redeemable noncontrolling interests		—	194	
Shareholders' equity:	Shareholders' equity:			
Class A Common Stock, $.01 par value, 500,000,000 shares authorized, 39,649,259 and 45,847,879 shares issued and outstanding, respectively		1	1	
Shareholders' equity:				
Shareholders' equity:				
Class A Common Stock, $.01 par value, 500,000,000 shares authorized, 42,305,323 and 39,737,682 shares issued and outstanding, respectively				
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	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	Additional paid-in capital	514	624	
Retained earnings		122	122	
Accumulated deficit				
Accumulated other comprehensive income	Accumulated other comprehensive income	9	1	
Total Sinclair shareholders' equity	Total Sinclair shareholders' equity	646	748	
Noncontrolling interests	Noncontrolling interests	(62)	(67)	

Total equity	Total equity	584	681
Total liabilities, redeemable noncontrolling interests, and equity		$ 6,083	$ 6,704
Total liabilities and equity			

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

(a) Our consolidated total assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 include total assets of variable interest entities ("VIE") of $80 million $78 million and $115 $85 million, respectively, which can only be used to settle the obligations of the VIEs. Our consolidated total liabilities as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 include total liabilities of VIEs of $18 million $16 million and $17 million, respectively, 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,	
		2023	**2022**	**2023**	**2022**
REVENUES:	REVENUES:				
REVENUES:					
REVENUES:					
Media revenues					
Media revenues					
Media revenues	Media revenues	$ 758	$ 836	$ 2,285	$ 2,942
Non-media revenues	Non-media revenues	9	7	23	26
Non-media revenues					
Non-media revenues					
Total revenues					
Total revenues					
Total revenues	Total revenues	767	843	2,308	2,968
OPERATING EXPENSES:	OPERATING EXPENSES:				
OPERATING EXPENSES:					
OPERATING EXPENSES:					

Media programming and production expenses					
Media programming and production expenses					
Media programming and production expenses	Media programming and production expenses	400	396	1,211	1,557
Media selling, general and administrative expenses	Media selling, general and administrative expenses	176	190	557	605
Media selling, general and administrative expenses					
Media selling, general and administrative expenses					
Amortization of program contract costs					
Amortization of program contract costs					
Amortization of program contract costs	Amortization of program contract costs	18	22	59	68
Non-media expenses	Non-media expenses	15	12	36	35
Non-media expenses					
Non-media expenses					
Depreciation of property and equipment					
Depreciation of property and equipment					
Depreciation of property and equipment	Depreciation of property and equipment	24	24	80	76
Corporate general and administrative expenses	Corporate general and administrative expenses	45	30	165	115
Corporate general and administrative expenses					
Corporate general and administrative expenses					
Amortization of definite-lived intangible assets					
Amortization of definite-lived intangible assets					
Amortization of definite-lived intangible assets	Amortization of definite-lived intangible assets	42	43	124	179

Loss (gain) on deconsolidation of subsidiary	10	—	10	(3,357)
(Gain) loss on asset dispositions and other, net of impairment	—	(28)	11	(37)
Total operating expenses (gains)	730	689	2,253	(759)
Loss on asset dispositions and other, net of impairment				
Loss on asset dispositions and other, net of impairment				
Loss on asset dispositions and other, net of impairment				
Total operating expenses				
Total operating expenses				
Total operating expenses				
Operating income				
Operating income				
Operating income Operating income	37	154	55	3,727
OTHER INCOME (EXPENSE): OTHER INCOME (EXPENSE):				
OTHER INCOME (EXPENSE):				
OTHER INCOME (EXPENSE):				
Interest expense including amortization of debt discount and deferred financing costs				
Interest expense including amortization of debt discount and deferred financing costs				
Interest expense including amortization of debt discount and deferred financing costs Interest expense including amortization of debt discount and deferred financing costs	(77)	(59)	(227)	(228)
Gain on extinguishment of debt Gain on extinguishment of debt	4	—	15	3
Gain on extinguishment of debt				
Gain on extinguishment of debt				
Income from equity method investments Income from equity method investments	—	33	30	48
Other (expense) income, net	(21)	10	(48)	(155)
Income from equity method investments				
Income from equity method investments				

Other income, net				
Other income, net				
Other income, net				
Total other expense, net	Total other expense, net (94)	(16)	(230)	(332)
(Loss) income before income taxes	(57)	138	(175)	3,395
INCOME TAX BENEFIT (PROVISION)	12	(109)	236	(756)
NET (LOSS) INCOME	(45)	29	61	2,639
Net (income) loss attributable to the redeemable noncontrolling interests	—	(5)	4	(14)
Total other expense, net				
Total other expense, net				
Income (loss) before income taxes				
Income (loss) before income taxes				
Income (loss) before income taxes				
INCOME TAX BENEFIT				
INCOME TAX BENEFIT				
INCOME TAX BENEFIT				
NET INCOME				
NET INCOME				
NET INCOME				
Net loss attributable to the redeemable noncontrolling interests				
Net loss attributable to the redeemable noncontrolling interests				
Net loss attributable to the redeemable noncontrolling interests				
Net income attributable to the noncontrolling interests	Net income attributable to the noncontrolling interests (1)	(3)	(15)	(28)
NET (LOSS) INCOME ATTRIBUTABLE TO SINCLAIR	$ (46)	$ 21	$ 50	$ 2,597
Net income attributable to the noncontrolling interests				
Net income attributable to the noncontrolling interests				
NET INCOME ATTRIBUTABLE TO SINCLAIR				
NET INCOME ATTRIBUTABLE TO SINCLAIR				

NET INCOME ATTRIBUTABLE TO SINCLAIR									
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:									
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:									
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:	EARNINGS PER COMMON SHARE ATTRIBUTABLE TO SINCLAIR:								
Basic earnings per share	Basic earnings per share	$	(0.74)	$	0.32	$	0.75	$	36.59
Basic earnings per share									
Basic earnings per share									
Diluted earnings per share									
Diluted earnings per share									
Diluted earnings per share	Diluted earnings per share	$	(0.74)	$	0.32	$	0.75	$	36.59
Basic weighted average common shares outstanding (in thousands)	Basic weighted average common shares outstanding (in thousands)		63,325		69,907		65,670		70,981
Basic weighted average common shares outstanding (in thousands)									
Basic weighted average common shares outstanding (in thousands)									
Diluted weighted average common and common equivalent shares outstanding (in thousands)	Diluted weighted average common and common equivalent shares outstanding (in thousands)		63,325		69,907		65,727		70,985
Diluted weighted average common and common equivalent shares outstanding (in thousands)									
Diluted weighted average common and common equivalent shares outstanding (in thousands)									

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

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net (loss) income	$ (45)	$ 29	$ 61	$ 2,639
Unrealized gain on interest rate swap, net of tax	2	—	8	—
Share of other comprehensive income of equity method investments	—	—	—	3
Comprehensive (loss) income	(43)	29	69	2,642
Comprehensive (income) loss attributable to the redeemable noncontrolling interests	—	(5)	4	(14)
Comprehensive income attributable to the noncontrolling interests	(1)	(3)	(15)	(28)
Comprehensive (loss) income attributable to Sinclair	$ (44)	$ 21	$ 58	$ 2,600

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net income	$ 25	$ 193
Unrealized gain (loss) on interest rate swap, net of tax	4	(3)
Comprehensive income	29	190
Comprehensive loss attributable to the redeemable noncontrolling interests	—	4
Comprehensive income attributable to the noncontrolling interests	(2)	(12)
Comprehensive income attributable to Sinclair	$ 27	$ 182

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

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

	Three Months Ended September 30, 2022										
		Sinclair Shareholders									
	Redeemable Noncontrolling Interests	Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
BALANCE, June 30, 2022	$ 187	46,470,546	$ 1	23,775,056	$ —	$ 628	$ 79	$ (2)	$ (64)	$ 642

Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	—	(16)	—	—	(16)
Repurchases of Class A Common Stock	—	(489,051)	—	—	—	(10)	—	—	—	(10)
Class A Common Stock issued pursuant to employee benefit plans	—	92,431	—	—	—	5	—	—	—	5
Distributions to noncontrolling interests	(2)	—	—	—	—	—	—	—	(5)	(5)
Net income	5	—	—	—	—	—	21	—	3	24
BALANCE, September 30, 2022	$ 190	46,073,926	$ 1	23,775,056	$ —	$ 623	$ 84	$ (2)	$ (66)	$ 640

	Nine Months Ended September 30, 2022									
		Sinclair Shareholders								
	Redeemable Noncontrolling Interests	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total (Deficit) Equity
		Shares	Values	Shares	Values					
BALANCE, December 31, 2021	$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$ (1,706)
Dividends declared and paid on Class A and Class B Common Stock ($0.75 per share)	—	—	—	—	—	—	(53)	—	—	(53)
Repurchases of Class A Common Stock	—	(4,547,370)	—	—	—	(114)	—	—	—	(114)
Class A Common Stock issued pursuant to employee benefit plans	—	1,306,993	—	—	—	46	—	—	—	46
Distributions to noncontrolling interests	(5)	—	—	—	—	—	—	—	(10)	(10)
Other comprehensive income	—	—	—	—	—	—	—	3	—	3
Deconsolidation of subsidiary	(16)	—	—	—	—	—	—	(3)	(148)	(151)
Net income	14	—	—	—	—	—	2,597	—	28	2,625
BALANCE, September 30, 2022	$ 190	46,073,926	$ 1	23,775,056	$ —	$ 623	$ 84	$ (2)	$ (66)	$ 640

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 March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

	Three Months Ended September 30, 2023								
	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Noncontrolling	
	Shares	Values	Shares	Values	Capital	Earnings	Income	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)
BALANCE, December 31, 2022									
BALANCE, December 31, 2022									
BALANCE, December 31, 2022									
Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)									
Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)									
Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)									
Repurchases of Class A Common Stock									
Repurchases of Class A Common Stock									
Repurchases of Class A Common Stock									
Class A Common Stock issued pursuant to employee benefit plans Class A Common Stock issued pursuant to employee benefit plans	374,416	—	—	—	4	—	—	—	4
Class A Common Stock issued pursuant to employee benefit plans									
Class A Common Stock issued pursuant to employee benefit plans									

Repurchase of redeemable subsidiary preferred equity									
Repurchase of redeemable subsidiary preferred equity									
Repurchase of redeemable subsidiary preferred equity									
Distributions to noncontrolling interests Distributions to noncontrolling interests	—	—	—	—	—	—	—	(2)	(2)
Other comprehensive income	—	—	—	—	—	—	2	—	2
Distributions to noncontrolling interests									
Distributions to noncontrolling interests									
Other comprehensive loss									
Other comprehensive loss									
Other comprehensive loss									
Net (loss) income Net (loss) income	—	—	—	—	—	(46)	—	1	(45)
BALANCE, September 30, 2023	39,649,259	$ 1	23,775,056	$ —	$ 514	$ 122	$ 9	$ (62)	$ 584
Net (loss) income									
Net (loss) income									
BALANCE, March 31, 2023									
BALANCE, March 31, 2023									
BALANCE, March 31, 2023									

	Nine Months Ended September 30, 2023									
		Sinclair Shareholders								
	Redeemable Noncontrolling Interests	Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock 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, 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.

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

	Three Months Ended March 31, 2024								
	Sinclair Shareholders								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity
	Shares	Values	Shares	Values					
BALANCE, December 31, 2023	39,737,682	$ 1	23,775,056	$ —	$ 517	$ (234)	$ 1	$ (64)	$ 221
Dividends declared and paid on Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	(16)	—	—	(16)
Class A Common Stock issued pursuant to employee benefit plans	2,567,641	—	—	—	37	—	—	—	37
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(2)	(2)
Other comprehensive income	—	—	—	—	—	—	4	—	4
Net income	—	—	—	—	—	23	—	2	25
BALANCE, March 31, 2024	42,305,323	$ 1	23,775,056	$ —	$ 554	$ (227)	$ 5	$ (64)	$ 269

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,		Three Months Ended March 31,	
	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				

CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES:

CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES:

Net income	Net income	$ 61	$2,639
Adjustments to reconcile net income to net cash flows from operating activities:			

Adjustments to reconcile net income to net cash flows (used in) from operating activities:

Adjustments to reconcile net income to net cash flows (used in) from operating activities:

Amortization of sports programming rights		—	326
Amortization of definite-lived intangible and other assets			
Amortization of definite-lived intangible and other assets			
Amortization of definite-lived intangible and other assets	Amortization of definite-lived intangible and other assets	124	179
Depreciation of property and equipment	Depreciation of property and equipment	80	76
Amortization of program contract costs	Amortization of program contract costs	59	68
Stock-based compensation	Stock-based compensation	42	46
Deferred tax (benefit) provision		(237)	759
Loss (gain) on asset dispositions and other, net of impairment		11	(10)
Loss (gain) on deconsolidation of subsidiary		10	(3,357)
Deferred tax provision (benefit)			
Loss on asset dispositions and other, net of impairment			
Income from equity method investments	Income from equity method investments	(30)	(48)
Loss from investments		78	144

Income from equity method investments				
Income from equity method investments				
(Income) loss from investments				
Distributions from investments	Distributions from investments	31	74	
Sports programming rights payments		—	(325)	
Rebate payments to distributors		—	(15)	
Gain on extinguishment of debt	Gain on extinguishment of debt	(15)	(3)	
Change in assets and liabilities, net of acquisitions and deconsolidation of subsidiary:				
Decrease in accounts receivable		11	48	
Change in assets and liabilities, net of acquisitions:				Change in assets and liabilities, net of acquisitions:
(Increase) decrease in accounts receivable				
Increase in prepaid expenses and other current assets	Increase in prepaid expenses and other current assets	(39)	(95)	
Increase in accounts payable and accrued and other current liabilities		22	49	
(Decrease) increase in accounts payable and accrued and other current liabilities				
Net change in net income taxes payable/receivable	Net change in net income taxes payable/receivable	(2)	(19)	
Decrease in program contracts payable	Decrease in program contracts payable	(68)	(78)	
Other, net	Other, net	5	—	
Net cash flows from operating activities		143	458	
Other, net				
Other, net				

Net cash flows (used in) from operating activities

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:

CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Acquisition of property and equipment	Acquisition of property and equipment	(70)	(74)
Deconsolidation of subsidiary cash		—	(315)
Purchases of investments	Purchases of investments	(44)	(67)
Distributions from investments		205	90

Purchases of investments

Purchases of investments

Distributions and proceeds from investments

Other, net	Other, net	6	14
Net cash flows from (used in) investing activities	Net cash flows from (used in) investing activities	97	(352)
CASH FLOWS USED IN FINANCING ACTIVITIES:	CASH FLOWS USED IN FINANCING ACTIVITIES:		
Proceeds from notes payable and commercial bank financing		—	728

CASH FLOWS USED IN FINANCING ACTIVITIES:

CASH FLOWS USED IN FINANCING ACTIVITIES:

Repayments of notes payable, commercial bank financing, and finance leases

Repayments of notes payable, commercial bank financing, and finance leases

Repayments of notes payable, commercial bank financing, and finance leases	Repayments of notes payable, commercial bank financing, and finance leases	(76)	(854)
Repurchase of outstanding Class A Common Stock	Repurchase of outstanding Class A Common Stock	(153)	(114)
Dividends paid on Class A and Class B Common Stock	Dividends paid on Class A and Class B Common Stock	(50)	(53)
Dividends paid on redeemable subsidiary preferred equity		—	(5)
Repurchase of redeemable subsidiary preferred equity			
Repurchase of redeemable subsidiary preferred equity			
Repurchase of redeemable subsidiary preferred equity	Repurchase of redeemable subsidiary preferred equity	(190)	—
Distributions to noncontrolling interests, net	Distributions to noncontrolling interests, net	(10)	(10)
Other, net	Other, net	(2)	(10)
Other, net			
Other, net			
Net cash flows used in financing activities	Net cash flows used in financing activities	(481)	(318)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(241)	(212)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	884	819

CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$643	$ 607

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, and, prior to the Deconsolidation (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC*),regional sports networks. 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, 2023 March 31, 2024, we had two reportable segments: local media and tennis. Prior to the Deconsolidation (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC),* we had one additional reportable segment, local sports. 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 639 channels as of September 30, 2023 March 31, 2024. For the purpose of this report, these 185 stations and 639 channels are referred to as "our" stations and channels. The tennis segment consists of Tennis Channel, a cable network which includes coverage of many of tennis' top tournaments and original professional sports and tennis lifestyle shows; Tennis Channel International streaming service; Tennis Channel Plus streaming service; T2 FAST, a 24-hours a day free ad-supported streaming television channel; and Tennis.com. The local sports segment consisted primarily of our Bally Sports network brands ("Bally RSNs"), the Marquee Sports Network ("Marquee") joint venture, and a minority equity interest in the Yankee Entertainment and Sports Network, LLC ("YES Network") through February 28, 2022. On March 1, 2022, the Bally RSNs, Marquee, and YES Network were deconsolidated from our financial statements. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* below. Through February 28, 2022, we refer to the Bally RSNs and Marquee as "the RSNs". The RSNs and YES Network own the exclusive rights to air, among other sporting events, the games of professional sports teams in designated local viewing areas.

Principles of Consolidation

The consolidated financial statements include our accounts and those of our wholly-owned and majority-owned subsidiaries, and VIEs for which we are the primary beneficiary. Noncontrolling interests represent a minority owner's proportionate share of the equity in certain of our consolidated entities. Noncontrolling interests which may be redeemed by the holder, and the redemption is outside of our control, are presented as redeemable noncontrolling interests. All intercompany transactions and account balances have been eliminated in consolidation.

We consolidate VIEs when we are the primary beneficiary. We are the primary beneficiary of a VIE when we have the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and has 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").

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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.

Deconsolidation of Diamond Sports Intermediate Holdings LLC

On March 1, 2022, Old Sinclair's subsidiary Diamond Sports Intermediate Holdings, LLC, and certain of its subsidiaries (collectively "DSIH"), completed a series of transactions (the "Transaction"). As part of the Transaction, the governance structure of DSIH was modified including changes to the composition of its Board of Managers, resulting in the Company's loss of voting control. As a result, DSIH, whose operations represented the entirety of our local sports segment, was deconsolidated from our consolidated financial statements effective as of March 1, 2022 (the "Deconsolidation"). The consolidated statement of operations for the nine months ended September 30, 2022 therefore includes two months of activity related to DSIH prior to the Deconsolidation. Subsequent to February 28, 2022, the assets and liabilities of DSIH are no longer included within our consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with DSIH are referring to the periods prior to the Deconsolidation.

Upon Deconsolidation, we recognized a gain before income taxes of approximately $3,357 million, which is recorded within gain on deconsolidation of subsidiary in our consolidated statements of operations for the nine months ended September 30, 2022. During the three and nine months ended September 30, 2023, we recorded an adjustment to the deconsolidation gain of $10 million. Subsequent to the Deconsolidation, we accounted for our equity ownership interest in DSIH under the equity method of accounting. See *Note 2. Other Assets* for more information.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Interim Financial Statements

The consolidated financial statements for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 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 (loss) income, 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, 2022 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 September November 2023, the FASB voted issued guidance to finalize a proposed ASU "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is expected to be effective for fiscal years beginning after December 15, 2024 December 15, 2023, including 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.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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 fiscal years. 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 final ASU guidance is expected during the fourth quarter of 2023. effective for annual periods beginning after December 15, 2024, applied prospectively. 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 contract costs are amortized on a straight-line basis except for contracts greater than three years which are amortized utilizing an accelerated method. Program contract costs estimated by management to be amortized in the succeeding year are classified as current assets. Payments of program contract liabilities are typically made on a scheduled basis and are not affected by amortization or fair value adjustments.

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

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Sports Programming Rights

DSIH has multi-year program rights agreements that provide DSIH with the right to produce and telecast professional live sports games within a specified territory in exchange for a rights fee. Prior to the Deconsolidation, we amortized these rights as an expense over each season based upon contractually stated rates. Amortization was accelerated in the event that the stated contractual rates over the term of the rights agreement resulted in an expense recognition pattern that was inconsistent with the projected growth of revenue over the contractual term.

Hedge Accounting

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

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

Non-cash Investing and Financing Activities

Leased assets obtained in exchange for new operating lease liabilities were $4 $2 million and $9 million $3 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Leased assets obtained in exchange for new finance lease liabilities were $1 $7 million for the nine three months ended September 30, 2022 March 31, 2024. Non-cash investing activities included property and equipment purchases of $5 million and $6 million for the nine three months ended September 30, 2023. March 31, 2024 and 2023, respectively.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Revenue Recognition

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

For the three months ended September 30, 2023		**Local Media**	**Tennis**	**Other**	**Eliminations**	**Total**
For the three months ended March 31, 2024	**For the three months ended March 31, 2024**	**Local Media**	**Tennis**	**Other**	**Eliminations**	**Total**
Distribution revenue	Distribution revenue	$ 365	$ 49	$ —	$ —	$ 414
Advertising revenue		292	9	6	(3)	304
Core advertising revenue						
Political advertising revenue						
Other media, non-media, and intercompany revenues	Other media, non-media, and intercompany revenues	40	1	11	(3)	49
Total revenues	Total revenues	$ 697	$ 59	$ 17	$ (6)	$ 767

For the nine months ended September 30, 2023	Local Media	Tennis	Other	Eliminations	Total
For the three months ended March 31, 2023					
For the three months ended March 31, 2023					
For the three months ended March 31, 2023	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	$1,118	$140	$ —	$ —	$ 1,258
Advertising revenue	881	32	18	(9)	922
Core advertising revenue					
Political advertising revenue					
Other media, non-media, and intercompany revenues	102	2	30	(6)	128
Total revenues	$2,101	$174	$ 48	$ (15)	$ 2,308

For the three months ended September 30, 2022	Local Media	Tennis	Other	Eliminations	Total
Distribution revenue	$ 381	$ 44	$ —	$ —	$ 425
Advertising revenue	367	9	6	(8)	374
Other media, non-media, and intercompany revenues	33	1	11	(1)	44
Total revenues	$ 781	$ 54	$ 17	$ (9)	$ 843

For the nine months ended September 30, 2022	Local Media	Tennis	Local Sports	Other	Eliminations	Total
Distribution revenue	$1,159	$136	$433	$ —	$ —	$1,728
Advertising revenue	1,023	28	44	33	(17)	1,111
Other media, non-media, and intercompany revenues	113	4	5	41	(34)	129
Total revenues	$2,295	$168	$482	$ 74	$ (51)	$2,968

Distribution Revenue. We have agreements with multi-channel video programming distributors ("MVPD") and virtual MVPDs ("vMVPD," and together with MVPDs, "Distributors"). We generate distribution revenue through fees received from these Distributors for the right to distribute our stations and other properties, and, prior to the Deconsolidation, RSNs. 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 advertising revenue primarily from the sale of advertising spots/impressions within our broadcast television and digital platforms, platforms.

Political Advertising Revenue. We generate political advertising revenue primarily from the sale of political advertising spots/impressions within our broadcast television and prior to the Deconsolidation, RSNs. 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 $184 million $187 million and $200 $178 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, of which $129 million $119 million and $144 million $124 million, respectively, was reflected in other long-term liabilities in our consolidated balance sheets. Deferred revenue recognized during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, included in the deferred revenue balance as of December 31, 2022 December 31, 2023 and 2021, 2022, was $44 million $18 million and $53 million $19 million, respectively.

For the three months ended September 30, 2023 March 31, 2024, two customers accounted for 11% and 11%, respectively, of our total revenues. For the three months ended March 31, 2023, two customers accounted for 11% and 10%, respectively, of our total revenues. For the nine months ended September 30, 2023 As of March 31, 2024, two four customers accounted for 11% and 10%, respectively, of our total revenues. For the three months ended September 30, 2022, one customer accounted for 11% of our total revenues. For the nine months ended September 30, 2022, three customers accounted for 14%, 12%, and 11%, respectively, of our total revenues. As of September 30, 2023, three customers accounted for 11%, 10%, and 10%, respectively, of our accounts receivable, net. As of December 31, 2022 December 31, 2023, one customer two customers accounted for 13% 10% and 10%, respectively, of our accounts receivable, net. For purposes of this disclosure, a single customer may include multiple entities under common control.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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, 2023 March 31, 2024 and 2022 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, 2023 approximated March 31, 2024 was greater than the statutory rate. 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 nine three months ended September 30, 2023 March 31, 2023, was greater than the statutory rate primarily due to a release of valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j). Our effective income as a result of the change in the tax rate for classification of the three months ended September 30, 2022, was greater than legal entity owning the statutory rate primarily due to an increase in valuation allowance on deferred tax assets relating to deductibility Diamond Sports business because of interest expense under the IRC Section 163(j). Our effective income tax rate for exit of the nine months ended September 30, 2022, approximated our statutory rate. sole minority investor.

We do not believe that our liability for unrecognized tax benefits could would be reduced by up to $1 million 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.

Share Repurchase Program

On August 4, 2020, the Board of Directors authorized an additional $500 million share repurchase authorization in addition to the previous repurchase authorization of $1 billion. There is no expiration date and currently, management has no plans to terminate this program. For the nine months ended September 30, 2023, we repurchased approximately 8.8 million shares of Class A Common Stock for $151 million. As of September 30, 2023, the total remaining purchase authorization was $547 million. All shares were repurchased under an SEC Rule 10b5-1 plan.

Reclassifications

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

Subsequent Events

In November 2023, May 2024, our Board of Directors declared a quarterly dividend of $0.25 per share, payable on December 15, 2023 June 17, 2024 to holders of record at the close of business on December 1, 2023 June 3, 2024.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

2. OTHER ASSETS:

Other assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 consisted of the following (in millions):

	As of September 30, 2023	As of December 31, 2022	As of March 31, 2024	As of December 31, 2023

Equity method investments	Equity method investments	$ 129	$ 113
Other investments	Other investments	373	442
Note receivable		—	193
Income tax receivable			
Income tax receivable			
Income tax receivable	Income tax receivable	131	131
Post-retirement plan assets	Post-retirement plan assets	42	41
Other	Other	55	44
Total other assets	Total other assets	$ 730	$ 964

SINCLAIR, INC.
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Equity Method Investments

We have a portfolio of investments, including our investment in DSIH (subsequent to the Deconsolidation) 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. No investments were individually significant for the periods presented.

Diamond Sports Intermediate Holdings LLC. Subsequent to the Deconsolidation, we began accounting We account for our equity interest in DSIH under the equity method of accounting. As of March 1, 2022, we reflected the investment in DSIH at fair value, which was determined to be nominal. For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, we recorded no equity method loss related to the investment because the carrying value of the investment is zero and we are not obligated to fund losses incurred by DSIH. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

YES Network Investment. Prior to the Deconsolidation, we accounted for our investment in the YES Network as an equity method investment. We recorded income of $10 million for the nine months ended September 30, 2022 related to this investment, which is reflected in income from equity method investments in our consolidated statements of operations. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

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, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we held $156 $155 million and $234 $162 million, respectively, in investments measured at fair value. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we held $203 million $174 million and $190 million $189 million, respectively, in investments measured at NAV. We recognized fair value adjustment losses of $26 million and $74 million for the three and nine months ended September 30, 2023, respectively, and a fair value adjustment gain of $4 million and loss of $157 million $2 million for the three and nine months ended September 30, 2022, respectively, March 31, 2024 and a fair value adjustment loss of $1 million for the three months ended March 31, 2023 associated with these investments, which are reflected in other (expense) income, net in our consolidated statements of operations. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, our unfunded commitments related to our investments valued using the NAV practical expedient totaled $76 $73 million and $88 $74 million, respectively.

Investments accounted for utilizing the measurement alternative were $14 $39 million and $36 million as of September 30, 2023 March 31, 2024 and $18 million, net of $7 million of cumulative impairments, as of December 31, 2022. We recorded a $6 million impairment related to one investment for the nine months ended September 30, 2023 December 31, 2023, which is reflected in other (expense) income, net in our consolidated statements of operations. respectively. There were no adjustments to the carrying amount of investments accounted for utilizing the measurement alternative for any either of the three months ended September 30, 2023 March 31, 2024 and the three and nine months ended September 30, 2022 March 31, 2023.

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Note Receivable

We are 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. Subsequent to the Deconsolidation, transactions related to the A/R Facility are no longer eliminated as intercompany transactions and, therefore, are reflected in our consolidated financial statements. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*. On May 10, 2023, DSPV paid the Company approximately $199 million, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. As of September 30, 2023, the note receivable due to the Company had no outstanding balance and, as of December 31, 2022, the note receivable due to the Company was $193 million, which is reflected in other assets in our consolidated balance sheets. The maximum aggregate commitment under the A/R Facility is $50 million and the A/R Facility has a maturity date of September 23, 2024 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. As of September 30, 2023 March 31, 2024, the STG first lien leverage ratio was below 4.5x. Under the Bank Credit Agreement, a financial maintenance covenant is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the revolving credit facility, measured as of the last day of each fiscal quarter, is utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of September 30, 2023 March 31, 2024, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of September 30, 2023 March 31, 2024.

During the three months ended September 30, 2023 March 31, 2024, we repurchased $30 million $27 million aggregate principal amount of the Term Loan B-2, due September 30, 2026, for consideration of $26 million $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 $3 million $1 million for both the three and nine months ended September 30, 2023.

In June 2023, we purchased $3 million, $15 million, and $13 million aggregate principal amount of the 5.125% Senior Notes due 2027, the 5.500% Senior Notes due 2030, and the 4.125% Senior Secured Notes due 2030 (collectively, the notes are referred to as the "STG Notes"), respectively, in open market transactions for consideration of $3 million, $8 million, and $8 million, respectively. During the three months ended September 30, 2023 we purchased $4 million in aggregate principal amount of the 5.125% Senior Notes due 2027 in open market transactions for consideration of $3 million March 31, 2024. The STG Notes acquired in June 2023 and during the three months ended September 30, 2023 were canceled immediately following their acquisition. We recognized a gain on extinguishment of the STG Notes of $1 million and $12 million for the three and nine months ended September 30, 2023, respectively.

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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 $2 million and $3 million as of September 30, 2023 both March 31, 2024 and December 31, 2022, respectively. December 31, 2023. Notes payable, finance leases, and commercial bank financing, less current portion, in our consolidated balance sheets includes finances leases to affiliates of $5 million $11 million and $6 million $5 million as of September 30, 2023 March 31, 2024 and December 31, 2022 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, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, all of which related to consolidated VIEs and is included in our consolidated balance sheets as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. We provide a guarantee of certain obligations of a regional sports network subject to a maximum annual amount of $112 million $117 million with annual escalations of 4% for the next six five years. We have determined that, as of September 30, 2023 March 31, 2024, it is not probable that we would have to perform under any of these guarantees.

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Interest Rate Swap

We entered into an interest rate swap effective February 7, 2023 and terminates 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, 2023 March 31, 2024 and December 31, 2023, the fair value of the interest rate swap was an asset of $11 million $7 million and $1 million, respectively, which is are recorded in other assets 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 consist 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").

Dividends accrued during the nine months ended September 30, 2023 were $3 million and during the three and nine months ended September 30, 2022 were $3 million and $9 million, respectively, and are reflected in net income attributable to the redeemable noncontrolling interests in our consolidated statements of operations. Dividends accrued during all of the nine months ended September 30, 2023 and the three and nine months ended September 30, 2022 were paid-in-kind and added to the liquidation preference, which was partially offset by certain required cash tax distributions.

The balance, net of issuance costs, and the liquidation preference of the Redeemable Subsidiary Preferred Equity were $194 million and $198 million, respectively, as of December 31, 2022. 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 during the three months ended March 31, 2023 were $3 million and are reflected in net loss attributable to the redeemable noncontrolling interests in our consolidated statements of operations. Dividends accrued during the three months ended March 31, 2023 were paid-in-kind and added to the liquidation preference, which was partially offset by certain required cash tax distributions.

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5. COMMITMENTS AND CONTINGENCIES:

Litigation

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

FCC Litigation Matters

On May 22, 2020, the Federal Communications Commission ("FCC") released an Order and Consent Decree pursuant to which the Company agreed to pay $48 million to resolve the matters covered by a Notice of Apparent Liability for Forfeiture ("NAL") issued in December 2017 proposing a $13 million fine for alleged violations of the FCC's sponsorship identification rules by the Company and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with the Company's proposed acquisition of Tribune, and a retransmission related matter. The Company submitted the $48 million payment on August 19, 2020. As part of the consent decree, the Company also agreed to implement a 4-year compliance plan. Two petitions were filed on June 8, 2020 seeking reconsideration of the Order and Consent Decree. The Company filed an opposition to the petitions on June 18, 2020, and the petitions remain pending.

On September 1, 2020, one of the individuals who filed a petition for reconsideration of the Order and Consent Decree filed a petition to deny the license renewal application of WBFF(TV), Baltimore, MD, and the license renewal applications of two other Baltimore, MD stations with which the Company has a JSA or LMA, Deerfield Media station WUTB(TV) and Cunningham Broadcasting Corporation ("Cunningham") station WNUV(TV). The Company filed an opposition to the petition on October 1, 2020. On January 18, 2024, a motion was filed to request substitution of the petitioner, who is deceased. On January 29, 2024, the Company filed (1) an opposition to the motion for substitution and (2) a motion to dismiss the petition to deny the renewal applications. An opposition was filed to the motion to dismiss on February 5, 2024, and the petition Company timely filed its reply on February 13, 2024, and the matter remains pending.

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On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom the Company has LMAs, JSAs, and/or SSAs in response to a complaint regarding those stations' stations' retransmission consent negotiations. The NAL proposed a $0.5 million penalty for each station, totaling $9 million. The licensees filed a response to the NAL on October 15, 2020, asking the Commission FCC to dismiss the proceeding or, alternatively, to reduce the proposed forfeiture to $25,000 per station. On July 28, 2021, the FCC issued a forfeiture order in which the $0.5 million penalty was upheld for all but one station. A Petition for Reconsideration of the forfeiture order was filed on August 7, 2021. On March 14, 2022, the FCC released a Memorandum Opinion and Order and Order on Reconsideration, reaffirming the forfeiture order and dismissing (and in the alternative, denying) the Petition for Reconsideration. The Company is not a party to this forfeiture order; however, our consolidated financial statements include an accrual of additional expenses of $8 million for the above legal matters during the year ended December 31, 2021, as we consolidate these stations as VIEs.

On September 21, 2022, the FCC released an NAL against the licensees of a number of stations, including 83 Company stations and several stations with whom the Company has LMAs, JSAs, and/or SSAs, for violation of the FCC's limitations on commercial matter in children's television programming related to KidsClick network programming distributed by the Company in 2018. The NAL proposed a fine of $2.7 million against the Company, and fines ranging from $20,000 to $26,000 per station for the other licensees, including the LMA, JSA, and/or SSA stations, for a total of $3.4 million. As of September 30, 2023 March 31, 2024, we have accrued $3.4 million. On October 21, 2022, the Company filed a written response seeking reduction of the proposed fine amount, and the matter remains pending.

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Other Litigation Matters

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

The Company is aware of twenty-two putative class action lawsuits that were filed against the Company following published reports of the DOJ investigation into the exchange of pacing data within the industry. On October 3, 2018, these lawsuits were consolidated in the Northern District of Illinois. The consolidated action alleges that the Company and thirteen other broadcasters conspired to fix prices for commercials to be aired on broadcast television stations throughout the United States and engaged in unlawful information sharing, in violation of the Sherman Antitrust Act. The consolidated action seeks damages, attorneys' fees, costs and interest, as well as injunctions against adopting practices or plans that would restrain competition in the ways the plaintiffs have alleged. The Court denied the defendants' motion to dismiss on November 6, 2020. Discovery commenced shortly after that and is continuing. Under the current schedule set by the Court, fact discovery is scheduled to close 90 days after a special master 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 which overruled the defendants' objections on January 31, 2024. The Special Master has not yet ruled on those objections. indicated when he expects to complete his privilege review. On May 26, 2023 December 8, 2023, the plaintiffs filed a motion with the Court seeking preliminary granted final approval of the settlements they have 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 Court granted preliminary approval of these settlements on August 18, 2023, and set a deadline of October 26, 2023, for class members to file either objections or claims. The plaintiffs filed a motion for final approval of the settlement on October 11, 2023. A hearing on final approval is currently scheduled for December 7, 2023. The Company and the other non-settling defendants continue to believe the lawsuits are without merit and intend to vigorously defend themselves against all such claims.

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

Smith, Sinclair's Executive Chairman, Christopher S. Ripley, Sinclair's President and Chief Executive Officer, Lucy A. Rutishauser, Sinclair's Executive Vice President & Chief Financial Officer, and Scott Shapiro, Sinclair's Executive Vice President, Corporate Development and Strategy, as defendants.

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In the complaint, plaintiffs challenge a series of transactions involving SBG and certain of its subsidiaries, on the one hand, and DSG and its subsidiaries, on the other hand, since SBG acquired the former Fox Sports regional sports networks from The Walt Disney Company in August 2019. The complaint alleges, among other things, that the management services agreement (the "MSA") entered into by STG and DSG was not fair to DSG and was designed to benefit STG and SBG; that the Bally's Corporation ("Bally's") transaction in November 2020 through which Bally's acquired naming rights to certain regional sports networks was not fair to DSG and was designed to benefit STG and SBG; and that certain distributions made by DSG that were used to pay down preferred equity of DSH, were inappropriate and were conducted at a time when DSG was insolvent. The complaint alleges that SBG and its subsidiaries (other than DSG and its subsidiaries) received payments or indirect benefits of approximately $1.5 billion as a result of the alleged misconduct. The complaint asserts a variety of claims, including certain fraudulent transfers of assets, unlawful distributions and payments, breaches of contracts, unjust enrichment and breaches of fiduciary duties. The plaintiffs are seeking, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined. The defendants believe the allegations in this lawsuit are without merit and intend to vigorously defend against plaintiffs' claims.

While at this early stage

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On January 17, 2024, Sinclair announced that it had agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the Diamond Litigation, which settlement includes an amendment to the MSA. On March 1, 2024, the court approved the settlement. Sinclair has entered into the settlement, without admitting any fault or wrongdoing. The settlement terms include, among other things, DSG's dismissal with prejudice of its $1.5 billion litigation against Sinclair and all other defendants, along with the full and final satisfaction and release of all claims in that litigation against all defendants, including Sinclair and its subsidiaries, in exchange for Sinclair's cash payment to DSG of $495 million. Additionally, under the terms of the proceedings it is not possible settlement, Sinclair will provide transition services to determine DSG to allow DSG to become a self-standing entity going forward. During the probability first quarter of 2024, we paid $50 million related to the settlement and as of March 31, 2024, we have accrued $445 million, exclusive of any outcome or probability or potential offsetting benefits to be received, related to the above matter, which is recorded within accounts payable and accrued liabilities in our consolidated balance sheets. The final settlement payment was made on April 30, 2024 and of the total $495 million settlement amount of any loss, in the event of an unfavorable outcome, Sinclair's subsidiaries may be required to pay monetary damages, which could materially paid, $347 million was paid by STG and adversely affect Sinclair's financial and results of operations. $148 million was paid by Ventures.

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,	
		2023	2022	2023	2022
Income (Numerator)	**Income (Numerator)**				
Net (loss) income		$ (45)	$ 29	$ 61	$ 2,639

Net (income) loss attributable to the redeemable noncontrolling interests		—	(5)	4	(14)
Income (Numerator)					
Income (Numerator)					
Net income					
Net income					
Net income					
Net loss attributable to the redeemable noncontrolling interests					
Net loss attributable to the redeemable noncontrolling interests					
Net loss attributable to the redeemable noncontrolling interests					
Net income attributable to the noncontrolling interests					
Net income attributable to the noncontrolling interests					
Net income attributable to the noncontrolling interests	Net income attributable to the noncontrolling interests	(1)	(3)	(15)	(28)
Numerator for basic and diluted earnings per common share available to common shareholders	Numerator for basic and diluted earnings per common share available to common shareholders	$ (46)	$ 21	$ 50	$ 2,597
Numerator for basic and diluted earnings per common share available to common shareholders					
Numerator for basic and diluted earnings per common share available to common shareholders					
Shares (Denominator)					
Shares (Denominator)					
Shares (Denominator)	**Shares (Denominator)**				
Basic weighted-average common shares outstanding	Basic weighted-average common shares outstanding	63,325	69,907	65,670	70,981
Basic weighted-average common shares outstanding					
Basic weighted-average common shares outstanding					

Dilutive effect of stock-settled appreciation rights and outstanding stock options					
Dilutive effect of stock-settled appreciation rights and outstanding stock options					
Dilutive effect of stock-settled appreciation rights and outstanding stock options	Dilutive effect of stock-settled appreciation rights and outstanding stock options	—	—	57	4
Diluted weighted-average common and common equivalent shares outstanding	Diluted weighted-average common and common equivalent shares outstanding	63,325	69,907	65,727	70,985
Diluted weighted-average common and common equivalent shares outstanding					
Diluted weighted-average common and common equivalent shares outstanding					

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,	
	2023	2022	2023	2022
Weighted-average stock-settled appreciation rights and outstanding stock options excluded	5,120	3,645	4,137	3,278

	Three Months Ended March 31,	
	2024	2023
Weighted-average stock-settled appreciation rights and outstanding stock options excluded	5,120	3,645

7. SEGMENT DATA:

During the period ended June 30, 2023 we modified our segment reporting to align with the new organizational structure of the Company discussed within *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* The segment information within the comparative periods presented has been revised recast to reflect this new presentation. Additionally, during the current period we reclassified certain assets previously reported in corporate to local media to better align with how each respective business is being managed as a result of the Reorganization. During the period ended September 30, 2023 March 31, 2024, we measured segment performance based on operating income (loss). For the quarter ended September 30, 2023 March 31, 2024, we had two reportable segments, local media and tennis. Prior to the Deconsolidation, we had one additional reportable segment, local sports. 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. Our local sports segment provided viewers with live professional sports content and included the Bally RSNs, Marquee, and our investment in the YES Network, prior to the Deconsolidation on March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* 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 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, 2023	**Local Media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
As of March 31, 2024 / **As of March 31, 2024**	**Local Media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
Assets Assets	$ 4,771	$ 274	$ 1,045	$ (7)	$ 6,083

For the three months ended March 31, 2024	**Local Media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
Revenue	$ 727	$ 63	$ 15	$ (7) (a)	$ 798
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	58	5	1	(1)	63
Amortization of program contract costs	19	—	—	—	19
Corporate general and administrative expenses	41	1	16	—	58
Operating income (loss)	41	20	(19)	—	42
Interest expense including amortization of debt discount and deferred financing costs	76	—	—	—	76
Income from equity method investments	—	(1)	15	—	14

For the three months ended September 30, 2023	**Local Media**	**Tennis**	**Other & Corporate**	**Eliminations**	**Consolidated**
Revenue	$ 697 (b)	$ 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 contract 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 (b)	$ 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 contract 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

For the three months ended September 30, 2022	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	$ 781 (b)	$ 54	$ 17	$ (9) (a)	$ 843
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	61	6	1	(1)	67
Amortization of program contract costs	22	—	—	—	22
Corporate general and administrative expenses	16	—	14	—	30
Gain on asset dispositions and other, net of impairment	(7)	—	(21)	—	(28)
Operating income	143	11	—	—	154
Interest expense including amortization of debt discount and deferred financing costs	59	—	—	—	59
Income from equity method investments	—	—	33	—	33

For the nine months ended September 30, 2022	Local Media	Tennis	Local Sports (c)	Other & Corporate	Eliminations	Consolidated

For the three months ended March 31, 2023								For the three months ended March 31, 2023	Local Media	Tennis	Other & Corporate	Eliminations	Consolidated
Revenue	Revenue	$ 2,295 (b)	$ 168	$ 482	$ 74	$ (51) (a)	$ 2,968						
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	183	16	54	5	(3)	255						
Amortization of sports programming rights		—	—	326	—	—	326						
Amortization of program contract costs													
Amortization of program contract costs													
Amortization of program contract costs	Amortization of program contract costs	68	—	—	—	—	68						
Corporate general and administrative expenses	Corporate general and administrative expenses	93	—	1	21	—	115						
Gain on deconsolidation of subsidiary		—	—	—	(3,357)	—	(3,357)						
Gain on asset dispositions and other, net of impairment		(15)	—	—	(22)	—	(37)						
(Gain) loss on asset dispositions and other, net of impairment													
(Gain) loss on asset dispositions and other, net of impairment													
(Gain) loss on asset dispositions and other, net of impairment													

Operating income (loss)

Operating income (loss)

Operating income (loss)	Operating income (loss)	354	35	(4)	3,342	—	3,727
Interest expense including amortization of debt discount and deferred financing costs	Interest expense including amortization of debt discount and deferred financing costs	158	—	72	6	(8)	228
Income from equity method investments	Income from equity method investments	—	—	10	38	—	48

(a) Includes $2 million and $5 $1 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $4 million and $14 million for the three and nine months ended September 30, 2022, 2023, respectively, of revenue for services provided by other to local media, which is eliminated in consolidation; $1 million for the nine months ended September 30, 2023, and $1 million and $26 million for the three and nine months ended September 30, 2022, respectively, of revenue for services provided by local media to other and local sports, which is eliminated in consolidation; and $2 million and $4 million for the three and nine months ended September 30, 2023, respectively, and $1 million and $3 million for the three and nine months ended September 30, 2022, respectively, of intercompany revenue related to certain services provided by local media to tennis, which is eliminated in consolidation.

(b) Includes $15 million and $39 million for the three and nine months ended September 30, 2023, respectively, and $12 million and $27 million for the three and nine months ended September 30, 2022, respectively, of revenue for services provided by local media to local sports under management services agreements after the Deconsolidation, which is not eliminated in consolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

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

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.

A subsidiary of DSIH is a party to a joint venture associated with Marquee. Marquee is party to a long term telecast rights agreement which provides the rights to air certain live game telecasts and other content, which we guarantee. In connection with a prior acquisition, we became party to a joint venture associated with one other regional sports network. DSIH participated significantly in the economics and had the power to direct the activities which significantly impacted the economic performance of these regional sports networks, including sales and certain operational services. As of March 1, 2022, as a result of the Deconsolidation, we no longer consolidate these regional sports networks. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

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

		As of September 30, 2023	As of December 31, 2022		As of March 31, 2024	As of December 31, 2023
ASSETS	**ASSETS**			**ASSETS**		
Current assets:	Current assets:			Current assets:		
Accounts receivable, net						
Accounts receivable, net						
Accounts receivable, net	Accounts receivable, net	$ 16	$ 47			
Other current assets	Other current assets	4	3			
Total current assets	Total current assets	20	50			
Property and equipment, net	Property and equipment, net	10	10			
Property and equipment, net						
Property and equipment, net						
Goodwill and indefinite-lived intangible assets						
Goodwill and indefinite-lived intangible assets						

Goodwill and indefinite-lived intangible assets	Goodwill and indefinite-lived intangible assets	15	15
Definite-lived intangible assets, net	Definite-lived intangible assets, net	35	40
Total assets	Total assets	$ 80	$ 115

Total assets

Total assets

LIABILITIES

LIABILITIES

LIABILITIES	**LIABILITIES**		
Current liabilities:	Current liabilities:		
Other current liabilities	Other current liabilities	$ 15	$ 15
Notes payable, finance leases and commercial bank financing, less current portion	Notes payable, finance leases and commercial bank financing, less current portion	6	7
Program contracts payable, less current portion		—	1

Current liabilities:

Notes payable, finance leases and commercial bank financing, less current portion

Notes payable, finance leases and commercial bank financing, less current portion

Other long-term liabilities

Other long-term liabilities

Other long-term liabilities	Other long-term liabilities	3	3
Total liabilities	Total liabilities	$ 24	$ 26

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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 $130 million as of both September 30, 2023 March 31, 2024 and December 31, 2022 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, 2023 March 31, 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.

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The carrying amounts of our investments in these VIEs for which we are not the primary beneficiary were $206 million $171 million and $187 million $192 million as of September 30, 2023 March 31, 2024 and December 31, 2022 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 (expense) income, net, respectively, in our consolidated statements of operations. We recorded gains a loss of $5 million and $43 million $1 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and gains a gain of $33 million and $58 million $35 million for the three and nine months ended September 30, 2022, respectively, March 31, 2023 related to these investments.

In conjunction with the Transaction, the composition of the DSIH board of managers was modified resulting in our loss of voting control over DSIH. We hold substantially all the equity of DSIH and provide certain management and general and administrative services to DSIH. However, it was determined that we are not the primary beneficiary because we lack the ability to control the activities that most significantly drive the economics of the business. The carrying amount of our investment in DSIH is zero and there is no obligation for us to provide additional financial support.

We are were also party to the A/R Facility held by an indirect wholly-owned subsidiary of DSIH which has had a maturity date of September 23, 2024. On May 10, 2023, DSPV paid the Company approximately $199 million, representing the aggregate outstanding principal amount of the loans under the The A/R Facility accrued interest, and outstanding fees and expenses. There was no outstanding balance as of September 30, 2023 and an outstanding balance of approximately $193 million as of December 31, 2022 terminated on

March 14, 2024. As of September 30, 2023, our aggregate commitment under the A/R Facility is $50 million. 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 both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $2 million and $5 million for the three and nine months ended September 30, 2022, respectively. 2023. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. We lease aircraft owned by certain controlling shareholders. For all leases, we incurred expenses of $0.2 million for the nine months ended September 30, 2023 and less than $0.1 million and $0.3 million for the three and nine months ended September 30, 2022, respectively. March 31, 2023.

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Cunningham Broadcasting Corporation

Cunningham owns a portfolio of television stations, including: WNUV-TV Baltimore, Maryland; WRGT-TV Dayton, Ohio; WVAH-TV Charleston, West Virginia; WMYA-TV Anderson, South Carolina; WTTE-TV Columbus, Ohio; WDBB-TV Birmingham, Alabama; WBSF-TV Flint, Michigan; WGTU-TV/WGTQ-TV Traverse City/Cadillac, Michigan; WEMT-TV Tri-Cities, Tennessee; WYDO-TV Greenville, North Carolina; KBVU-TV/KCVU-TV Eureka/Chico-Redding, California; WPFO-TV Portland, Maine; KRNV-DT/KENV-DT Reno, Nevada/Salt Lake City, Utah; and KTXD-TV in Dallas, Texas (collectively, the "Cunningham Stations"). Certain of 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.

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The services provided to WNUV-TV, WMYA-TV, WTTE-TV, WRGT-TV and WVAH-TV are governed by a master agreement which has a current term that expires on July 1, 2028 and there is one additional five-year renewal term remaining with final expiration on July 1, 2033. We also executed purchase agreements to acquire the license related assets of these stations from Cunningham, which grant us the right to acquire, and grant Cunningham the right to require us to acquire, subject to applicable FCC rules and regulations, 100% of the capital stock or the assets of these individual subsidiaries of Cunningham. Pursuant to the terms of this agreement we are obligated to pay Cunningham an annual fee for the television stations equal to the greater of (i) 3% of each station's annual net broadcast revenue or (ii) $6 million. The aggregate purchase price of these television stations increases by 6% annually. A portion of the fee is required to be applied to the purchase price to the extent of the 6% increase. The cumulative prepayments made under these purchase agreements were $64 million $66 million and $61 million $65 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both September 30, 2023 March 31, 2024 and December 31, 2022 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 both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $3 million and $7 million for the three and nine months ended September 30, 2022, respectively. 2023.

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 $33 million and $102 $34 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $40 million and $111 $36 million for the three and nine months ended September 30, 2022, respectively, March 31, 2023 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 2024.

We have multi-cast agreements with Cunningham Stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Anderson, South Carolina; Baltimore, Maryland; Portland, Maine; Charleston, West Virginia; Dallas, Texas; and Greenville, North Carolina markets. In exchange for carriage of these networks in their markets, we paid $0.5 million and $1.5 million for both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $0.5 million and $1.5 million for the three and nine months ended September 30, 2022, respectively, 2023, under these agreements.

MileOne Autogroup Inc.

We sell advertising time to certain operating subsidiaries of MileOne Autogroup, Inc. ("MileOne"), including automobile dealerships, body shops, and an automobile leasing company. David Smith, our Executive Chairman, has a controlling interest in, and is a member of the Board of Directors of, MileOne. We received payments for advertising totaling less than $0.1 million for each of the three and nine months ended September 30, 2023 and 2022.

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Leased Property by Real Estate Ventures

Certain of our real estate ventures have 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 $0.4 million for both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $0.3 million and $0.8 million for the three and nine months ended September 30, 2022, respectively. 2023.

Diamond Sports Intermediate Holdings LLC

Subsequent to February 28, 2022, we accounted We account for our equity interest in DSIH as an equity method investment. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Management Services Agreement. In 2019, we entered into 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. The contractual annual amount due from DSG for these services during the fiscal year ended December 31, 2023 is $78 million, which is subject to increases on an annual basis. Additionally, the agreement contains an incentive fee payable to us calculated based on certain terms contained within new or renewed distribution agreements with Distributors. As a condition to the Transaction, DSG will defer the cash payment of a portion of its management fee payable to the Company over the next four years. Pursuant to this agreement, the local media segment recorded $14 $13 million and $36 $9 million of revenue for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $11 million and $49 million of revenue for the three and nine months ended September 30, 2022, respectively, of which $24 million for the nine months ended September 30, 2022 was eliminated in consolidation prior to the Deconsolidation. We will not recognize the portion of deferred management fees as revenue until such fees are determined to be collectible.

Distributions. DSIH made distributions to DSH for tax payments on the dividends of the Redeemable Subsidiary Preferred Equity of $2 million and $5 million during the three and nine months ended September 30, 2022, 2023, respectively.

Note receivable. We received payments totaling $203 $3 million from DSPV during the nine three months ended September 30, 2023 and received payments totaling $60 million from DSPV and funded an additional $40 million during the nine months ended September 30, 2022 March 31, 2023 related to the note receivable associated with the A/R Facility, including $199 million from DSPV on May 10, 2023, representing the aggregate outstanding principal amount of the loans under the Facility. The A/R Facility accrued interest, and outstanding fees and expenses. was terminated on March 14, 2024.

We recorded revenue of $4 million and $15 $5 million during the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $5 million and $10 million during the three and nine months ended September 30, 2022, 2023, respectively, related to certain other transactions between DSIH and the Company.

Other Equity Method Investees

YES Network. In August 2019, YES Network, which was accounted for as an equity method investment prior to the Deconsolidation, entered into a management services agreement with the Company, in which we provide certain services for an initial term that expires on August 29, 2025. The agreement will automatically renew for two 2-year renewal terms, with a final expiration on August 29, 2029. Pursuant to the terms of the agreement, the YES Network paid us a management services fee of $1 million for the nine months ended September 30, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

DSIH has a minority interest in certain mobile production businesses. Prior to the Deconsolidation, we accounted for these as equity method investments. DSIH made payments to these businesses for production services totaling $5 million for the nine months ended September 30, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

We have a minority interest in a sports marketing company, which we account for as an equity method investment. We made payments to this business for marketing services totaling $2 million for the nine months ended September 30, 2022.

Sports Programming Rights

Affiliates of six professional teams had non-controlling equity interests in certain of DSIH's RSNs. DSIH paid $61 million for the nine months ended September 30, 2022 under sports programming rights agreements covering the broadcast of regular season games associated with these professional teams. Prior to the Deconsolidation, these payments were recorded in our consolidated statements of operations and cash flows. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Employees

Jason Smith, an employee of the Company, is the son of Frederick Smith, who is a Vice President of the Company and a member of the Company's Board of Directors. Jason Smith received total compensation of $0.2 million for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.6 million and $0.4 million for the nine months ended September 30, 2023 and 2022, respectively, 2023, consisting of salary and bonus. bonus, and was granted 37,566 shares of restricted stock, vesting over two years, and 500,000 stock appreciation rights, vesting over two years, during the three months ended March 31, 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, consisting of salary, and less than $0.1 million, consisting of salary and bonus, for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, and $0.2 million and $0.1 million for the nine months ended September 30, 2023 and 2022, respectively, consisting of salary and bonus, and was granted 1,503 and 1,252 shares of restricted stock, vesting over two years, during the nine three months ended September 30, 2023. March 31, 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, consisting of salary, and $0.1 million, consisting of salary and bonus, for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.1 million for both the nine months ended September 30, 2023 and 2022, consisting of salary and bonus. 2023, respectively. Edward Kim, an employee of the company, is the brother-in-law of Christopher Ripley, who is the President and Chief Executive Officer of the Company. Edward Kim received total compensation of less than $0.1 million for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.1 million for both the nine months ended September 30, 2023 and 2022, 2023, consisting of salary, and was granted 516 656 and 302 516 shares of restricted stock, during the nine months ended September 30, 2023 and 2022, respectively, vesting over two years.

years, during the three months ended March 31, 2024 and 2023, respectively. 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, 2023 March 31, 2024 and 2022 and $0.6 million for both the nine months ended September 30, 2023 and 2022, 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, 2023 March 31, 2024 and 2022 and $0.6 million for both the nine months ended September 30, 2023 and 2022, 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.

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, 2023		As of December 31, 2022		As of March 31, 2024		As of December 31, 2023	
		Face Value	Fair Value	Face Value	Fair Value	Face Value	Fair Value	Face Value	Fair Value
Level 1:	Level 1:								
Investments in equity securities									
Investments in equity securities									
Investments in equity securities	Investments in equity securities	N/A	$ 5	N/A	$ 6				
Money market funds	Money market funds	N/A	571	N/A	741				
Deferred compensation assets	Deferred compensation assets	N/A	42	N/A	41				
Deferred compensation liabilities	Deferred compensation liabilities	N/A	39	N/A	35				
Level 2:	Level 2:								
Level 2:									
Level 2:									
Investments in equity securities (a)									
Investments in equity securities (a)									
Investments in equity securities (a)	Investments in equity securities (a)	N/A	103	N/A	153				
Interest rate swap (b)	Interest rate swap (b)	N/A	11	N/A	—				
STG (c):	STG (c):								
5.500% Senior Notes due 2030									
5.500% Senior Notes due 2030									
5.500% Senior Notes due 2030	5.500% Senior Notes due 2030	485	260	500	347				
5.125% Senior Notes due 2027	5.125% Senior Notes due 2027	274	224	282	230				

4.125% Senior Secured Notes due 2030	4.125% Senior Secured Notes due 2030	737	454	750	560
Term Loan B-2, due September 30, 2026	Term Loan B-2, due September 30, 2026	1,218	1,051	1,258	1,198
Term Loan B-3, due April 1, 2028	Term Loan B-3, due April 1, 2028	723	506	729	692
Term Loan B-4, due April 21, 2029	Term Loan B-4, due April 21, 2029	741	511	746	709
Debt of variable interest entities (c)	Debt of variable interest entities (c)	7	7	8	8
Debt of variable interest entities (c)					
Debt of variable interest entities (c)					
Debt of non-media subsidiaries (c)	Debt of non-media subsidiaries (c)	16	16	16	16
Level 3:	Level 3:				
Level 3:					
Level 3:					
Investments in equity securities (d)	Investments in equity securities (d)	N/A	48	N/A	75
Investments in equity securities (d)					
Investments in equity securities (d)					

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 of 3.9%, and we receive a floating rate of interest based on SOFR. The fair value of the interest rate swap was an asset as of September 30, 2023 March 31, 2024. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing.*

(c) Amounts are carried in our consolidated balance sheets net of debt discount, premium, and deferred financing cost, which are excluded in the above table, of $48 million $43 million and $56 million $46 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(d) On November 18, 2020, we entered into a commercial agreement with Bally's and received warrants and options to acquire common equity in the business. During the three and nine months ended September 30, 2023 March 31, 2024 we recorded a fair value adjustment losses loss of $10 million and $27 million and during the three and nine months ended September 30, 2022 we recorded fair value adjustment losses of $0.2 million and $130 million, respectively, related to these interests. $1 million. 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.

SINCLAIR, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the changes in financial assets measured at fair value on a recurring basis and categorized as Level 3 under the fair value hierarchy for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in millions):

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

Options and Warrants		
Three Months Ended March 31, 2024		
Fair value at December 31, 2023	$	46
Measurement adjustments		(1)
Fair value at March 31, 2024	$	45

Options and Warrants					
Three Months Ended September 30, 2022			**Nine Months Ended September 30, 2022**		
Fair value at June 30, 2022	$	152	Fair value at December 31, 2021	$	282
Measurement adjustments		—	Measurement adjustments		(130)
Fair value at September 30, 2022	$	152	Fair value at September 30, 2022	$	152

Options and Warrants		
Three Months Ended March 31, 2023		
Fair value at December 31, 2022	$	75
Measurement adjustments		—
Fair value at March 31, 2023	$	75

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

SINCLAIR BROADCAST GROUP, LLC
CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share data) millions) (Unaudited)

		As of September 30, 2023	As of December 31, 2022		As of March 31, 2024	As of December 31, 2023
ASSETS	**ASSETS**			**ASSETS**		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	$ 279	$ 884			
Accounts receivable, net of allowance for doubtful accounts of $4 and $5, respectively		544	612			
Accounts receivable, net of allowance for doubtful accounts of $4 as of both periods						
Income taxes receivable	Income taxes receivable	8	5			
Prepaid expenses and other current assets	Prepaid expenses and other current assets	178	182			
Total current assets	Total current assets	1,009	1,683			
Property and equipment, net	Property and equipment, net	696	728			
Operating lease assets	Operating lease assets	128	145			
Goodwill	Goodwill	2,016	2,088			
Goodwill						
Goodwill						
Indefinite-lived intangible assets	Indefinite-lived intangible assets	123	150			

Customer relationships, net	Customer relationships, net	251	444	
Other definite-lived intangible assets, net	Other definite-lived intangible assets, net	429	502	
Other assets	Other assets	233	964	
Total assets (a)	Total assets (a)	$ 4,885	$ 6,704	
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS, AND EQUITY				
LIABILITIES AND MEMBER'S EQUITY				
LIABILITIES AND MEMBER'S EQUITY				
LIABILITIES AND MEMBER'S EQUITY				
Current liabilities:	Current liabilities:			Current liabilities:
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	$ 381	$ 397	
Current portion of notes payable, finance leases, and commercial bank financing				
Current portion of notes payable, finance leases, and commercial bank financing				
Current portion of notes payable, finance leases, and commercial bank financing	Current portion of notes payable, finance leases, and commercial bank financing	36	38	
Current portion of operating lease liabilities	Current portion of operating lease liabilities	19	23	
Current portion of program contracts payable	Current portion of program contracts payable	85	83	

Other current liabilities	Other current liabilities	56	67
Total current liabilities	Total current liabilities	577	608
Notes payable, finance leases, and commercial bank financing, less current portion	Notes payable, finance leases, and commercial bank financing, less current portion	4,130	4,227
Operating lease liabilities, less current portion	Operating lease liabilities, less current portion	140	154
Program contracts payable, less current portion	Program contracts payable, less current portion	7	10
Deferred tax liabilities	Deferred tax liabilities	390	610
Other long-term liabilities	Other long-term liabilities	207	220
Total liabilities (a)	Total liabilities (a)	5,451	5,829
Commitments and contingencies (See Note 5)	Commitments and contingencies (See Note 5)		
Commitments and contingencies (See Note 5)			
Redeemable noncontrolling interests		—	194
SBG member's equity (deficit):			
SBG member's deficit:			
SBG member's deficit:			
SBG member's deficit:			
Accumulated deficit			
Accumulated deficit			
Accumulated deficit	Accumulated deficit	(512)	—
Accumulated other comprehensive income	Accumulated other comprehensive income	9	—

Total SBG member's deficit Total SBG member's deficit	(503)	—
Old Sinclair shareholders' equity:		
Old Sinclair Class A Common Stock, $.01 par value, 500,000,000 shares authorized and 45,847,879 shares issued and outstanding as of December 31, 2022	—	1
Old Sinclair Class B Common Stock, $.01 par value, 140,000,000 shares authorized and 23,775,056 shares issued and outstanding as of December 31, 2022, convertible into Old Sinclair Class A Common Stock	—	—
Additional paid-in capital	—	624
Retained earnings	—	122
Accumulated other comprehensive income	—	1
Total Old Sinclair shareholders' equity	—	748
Noncontrolling interests Noncontrolling interests	(63)	(67)
Total (deficit) equity	(566)	681
Total liabilities, redeemable noncontrolling interests, and equity	$ 4,885	$ 6,704
Noncontrolling interests		
Noncontrolling interests		
Total deficit		
Total liabilities and deficit		

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

(a) SBG's consolidated total assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 include total assets of variable interest entities ("VIE") of $80 million $78 million and $115 million $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, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 include total liabilities of VIEs of $18 million $16 million and $17 million, respectively, 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, except share and per share data) millions) (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
REVENUES:				
Media revenues	$ 697	$ 836	$ 2,203	$ 2,942
Non-media revenues	—	7	10	26
Total revenues	697	843	2,213	2,968
OPERATING EXPENSES:				
Media programming and production expenses	371	396	1,166	1,557
Media selling, general and administrative expenses	164	190	539	605
Amortization of program contract costs	18	22	59	68
Non-media expenses	3	12	22	35
Depreciation of property and equipment	25	24	80	76
Corporate general and administrative expenses	31	30	147	115
Amortization of definite-lived intangible assets	34	43	114	179
Loss (gain) on deconsolidation of subsidiary	10	—	10	(3,357)
(Gain) loss on asset dispositions and other, net of impairment	(3)	(28)	7	(37)
Total operating expenses (gains)	653	689	2,144	(759)
Operating income	44	154	69	3,727
OTHER INCOME (EXPENSE):				

Interest expense including amortization of debt discount and deferred financing costs	(77)	(59)	(227)	(228)
Gain on extinguishment of debt	4	—	15	3
Income from equity method investments	—	33	31	48
Other income (expense), net	2	10	(51)	(155)
Total other expense, net	(71)	(16)	(232)	(332)
(Loss) income before income taxes	(27)	138	(163)	3,395
INCOME TAX BENEFIT (PROVISION)	6	(109)	236	(756)
NET (LOSS) INCOME	(21)	29	73	2,639
Net (income) loss attributable to the redeemable noncontrolling interests	—	(5)	4	(14)
Net income attributable to the noncontrolling interests	(1)	(3)	(15)	(28)
NET (LOSS) INCOME ATTRIBUTABLE TO SBG	$ (22)	$ 21	$ 62	$ 2,597
REVENUES:				
REVENUES:				
REVENUES:				
Media revenues				
Media revenues				
Media revenues				
Non-media revenues				
Non-media revenues				
Non-media revenues				
Total revenues				
Total revenues				

Total revenues	
OPERATING EXPENSES:	
OPERATING EXPENSES:	
OPERATING EXPENSES:	
Media programming and production expenses	
Media programming and production expenses	
Media programming and production expenses	
Media selling, general and administrative expenses	
Media selling, general and administrative expenses	
Media selling, general and administrative expenses	
Amortization of program contract costs	
Amortization of program contract costs	
Amortization of program contract costs	
Non-media expenses	
Non-media expenses	
Non-media expenses	
Depreciation of property and equipment	
Depreciation of property and equipment	

Depreciation of property and equipment Corporate general and administrative expenses Corporate general and administrative expenses Corporate general and administrative expenses Amortization of definite-lived intangible assets Amortization of definite-lived intangible assets Amortization of definite-lived intangible assets
Loss on asset dispositions and other, net of impairment
Loss on asset dispositions and other, net of impairment
Loss on asset dispositions and other, net of impairment Total operating expenses Total operating expenses Total operating expenses Operating income Operating income Operating income
OTHER INCOME (EXPENSE):
OTHER INCOME (EXPENSE):

OTHER INCOME (EXPENSE):
Interest expense including amortization of debt discount and deferred financing costs
Interest expense including amortization of debt discount and deferred financing costs
Interest expense including amortization of debt discount and deferred financing costs
Gain on extinguishment of debt
Gain on extinguishment of debt
Gain on extinguishment of debt
Income from equity method investments
Income from equity method investments
Income from equity method investments
Other income, net
Other income, net
Other income, net
Total other expense, net
Total other expense, net
Total other expense, net
Loss before income taxes

Loss before income taxes

Loss before income taxes

INCOME TAX BENEFIT

INCOME TAX BENEFIT

INCOME TAX BENEFIT

NET INCOME

NET INCOME

NET INCOME

Net loss attributable to the redeemable noncontrolling interests

Net loss attributable to the redeemable noncontrolling interests

Net loss attributable to the redeemable noncontrolling interests

Net income attributable to the noncontrolling interests

Net income attributable to the noncontrolling interests

Net income attributable to the noncontrolling interests

NET INCOME ATTRIBUTABLE TO SBG

NET INCOME ATTRIBUTABLE TO SBG

NET INCOME ATTRIBUTABLE TO SBG

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net (loss) income	$ (21)	$ 29	$ 73	$ 2,639
Unrealized gain on interest rate swap, net of tax	2	—	8	—
Share of other comprehensive income of equity method investments	—	—	—	3
Comprehensive (loss) income	(19)	29	81	2,642
Comprehensive (income) loss attributable to the redeemable noncontrolling interests	—	(5)	4	(14)
Comprehensive income attributable to the noncontrolling interests	(1)	(3)	(15)	(28)
Comprehensive (loss) income attributable to SBG	$ (20)	$ 21	$ 70	$ 2,600

	Three Months Ended March 31,	
	2024	2023
Net income	$ 6	$ 193
Unrealized gain (loss) on interest rate swap, net of tax	4	(3)
Comprehensive income	10	190
Comprehensive loss attributable to the redeemable noncontrolling interests	—	4
Comprehensive income attributable to the noncontrolling interests	(1)	(12)
Comprehensive income attributable to SBG	$ 9	$ 182

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

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

	Three Months Ended September 30, 2022
	Old Sinclair Shareholders

	Redeemable Noncontrolling Interests	Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity
BALANCE, June 30, 2022	$ 187	46,470,546	$ 1	23,775,056	$ —	$ 628	$ 79	$ (2)	$ (64)	$ 642
Dividends declared and paid on Old Sinclair Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	—	(16)	—	—	(16)
Repurchases of Old Sinclair Class A Common Stock	—	(489,051)	—	—	—	(10)	—	—	—	(10)
Old Sinclair Class A Common Stock issued pursuant to employee benefit plans	—	92,431	—	—	—	5	—	—	—	5
Distributions to noncontrolling interests	(2)	—	—	—	—	—	—	—	(5)	(5)
Net income	5	—	—	—	—	—	21	—	3	24
BALANCE, September 30, 2022	$ 190	46,073,926	$ 1	23,775,056	$ —	$ 623	$ 84	$ (2)	$ (66)	$ 640

	Nine Months Ended September 30, 2022									
		Old Sinclair Shareholders								
	Redeemable Noncontrolling Interests	Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total (Deficit) Equity
BALANCE, December 31, 2021	$ 197	49,314,303	$ 1	23,775,056	$ —	$ 691	$ (2,460)	$ (2)	$ 64	$ (1,706)
Dividends declared and paid on Old Sinclair Class A and Class B Common Stock ($0.75 per share)	—	—	—	—	—	—	(53)	—	—	(53)
Repurchases of Old Sinclair Class A Common Stock	—	(4,547,370)	—	—	—	(114)	—	—	—	(114)
Old Sinclair Class A Common Stock issued pursuant to employee benefit plans	—	1,306,993	—	—	—	46	—	—	—	46
Distributions to noncontrolling interests	(5)	—	—	—	—	—	—	—	(10)	(10)
Other comprehensive income	—	—	—	—	—	—	—	3	—	3
Deconsolidation of subsidiary	(16)	—	—	—	—	—	—	(3)	(148)	(151)
Net income	14	—	—	—	—	—	2,597	—	28	2,625
BALANCE, September 30, 2022	$ 190	46,073,926	$ 1	23,775,056	$ —	$ 623	$ 84	$ (2)	$ (66)	$ 640

	Three Months Ended March 31, 2023
	Old Sinclair Shareholders

	Redeemable Noncontrolling Interests	Class A Common Stock Shares	Class A Common Stock Values	Class B Common Stock Shares	Class B Common Stock Values	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	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 Old Sinclair Class A and Class B Common Stock ($0.25 per share)	—	—	—	—	—	—	(18)	—	—	(18)
Repurchases of Old Sinclair Class A Common Stock	—	(3,583,213)	—	—	—	(53)	—	—	—	(53)
Old Sinclair Class A Common Stock issued pursuant to employee benefit plans	—	2,095,836	—	—	—	31	—	—	—	31
Repurchase of redeemable subsidiary preferred equity	(190)	—	—	—	—	—	—	—	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(4)	(4)
Other comprehensive loss	—	—	—	—	—	—	—	(3)	—	(3)
Net (loss) income	(4)	—	—	—	—	—	185	—	12	197
BALANCE, March 31, 2023	$ —	44,360,502	$ 1	23,775,056	$ —	$ 602	$ 289	$ (2)	$ (59)	$ 831

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

	Three Months Ended March 31, 2024			
	SBG Member			
	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Deficit
BALANCE, December 31, 2023	$ (865)	$ 1	$ (64)	$ (928)
Contributions from member, net	65	—	—	65
Distributions to noncontrolling interests	—	—	(2)	(2)

Other comprehensive income	—	4	—	4
Net income	5	—	1	6
BALANCE, March 31, 2024	$ (795)	$ 5	$ (65)	$ (855)

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,			Three Months Ended March 31,	
		2023	**2022**		**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:	CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	Net income	$ 73	$ 2,639			
Adjustments to reconcile net income to net cash flows from operating activities:	Adjustments to reconcile net income to net cash flows from operating activities:					
Amortization of sports programming rights		—	326			
Amortization of definite-lived intangible and other assets						
Amortization of definite-lived intangible and other assets						
Amortization of definite-lived intangible and other assets	Amortization of definite-lived intangible and other assets	114	179			
Depreciation of property and equipment	Depreciation of property and equipment	80	76			
Amortization of program contract costs	Amortization of program contract costs	59	68			
Stock-based compensation		34	46			
Deferred tax (benefit) provision		(237)	759			

Loss (gain) on asset dispositions and other, net of impairment		7	(10)
Loss (gain) on deconsolidation of subsidiary		10	(3,357)
Equity-based compensation			
Deferred tax benefit			
Loss on asset dispositions and other, net of impairment			
Income from equity method investments	Income from equity method investments	(31)	(48)
Loss from investments		77	144
Income from equity method investments			
Income from equity method investments			
(Income) loss from investments			
Distributions from investments	Distributions from investments	29	74
Sports programming rights payments		—	(325)
Rebate payments to distributors		—	(15)
Gain on extinguishment of debt	Gain on extinguishment of debt	(15)	(3)
Change in assets and liabilities, net of acquisitions, deconsolidation of subsidiary, and asset transfer to Ventures:			
Decrease in accounts receivable		30	48
Change in assets and liabilities, net of acquisitions:			
(Increase) decrease in accounts receivable			
(Increase) decrease in accounts receivable			
(Increase) decrease in accounts receivable			
Increase in prepaid expenses and other current assets	Increase in prepaid expenses and other current assets	(10)	(95)
Increase in due from member		(12)	—

Increase in accounts payable and accrued and other current liabilities		27	49
Net change in due to/from member			
(Decrease) increase in accounts payable and accrued and other current liabilities			
Net change in net income taxes payable/receivable	Net change in net income taxes payable/receivable	(2)	(19)
Decrease in program contracts payable	Decrease in program contracts payable	(68)	(78)
Other, net	Other, net	7	—
Other, net			
Other, net			
Net cash flows from operating activities	Net cash flows from operating activities	172	458
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Acquisition of property and equipment	Acquisition of property and equipment	(71)	(74)
Deconsolidation of subsidiary cash		—	(315)
Purchases of investments	Purchases of investments	(37)	(67)
Distributions from investments		204	90
Purchases of investments			
Purchases of investments			
Distributions and proceeds from investments			
Other, net	Other, net	6	14

Net cash flows from (used in) investing activities	Net cash flows from (used in) investing activities	102	(352)
CASH FLOWS USED IN FINANCING ACTIVITIES:	CASH FLOWS USED IN FINANCING ACTIVITIES:		
Proceeds from notes payable and commercial bank financing		—	728
CASH FLOWS USED IN FINANCING ACTIVITIES:			
CASH FLOWS USED IN FINANCING ACTIVITIES:			
Repayments of notes payable, commercial bank financing, and finance leases			
Repayments of notes payable, commercial bank financing, and finance leases			
Repayments of notes payable, commercial bank financing, and finance leases	Repayments of notes payable, commercial bank financing, and finance leases	(76)	(854)
Repurchase of outstanding Old Sinclair Class A Common Stock	Repurchase of outstanding Old Sinclair Class A Common Stock	(153)	(114)
Dividends paid on Old Sinclair Class A and Class B Common Stock	Dividends paid on Old Sinclair Class A and Class B Common Stock	(18)	(53)
Dividends paid on redeemable subsidiary preferred equity		—	(5)
Repurchase of redeemable subsidiary preferred equity			
Repurchase of redeemable subsidiary preferred equity			
Repurchase of redeemable subsidiary preferred equity	Repurchase of redeemable subsidiary preferred equity	(190)	—
Distributions to member, net		(429)	—
Contributions from member, net			
Contributions from member, net			
Contributions from member, net			

Distributions to noncontrolling interests, net	Distributions to noncontrolling interests, net	(10)	(10)
Other, net	Other, net	(3)	(10)
Other, net			
Other, net			
Net cash flows used in financing activities	Net cash flows used in financing activities	(879)	(318)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		(605)	(212)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of period	884	819
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of period	$279	$ 607

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, and regional sports networks (prior to the Deconsolidation, as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC*). 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, other original programming produced by SBG and SBG owned networks, and, prior to the Deconsolidation, college and professional sports. 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, 2023 March 31, 2024, SBG had one reportable segment: local media. Prior to the Deconsolidation (as defined below in *Deconsolidation of Diamond Sports Intermediate Holdings LLC),* SBG had one additional reportable segment: local sports. The local media segment consists primarily of SBG's 185 broadcast television stations in 86 markets, which 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 639 channels as of September 30, 2023 March 31, 2024. For the purpose of this report, these 185 stations and 639 channels are referred to as "SBG" stations and channels. The local sports segment consisted primarily of the Bally Sports network brands ("Bally RSNs"), the Marquee Sports Network ("Marquee") joint venture, and a minority equity interest in the Yankee Entertainment and Sports Network, LLC ("YES Network") through February 28, 2022. On March 1, 2022, the Bally RSNs, Marquee, and YES Network were deconsolidated from SBG's financial statements. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* below. Through February 28, 2022, the Bally RSNs and Marquee are referred to as "the RSNs". The RSNs and YES Network own the exclusive rights to air, among other sporting events, the games of professional sports teams in designated local viewing areas.

Principles of Consolidation

The consolidated financial statements include SBG's accounts and those of SBG's wholly-owned and majority-owned subsidiaries, and VIEs for which SBG is the primary beneficiary. Noncontrolling interests represent a minority owner’s proportionate share of the equity in certain of SBG's consolidated entities. Noncontrolling interests which may be redeemed by the holder, and the redemption is outside of SBG's control, are presented as redeemable noncontrolling interests. All intercompany transactions and account balances have been eliminated in consolidation.

SBG consolidates VIEs when SBG is the primary beneficiary. SBG is the primary beneficiary of a VIE when SBG has the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE and 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.

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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.

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As a result of the Reorganization, SBG's consolidated statement of operations for the nine three months ended September 30, 2023 March 31, 2023 includes five three 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.

The Reorganization is considered transactions between entities under common control and therefore the Transferred Assets were transferred from SBG to Ventures at a net book value of $1,138 million during the nine months ended September 30, 2023, which is recognized in SBG's consolidated statements of equity and redeemable noncontrolling interests as a dividend to SBG's parent.

Deconsolidation of Diamond Sports Intermediate Holdings LLC

On March 1, 2022, Old Sinclair's subsidiary Diamond Sports Intermediate Holdings, LLC, and certain of its subsidiaries (collectively "DSIH"), completed a series of transactions (the "Transaction"). As part of the Transaction, the governance structure of DSIH was modified including changes to the composition of its Board of Managers, resulting in SBG's loss of voting control. As a result, DSIH, whose operations represented the entirety of SBG's local sports segment, was deconsolidated from SBG's consolidated financial statements effective as of March 1, 2022 (the "Deconsolidation"). SBG's consolidated statement of operations for the nine months ended September 30, 2022 therefore includes two months of activity related to DSIH prior to the Deconsolidation. Subsequent to February 28, 2022, the assets and liabilities of DSIH are no longer included within SBG's consolidated balance sheets. Any discussions related to results, operations, and accounting policies associated with DSIH are referring to the periods prior to the Deconsolidation.

Upon Deconsolidation, SBG recognized a gain before income taxes of approximately $3,357 million, which is recorded within gain on deconsolidation of subsidiary in SBG's consolidated statements of operations for the nine months ended September 30, 2022. During the three and nine months ended September 30, 2023, we recorded an adjustment to the deconsolidation gain of $10 million. Subsequent to the Deconsolidation, SBG's equity ownership interest in DSIH is accounted for under the equity method of accounting. See *Note 2. Other Assets* for more information.

Interim Financial Statements

SBG's consolidated financial statements for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 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 (loss) income, 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 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 Old Sinclair's Annual Report on Form 10-K for the year ended December 31, 2022 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.

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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 September November 2023, the FASB voted issued guidance to finalize a proposed ASU "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is expected to be effective for fiscal years beginning after December 15, 2024 December 15, 2023, including and interim periods within those fiscal years. The final ASU years beginning after December 15, 2024, applied retrospectively. Early adoption is expected during the fourth quarter of 2023. 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.

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Broadcast Television Programming

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

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

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

Sports Programming Rights

DSIH has multi-year program rights agreements that provide DSIH with the right to produce and telecast professional live sports games within a specified territory in exchange for a rights fee. Prior to the Deconsolidation, SBG amortized these rights as an expense over each season based upon contractually stated rates. Amortization was accelerated in the event that the stated contractual rates over the term of the rights agreement resulted in an expense recognition pattern that was inconsistent with the projected growth of revenue over the contractual term.

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").

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

Non-cash Investing and Financing Activities

Leased assets obtained in exchange for new operating lease liabilities were $4 $2 million and $9 million $3 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Leased assets obtained in exchange for new finance lease liabilities were $1 million $7 million for the nine three months ended September 30, 2022 March 31, 2024. Non-cash investing activities included property and equipment purchases of $5 million and $6 million for the nine three months ended September 30, 2023. March 31, 2024 and 2023, respectively.

SBG made noncash distributions of $778 million to Sinclair, and certain of its direct and indirect subsidiaries, for the nine months ended September 30, 2023, which represents the book value of the net assets distributed. See *Company Reorganization* above.

SINCLAIR BROADCAST GROUP, LLC
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Revenue Recognition

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

For the three months ended September 30, 2023	Local Media	Total
For the three months ended March 31, 2024		
For the three months ended March 31, 2024		

For the three months ended March 31, 2024			
Distribution revenue	Distribution revenue	$ 365	$ 365
Advertising revenue		292	292
Distribution revenue			
Distribution revenue			
Core advertising revenue			
Core advertising revenue			
Core advertising revenue			
Political advertising revenue			
Political advertising revenue			
Political advertising revenue			
Other media and intercompany revenues			
Other media and intercompany revenues			
Other media and intercompany revenues			
Total revenues			
Total revenues			
Total revenues			
For the three months ended March 31, 2023			
For the three months ended March 31, 2023			
For the three months ended March 31, 2023			
Distribution revenue			
Distribution revenue			
Distribution revenue			
Core advertising revenue			
Core advertising revenue			
Core advertising revenue			
Political advertising revenue			
Political advertising revenue			
Political advertising revenue			
Other media, non-media, and intercompany revenues			
Other media, non-media, and intercompany revenues			

Other media, non-media, and intercompany revenues	Other media, non-media, and intercompany revenues	40	40
Total revenues	Total revenues	$ 697	$ 697

For the nine months ended September 30, 2023	Local Media	Other	Eliminations	Total
Distribution revenue	$ 1,118	$ 76	$ —	$ 1,194
Advertising revenue	881	29	(5)	905
Other media, non-media, and intercompany revenues	102	14	(2)	114
Total revenues				
Total revenues / Total revenues	$ 2,101	$ 119	$ (7)	$ 2,213

For the three months ended September 30, 2022	Local Media	Other	Eliminations	Total
Distribution revenue	$ 381	$ 44	$ —	$ 425
Advertising revenue	367	15	(8)	374
Other media, non-media, and intercompany revenues	33	12	(1)	44
Total revenues	$ 781	$ 71	$ (9)	$ 843

For the nine months ended September 30, 2022	Local Media	Local Sports	Other	Eliminations	Total
Distribution revenue	$ 1,159	$ 433	$ 136	$ —	$ 1,728
Advertising revenue	1,023	44	61	(17)	1,111
Other media, non-media, and intercompany revenues	113	5	45	(34)	129
Total revenues	$ 2,295	$ 482	$ 242	$ (51)	$ 2,968

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, and, prior to the Deconsolidation, RSNs. 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.

SINCLAIR BROADCAST GROUP, LLC
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

Political Advertising Revenue. SBG generates political advertising revenue primarily from the sale of political advertising spots/impressions within broadcast television and prior to the Deconsolidation, RSNs. 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 $176 $180 million and $200 million $171 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, of which $129 $119 million and $144 million $124 million, respectively, was reflected in other long-term liabilities in SBG's consolidated balance sheets. Deferred revenue recognized during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, included in the deferred revenue balance as of December 31, 2022 December 31, 2023 and 2021, 2022, was $39 million $15 million and $53 million $19 million, respectively.

For the three months ended September 30, 2023 March 31, 2024, one customer two customers accounted for 11% and 11%, respectively, of SBG's total revenues. For the nine three months ended September 30, 2023 March 31, 2023, two customers accounted for 11% and 10%, respectively, of SBG's total revenues. For the three months ended September 30, 2022 As of March 31, 2024, one customer accounted for 11% of SBG's total revenues. For the nine months ended September 30, 2022, three four customers accounted for 14%, 12%, and 11%, respectively, of SBG's total revenues. As of September 30, 2023, three customers accounted for 11%, 11% 10%, and 10%, respectively, of SBG's accounts receivable, net. As of December 31, 2022 December 31, 2023, one customer two customers accounted for 13% 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.

SINCLAIR BROADCAST GROUP, LLC
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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, 2023 March 31, 2024 and 2022 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, 2023 approximated March 31, 2024 was greater than the statutory rate. 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 nine three months ended September 30, 2023 March 31, 2023, was greater than the statutory rate primarily due to a release of valuation allowance on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j). SBG's effective income as a result of the change in the tax rate for classification of the three months ended September 30, 2022, was greater than legal entity owning the statutory rate primarily due to an increase in valuation allowance on deferred tax assets relating to deductibility Diamond Sports business because of interest expense under the IRC Section 163(j). SBG's effective income tax rate for exit of the nine months ended September 30, 2022, approximated SBG's statutory rate. sole minority investor.

SBG believes does not believe that its our liability for unrecognized tax benefits could would be reduced by up to $1 million, 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.

Share Repurchase Program

For the nine months ended September 30, 2023, SBG repurchased approximately 8.8 million shares of Old Sinclair Class A Common Stock for $151 million. All shares were repurchased under an SEC Rule 10b5-1 plan, which is no longer applicable subsequent to the Reorganization.

SINCLAIR BROADCAST GROUP, LLC
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Reclassifications

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

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2. OTHER ASSETS:

Other assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 consisted of the following (in millions):

	As of September 30, 2023	As of December 31, 2022
Equity method investments (a)	$ 1	$ 113
Other investments (a)	—	442
Note receivable (a)	—	193
Income tax receivable	131	131
Post-retirement plan assets	42	41
Other	59	44
Total other assets	$ 233	$ 964

(a) The note receivable, other investments, and certain of the equity method investments were transferred to Ventures as part of the Reorganization.

	As of March 31, 2024	As of December 31, 2023
Equity method investments	$ 1	$ 1
Other investments	3	—
Income tax receivable	140	131
Other	55	52
Total other assets	$ 199	$ 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. Subsequent to the Deconsolidation, SBG has an investment in DSIH that is accounted for under the equity method of accounting. Diamond Sports Intermediate Holdings LLC ("DSIH"). No investments were individually significant for the periods presented.

Diamond Sports Intermediate Holdings LLC. Subsequent to the Deconsolidation, SBG's equity interest in DSIH is accounted for under the equity method of accounting. As of March 1, 2022, SBG reflected the investment in DSIH at fair value, which was determined to be nominal. For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, SBG recorded no equity method loss related to the investment because the carrying value of the investment is zero and SBG is not obligated to fund losses incurred by DSIH. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

YES Network Investment. Prior to the Deconsolidation, SBG's investment in the YES Network was accounted for as an equity method investment. SBG recorded income of $10 million for the nine months ended September 30, 2022 related to this investment, which is reflected in income from equity method investments in SBG's consolidated statements of operations. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Other Investments

SBG's investments, excluding equity method investments, are were accounted for at fair value or, in situations where fair value is not readily determinable, SBG has had the option to value investments at cost plus observable changes in value, less impairment. Additionally, certain investments are 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. As of December 31, 2022, SBG held $234 million in investments measured at fair value and $190 million in investments measured at NAV. SBG recognized a fair value adjustment loss of $73 million for the nine months ended September 30, 2023 and a fair value adjustment gain of $4 million and loss of $157 million $1 million for the three and nine months ended September 30, 2022, respectively, March 31, 2023 associated with these investments, which are is reflected in other (expense) income, net in SBG's consolidated statements of operations. As of December 31, 2022, SBG's unfunded commitments related to the investments valued using the NAV practical expedient totaled $88 million.

All of the investments accounted for utilizing the measurement alternative were transferred to Ventures as part of the Reorganization. Investments accounted for utilizing the measurement alternative were $18 million, net of $7 million of cumulative impairments, $3 million as of December 31, 2022 March 31, 2024. SBG recorded a $6 million impairment related to one investment for the nine months ended September 30, 2023, which is reflected in other (expense) income, net in SBG's consolidated statements of operations. There were no adjustments to the carrying amount of investments accounted for utilizing the measurement alternative for either of the three and nine months ended September 30, 2022 March 31, 2024 and the three months ended March 31, 2023.

Note Receivable

SBG was party to an Accounts Receivable Securitization Facility ("A/R Facility"), held by Diamond Sports Finance SPV, **SINCLAIR BROADCAST GROUP, LLC ("DSPV"), an indirect wholly-owned subsidiary of DSIH. Subsequent to the Deconsolidation, transactions related to the A/R Facility are no longer intercompany transactions and, therefore, are reflected in SBG's consolidated financial statements. See** *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies*. As of December 31, 2022, the note receivable due to SBG was approximately

$193 million, which is reflected in other assets in SBG's consolidated balance sheets. On May 10, 2023, DSPV paid SBG approximately $199 million, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. The loans under the A/R Facility and cash received were transferred to Ventures as part of the Reorganization.

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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. As of September 30, 2023 March 31, 2024, the STG first lien leverage ratio was below 4.5x. Under the Bank Credit Agreement, a financial maintenance covenant is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the revolving credit facility, measured as of the last day of each fiscal quarter, is utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of September 30, 2023 March 31, 2024, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of September 30, 2023 March 31, 2024.

During the three months ended September 30, 2023 March 31, 2024, STG purchased $30 million $27 million aggregate principal amount of the Term Loan B-2, due September 30, 2026, for consideration of $26 million $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 $3 million $1 million for both the three and nine months ended September 30, 2023.

In June 2023, STG purchased $3 million, $15 million, and $13 million aggregate principal amount of the 5.125% Senior Notes due 2027, the 5.500% Senior Notes due 2030, and the 4.125% Senior Secured Notes due 2030 (collectively, the notes are referred to as the "STG Notes"), respectively, in open market transactions for consideration of $3 million, $8 million, and $8 million, respectively. During the three months ended September 30, 2023, STG purchased $4 million in aggregate principal amount of the 5.125% Senior Notes due 2027 in open market transactions for consideration of $3 million March 31, 2024. The STG Notes acquired in June 2023 and during the three months ended September 30, 2023 were canceled immediately following their acquisition. SBG recognized a gain on extinguishment of the STG Notes of $1 million and $12 million for the three and nine months ended September 30, 2023, respectively.

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 $2 million and $3 million as of September 30, 2023 both March 31, 2024 and December 31, 2022, respectively. December 31, 2023. Notes payable, finance leases, and commercial bank financing, less current portion, in SBG's consolidated balance sheets includes finances leases to affiliates of $5 million $11 million and $6 million $5 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. See *Note 9. Note. 8 Related Person Transactions. Transactions.*

SINCLAIR BROADCAST GROUP, LLC
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Debt of Variable Interest Entities and Guarantees of Third-Party Obligations

STG jointly, severally, unconditionally, and irrevocably guaranteed $2 million of debt of certain third parties as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, all of which relate to consolidated VIEs and is included in SBG's consolidated balance sheets as of both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. SBG provides a guarantee of certain obligations of a regional sports network subject to a maximum annual amount of $112 million $117 million with annual escalations of 4% for the next six five years. SBG has determined that, as of September 30, 2023 March 31, 2024, it is not probable that SBG would have to perform under any of these guarantees.

Interest Rate Swap

SBG entered into an interest rate swap effective February 7, 2023 and terminates 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, 2023 March 31, 2024 and December 31, 2023, the fair value of the interest rate swap was an asset of $11 7 million and $1 million, respectively, which is are recorded in other assets 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 consist 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").

Distributions accrued during the nine months ended September 30, 2023 were $3 million and during the three and nine months ended September 30, 2022 were $3 million and $9 million, respectively, and are reflected in net income attributable to the redeemable noncontrolling interests in SBG's consolidated statements of operations. Distributions accrued during all of the nine months ended September 30, 2023 and the three and nine months ended September 30, 2022 were paid-in-kind and added to the liquidation preference, which was partially offset by certain required cash tax distributions.

The balance, net of issuance costs, and the liquidation preference of the Redeemable Subsidiary Preferred Equity were $194 million and $198 million, respectively, as of December 31, 2022.

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 during the three months ended March 31, 2023 were $3 million and are reflected in net loss attributable to the redeemable noncontrolling interests in SBG's consolidated statements of operations. Distributions accrued during the three months ended March 31, 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

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 Litigation Matters

On May 22, 2020, the Federal Communications Commission ("FCC") released an Order and Consent Decree pursuant to which the Company agreed to pay $48 million to resolve the matters covered by a Notice of Apparent Liability for Forfeiture ("NAL") issued in December 2017 proposing a $13 million fine for alleged violations of the FCC's sponsorship identification rules by the Company and certain of its subsidiaries, the FCC's investigation of the allegations raised in the Hearing Designation Order issued in connection with the Company's proposed acquisition of Tribune, and a retransmission related matter. The Company submitted the $48 million payment on August 19, 2020. As part of the consent decree, the Company also agreed to implement a 4-year compliance plan. Two petitions were filed on June 8, 2020 seeking reconsideration of the Order and Consent Decree. The Company filed an opposition to the petitions on June 18, 2020, and the petitions remain pending.

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On September 1, 2020, one of the individuals who filed a petition for reconsideration of the Order and Consent Decree filed a petition to deny the license renewal application of WBFF(TV), Baltimore, MD, and the license renewal applications of two other Baltimore, MD stations with which the Company has a JSA or LMA, Deerfield Media station WUTB(TV) and Cunningham Broadcasting Corporation ("Cunningham") station WNUV(TV). The Company filed an opposition to the petition on October 1, 2020. On January 18, 2024, a motion was filed to request substitution of the petitioner, who is deceased. On January 29, 2024, the Company filed (1) an opposition to the motion for substitution and (2) a motion to dismiss the petition to deny the renewal applications. An opposition was filed to the motion to dismiss on February 5, 2024, and the petition Company timely filed its reply on February 13, 2024, and the matter remains pending.

On September 2, 2020, the FCC adopted a Memorandum Opinion and Order and NAL against the licensees of several stations with whom the Company has LMAs, JSAs, and/or SSAs in response to a complaint regarding those stations' retransmission consent negotiations. The NAL proposed a $0.5 million penalty for each station, totaling $9 million. The licensees filed a response to the NAL on October 15, 2020, asking the Commission to dismiss the proceeding or, alternatively, to reduce the proposed forfeiture to $25,000 per station. On July 28, 2021, the FCC issued a forfeiture order in which the $0.5 million penalty was upheld for all but one station. A Petition for Reconsideration of the forfeiture order was filed on August 7, 2021. On March 14, 2022, the FCC released a Memorandum Opinion and Order and Order on Reconsideration, reaffirming the forfeiture order and dismissing (and in the alternative, denying) the Petition for Reconsideration. The Company is not a party to this forfeiture order; however, SBG's consolidated financial statements include an accrual of additional expenses of $8 million for the above legal matters during the year ended December 31, 2021, as SBG consolidates these stations as VIEs.

On September 21, 2022, the FCC released an NAL against the licensees of a number of stations, including 83 Company SBG stations and several stations with whom the Company SBG has LMAs, JSAs, and/or SSAs, for violation of the FCC's limitations on commercial matter in children's 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, 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, 2023 March 31, 2024, SBG has accrued $3.4 million. On October 21, 2022, the Company filed a written response seeking reduction of the proposed fine amount, and the matter remains pending.

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Other Litigation Matters

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

The Company is aware of twenty-two putative class action lawsuits that were filed against the Company following published reports of the DOJ investigation into the exchange of pacing data within the industry. On October 3, 2018, these lawsuits were consolidated in the Northern District of Illinois. The consolidated action alleges that the Company and thirteen other broadcasters conspired to fix prices for commercials to be aired on broadcast television stations throughout the United States and engaged in unlawful information sharing, in violation of the Sherman Antitrust Act. The consolidated action seeks damages, attorneys' fees, costs and interest, as well as injunctions against adopting practices or plans that would restrain competition in the ways the plaintiffs have alleged. The Court denied the defendants' motion to dismiss on November 6, 2020. Discovery commenced shortly after that and is continuing. Under the current schedule set by the Court, fact discovery is scheduled to close 90 days after a special master Special Master completes his review of the plaintiffs' objections to the defendants' 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 which overruled the defendants' objections on January 31, 2024. The Special Master has not yet ruled on those objections. indicated when he expects to complete his privilege review. On May 26, 2023 December 8, 2023, the plaintiffs filed a motion with the Court seeking preliminary granted final approval of the settlements they have 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 Court granted preliminary approval of these settlements on August 18, 2023, and set a deadline of October 26, 2023, for class members to file either objections or claims. The plaintiffs filed a motion for final approval of the settlement on October 11, 2023. A hearing on final approval is currently scheduled for December 7, 2023. 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.

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

In the complaint, plaintiffs challenge a series of transactions involving SBG and certain of its subsidiaries, on the one hand, and DSG and its subsidiaries, on the other hand, since SBG acquired the former Fox Sports regional sports networks from The Walt Disney Company in August 2019. The complaint alleges, among other things, that the management services agreement (the "MSA") entered into by STG and DSG was not fair to DSG and was designed to benefit STG and SBG; that the Bally's Corporation ("Bally's") transaction in November 2020 through which Bally's acquired naming rights to certain regional sports networks was not fair to DSG and was designed to benefit STG and SBG; and that certain distributions made by DSG that were used to pay down preferred equity of DSH, were inappropriate and were conducted at a time when DSG was insolvent. The complaint alleges that SBG and its subsidiaries (other than DSG and its subsidiaries) received payments or indirect benefits of approximately $1.5 billion as a result of the alleged misconduct. The complaint asserts a variety of claims, including certain fraudulent transfers of assets, unlawful distributions and payments, breaches of contract, contracts, unjust enrichment and breaches of fiduciary duties. The plaintiffs are seeking, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined. The defendants believe the allegations in this lawsuit are without merit and intend to vigorously defend against plaintiffs' claims.

While at this early stage

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On January 17, 2024, Sinclair announced that it had agreed, subject to definitive documentation and final court approval, to a global settlement and release of all claims associated with the Diamond Litigation, which settlement includes an amendment to the MSA. On March 1, 2024, the court approved the settlement. Sinclair has entered into the settlement, without admitting any fault or wrongdoing. The settlement terms include, among other things, DSG's dismissal with prejudice of its $1.5 billion litigation against Sinclair and all other defendants, along with the full and final satisfaction and release of all claims in that litigation against all defendants, including Sinclair and its subsidiaries, in exchange for Sinclair's cash payment to DSG of $495 million. Additionally, under the terms of the proceedings it is not possible settlement, Sinclair will provide transition services to determine DSG to allow DSG to become a self-standing entity going forward. During the probability first quarter of 2024, SBG paid $50 million of the total settlement, which was funded by Ventures, and as of March 31, 2024, SBG has accrued $445 million, exclusive of any outcome or probability or potential offsetting benefits to be received, related to the above matter, which is recorded within accounts payable and accrued liabilities in SBG's consolidated balance sheets. The final settlement payment was made on April 30, 2024 and of the total $495 million settlement amount of any loss, in the event of an unfavorable outcome, SBG's subsidiaries may be required to pay monetary damages, which could materially paid, $347 million was paid by STG and adversely affect SBG's financial and results of operations. $148 million was paid by Ventures.

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6. SEGMENT DATA:

During the period ended June 30, 2023, SBG modified its segment reporting to align with the new organizational structure of SBG discussed within *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* The segment information within the comparative periods has been revised recast to reflect this new presentation. Additionally, during the current period we reclassified certain assets previously reported in corporate to local media to better align with how each respective business is being managed as a result of the Reorganization. During the period ended September 30, 2023 March 31, 2024, SBG measured segment performance based on operating income (loss). For the quarter ended September 30, 2023 March 31, 2024, SBG had one reportable segment: local media. Prior to the Deconsolidation, SBG had one additional reportable segment: local sports. 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. The local sports segment provided viewers with live professional sports content and included the Bally RSNs, Marquee, and SBG's investment in the YES Network, prior to the Deconsolidation on March 1, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies.* 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*

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

As of September 30, 2023	Local Media	Corporate	Eliminations	Consolidated
As of March 31, 2024				
As of March 31, 2024				
As of March 31, 2024	Local Media	Corporate		Consolidated
Assets Assets	$ 4,771	$ 114	$ —	$ 4,885

For the three months ended September 30, 2023	Local Media	Corporate	Eliminations	Consolidated
Revenue	$ 697 (b)	$ —	$ —	$ 697

Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	59	—	—	59
Amortization of program contract 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 three months ended March 31, 2024	Local Media
Revenue	$ 727
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	58
Amortization of program contract costs	19
Corporate general and administrative expenses	41
Operating income	41
Interest expense including amortization of debt discount and deferred financing costs	76

For the nine months ended September 30, 2023	Local Media	Other & Corporate (c)	Eliminations	Consolidated
Revenue	$ 2,101 (b)	$ 119	$ (7) (a)	$ 2,213
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	185	10	(1)	194
Amortization of program contract 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

For the three months ended September 30, 2022	Local Media	Other & Corporate	Eliminations	Consolidated
Revenue	$ 781 (b)	$ 71	$ (9) (a)	$ 843
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	61	7	(1)	67
Amortization of program contract costs	22	—	—	22
Corporate general and administrative expenses	16	14	—	30
Gain on asset dispositions and other, net of impairment	(7)	(21)	—	(28)
Operating income	143	11	—	154

Interest expense including amortization of debt discount and deferred financing costs	59	—	—	59
Income from equity method investments	—	33	—	33

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For the nine months ended September 30, 2022		Local Media	Local Sports (d)	Other & Corporate	Eliminations	Consolidated
For the three months ended March 31, 2023						
For the three months ended March 31, 2023						
For the three months ended March 31, 2023		**Local Media**	**Other & Corporate (a)**	**Eliminations**	**Consolidated**	
Revenue	Revenue	$ 2,295 (b)	$ 482	$ 242	$ (51) (a)	$ 2,968
Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	Depreciation of property and equipment and amortization of definite-lived intangibles and other assets	183	54	21	(3)	255
Amortization of sports programming rights		—	326	—	—	326
Amortization of program contract costs	Amortization of program contract costs	68	—	—	—	68
Corporate general and administrative expenses	Corporate general and administrative expenses	93	1	21	—	115
Gain on deconsolidation of subsidiary		—	—	(3,357)	—	(3,357)
Gain on asset dispositions and other, net of impairment		(15)	—	(22)	—	(37)

(Gain) loss on asset dispositions and other, net of impairment						
Operating income (loss)	Operating income (loss)	354	(4)	3,377	—	3,727
Interest expense including amortization of debt discount and deferred financing costs	Interest expense including amortization of debt discount and deferred financing costs	158	72	6	(8)	228
Income from equity method investments	Income from equity method investments	—	10	38	—	48

(a) Includes $1 million for the nine months ended September 30, 2023, and $1 million and $26 million for the three and nine months ended September 30, 2022, respectively, of revenue for services provided by local media to other and local sports, which is eliminated in consolidation.

(b) Includes $15 million and $39 million for the three and nine months ended September 30, 2023, respectively, and $12 million and $27 million for the three and nine months ended September 30, 2022, respectively, of revenue for services provided by local media under management services agreements after the Deconsolidation, which is not eliminated in consolidation. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

(c) 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.*

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

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.

A subsidiary of DSIH is a party to a joint venture associated with Marquee. Marquee is party to a long term telecast rights agreement which provides the rights to air certain live game telecasts and other content, which SBG guarantees. In connection with a prior acquisition, SBG became party to a joint venture associated with one other regional sports network. DSIH participated significantly in the economics and had the power to direct the activities which significantly impacted the economic performance of these regional sports networks, including sales and certain operational services. As of March 1, 2022, as a result of the Deconsolidation, SBG no longer consolidates these regional sports networks. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

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

		As of September 30, 2023	As of December 31, 2022		As of March 31, 2024	As of December 31, 2023
ASSETS	**ASSETS**			**ASSETS**		
Current assets:	Current assets:			Current assets:		
Accounts receivable, net						
Accounts receivable, net						
Accounts receivable, net	Accounts receivable, net	$ 16	$ 47			
Other current assets	Other current assets	4	3			
Total current assets	Total current assets	20	50			
Property and equipment, net	Property and equipment, net	10	10			
Property and equipment, net						
Property and equipment, net						
Goodwill and indefinite-lived intangible assets						
Goodwill and indefinite-lived intangible assets						

Goodwill and indefinite-lived intangible assets	Goodwill and indefinite-lived intangible assets		15		15
Definite-lived intangible assets, net	Definite-lived intangible assets, net		35		40
Total assets	Total assets	$	80	$	115

Total assets

Total assets

LIABILITIES

LIABILITIES

LIABILITIES	**LIABILITIES**					
Current liabilities:	Current liabilities:					Current liabilities:
Other current liabilities	Other current liabilities	$	15	$	15	
Long-term liabilities:						
Notes payable, finance leases and commercial bank financing, less current portion	Notes payable, finance leases and commercial bank financing, less current portion		6		7	
Program contracts payable, less current portion			—		1	

Notes payable, finance leases and commercial bank financing, less current portion

Notes payable, finance leases and commercial bank financing, less current portion

Other long-term liabilities

Other long-term liabilities

Other long-term liabilities	Other long-term liabilities	3	3
Total liabilities	Total liabilities	$ 24	$ 26

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 $130 million as of both September 30, 2023 March 31, 2024 and December 31, 2022 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, 2023 March 31, 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.

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Other VIEs

Prior to the Reorganization, SBG had several investments in entities which are considered VIEs. However, SBG did not participate in the management of these entities, including the day-to-day operating decisions or other decisions which would allow SBG to control the entity, and therefore, SBG was not considered the primary beneficiary of these VIEs. SBG's investments in these VIEs for which SBG was not the primary beneficiary were transferred to Ventures as part of the Reorganization.

The carrying amounts of SBG's investments in these VIEs for which SBG was not the primary beneficiary were $187 million as of December 31, 2022, and are included in other assets in SBG's consolidated balance sheets. See *Note 2. Other Assets* for more information related to SBG's equity investments. The income and loss related to equity method investments and other investments are recorded in income from equity method investments and other (expense) income, net, respectively, in SBG's consolidated statements of operations. SBG recorded gains a gain of $37 million for the nine months ended September 30, 2023 and gains of $33 million and $58 $35 million for the three and nine months ended September 30, 2022 March 31, 2023, respectively, related to these investments.

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In conjunction with the Transaction, the composition of the DSIH board of managers was modified resulting in SBG's loss of voting control over DSIH. SBG holds substantially all of the equity of DSIH and provides certain management and general and administrative services to DSIH. However, it was determined that SBG is not the primary beneficiary because SBG lacks the ability to control the activities that most significantly drive the economics of the business. The carrying amount of SBG's investment in DSIH is zero and there is no obligation for SBG to provide additional financial support.

Prior to the Reorganization, SBG was also party to the A/R Facility held by an indirect wholly-owned subsidiary of DSIH which had an outstanding balance of approximately $193 million as of December 31, 2022. See *Note Receivable* within *Note 2. Other Assets*. The loans under the A/R Facility were transferred to Ventures as part of the Reorganization.

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, David, Frederick, and J. Duncan Smith 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 both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $2 million and $5 million for the three and nine months ended September 30, 2022, respectively. 2023. For further information, see *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing*.

Charter Aircraft. SBG leases aircraft owned by certain Sinclair controlling shareholders. For all leases, SBG incurred expenses of $0.2 million for the nine months ended September 30, 2023 and less than $0.1 million and $0.3 million for the three and nine months ended September 30, 2022, respectively. March 31, 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 $64 million $66 million and $61 million $65 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The remaining aggregate purchase price of these stations, net of prepayments, as of both September 30, 2023 March 31, 2024 and December 31, 2022 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 both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $3 million and $7 million for the three and nine months ended September 30, 2022, respectively. 2023.

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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 $33 million and $102 million $34 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $40 million and $111 million $36 million for the three and nine months ended September 30, 2022 March 31, 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 2024.

SBG has multi-cast agreements with Cunningham Stations in the Eureka/Chico-Redding, California; Tri-Cities, Tennessee; Anderson, South Carolina; Baltimore, Maryland; Portland, Maine; Charleston, West Virginia; Dallas, Texas; and Greenville, North Carolina markets. In exchange for carriage of these networks in their markets, SBG paid $0.5 million and $1.5 million for both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $0.5 million and $1.5 million for the three and nine months ended September 30, 2022, respectively, 2023, under these agreements.

MileOne Autogroup Inc.

SBG sells advertising time to certain operating subsidiaries of MileOne Autogroup, Inc. ("MileOne"), including automobile dealerships, body shops, and an automobile leasing company. David Smith has a controlling interest in, and is a member of the Board of Directors of, MileOne. SBG received payments for advertising totaling less than $0.1 million for each of the three and nine months ended September 30, 2023 and 2022.

Leased Property by Real Estate Ventures

Certain of SBG's real estate ventures have entered into leases with entities owned by members of the Smith Family. Total rent payments received under these leases were $0.7 million for the nine months ended September 30, 2023 and $0.3 million and $0.8 million $0.4 million for the three and nine months ended September 30, 2022, respectively. March 31, 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 $2 million and $3 million during the three and nine months ended September 30, 2023 March 31, 2024, 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 $2 million and $4 million during the three and nine months ended September 30, 2023 March 31, 2024, 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 received net cash distributions payments of $83 million and $443 million to $15 million from Sinclair, and certain of its direct and indirect subsidiaries, during the three and nine months ended September 30, 2023, respectively. March 31, 2024.

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As of March 31, 2024, SBG received cash payments of $16 million from had a payable to Sinclair, and certain of its direct and indirect subsidiaries, during both the three of $6 million, included within other current liabilities in SBG's consolidated balance sheets, and nine months ended September 30, 2023.

As as of September 30, 2023 December 31, 2023, SBG had a receivable from Sinclair, and certain of its direct and indirect subsidiaries, of $27 million $3 million, included within prepaid expenses and other current assets in SBG's consolidated balance sheets.

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Diamond Sports Intermediate Holdings LLC

Subsequent to February 28, 2022, SBG's equity interest in DSIH is accounted for as an equity method investment. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Management Services Agreement. In 2019, SBG entered into has a management services agreement with DSG, a wholly-owned subsidiary of DSIH, in which SBG provided provides DSG with affiliate sales and marketing services and general and administrative services. The contractual annual amount due from DSG for these services during the fiscal year ended December 31, 2023 is $78 million, which is subject to increases on an annual basis. Additionally, the agreement contains an incentive fee payable to SBG calculated based on certain terms contained within new or renewed distribution agreements with Distributors. As a condition to the Transaction, DSG will defer the cash payment of a portion of its management fee payable to SBG over the next four years. Pursuant to this agreement, the local media segment SBG recorded $14 million and $36 million $13 million of revenue for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $11 million and $49 million $9 million of revenue for the three and nine months ended September 30, 2022, respectively, of which $24 million for the nine months ended September 30, 2022 was eliminated in consolidation prior to the Deconsolidation. SBG will not recognize the portion of deferred management fees as revenue until such fees are determined to be collectible.

Distributions March 31, 2023. DSIH made distributions to DSH for tax payments on the dividends of the Redeemable Subsidiary Preferred Equity of $2 million and $5 million during the three and nine months ended September 30, 2022, respectively.

Note receivable. SBG received payments of $203 million $3 million from DSPV during the nine three months ended September 30, 2023 and received payments of $60 million from DSPV and funded an additional $40 million during the nine months ended September 30, 2022 March 31, 2023 related to the note receivable associated with the A/R Facility, including $199 million from DSPV on May 10, 2023, representing the aggregate outstanding principal amount of the loans under the A/R Facility, accrued interest, and outstanding fees and expenses. Facility. The loans under the A/R Facility and cash received on May 10, 2023 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 $10 million during the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $5 million and $10 million during the three and nine months ended September 30, 2022, respectively, March 31, 2023 within the local media segment and other related to certain other transactions between DSIH and SBG.

Other Equity Method Investees

YES Network. In August 2019, YES Network, which was accounted for as an equity method investment prior to the Deconsolidation, entered into a management services agreement with SBG, in which certain services were provided for an initial term that expires on August 29, 2025. The agreement will automatically renew for two 2-year renewal terms, with a final expiration on August 29, 2029. Pursuant to the terms of the agreement, the YES Network paid SBG a management services fee of $1 million for the nine months ended

September 30, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

DSIH has a minority interest in certain mobile production businesses. Prior to the Deconsolidation, SBG accounted for these as equity method investments. DSIH made payments to these businesses for production services totaling $5 million for the nine months ended September 30, 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

SBG has a minority interest in a sports marketing company, which is accounted for as an equity method investment. Payments to this business for marketing services totaled $2 million for the nine months ended September 30, 2022.

Sports Programming Rights

Affiliates of six professional teams had non-controlling equity interests in certain of DSIH's RSNs. DSIH paid $61 million for the nine months ended September 30, 2022 under sports programming rights agreements covering the broadcast of regular season games associated with these professional teams. Prior to the Deconsolidation, these payments were recorded in SBG's consolidated statements of operations and cash flows. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies.*

Employees

Jason Smith, an employee of 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 $0.2 million for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.6 million and $0.4 million for the nine months ended September 30, 2023 and 2022, respectively, 2023, consisting of salary and bonus. bonus, and was granted 37,566 shares of restricted stock, vesting over two years, and 500,000 stock appreciation rights, vesting over two years, during the three months ended March 31, 2024. Ethan White, an employee of SBG, is the son-in-law of J. Duncan Smith, who is a Vice President of SBG and member of SBG's Board of Managers. Ethan White received total compensation of $0.1 million, consisting of salary, and less than $0.1 million, consisting of salary and bonus, for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, and $0.2 million and $0.1 million for the nine months ended September 30, 2023 and 2022, respectively, consisting of salary and bonus, and was granted 1,503 and 1,252 shares of restricted stock, vesting over two years, during the nine three months ended September 30, 2023. March 31, 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, consisting of salary, and $0.1 million, consisting of salary and bonus, for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.1 million for both the nine months ended September 30, 2023 and 2022, consisting of salary and bonus. 2023, respectively. Edward Kim, an employee of SBG, is the brother-in-law of Christopher Ripley, who is the President and Chief Executive Officer of SBG. Edward Kim received total compensation of less than $0.1 million for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.1 million for both the nine months ended September 30, 2023 and 2022, 2023, consisting of salary, and was granted 516 656 and 302 516 shares of restricted stock, during the nine months ended September 30, 2023 and 2022, respectively, vesting over two years.

years, during the three months ended March 31, 2024 and 2023, respectively. Frederick Smith is the brother of David Smith, Executive Chairman of SBG and a member of SBG's Board of Managers, Managers; Robert Smith, a member of the 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, 2023 March 31, 2024 and 2022 and $0.6 million for both the nine months ended September 30, 2023 and 2022, 2023, consisting of salary and bonus. J. Duncan Smith is the brother of David Smith and Frederick Smith, and Robert Smith. J. Duncan Smith received total compensation of $0.2 million for both the three months ended September 30, 2023 March 31, 2024 and 2022 and $0.6 million for both the nine months ended September 30, 2023 and 2022, 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.

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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, 2023		As of December 31, 2022	
	Face Value	Fair Value	Face Value	Fair Value
Level 1:				
Investments in equity securities (a)	N/A	$ —	N/A	$ 6
Money market funds	N/A	264	N/A	741
Deferred compensation assets	N/A	42	N/A	41
Deferred compensation liabilities	N/A	39	N/A	35
Level 2:				
Investments in equity securities (a) (b)	N/A	—	N/A	153
Interest rate swap (c)	N/A	11	N/A	—
STG (d):				
5.500% Senior Notes due 2030	485	260	500	347
5.125% Senior Notes due 2027	274	224	282	230
4.125% Senior Secured Notes due 2030	737	454	750	560
Term Loan B-2, due September 30, 2026	1,218	1,051	1,258	1,198
Term Loan B-3, due April 1, 2028	723	506	729	692
Term Loan B-4, due April 21, 2029	741	511	746	709
Debt of variable interest entities (d)	7	7	8	8
Debt of non-media subsidiaries (a) (d)	—	—	16	16
Level 3:				
Investments in equity securities (a) (e)	N/A	—	N/A	75

	As of March 31, 2024		As of December 31, 2023	
	Face Value	Fair Value	Face Value	Fair Value

Level 1:								
Money market funds		N/A	$	278		N/A	$	309
Level 2:								
Interest rate swap (a)		N/A	$	7		N/A	$	1
STG (b):								
5.500% Senior Notes due 2030	$	485	$	349	$	485	$	362
5.125% Senior Notes due 2027	$	274	$	252	$	274	$	248
4.125% Senior Secured Notes due 2030	$	737	$	536	$	737	$	521
Term Loan B-2, due September 30, 2026	$	1,185	$	1,125	$	1,215	$	1,124
Term Loan B-3, due April 1, 2028	$	720	$	569	$	722	$	595
Term Loan B-4, due April 21, 2029	$	737	$	575	$	739	$	602
Debt of variable interest entities (b)	$	7	$	7	$	7	$	7

N/A - Not applicable

(a) The debt of non-media subsidiaries and the investments in equity securities were transferred to Ventures as part of the Reorganization.

(b) 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.

(c) 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 an asset as of September 30, 2023 March 31, 2024. See *Hedge Accounting* within *Note 1. Nature of Operations and Summary of Significant Accounting Policies* and *Interest Rate Swap* within *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing.*

(d) (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 $48 million $43 million and $56 million $46 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(e) On November 18, 2020, SBG entered into a commercial agreement with Bally's and received warrants and options to acquire common equity in the business. During the nine months ended September 30, 2023 SBG recorded a fair value adjustment loss of $25 million and during the three and nine months ended September 30, 2022 SBG recorded fair value adjustment losses of $0.2 million and $130 million, respectively, related to these interests. The fair value of the warrants is primarily derived from the quoted trading prices of the underlying common equity. The fair value of the options is derived utilizing the Black Scholes valuation model. The most significant inputs include the trading price of the underlying common stock and the exercise price of the options, which range from $30 to $45 per share. The warrants and options were transferred to Ventures as part of the Reorganization.

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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, 2023 and 2022 (in millions):

Options and Warrants		
Nine Months Ended September 30, 2023		
Fair value at December 31, 2022	$	75
Measurement adjustments		(25)
Transfer to Ventures		(50)
Fair value at September 30, 2023	$	—

Options and Warrants					
Three Months Ended September 30, 2022			**Nine Months Ended September 30, 2022**		
Fair value at June 30, 2022	$	152	Fair value at December 31, 2021	$	282
Measurement adjustments		—	Measurement adjustments		(130)
Fair value at September 30, 2022	$	152	Fair value at September 30, 2022	$	152

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, 2023 March 31, 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, 2023 March 31, 2024 and 2022. 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, 2023 March 31, 2024.

SUMMARY OF SIGNIFICANT EVENTS

Content and Distribution

- In July 2023, January 2024, Sinclair announced a comprehensive multi-year distribution agreement with Hulu to add Verizon for carriage of Sinclair's on FiOS TV, covering Tennis Channel and T2 and SBG's Comet and CHARGE! to Hulu's service offerings beginning local television stations in January 2024. 10 markets.
- In August 2023, SBG agreed to expand and extend January 2024, Sinclair renewed its network affiliation distribution agreement with The CW. Under the terms of the comprehensive multiyear National Content & Technology Cooperative ("NCTC") that allows NCTC's member companies to opt into a multi-year retransmission consent agreement SBG will continue carrying The CW's entertainment for SBG's owned and sports programming in 35 of its owned and/or operated markets across the country. The stations and includes an agreement also includes the right to negotiate carriage agreements directly with vMVPDs. In addition,

beginning September 1, SBG launched The CW on two new affiliate stations, KOMO-TV/KUNS-TV, in Seattle, Washington, and WPNT-TV in Pittsburgh, Pennsylvania. for Tennis Channel.

- In September 2023, DIRECTV, LLC extended its distribution January 2024, SBG and FOX Corporation reached an agreement with Sinclair. for a multi-year renewal of all FOX affiliations in SBG markets, including where SBG provides sales and other services under JSAs or MSAs.
- In September 2023, March 2024, Sinclair reached a comprehensive, multiyear distribution agreement with Charter Communications, Inc. for continued carriage of Tennis Channel and the Carvana Professional Pickleball Association (PPA Tour) announced a commercial joint venture to further grow pickleball in the US and worldwide. The partnership will see the vast majority of PPA Tour matches appear live on Tennis Channel platforms, integrated advertising-sales efforts for media and tournaments, and the recent launch of a 24-hour pickleball channel. Tennis Channel will produce all events for the PPA Tour. SBG's owned local broadcast stations.
- In October 2023, SBG launched The Nest, May 2024, Sinclair reached a new, free over-the-air national comprehensive, multiyear distribution agreement with Cox Communications, Inc. for continued carriage of Tennis Channel and SBG's owned local broadcast TV network with programming comprised of home-improvement, true-crime, factual reality series, and celebrity driven family shows. The Nest joins SBG's lineup of national broadcast networks, Comet, CHARGE!, and TBD. It replaces Stadium network on broadcast stations across the country. At launch, the network was available in more than 50% of all US television households including the major markets of New York, Los Angeles, Philadelphia, Dallas - Ft. Worth, Boston, San Francisco - Oakland - San Jose and Seattle-Tacoma.
- In October 2023, SBG and Paramount reached comprehensive, multi-year distribution agreements across all 21 CBS network affiliations for SBG stations, including six top-50 market affiliates, KUTV in Salt Lake City, UT, KEYE in Austin, TX, WKRC in Cincinnati, OH, WPEC in West Palm Beach, FL, WWMT in Grand Rapids, MI and WHP in Harrisburg, PA. Additionally, Paramount reached an agreement to renew the affiliations of WTVH in Syracuse, NY and WGFL in Gainesville, FL, stations to which SBG provides services. stations.

Environmental, Corporate Social and Governance Responsibility

- To date in 2023, 2024, SBG's newsrooms have won a total of 260 47 journalism awards, including a RTDNA National Edward R. Murrow award won by Sinclair's Seattle station, KOMO-TV, for Sports Reporting/Large Market Television category. awards.
- In July 2023, March 2024, Sinclair announced launched Sinclair Cares: Supporting Children's Literacy, a partnership with Reading Is Fundamental, the National Diaper Bank Network to launch Sinclair Cares: Summer Diaper Drive, a nationwide campaign nation's leading children's literacy nonprofit, to create awareness provide assistance, around children's literacy challenges and build help get books into the hands of children across the U.S. through a community to reduce diaper need in the US. virtual book drive.
- In July 2023, SBG announced that scholarships were awarded April 2024, WBFF FOX 45, Baltimore's #1 ranked news outlet and the David D. Smith Family Foundation donated $50 thousand and $100 thousand, respectively, to 15 university students as a part of SBG's annual Diversity Scholarship program.

- In October 2023, Sinclair launched Sinclair Cares: Humanitarian Relief in Israel, a fundraising partnership in conjunction with Magen David Adom (MDA), an affiliate of the International Federation of Red Cross and Red Crescent Societies, to help with their efforts providing humanitarian relief and emergency medical services for all people in Israel, regardless of religious creed or political belief. Maryland Tough Baltimore Strong Key Bridge Fund.
- In October April 2024, Sinclair published its 2023 SBG announced Corporate Social Responsibility report, detailing the return Company's achievements and progress in its social responsibility journey.

- In April 2024, Sinclair held its second annual Sinclair Day of SBG's News Reporter and Producer Academies, Service, whereby all employees were encouraged to volunteer that day for charitable causes. Over 1,300 employees volunteered a series total of interactive, virtual workshops for college students interested in pursuing careers in journalism. This year, SBG also added Weather Academy, a workshop for students interested in a career in weather. The 90-minute sessions will run throughout November and assist students seeking to build a career in reporting, producing or weather. more than 3,700 hours that day.

NextGen Broadcasting (ATSC 3.0)

- In October 2023, April 2024, Sinclair announced an agreement the launch of its Broadspan datacasting platform to expand development of and promote enable data distribution capability across all current Sinclair NextGen services in South Korea with Broadcast (ATSC 3.0) markets where it serves as the Korea Radio Promotion Association. host station. Edgio, Inc., a leading content delivery network, will become the Company's first NextGen commercial partner.

- In 2023, 2024, Sinclair, in coordination with other broadcasters, and led by BitPath, its joint venture with another broadcaster, have has deployed NextGen TV, powered by ATSC 3.0, in the 5 additional markets market below. This brings the total number of our markets in which NextGen TV has been deployed to 42: 44:

Month	Market	Number of Stations	Company Stations
March 2023 April 2024	Rochester, NY Portland, ME	4 5	WHAM-TV WGME (CBS), WPFO(a) (ABC), WUHF (FOX)
March 2023	Des Moines, IA	4	KDSM-TV (FOX)
June 2023	South Bend, IN	5	WSBT-TV (CBS and FOX)
July 2023	Reno, NV	5	KRXI-TV (FOX), KRNV-DT(a) (NBC), and KNSN-TV(b) (MyNet)
August 2023	Minneapolis, MN	5	WUCW-TV (CW)

(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.

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

Financing, Capital Allocation, and Shareholder Returns

- In August 2023, January 2024, STG purchased $27 million aggregate principal amount of the Term Loan B-2 for consideration of $25 million and during the first quarter of 2024 we repaid $34 million across all tranches of the Term Loan B in scheduled principal payments.
- In February 2024, Sinclair declared a quarterly dividend of $0.25 per share and in November 2023, May 2024, Sinclair declared a quarterly dividend of $0.25 per share.

Other Events

- For In January 2024, Sinclair announced that it has agreed, subject to Sinclair and DSG completing definitive documentation, to a global settlement and release of all claims associated with the nine months ended September 30, 2023 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 include Sinclair's cash payment to DSG of $495 million. Additionally, under the terms of the settlement, Sinclair repurchased approximately 8.8 million shares will provide transition services to DSG to allow DSG to become a self-standing entity going forward. An initial payment of Class A Common Stock for $151 million, $50 million was made in March 2024, which all occurred through May 2023. All shares were repurchased under an SEC Rule 10b5-1 plan. was funded by Ventures, and the remaining $445 million was paid in April 2024, of which $347 million was paid by STG and $98 million was paid by Ventures.

- Since the beginning In May 2024, Jason Smith was promoted to Executive Vice Chairman from his former position of June 2023, STG purchased an aggregate $64 million Vice President, Chief of principal across multiple tranches of debt in the open market for $49 million. Staff.

SINCLAIR, INC. RESULTS OF OPERATIONS

SINCLAIR, INC. RESULTS OF OPERATIONS

Any references to the first, second, third, or fourth quarters are to the three months ended March 31, June 30, September 30, or December 31, respectively, for the year being discussed. For the quarter ended September 30, 2023 As of March 31, 2024, we have had two reportable segments for accounting purposes, local media and tennis, that are disclosed separately from our other and corporate activities. Prior to the Deconsolidation, we had one additional reportable segment, local sports. 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 amount and significance of tournaments that take place in the respective quarters during the year. The first and fourth quarter operating results are usually higher than the second and third quarters quarters' because of the amount and significance of tournaments that are played during the respective quarters. those periods.

Operating Data

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

	Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,
	2024
	2024
	2024
Media revenues	
Media revenues	

Media revenues		
Non-media revenues		
Non-media revenues		
Non-media revenues		
Total revenues		
Total revenues		
Total revenues		
Media programming and production expenses		
Media programming and production expenses		
Media programming and production expenses		
Media selling, general and administrative expenses		
Media selling, general and administrative expenses		
Media selling, general and administrative expenses		
Depreciation and amortization expenses		
Depreciation and amortization expenses		
Depreciation and amortization expenses		
Amortization of program contract costs		
Amortization of program contract costs		
Amortization of program contract costs		
Non-media expenses		
Non-media expenses		
Non-media expenses		
Corporate general and administrative expenses		
Corporate general and administrative expenses		
Corporate general and administrative expenses		
	Three Months Ended September 30,	**Nine Months Ended September 30,**

Loss on asset dispositions and other, net of impairment

	2023	2022	2023	2022
Media revenues	$ 758	$ 836	$ 2,285	$ 2,942
Non-media revenues	9	7	23	26
Total revenues	767	843	2,308	2,968
Media programming and production expenses	400	396	1,211	1,557
Media selling, general and administrative expenses	176	190	557	605
Depreciation and amortization expenses	66	67	204	255
Amortization of program contract costs	18	22	59	68
Non-media expenses	15	12	36	35
Corporate general and administrative expenses	45	30	165	115
Loss (gain) on deconsolidation of subsidiary	10	—	10	(3,357)
(Gain) loss on asset dispositions and other, net of impairment	—	(28)	11	(37)
Loss on asset dispositions and other, net of impairment				
Loss on asset dispositions and other, net of impairment				
Operating income Operating income	$ 37	$ 154	$ 55	$ 3,727
Net (loss) income attributable to Sinclair	$ (46)	$ 21	$ 50	$ 2,597

Operating income

Operating income

Net income attributable to Sinclair

Net income attributable to Sinclair

Net income attributable to Sinclair

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 Increase / (Decrease)	Nine Months Ended September 30,				Percent Change Increase / (Decrease)
		2023		2022			2023		2022		
Revenue:	***Revenue:***										
Revenue:											
Revenue:											
Distribution revenue	Distribution revenue	$	365	$	381	(4)%	$	1,118	$	1,159	(4)%
Advertising revenue			292		367	(20)%		881		1,023	(14)%
Distribution revenue											
Distribution revenue											
Core advertising revenue											
Core advertising revenue											
Core advertising revenue											
Political advertising revenue											
Political advertising revenue											
Political advertising revenue											
Other media revenues (a)	Other media revenues (a)		40		33	21%		102		113	(10)%
Other media revenues (a)											
Other media revenues (a)											
Media revenues (c) (a)											
Media revenues (c) (a)											
Media revenues (c) (a)	Media revenues (c) (a)	$	697	$	781	(11)%	$	2,101	$	2,295	(8)%
Operating Expenses:	***Operating Expenses:***										
Operating Expenses:											
Operating Expenses:											
Media programming and production expenses											
Media programming and production expenses											
Media programming and production expenses	Media programming and production expenses	$	371	$	365	2%	$	1,111	$	1,086	2%

Media selling, general and administrative expenses (b)	Media selling, general and administrative expenses (b)	164	175	(6)%	514	514	—%
Media selling, general and administrative expenses (b)							
Media selling, general and administrative expenses (b)							
Depreciation and amortization expenses							
Depreciation and amortization expenses							
Depreciation and amortization expenses	Depreciation and amortization expenses	59	61	(3)%	185	183	1%
Amortization of program contract costs	Amortization of program contract costs	18	22	(18)%	59	68	(13)%
Amortization of program contract costs							
Amortization of program contract costs							
Corporate general and administrative expenses							
Corporate general and administrative expenses							
Corporate general and administrative expenses	Corporate general and administrative expenses	31	16	94%	109	93	17%
Non-media expenses	Non-media expenses	3	6	(50)%	12	12	—%
Non-media expenses							
Non-media expenses							
Gain on asset dispositions and other, net of impairment							
Gain on asset dispositions and other, net of impairment							
Gain on asset dispositions and other, net of impairment	Gain on asset dispositions and other, net of impairment	(2)	(7)	(71)%	(5)	(15)	(67)%
Operating income	Operating income	$ 53	$ 143	(63)%	$ 116	$ 354	(67)%

Operating income							
Operating income							
Interest expense including amortization of debt discount and deferred financing costs	Interest expense including amortization of debt discount and deferred financing costs	$ 77	$ 59	31%	$ 227	$ 158	44%
Gain on extinguishment of debt		$ 4	$ —	n/m	$ 15	$ 3	n/m
Interest expense including amortization of debt discount and deferred financing costs							
Interest expense including amortization of debt discount and deferred financing costs							
Other income, net							
Other income, net							
Other income, net							

n/m - not meaningful

(a) Includes $1 million for the nine months ended September 30, 2023, $2 million and $1 million and $26 million $1 million for the three and nine months ended September 30, 2022, March 31, 2024 and 2023, respectively, of intercompany revenue related to certain services provided to other and local sports, prior to the Deconsolidation, under management services agreements, tennis segment, which is eliminated in consolidation, and $15 million and $39 million of revenue for the three and nine months ended September 30, 2023, respectively, and $12 million and $27 million for the three and nine months ended September 30, 2022, respectively, for services provided by local media to local sports under management services agreements after the Deconsolidation, which is not eliminated in consolidation.

(b) Includes $2 million and $5 $1 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $5 million and $8 million for the three and nine months ended September 30, 2022, 2023, respectively, of intercompany expense related to certain services provided to local media from by other, which is eliminated in consolidation.

(c) Includes $2 million and $4 million for the three and nine months ended September 30, 2023, respectively, and $1 million and $3 million for the three and nine months ended September 30, 2022, respectively, of intercompany revenue related to certain services provided by local media to tennis, which is eliminated in consolidation.

Revenue

Distribution revenue. Distribution revenue, which represents payments from Distributors for our broadcast signals, decreased $16 million and $41 million increased $3 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, when compared to the same periods period in 2022, 2023, primarily due to an increase in contractual rates, partially offset by a decrease in subscribers, partially offset by increases in contractual rates. subscribers.

Advertising Core advertising revenue. Advertising Core advertising revenue decreased $75 million and $142 million $9 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, when compared to the same periods period in 2022, 2023, primarily due to a decrease in political decreases across certain advertising categories, most notably entertainment and medical, which decreased $5 million and $2 million, respectively.

Political advertising revenue. Political advertising revenue of $77 increased $21 million for the three-month three months ended March 31, 2024, when compared to the same period and $140 million for the nine-month period, as 2022 was in 2023, primarily due to 2024 being a political year, compared to 2023 which is was a non-political year.

Other media revenues. Other media revenues increased $7 million for the three months ended March 31, 2024, when compared to the same period in 2023, primarily due to an increase related to providing certain services under management services agreements.

SINCLAIR, INC. RESULTS OF OPERATIONS

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

		Percent of Advertising Revenue (Excluding Digital) for the			
		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		Percent of Advertising Revenue for the			
		Percent of Advertising Revenue for the			
		Percent of Advertising Revenue for the			
		Three Months Ended March 31,			
		2024			
		2024			
		2024			
Syndicated/Other programming					
Syndicated/Other programming					
Syndicated/Other programming					
Local news	Local news	37%	37%	35%	36%
Syndicated/Other programming		29%	28%	28%	29%
Local news					
Local news					
Network programming					
Network programming					
Network programming	Network programming	18%	21%	19%	21%
Sports programming	Sports programming	12%	10%	12%	9%
Sports programming					
Sports programming					
Paid programming					
Paid programming					
Paid programming	Paid programming	4%	4%	6%	5%

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 (a)	2023	2022	2023	2022	Percent of Advertising Revenue for the
			Three Months Ended March 31,				
ABC							
ABC							
ABC	ABC	40	30%	28%	30%	30%	
FOX	FOX	55	23%	22%	23%	22%	
FOX							
FOX							
CBS							
CBS							
CBS	CBS	30	19%	18%	20%	19%	
NBC	NBC	25	13%	18%	12%	16%	
NBC							
NBC							
CW							
CW							
CW	CW	47	5%	5%	5%	5%	
MNT	MNT	39	4%	4%	4%	4%	
MNT							
MNT							
Other							
Other							
Other	Other	403	6%	5%	6%	4%	
Total	Total	639					
Total							
Total							

(a) We broadcast other programming from the following providers on our channels including: Antenna TV, Bounce, Catchy Comedy, CHARGE!, Comet, Dabl, Estrella TV, Get TV, Heroes & Icons, Me TV, The Nest, Quest, Rewind, Story Television, TBD, TCN, Telemundo, This TV, UniMas, Univision, and Weather.

Other Media Revenues. Other media revenues increased $7 million for the three months ended September 30, 2023 when compared to the same period in 2022, primarily due to an increase related to providing certain services under management services agreements. Other media revenues decreased $11 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to a decrease in revenue from providing certain services under management services agreements.

Expenses

Media programming and production expenses. Media programming and production expenses increased $6 million $12 million for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to an increase in fees pursuant to network affiliation agreements as a result of increased contractual rates. Media programming and production expenses increased $25 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to an increase in fees pursuant to network affiliation agreements as a result of increased contractual rates and an increase in employee compensation costs.

Media selling, general and administrative expenses. Media selling, general and administrative expenses decreased $11 increased $8 million for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to a $4 an increase in trade related expenses.

Depreciation and amortization expenses. Depreciation and amortization expenses decreased $1 million decrease in both employee compensation and national sales commission, respectively, and a $2 million decrease in information technology costs. Media selling, general and administrative expenses remained flat for the nine three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to an increase in third-party fulfillment cost related to our digital business, partially offset by a decrease in national sales commissions. assets retired during 2023.

Amortization of program contract costs. The amortization of program contract costs decreased $4 million and $9 $3 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, when compared to the same periods period in 2022, 2023, primarily related to reduced programming renewal costs.

SINCLAIR, INC. RESULTS OF OPERATIONS

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

Non-media expenses. Non-media expenses decreased $3 $4 million for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily related to decreased expenses associated with our NextGen TV broadcast intiative. Non-media expenses remained flat for the nine months ended September 30, 2023 when compared to the same period in 2022. technology related initiatives.

Gain on asset dispositions and other, net of impairments. Other income, net. For During the three and nine months ended September 30, 2023 we recorded gains of $2 million and $5 million, respectively, and for the three and nine months ended September 30, 2022 we recorded gains of $1 million and $3 million, respectively, related to reimbursements from the spectrum repack. For the nine months ended September 30, 2022 March 31, 2024, we recorded a gain of $3 recognized $26 million in proceeds related to the sale of certain broadcast related assets of one of our stations. and $4 million in interest income.

Interest expense including amortization of debt discount and deferred financing costs. Interest expense increased $18 million and $69 $2 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, when compared to the same periods period in 2022, 2023, primarily due to increased interest expense related to our variable rate debt resulting from higher interest rates.

Gain on extinguishment of debt. During the nine months ended September 30, 2023 we purchased a total of $64 million in aggregate principal across multiple tranches of debt and recognized a gain on extinguishment of approximately $4 million and $15 million for the three and nine months ended September 30, 2023, respectively. See *Bank Credit Agreement and Notes* under *Note 3. Notes Payable, Finance Leases, and Commercial Bank Financing* within *Sinclair'sConsolidated Financial Statements*.

SINCLAIR, INC. RESULTS OF OPERATIONS

Tennis Segment

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

		Three Months Ended September 30,		Percent Change Increase / (Decrease)	Nine Months Ended September 30,		Percent Change Increase / (Decrease)
		2023	2022		2023	2022	
Revenue:	***Revenue:***						
Revenue:							
Revenue:							
Distribution revenue	Distribution revenue	$ 49	$ 44	11%	$ 140	$ 136	3%
Advertising revenue		9	9	—%	32	28	14%
Distribution revenue							
Distribution revenue							
Core advertising revenue							
Core advertising revenue							
Core advertising revenue							
Other media revenues	Other media revenues	1	1	—%	2	4	(50)%
Other media revenues							
Other media revenues							
Media revenues							
Media revenues							
Media revenues	Media revenues	$ 59	$ 54	9%	$ 174	$ 168	4%
Operating Expenses:	***Operating Expenses:***						
Operating Expenses:							
Operating Expenses:							

Media programming and production expenses							
Media programming and production expenses							
Media programming and production expenses	Media programming and production expenses	$ 29	$ 26	12%	$ 91	$ 81	12%
Media selling, general and administrative expenses (a)	Media selling, general and administrative expenses (a)	11	11	—%	33	36	(8)%
Media selling, general and administrative expenses (a)							
Media selling, general and administrative expenses (a)							
Depreciation and amortization expenses							
Depreciation and amortization expenses							
Depreciation and amortization expenses	Depreciation and amortization expenses	5	6	(17)%	15	16	(6)%
Corporate general and administrative expenses	Corporate general and administrative expenses	1	—	n/m	1	—	n/m
Corporate general and administrative expenses							
Corporate general and administrative expenses							
Operating income	Operating income	$ 13	$ 11	18%	$ 34	$ 35	(3)%
Operating income							
Operating income							

n/m - not meaningful

(a) Includes $2 million and $4 $1 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $1 million and $3 million for the three and nine months ended September 30, 2022, 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 received from Distributors for the right to distribute Tennis Channel, increased $5 million and $4 million$7 million for the three and nine months ended September 30, 2023March 31, 2024, respectively, when compared to the same periodsperiod in 2022,2023, primarily due to an increase in subscribers as a result of increased carriage that occurred during the year. second quarter of 2023 and the first quarter of 2024.

AdvertisingCore advertising revenue. AdvertisingCore advertising revenue is primarily generated from sales of commercial time within Tennis Channel programming. AdvertisingCore advertising revenue remained flatincreased $1 million for the three months ended September 30, 2023March 31, 2024, when compared to the same period in 2022 and increased $4 million for the nine months ended September 30, 2022 when compared to the same period in 2022,2023, primarily due to an increase in the number of tournaments aired in the current period versus the prior period.

SINCLAIR, INC. RESULTS OF OPERATIONS

Expenses

Media programming and production expenses. Media programming and production expenses increased $3 million for the three months ended September 30, 2023March 31, 2024, when compared to the same period in 2022,2023, primarily due to an increase in production related employee compensation costs. Media programming and production expenses increased $10 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to increased programming, including rights fees, and live production expenses related to various tournaments during each period, which was a result of an increase in the number of tournaments aired in the current period versus the prior period.

Media selling, general and administrative expenses. Media selling, general and administrative expenses remained flatincreased $2 million for the three months ended September 30, 2023March 31, 2024, when compared to the same period in 2022. Media selling, general and administrative expenses decreased $3 million for the nine months ended September 30, 2023 when compared to the same period in 2022,2023, primarily due to a decreasean increase in expenses related to our online tennis platforms.certain services provided by the local media segment, which is eliminated in consolidation.

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

Local Sports Segment

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

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

		Nine Months Ended September 30, 2022
Revenue:		(b)
Distribution revenue	$	433
Advertising revenue		44
Other media revenue		5
Media revenue	$	482
Operating Expenses:		
Media programming and production expenses	$	376
Media selling, general and administrative expenses (a)		55
Depreciation and amortization expenses		54
Corporate general and administrative		1
Operating loss (a)	$	(4)
Income from equity method investments	$	10

(a) Includes $24 million for the nine months ended September 30, 2022of intercompany expense related to certain services provided by the local media segment under a management services agreement, which is eliminated in consolidation.

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

The revenue and expense items noted above for the nine months ended September 30, 2022 represent activity prior to the Deconsolidation which occurred on March 1, 2022, thus there is no activity presented for periods subsequent to the first quarter of 2022. See *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair'sConsolidated Financial Statements* for further discussion.

SINCLAIR, INC. RESULTS OF OPERATIONS

Other

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

	Three Months Ended September 30,		Percent Change Increase / (Decrease)	Nine Months Ended September 30,		Percent Change Increase/(Decrease)
	2023	2022		2023	2022	
	Three Months Ended March 31,					
	Three Months Ended March 31,					
	Three Months Ended March 31,					
	2024					

		2024					
		2024					
Revenue:							
Revenue:							
Revenue:	***Revenue:***						
Media revenues (a)	Media revenues (a)	$ 6	$ 9	(33)%	$ 21	$ 40	(48)%
Media revenues (a)							
Media revenues (a)							
Non-media revenues (b)							
Non-media revenues (b)							
Non-media revenues (b)	Non-media revenues (b)	$ 11	$ 8	38%	$ 27	$ 34	(21)%
Operating Expenses:	***Operating Expenses:***						
Operating Expenses:							
Operating Expenses:							
Media expenses (c)	Media expenses (c)	$ 5	$ 15	(67)%	$ 30	$ 57	(47)%
Media expenses (c)							
Media expenses (c)							
Non-media expenses (d)							
Non-media expenses (d)							
Non-media expenses (d)	Non-media expenses (d)	$ 13	$ 8	63%	$ 26	$ 28	(7)%
Loss on asset dispositions and other, net of impairment							
Loss on asset dispositions and other, net of impairment							
Loss on asset dispositions and other, net of impairment							
Operating loss							
Operating loss							
Operating loss	Operating loss	$ (7)	$ 4	n/m	$ (31)	$ (4)	n/m
Income from equity method investments	Income from equity method investments	$ —	$ 33	n/m	$ 30	$ 38	(21)%
Income from equity method investments							
Income from equity method investments							

n/m - not meaningful

(a) Media revenues for the three and nine months ended September 30, 2023 March 31, 2024 and 2023include $2 million and $5 million, respectively, and for the three and nine months ended September 30, 2022 include $4 million and $14 $1 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, 2023 March 31, 2024 and 2023 include $2 million $3 million and $4 million, respectively, and for the three and nine months ended September 30, 2022 include $1 million and $8 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 include $2 million for the nine three months ended September 30, 2023, and $6 million for the nine months ended September 30, 2022 March 31, 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 three and nine months ended September 30, 2023 include $1 million and $2 million, respectively, and for the three and nine months ended September 30, 2022 March 31, 2024 include $2 million and $5 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 decreased $3 million and $19 million for the three and nine months ended September 30, 2023, respectively, when compared to the same periods in 2022, primarily due to the sale of one of our businesses. Non-media revenues increased $3 million for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to an increase in broadcast equipment sales. the sale of our Stadium Network ("Stadium"). Non-media revenues decreased $7 million increased $1 million for the nine three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to lower an increase in sales within our consolidated real estate investments.

Expenses. Media expenses decreased $10 million and $27 million for the three and nine months ended September 30, 2023, respectively, when compared to the same periods in 2022, primarily due to the sale of one of our businesses. Non-media expenses increased $5 million $9 million for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to the sale of Stadium. Non-media expenses increased $6 million for the three months ended March 31, 2024, when compared to the same period in 2023, primarily due to an increase in expenses related to our technical services business. Non-media expenses decreased $2 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to lower sales within our consolidated real estate investments.

Income from equity method investments. During the nine three months ended September 30, 2023, March 31, 2024 and 2023, we recognized a gain of $17 million on the sale of two of our investments and a gain of $33 million on the sale of two of our real estate investments, respectively, 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 Increase/ (Decrease)	Nine Months Ended September 30,		Percent Change Increase/ (Decrease)
	2023	2022		2023	2022	
Corporate general and administrative expenses	$ 45	$ 30	50%	$ 165	$ 115	43%
Loss (gain) on deconsolidation of subsidiary	$ 10	$ —	n/m	$ 10	$ (3,357)	n/m
Other (expense) income, net	$ (21)	$ 10	n/m	$ (48)	$ (155)	(69)%

Income tax benefit (provision)	$	12	$	(109)	n/m	$	236	$	(756)	n/m

	Three Months Ended March 31,				Percent Change
	2024		2023		Increase/ (Decrease)
Corporate general and administrative expenses	$	58	$	58	—%
Income tax benefit	$	4	$	204	n/m

n/m - not meaningful

Corporate general and administrative expenses. The table above and the explanation that follows cover total consolidated corporate general and administrative expenses. Corporate general and administrative expenses increased by $15 million remained flat for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to a $16 $5 million increase in employee compensation costs, partially offset by a $3 million 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.* Corporate general and administrative expenses increased by $50 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to a $29 million increase in legal, consulting, and regulatory costs, primarily related to the litigation discussed under *Note 5. Commitments and Contingencies* within *Sinclair'sConsolidated Financial Statements* a $17 million increase in employee compensation costs, and a $3 million increase in insurance expenses, primarily related to our cyber insurance policy.

Loss (gain) on deconsolidation of subsidiary. For the nine months ended September 30, 2022, we recorded a gain of $3,357 million related to the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair'sConsolidated Financial Statements*.

Other (expense) income, net. Other expense, net increased by $31 million for the three months ended September 30, 2023 when compared to the same period in 2022, primarily due to changes in the fair value of certain investments recorded at fair value. Other expense, net decreased by $107 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to changes in the fair value of certain investments recorded at fair value. See *Note 2. Other Assets* within *Sinclair'sConsolidated Financial Statements* for further information.

Income tax benefit (provision). benefit. The effective tax rate for the three months ended September 30, 2023 March 31, 2024, was a benefit of 20.7% 18.3% as compared to a provision benefit of 78.3% 1870.7% during the same period in 2022. 2023. The decrease in the effective tax rate for the three months ended September 30, 2023 March 31, 2024, as when compared to the same period in 2022, 2023, is primarily due to a 2022 valuation allowance recorded on deferred tax assets relating to deductibility release of interest expense under the IRC Section 163(j).

The effective tax rate for the nine months ended September 30, 2023 was a benefit of 134.3% compared to a provision of 22.3% during the same period in 2022. The increase in the effective tax rate for the nine months ended September 30, 2023, as compared to the same period in 2022, is primarily due to a 2023 release of 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 Diamond Sports business because of the exit of the sole minority investor.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

Any references to the first, second, third, or fourth quarters are to the three months ended March 31, June 30, September 30, or December 31, respectively, for the year being discussed. For the quarter ended September 30, 2023 As of March 31, 2024, SBG has had one reportable segment for accounting purposes, local media that is disclosed separately from SBG's other and corporate activities. Prior to the Deconsolidation, SBG had one additional reportable segment, local sports, that was disclosed separately from SBG's other and corporate activities. 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 March 31, Three Months Ended March 31, Three Months Ended March 31,
	2024
	2024
	2024
Media revenues	
Media revenues	
Media revenues	
Non-media revenues	
Non-media revenues	
Non-media revenues	
Total revenues	
Total revenues	
Total revenues	
Media programming and production expenses	
Media programming and production expenses	
Media programming and production expenses	
Media selling, general and administrative expenses	

Media selling, general and administrative expenses				
Media selling, general and administrative expenses				
Depreciation and amortization expenses				
Depreciation and amortization expenses				
Depreciation and amortization expenses				
Amortization of program contract costs				
Amortization of program contract costs				
Amortization of program contract costs				
Non-media expenses				
Non-media expenses				
Non-media expenses				
Corporate general and administrative expenses				
Corporate general and administrative expenses				
Corporate general and administrative expenses				
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
Loss on asset dispositions and other, net of impairment				
	2023	**2022**	**2023**	**2022**
Media revenues	$ 697	$ 836	$ 2,203	$ 2,942
Non-media revenues	—	7	10	26
Total revenues	697	843	2,213	2,968
Media programming and production expenses	371	396	1,166	1,557
Media selling, general and administrative expenses	164	190	539	605
Depreciation and amortization expenses	59	67	194	255
Amortization of program contract costs	18	22	59	68
Non-media expenses	3	12	22	35

Corporate general and administrative expenses	31	30	147	115
Loss (gain) on deconsolidation of subsidiary	10	—	10	(3,357)
(Gain) loss on asset dispositions and other, net of impairment	(3)	(28)	7	(37)
Loss on asset dispositions and other, net of impairment				
Loss on asset dispositions and other, net of impairment				
Operating income Operating income	$ 44	$ 154	$ 69	$ 3,727
Net (loss) income attributable to SBG	$ (22)	$ 21	$ 62	$ 2,597
Operating income				
Operating income				
Net income attributable to SBG				
Net income attributable to SBG				
Net income attributable to SBG				

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, 2023 March 31, 2024 and 2022.

Local Sports Segment

Refer to *Local Sports Segment* above under *Sinclair, Inc.'s Results of Operations* for a discussion of SBG's local sports segment, which is the same as Sinclair's local sports segment for the nine months ended September 30, 2022, prior to the Deconsolidation. 2023.

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

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 periods period presented, prior to the Reorganization (in millions):

	Three Months Ended September 30,		Percent Change Increase / (Decrease)	Nine Months Ended September 30,		Percent Change Increase/(Decrease)
	2023	2022		2023	2022	
Revenue:	(e)			(e)		
Distribution revenue	$ —	$ 44	n/m	$ 76	$ 136	(44)%
Advertising revenue	—	15	n/m	29	61	(52)%
Other media revenues	—	4	n/m	3	11	(73)%

Media revenues (a)	$	—	$	63	n/m	$	108	$	208	(48)%
Non-media revenues (b)	$	—	$	8	n/m	$	11	$	34	(68)%
Operating Expenses:										
Media expenses (c)	$	—	$	52	n/m	$	86	$	174	(51)%
Non-media expenses (d)	$	—	$	8	n/m	$	10	$	28	(64)%
(Gain) loss on asset dispositions and other, net of impairment	$	—	$	(11)	n/m	$	13	$	(12)	n/m
Operating income	$	—	$	15	n/m	$	—	$	31	n/m
Income from equity method investments	$	—	$	33	n/m	$	31	$	38	(18)%

	Three Months Ended March 31, 2023	
Revenue:		
Distribution revenue	$	45
Core advertising revenue		15
Other media revenues		4
Media revenues (a)	$	64
Non-media revenues (b)	$	8
Operating Expenses:		
Media expenses (c)	$	46
Non-media expenses	$	6
Loss on asset dispositions and other, net of impairment	$	7
Operating income	$	6
Income from equity method investments	$	31

n/m - not meaningful

(a) Media revenues for the nine three months ended September 30, 2023 March 31, 2023 include $3 $1 million and for the three and nine months ended September 30, 2022 include $4 million and $14 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 nine three months ended September 30, 2023 March 31, 2023 include $1 million, and for the three and nine months ended September 30, 2022 include $1 million and $8 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 three months ended September 30, 2023 and 2022 March 31, 2023 include $1 million and $9 million, respectively, of intercompany expense primarily related to certain services provided by the local media segment, which is eliminated in consolidation.

(d) Non-media expenses for both the three and nine months ended September 30, 2023 include $1 million, and for the three and nine months ended September 30, 2022 include $2 million and $5 million, respectively, of intercompany expense related to certain services and sales provided by the local media segment, which is eliminated in consolidation.

(e) Represents the activity prior to the Reorganization on June 1, 2023. There was no reportable activity for the June through September period in the three and nine months ended September 30, 2023 following the Reorganization on June 1, 2023. See *Company Reorganization* under *Note 1. Nature of Operations and Summary of*

Significant Accounting Policies within *SBG's* Consolidated *Financial Statements.*

The decrease in the revenue and expense items noted above for the three and nine months ended September 30, 2023, when compared to the same periods in the 2022, was primarily due March 31, 2023 represent activity prior to the Reorganization as the three and nine months ended September 30, 2023 results include only five months of activity. Due which occurred June 1, 2023, thus there is no activity presented for periods subsequent to the Reorganization, the Transferred Assets were moved to Ventures effective June 1, 2023, versus a full period of activity in the prior year periods, and therefore the periods are not comparable. May 31, 2023. See *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG's Consolidated Financial Statements.*

SINCLAIR BROADCAST GROUP, LLC RESULTS OF OPERATIONS

Corporate and Unallocated Expenses

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

	Three Months Ended September 30,		Percent Change Increase/ (Decrease)	Nine Months Ended September 30,		Percent Change Increase/ (Decrease)
	2023	2022		2023	2022	
Corporate general and administrative expenses	$ 31	$ 30	3%	$ 147	$ 115	28%
Loss (gain) on deconsolidation of subsidiary	$ 10	$ —	n/m	$ 10	$ (3,357)	n/m
Other income (expense), net	$ 2	$ 10	(80)%	$ (51)	$ (155)	(67)%
Income tax benefit (provision)	$ 6	$ (109)	n/m	$ 236	$ (756)	n/m

	Three Months Ended March 31,		Percent Change Increase/ (Decrease)
	2024	2023	
Corporate general and administrative expenses	$ 41	$ 58	(29)%
Income tax benefit	$ 9	$ 204	n/m

n/m - not meaningful

Corporate general and administrative expenses. The table above and the explanation that follows cover total consolidated corporate general and administrative expenses. Corporate general and administrative expenses increased decreased by $1 million $17 million for the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to an increase a decrease in legal, consulting, and regulatory costs. Corporate general and administrative expenses increased by $32 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to a $29 million increase in legal, consulting, and regulatory costs and a $3 million increase in insurance expenses, primarily related to SBG's cyber insurance policy.

Loss (gain) on deconsolidation of subsidiary. For the nine months ended September 30, 2022, SBG recorded a gain of $3,357 million related to the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG'sConsolidated Financial Statements*.

Other income (expense), net. Other income, net decreased by $8 million for the three months ended September 30, 2023, when compared to the same period in 2022. Other expense, net decreased by $104 million for the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to changes in the fair value of certain investments recorded at fair value prior to the Reorganization.

Income tax benefit (provision). benefit. The effective tax rate for the three months ended September 30, 2023 March 31, 2024, was a benefit of 18.9% 383.5% as compared to a provision benefit of 78.3% 1870.7% during the same period in 2022. 2023. The decrease in the effective tax rate for the three months ended September 30, 2023 March 31, 2024, as when compared to the same period in 2022, is primarily due to 2022 valuation allowance recorded on deferred tax assets relating to deductibility of interest expense under the IRC Section 163(j).

The effective tax rate for the nine months ended September 30, 2023 was a benefit of 144.6% compared to a provision of 22.3% during the same period in 2022. The increase in the effective tax rate for the nine months ended September 30, 2023, as compared to the same period in 2022, 2023, is primarily due to a 2023 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 Diamond Sports business because of the exit of the sole minority investor.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Capital Resources

As of September 30, 2023 March 31, 2024, Sinclair had net working capital of approximately $830 million $441 million, including $643 million $655 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, 2023 March 31, 2024, SBG had net working capital of approximately $432 million $51 million, including $279 million $337 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 includes a financial maintenance covenant, the first lien leverage ratio (as defined in the Bank Credit Agreement), which requires such ratio not to exceed 4.5x, measured as of the end of each fiscal quarter. As of September 30, 2023 March 31, 2024, the STG first lien leverage ratio was below 4.5x. Under the Bank Credit Agreement, a financial maintenance covenant is only applicable if 35% or more of the capacity (as a percentage of total commitments) under the revolving credit facility, measured as of the last day of each fiscal quarter, is utilized under the revolving credit facility as of such date. Since there was no utilization under the revolving credit facility as of September 30, 2023 March 31, 2024, STG was not subject to the financial maintenance covenant under the Bank Credit Agreement. The Bank Credit Agreement contains other restrictions and covenants with which STG was in compliance as of September 30, 2023 March 31, 2024.

During the three months ended September 30, 2023 March 31, 2024, STG purchased $30 million $27 million aggregate principal amount of the Term Loan B-2, due September 30, 2026, for consideration of $26 million $25 million.

In June 2023, STG purchased $3 million, $15 million, and $13 million aggregate principal amount of the 5.125% Senior Notes due 2027, the 5.500% Senior Notes due 2030, and the 4.125% Senior Secured Notes due 2030, respectively, in open market transactions for consideration of $3 million, $8 million, and $8 million, respectively. During the three months ended September 30, 2023 March 31, 2024, STG purchased $4 million in aggregate principal amount of the 5.125% Senior Notes due 2027 in open market transactions Sinclair and SBG entered into agreements which increased estimated contractual amounts owed for consideration of $3 million. The STG Notes acquired in June 2023 and during the three months ended September 30, 2023 were canceled immediately following their acquisition.

During the nine months ended September 30, 2023, there network programming rights by $1,569 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, 2023 March 31, 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 the tennis segment and other's operations will be sufficient to satisfy the tennis segment and other's debt service obligations, capital expenditure requirements, the DSG settlement, 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, (such as the outbreak and worldwide spread of COVID-19), 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 has agreed, subject to Sinclair and DSG completing definitive documentation, to a global settlement and release of all claims associated with the litigation filed by DSG and DSG’s wholly-owned subsidiary, Diamond Sports Net, LLC, in July 2023 and on March 1, 2024, the court approved the settlement. The settlement terms include Sinclair’s cash payment to DSG of $495 million. Additionally, under the terms of the settlement, Sinclair will 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 March 2024 and the remaining $445 million was paid in April 2024. Of the total $495 million settlement amount paid, $347 million was paid by STG and $148 million was paid by Ventures.

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,	
	2023	2022	2023	2022
Net cash flows from operating activities	$ 1	$ 251	$ 143	$ 458
Cash flows (used in) from investing activities:				
Net cash flows (used in) from operating activities				
Net cash flows (used in) from operating activities				
Net cash flows (used in) from operating activities				
Cash flows from (used in) investing activities:				
Cash flows from (used in) investing activities:				
Cash flows from (used in) investing activities:				

Acquisition of property and equipment					
Acquisition of property and equipment					
Acquisition of property and equipment	Acquisition of property and equipment	$ (30)	$ (29)	$ (70)	$ (74)
Purchases of investments	Purchases of investments	(5)	(6)	(44)	(67)
Deconsolidation of subsidiary cash		—	—	—	(315)
Distributions from investments		1	9	205	90
Purchases of investments					
Purchases of investments					
Distributions and proceeds from investments					
Distributions and proceeds from investments					
Distributions and proceeds from investments					
Other, net	Other, net	2	3	6	14
Net cash flows (used in) from investing activities		$ (32)	$ (23)	$ 97	$ (352)
Other, net					
Other, net					
Net cash flows from (used in) investing activities					
Net cash flows from (used in) investing activities					
Net cash flows from (used in) investing activities					
Cash flows used in financing activities:	Cash flows used in financing activities:				
Proceeds from notes payable and commercial bank financing		$ —	$ —	$ —	$ 728
Cash flows used in financing activities:					
Cash flows used in financing activities:					
Repayments of notes payable, commercial bank financing, and finance leases					
Repayments of notes payable, commercial bank financing, and finance leases					

Repayments of notes payable, commercial bank financing, and finance leases	Repayments of notes payable, commercial bank financing, and finance leases		(38)		(9)		(76)	(854)
Dividends paid on Class A and Class B Common Stock	Dividends paid on Class A and Class B Common Stock		(16)		(16)		(50)	(53)
Dividends paid on Class A and Class B Common Stock								
Dividends paid on Class A and Class B Common Stock								
Repurchase of outstanding Class A Common Stock								
Repurchase of outstanding Class A Common Stock								
Repurchase of outstanding Class A Common Stock	Repurchase of outstanding Class A Common Stock		—		(10)		(153)	(114)
Repurchase of redeemable subsidiary preferred equity	Repurchase of redeemable subsidiary preferred equity		—		—		(190)	—
Repurchase of redeemable subsidiary preferred equity								
Repurchase of redeemable subsidiary preferred equity								
Distributions to noncontrolling interests, net								
Distributions to noncontrolling interests, net								
Distributions to noncontrolling interests, net	Distributions to noncontrolling interests, net		(2)		(5)		(10)	(10)
Other, net	Other, net		2		(1)		(2)	(15)
Other, net								
Other, net								
Net cash flows used in financing activities	Net cash flows used in financing activities	$	(54)	$	(41)	$	(481)	$ (318)
Net cash flows used in financing activities								

Net cash flows used in financing activities

Operating Activities

Net cash flows from used in Sinclair's operating activities decreased increased during the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to a decrease an increase in cash collections related to political revenue production and overhead costs and a decrease in cash collections from Distributors.

Net cash flows from Sinclair's operating activities decreased during the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to a decrease Distributors, partially offset by an increase in cash collections related to political revenue, a decrease in cash collections from Distributors, and an increase in production and overhead costs, as well as the partial period impact related to the Deconsolidation, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *Sinclair'sConsolidated Financial Statements.* revenue.

Investing Activities

Net cash flows used in Sinclair's investing activities increased during the three months ended September 30, 2023 when compared to the same period in 2022, primarily due to a decrease in distributions from investments.

Net cash flows from Sinclair's investing activities increased during the nine three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to the removal of DSIH's cash balance as a result of the Deconsolidation an increase in the first quarter of 2022, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations distributions and Summary of Significant Accounting Policies* within *Sinclair'sConsolidated Financial Statements*, as well as the $193 million A/R Facility principal payment received proceeds from DSPV investments and a decrease in the purchases of investments.

LIQUIDITY AND CAPITAL RESOURCES

Financing Activities

Net cash flows used in Sinclair's financing activities increased decreased during the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to the repurchase of outstanding Common Stock and the redeemable subsidiary preferred equity in the prior period, partially offset by an increase in the repayment of debt partially offset by a decrease in the repurchase of outstanding Common Stock.

Net cash flows used in Sinclair's financing activities increased during the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to the repurchase of the Redeemable Subsidiary Preferred Equity and an increase in the repurchase of outstanding Common Stock, partially offset by a decrease in the net repayment of debt (repayments less proceeds). current period.

Sinclair declared a quarterly dividend of $0.25 per share in August 2023 February 2024 and $0.25 per share in November 2023. May 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 the Sinclair's Board of Directors may deem relevant.

LIQUIDITY AND CAPITAL RESOURCES

Sinclair Broadcast Group, LLC Sources and Uses of Cash

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Net cash flows from operating activities	Net cash flows from operating activities	$ 50	$ 251	$ 172	$ 458
Net cash flows from operating activities					
Net cash flows from operating activities					
Cash flows (used in) from investing activities:					
Cash flows from (used in) investing activities:					
Cash flows from (used in) investing activities:					
Cash flows from (used in) investing activities:					
Acquisition of property and equipment					
Acquisition of property and equipment					
Acquisition of property and equipment	Acquisition of property and equipment	$ (30)	$ (29)	$ (71)	$ (74)
Purchases of investments	Purchases of investments	—	(6)	(37)	(67)
Deconsolidation of subsidiary cash		—	—	—	(315)
Distributions from investments		—	9	204	90
Purchases of investments					
Purchases of investments					
Distributions and proceeds from investments					
Distributions and proceeds from investments					
Distributions and proceeds from investments					
Other, net	Other, net	2	3	6	14
Net cash flows (used in) from investing activities		$ (28)	$ (23)	$ 102	$ (352)
Other, net					
Other, net					
Net cash flows from (used in) investing activities					

Net cash flows from (used in) investing activities					
Net cash flows from (used in) investing activities					
Cash flows used in financing activities:	Cash flows used in financing activities:				
Proceeds from notes payable and commercial bank financing		$ —	$ —	$ —	$ 728
Cash flows used in financing activities:					
Cash flows used in financing activities:					
Repayments of notes payable, commercial bank financing, and finance leases					
Repayments of notes payable, commercial bank financing, and finance leases					
Repayments of notes payable, commercial bank financing, and finance leases	Repayments of notes payable, commercial bank financing, and finance leases	(39)	(9)	(76)	(854)
Dividends paid on Old Sinclair Class A and Class B Common Stock	Dividends paid on Old Sinclair Class A and Class B Common Stock	—	(16)	(18)	(53)
Dividends paid on Old Sinclair Class A and Class B Common Stock					
Dividends paid on Old Sinclair Class A and Class B Common Stock					
Repurchase of outstanding Old Sinclair Class A Common Stock					
Repurchase of outstanding Old Sinclair Class A Common Stock					
Repurchase of outstanding Old Sinclair Class A Common Stock	Repurchase of outstanding Old Sinclair Class A Common Stock	—	(10)	(153)	(114)
Repurchase of redeemable subsidiary preferred equity	Repurchase of redeemable subsidiary preferred equity	—	—	(190)	—
Repurchase of redeemable subsidiary preferred equity					

Repurchase of redeemable subsidiary preferred equity					
Distributions to noncontrolling interests, net					
Distributions to noncontrolling interests, net					
Distributions to noncontrolling interests, net	Distributions to noncontrolling interests, net	(3)	(5)	(10)	(10)
Distributions to member, net		(69)	—	(429)	—
Contributions from member, net					
Contributions from member, net					
Contributions from member, net					
Other, net					
Other, net					
Other, net	Other, net	—	(1)	(3)	(15)
Net cash flows used in financing activities	Net cash flows used in financing activities	$ (111)	$ (41)	$ (879)	$ (318)
Net cash flows used in financing activities					
Net cash flows used in financing activities					

Operating Activities

Net cash flows from SBG's operating activities decreased during the three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to a decrease an increase in cash collections related to political revenue production and overhead costs and a decrease in cash collections from Distributors, as well as the impact related to the Reorganization, as discussed in *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG'sConsolidated Financial Statements.*

Net cash flows from SBG's operating activities decreased during the nine months ended September 30, 2023 when compared to the same period in 2022, primarily due to a decrease partially offset by an increase in cash collections related to political revenue, a decrease in cash collections from Distributors, and an increase in production and overhead costs, as well as the partial period impact related to the Deconsolidation and Reorganization, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* and *Company Reorganization*, respectively, under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG'sConsolidated Financial Statements.*

Investing Activities

Net cash flows used in SBG's investing activities increased during the three months ended September 30, 2023 when compared to the same period in 2022, primarily due to a decrease in distributions from investments, offset by a decrease in purchase of investments during the three months ended September 30, 2023, 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.*

Investing Activities

LIQUIDITY AND CAPITAL RESOURCES

Net cash flows from SBG's investing activities increased during the nine three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to the removal of DSIH's cash balance as a result of the Deconsolidation in the first quarter of 2022, as discussed in *Deconsolidation of Diamond Sports Intermediate Holdings LLC* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG'sConsolidated Financial Statements;* the $193 million A/R Facility principal payment received from DSPV; a decrease in the purchases of investments during the nine months ended September 30, 2023, as a result of the Reorganization; and the partial period impact related to the Reorganization, as discussed in *Company Reorganization* under *Note 1. Nature of Operations and Summary of Significant Accounting Policies* within *SBG'sConsolidated Financial Statements*. The A/R Facility payment received from DSPV was transferred to Ventures as part of the Reorganization.

Financing Activities

Net cash flows used in SBG's financing activities increased during the three months ended September 30, 2023 when compared to the same period in 2022, primarily due to an increase in the repayment of debt during the three months ended September 30, 2023, partially offset by a decrease in the repurchase of outstanding Old Sinclair Common Stock and payments of dividends on Old Sinclair Common Stock 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*. , offset by an increase in distributions and proceeds from investments in the current period.

Financing Activities

Net cash flows used in SBG's financing activities increased decreased during the nine three months ended September 30, 2023 March 31, 2024, when compared to the same period in 2022, 2023, primarily due to the repurchase of the Redeemable Subsidiary Preferred Equity; an increase in the repurchase of outstanding Old Sinclair Common Stock, prior to the Reorganization; the distribution to net contributions from member as a result of the Reorganization; and the partial period impact related to 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,* , in the current period and the repurchase of outstanding Old Sinclair Common Stock and the redeemable subsidiary preferred equity and payments of dividends on Old Sinclair Common Stock in the prior period, partially offset by a decrease an increase in the net repayment of debt (repayments less proceeds). in the current 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 Old Sinclair's our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Other than as described below, there There have been no material changes from the quantitative and qualitative discussion about market risk previously disclosed in Old Sinclair's our Annual Report on Form 10-K for the year ended December 31, 2022.

STG entered into an interest rate swap effective February 7, 2023 and terminating on February 28, 2026. The swap agreement has a notional amount of $600 million and bears a fixed interest rate of 3.9% 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, 2023 March 31, 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, 2023 March 31, 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, 2023 March 31, 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* under *Note 5. Commitments and Contingencies* within *Sinclair's Consolidated Financial Statements* for discussion related to certain pending lawsuits.

See *Litigation* 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, 2022, with the exception of the risk factor discussed below.

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

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

In the complaint, plaintiffs challenge a series of transactions involving SBG and certain of its subsidiaries, on the one hand, and DSG and its subsidiaries, on the other hand, since SBG acquired the former Fox Sports regional sports networks from The Walt Disney Company in August 2019. The complaint alleges, among other things, that the management services agreement entered into by STG and DSG was not fair to DSG and was designed to benefit STG and SBG; that the Bally's transaction in November 2020 through which Bally's acquired naming rights to certain regional sports networks was not fair to DSG and was designed to benefit STG and SBG; and that certain distributions made by DSG that were used to pay down preferred equity of DSH were inappropriate and were conducted at a time when DSG was insolvent. The complaint alleges that SBG and its subsidiaries (other than DSG and its subsidiaries) received payments or indirect benefits of approximately $1.5 billion as a result of the alleged misconduct. The complaint asserts a variety of claims, including certain fraudulent transfers of assets, unlawful distributions and payments, breaches of contracts, unjust enrichment and breaches of fiduciary duties. The plaintiffs are seeking, among other relief, avoidance of fraudulent transfers and unlawful distributions, and unspecified monetary damages to be determined. The defendants believe the allegations in this lawsuit are without merit and intend to vigorously defend against plaintiffs' claims.

While at this early stage of the proceedings it is not possible to determine the probability of any outcome or probability or amount of any loss, in the event of an unfavorable outcome, Sinclair's subsidiaries may be required to pay monetary damages, which could materially and adversely affect Sinclair and SBG's financial and results of operations. In addition, the ultimate court-approved structure and organization of DSG post-bankruptcy could result in adverse tax consequences to Sinclair and SBG. These potential consequences could materially and adversely affect Sinclair and SBG's financial condition and results of operations.

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, 2023 March 31, 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†	Form of Restricted Stock Award Agreement - March 2024 Grant.
10.2†	Form of Stock Appreciation Rights Agreement - March 2024 Grant.
10.3†	Employment Agreement by and between Sinclair, Inc., Sinclair Broadcast Group, LLC, and David B.Gibber dated March 27, 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* 101†	The Company's Consolidated Financial Statements and related Notes for the quarter ended September 30, 2023 March 31, 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 9th 10th day of November 2023. May 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)

Exhibit 10.1

The following exhibit is a form of the agreement between Sinclair, Inc. and the recipients of the restricted stock on March 8, 2024. We plan to use this agreement with all subsequent restricted stock awards.

SINCLAIR BROADCAST GROUP, INC.
2022 STOCK INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK AWARD

You have been granted restricted shares of Class A Common Stock (the "**Restricted Shares**" or this "**Award**") of Sinclair, Inc. (the "**Company**") under the Sinclair, Inc. 2022 Stock Incentive Plan (as may be amended from time to time, the "**Plan**"). This Notice of Restricted Stock Award is intended to reflect certain terminology used in Shareworks or other online management service used by the Company, its Subsidiaries and Affiliates (collectively, the "**Company Group**") for awards granted under the Plan (the "**Equity Portal**").

By your electronic acceptance, you and the Company agree that the Restricted Shares are granted under and governed by the term and conditions of the Plan and the Restricted Stock Agreement (this "Agreement"), both of which are attached to and made a part of this document.

By your electronic acceptance, you further agree that the Company Group may deliver by e-mail all documents relating to the Plan or this Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). You also agree that the Company Group may deliver these documents by posting them on a website maintained by the Company Group or by a third party under contract with the Company Group. If the Company Group posts these documents on a website, it will notify you by e-mail. Should you electronically accept this Agreement, you agree to the following: "This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement."

SINCLAIR, INC.
2022 STOCK INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT

The Plan and Other Agreements	The Restricted Shares that you are receiving are granted pursuant and subject in all respects to the applicable provisions of the Plan, which is incorporated herein by reference. Capitalized terms not defined in this Agreement will have the meanings ascribed to them in the Plan. The attached Notice, this Agreement and the Plan constitute the entire understanding between you and the Company regarding this Award. Any prior agreements, commitments or negotiations concerning this Award are superseded. This Agreement may be amended by the Committee without your consent; however, if any such amendment would materially impair your rights or obligations under this Agreement, this Agreement may be amended only by another written agreement, signed by you and the Company.
Payment For Shares	No cash payment is required for the Shares you receive. You are receiving the Shares in consideration for Services rendered by you.
Vesting	The Shares that you are receiving will vest in installments, as shown in the Equity Portal. No additional Shares vest after your Service as an Employee or a Consultant has terminated for any reason. Notwithstanding anything to the contrary contained herein, your Restricted Shares with respect to which the restrictions have not yet lapsed shall immediately vest on the consummation of a Change in Control.
Shares Restricted	Unvested Shares will be considered "**Restricted Shares**." Except to the extent permitted by the Committee, you may not sell, transfer, assign, pledge or otherwise dispose of Restricted Shares.
Forfeiture	If your Service terminates for any reason other than a Qualifying Termination (as defined below) then your Shares will be forfeited to the extent that they have not vested before the termination date and do not vest as a result of termination. This means that the Restricted Shares will immediately revert to the Company. You receive no payment for Restricted Shares that are forfeited. The Company Group determines when your Service terminates for this purpose and all purposes under the Plan and its determinations are conclusive and binding on all persons. Unvested Restricted Shares shall vest immediately on the date of termination of your Service with the Company Group if your Service with the Company Group is terminated due to a Qualifying Termination before the date on which the Shares fully vest; provided, in the case of termination as a result of Retirement (as defined below), you must agree to enter into an agreement reasonably requested by the Company Group which provides for

(a) a full release of the Company Group for any claims you may have, (b) an agreement not to disparage the Company Group and (c) an agreement to comply with any previously agreed covenants not to compete or solicit the Company Group's employees and/or customers to which you are otherwise subject. You acknowledge that, notwithstanding that Restricted Shares may be unvested following attainment of eligibility for Retirement for purposes of this Agreement, such Shares (and related dividends paid thereon) may nevertheless be includible in income for federal, state and local tax purposes.

For purposes of this Award, the term "**Qualifying Termination**" shall mean a termination of your Service for reasons of your death, Disability, termination by the Company Group without Cause (as defined below), termination by you for Good Reason (as defined below) or termination as a result of Retirement.

For the purposes of this Award, the term "**Cause**" shall have the meaning set forth in your employment agreement with the Company Group or, in the event there is no employment agreement between you and the Company Group, shall mean any of the following: (i) the wrongful appropriation for your own use or benefit of property or money entrusted to you by the Company Group; (ii) your conviction or granting of a Probation Before Judgment (or similar such finding or determination if not by a court of competent jurisdiction) of a crime involving moral turpitude; (iii) your continued willful disregard of your duties and responsibilities hereunder after written notice of such disregard and the reasonable opportunity to correct such disregard; (iv) your continued violation of Company Group 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 you which is reasonably likely (in the opinion of the Company Group's FCC counsel) to actually jeopardize a Federal Communications Commission license of any broadcast station owned directly or indirectly by the Company Group or programmed, directly or indirectly, by the Company Group; or (vi) your continued insubordination and/or your repeated failure to follow the reasonable directives of your supervisor or the Board of Directors after written notice of such insubordination or the failure to follow such reasonable directives. In the event that there is no employment agreement between you and the Company Group, and except in the occurrence of an event listed in clauses (i) through (vi) above which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the delivery of written notice by the Company Group within which to cure any acts constituting Cause; provided however, that, if the Company Group reasonably expects irreparable injury from a delay of ten (10) business days, the Company Group may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

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For purposes of this Award, the term "**Good Reason**" shall have the meaning set forth in your employment agreement with the Company Group or, in the event there is no employment agreement between you and the Company Group, shall mean any of the following without your approval: (i) a more than five percent (5.0%) reduction in your compensation (other than a reduction consistent with a company-wide reduction in pay affecting substantially all similarly situated executive employees of the Company Group); (ii) the relocation of your principal place of employment more than fifty (50) miles from its present location; or (iii) a material reduction in your duties or a material change in your working conditions. In the event that there is no employment agreement between you and the Company Group, you cannot terminate employment for Good Reason unless you have provided written notice to the Company Group of the existence of the alleged circumstances providing grounds for termination for Good Reason within ten (10) business days of the initial existence of such grounds and the Company Group has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If you do not terminate employment for Good Reason within forty-five (45) days after the first occurrence of the applicable grounds, then you will be deemed to have waived the right to terminate for Good Reason with respect to such grounds for purposes of this Agreement.

For purposes of this Award, the term "**Retirement**" shall mean your voluntary separation from service with the Company Group either (i) after age 65 or (ii) after age 55, if at such time you have had at least ten (10) years of service with the Company Group.

Leaves of Absence

For purposes of this Award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave of absence was approved by the Company Group in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work.

If you go on a leave of absence, then the vesting schedule specified in the Equity Portal may be adjusted in accordance with the Company Group's leave of absence policy or the terms of your leave. If you commence working on a part-time basis, then the vesting schedule specified in the Equity Portal may be adjusted in accordance with the Company Group's part-time work policy or the terms of an agreement between you and the Company Group pertaining to your part-time schedule.

Stock Certificates or Book Entry Form	The Restricted Shares will be evidenced by either stock certificates or book entries on the Company's stock transfer records pending expiration of the restrictions thereon. If you are issued certificates for the Restricted Shares, the certificates will have stamped on them a special legend referring to the forfeiture restrictions. In addition to or in lieu of imposing the legend, the Company may hold the certificates in escrow. As your vested percentage increases, you may request (at reasonable intervals) that the Company release to you a non-legended certificate for your vested Shares.
Shareholder Rights	During the period of time between the Grant Date and the date the Restricted Shares become vested, you shall have the same voting, dividend, and other rights as the Company's other stockholders.

Withholding Taxes and Stock Withholding	Regardless of any action any member of the Company Group employing you ("**Employer**") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("**Tax-Related Items**"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or your Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Shares received under this Award, including the award or vesting of such Shares, the subsequent sale of Shares under this Award and the receipt of any dividends; and (2) do not commit to structure the terms of the award to reduce or eliminate your liability for Tax-Related Items. No stock certificates will be released to you or no notations on any Restricted Shares issued in book-entry form will be removed, as applicable, unless you have paid or made adequate arrangements satisfactory to the Company and/or your Employer to satisfy all withholding and payment on account obligations of the Company and/or your Employer.

At your election made through an online election process established by, or on behalf of the Company Group, either (a) Shares transferable to you hereunder shall be reduced by a number of Shares with a Fair Market Value (calculated on the trading day preceding the date on which the taxable event occurs as described below) which the Company Group is required to withhold under the then applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), or its successors, or any other federal, state or local tax withholding requirement ("**Withholding**") or (b) you shall pay to the Company Group in immediately available funds the amount of such Withholding; provided, if you do not make such election prior to the time that such Withholding would be required, you shall be deemed to have elected the action under clause (a) of this paragraph. Such reductions shall occur, and Withholding shall be applicable, at the times the Restricted Shares become vested in accordance with this Agreement and the rules under the Code and, in order to facilitate withholding by the Company Group at such times, you shall make no election under Section 83(b) of the Code. An online election made by you pursuant to this paragraph shall remain in effect with respect to all Restricted Shares held by you until such time, as any, that you utilize the online election process to make an alternative election.

Restrictions on Resale

You agree to not voluntarily or involuntarily transfer, sell, pledge, assign, give, hypothecate, encumber or otherwise dispose of any Restricted Shares until the restrictions on such shares lapseas shown in the Equity Portal. You agree not to sell any Shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company Group may specify, oruntil the restrictions on such shares lapse as shown in the Equity Portal.

No Retention Rights	Neither this Award nor this Agreement gives you the right to be employed or retained by the Company Group in any capacity. The Company Group reserves the right to terminate your Service at any time, with or without cause.
Adjustments	The number of Restricted Shares covered by this Award will be subject to adjustment in the event of a stock split, a stock dividend or a similar change in Shares, and in other circumstances, as set forth in the Plan. The forfeiture provisions and restrictions described above will apply to all new, substitute or additional restricted shares or securities to which you are entitled by reason of this Award.
Successors and Assigns	Except as otherwise provided in the Plan or this Agreement, every term of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees and assigns.
Notice	Any notice required or permitted under this Agreement will be given in writing and will be deemed effectively given upon the earliest of personal delivery, receipt or the third (3rd) full day following mailing with postage and fees prepaid, addressed to the other party hereto at the address last known in the Company Group's records or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.
Applicable Law and Choice of Venue	This Agreement will be interpreted and enforced under the laws of the State of Maryland without application of the conflicts of law principles thereof. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Maryland and agree that any such litigation will be conducted only in the courts of Maryland, or the federal courts of the United States located in Maryland and no other courts.

Miscellaneous	You understand and acknowledge that (1) the Plan is entirely discretionary, (2) the Company Group and your Employer have reserved the right to amend, suspend or terminate the Plan at any time, (3) the grant of this Award does not in any way create any contractual or other right to receive additional grants of awards (or benefits in lieu of awards) at any time or in any amount and (4) all determinations with respect to any additional grants, including (without limitation) the times when awards will be granted, the number of Shares subject to awards, the purchase price and the vesting schedule, will be at the sole discretion of the Company. In the event of a conflict between the terms of this Award and the terms of your employment agreement or similar agreement, the terms of this Award will govern. The value of this Award will be an extraordinary item of compensation outside the scope of your employment contract, if any, and will not be considered a part of your normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. You understand and acknowledge that participation in the Plan ceases upon termination of your Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement. You hereby authorize and direct your Employer to disclose to the Company Group any information regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, as your Employer deems necessary or appropriate to facilitate the administration of the Plan.

You consent to the collection, use and transfer of personal data as described in this subsection. You understand and acknowledge that the Company Group and your Employer hold certain personal information regarding you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social insurance or other government identification number, salary, nationality, job title, any Shares or directorships held in the Company and details of all awards or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (the "**Data**"). You further understand and acknowledge that the Company Group will transfer Data among itself as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Company Group may each further transfer Data to any third party assisting the Company Group in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere, and that the laws of a recipient's country of operation (e.g., the United States) may not have equivalent privacy protections as local laws where you reside or work. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf. You may, at any time, view the Data, require any necessary modifications of Data, make inquiries about the treatment of Data or withdraw the consents set forth in this subsection by contacting the Human Resources Department of the Company in writing.

BY ELECTRONICALLY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

Exhibit 10.2

The following exhibit is a form of the agreement between Sinclair, Inc. and the recipients of the stock appreciation right awards on March 8, 2024. We plan to use this agreement with all subsequent stock appreciation right awards.

SINCLAIR, INC.
2022 STOCK INCENTIVE PLAN
NOTICE OF STOCK APPRECIATION RIGHT AWARD

You have been granted the following Stock Appreciation Rights ("**SARs**" or this "**SARAward**") covering shares of Class A Common Stock of Sinclair, Inc. (the "**Company**"), under the Sinclair, Inc. 2022 Stock Incentive Plan (as may be amended from time to time, the "**Plan**"). Each SAR gives you upon exercise the right to receive the difference between the Fair Market Value of a Share on the date of exercise over the Grant Price multiplied by the number of SARs being exercised (the "**Spread**"). The Company together with its Subsidiaries and Affiliates are referred to herein as the "**Company Group**".

Name of Participant:	[Name of Participant]
Grant Date:	March 8, 2024
Total Number of Shares Covered by SAR Award:	[Total Shares]
Exercise Price Per Share:	$13.31
Vesting Commencement Date:	March 8, 2024
Vesting Schedule:	This SAR Award shall vest fifty percent (50%) on each anniversary of the Grant Date, subject to the Stock Appreciation Right Agreement. Fractional vested Shares will be rounded up to the nearest whole number of Shares at all times.
Expiration Date:	March 8, 2034 This SAR Award expires earlier if your Service terminates earlier, as described in the Stock Appreciation Right Agreement.

By your written signature below (or your electronic acceptance) and the signature of the Company's representative below, you and the Company agree that this SAR Award is granted under and governed by the terms and conditions of the Plan and the Stock Appreciation Right Agreement (this "Agreement"), both of which are attached to and made a part of this document.

By your written signature below (or your electronic acceptance), you further agree that the Company Group may deliver by e-mail all documents relating to the Plan or this SAR Award (including without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including without limitation, annual reports and proxy statements). You also agree that the Company Group may deliver these documents by posting them on a website maintained by the Company Group or by a third party under contract with the Company Group. If the Company Group posts these documents on a website, it will notify you by e-mail. Should you electronically accept this Agreement, you agree to the following: "This electronic contract contains my electronic signature, which I have executed with the intent to sign this Agreement."

PARTICIPANT	**SINCLAIR, INC.**
	By:
Participant’s Signature	
	Name:
Participant’s Printed Name	Title:

SINCLAIR, INC

2022 STOCK INCENTIVE PLAN

STOCK APPRECIATION RIGHT AGREEMENT

The Plan and Other Agreements

The SAR Award that you are receiving is granted pursuant and subject in all respects to the applicable provisions of the Plan, which is incorporated herein by reference. Capitalized terms not defined in this Agreement will have the meanings ascribed to them in the Plan.

The attached Notice, this Agreement and the Plan constitute the entire understanding between you and the Company regarding this SAR Award. Any prior agreements, commitments or negotiations concerning this SAR Award are superseded. This Agreement may be amended by the Committee without your consent; however, if any such amendment would materially impair your rights or obligations under this Agreement, this Agreement may be amended only by another written agreement, signed by you and the Company.

Vesting

This SAR Award becomes exercisable in installments, as shown in the Notice of Stock Appreciation Right Award. After the SAR Award has become vested, it may be exercised prior to the Expiration Date, or its earlier termination, subject to the terms and conditions set forth in this Agreement. This SAR Award will in no event become exercisable with respect to additional Shares after your Service as an Employee or a Consultant has terminated for any reason.

Notwithstanding anything to the contrary contained herein, in the event that your Service is terminated due to your Retirement (as defined below), by the Company Group without Cause (as defined below) or by you for Good Reason, then the SARs shall become fully vested as of the effective date of your termination of Service. All SARs which are unvested at the time of your termination of Service for any other reason, after giving effect to the preceding sentence, shall terminate and be of no force and effect.

For the purposes of this SAR Award, the term "**Cause**" shall have the meaning set forth in your employment agreement with the Company Group or, in the event there is no employment agreement between you and the Company Group, shall mean any of the following: (i) the wrongful appropriation for your own use or benefit of property or money entrusted to you by the Company Group; (ii) your conviction or granting of a Probation Before Judgment (or similar such finding or determination if not by a court of competent jurisdiction) of a crime involving moral turpitude; (iii) your continued willful disregard of your duties and responsibilities hereunder after written notice of such disregard and the reasonable opportunity to correct such disregard; (iv) your continued violation of Company Group 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 you which is reasonably likely (in the opinion of the Company Group's FCC counsel) to actually jeopardize a Federal Communications Commission license of any broadcast station owned directly or indirectly by the Company Group or programmed, directly or indirectly, by the Company Group; or (vi) your continued insubordination and/or your repeated failure to follow the reasonable directives of your supervisor or the Board after written notice of such insubordination or the failure to follow such reasonable directives. In the event that there is no employment agreement between you and the Company Group, and except in the occurrence of an event listed in clauses (i) through (vi) above which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the delivery of written notice by the Company Group within which to cure any acts constituting Cause; provided however, that, if the Company Group reasonably expects irreparable injury from a delay of ten (10) business days, the Company Group may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

For purposes of this SAR Award, the term "Good Reason" shall have the meaning set forth in your employment agreement with the Company Group or, in the event there is no employment agreement between you and the Company Group, shall mean any of the following without your approval: (i) a more than five percent (5.0%) reduction in your compensation (other than a reduction consistent with a company-wide reduction in pay affecting substantially all similarly situated executive employees of the Company Group); (ii) the relocation of your principal place of employment more than fifty (50) miles from its present location; or (iii) a material reduction in your duties or a material change in your working conditions. In the event that there is no employment agreement between you and the Company Group, you cannot terminate employment for Good Reason unless you have provided written notice to the Company Group of the existence of the alleged circumstances providing grounds for termination for Good Reason within ten (10) business days of the initial existence of such grounds and the Company Group has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If you do not terminate employment for Good Reason within forty-five (45) days after the first occurrence of the applicable grounds, then you will be deemed to have waived the right to terminate for Good Reason with respect to such grounds for purposes of this Agreement.

For purposes of this SAR Award, the term "Retirement" shall mean your voluntary separation from service with the Company Group either (i) after age 65 or (ii) after age 55, if at such time you have had at least ten (10) years of service with the Company Group.

Notwithstanding anything to the contrary contained herein, in the event of a Change in Control, all the unvested SARs shall vest immediately prior to the consummation of the Change in Control.

Term	This SAR Award expires in any event at the close of business at Company headquarters on the Expiration Date. This SAR Award may expire earlier if your Service terminates, as described below.
Regular Termination	If your Service terminates for any reason other than due to your death or Disability, then this SAR Award will expire at the close of business at Company headquarters on the date three (3) months after the date your Service terminates (or, if earlier, the Expiration Date). The Company Group determines when your Service terminates for this purpose and all purposes under the Plan and its determinations are conclusive and binding on all persons.
Death	If your Service terminates because of your death, then this SAR Award will expire at the close of business at Company headquarters on the date twelve (12) months after the date your Service terminates (or, if earlier, the Expiration Date). During that period of up to twelve (12) months, your estate or heirs may exercise this SAR Award.

Disability	If your Service terminates because of your Disability, then this SAR Award will expire at the close of business at Company headquarters on the date twelve (12) months after the date your Service terminates (or, if earlier, the Expiration Date).
Leaves of Absence	For purposes of this SAR Award, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave of absence was approved by the Company Group in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work. If you go on a leave of absence, then the vesting schedule specified in the Notice of Stock Appreciation Right Award may be adjusted in accordance with the Company Group's leave of absence policy or the terms of your leave. If you commence working on a part-time basis, then the vesting schedule specified in the Notice of Stock Appreciation Right Award may be adjusted in accordance with the Company Group's part-time work policy or the terms of an agreement between you and the Company Group pertaining to your part-time schedule.
Restrictions on Exercise	The Company will not permit you to exercise this SAR Award if the issuance of Shares at that time would violate any law or regulation. The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance of the Shares pursuant to this SAR Award will relieve the Company of any liability with respect to the non-issuance of the Shares as to which such approval will not have been obtained.
Notice of Exercise	When you wish to exercise this SAR Award you must provide a written or electronic notice of exercise form (substantially in the form attached to this Agreement as Exhibit A) in accordance with such procedures as are established by the Company and communicated to you from time to time. Any notice of exercise must specify how many Shares you wish to exercise. The notice of exercise will be effective when it is received by the Company. If someone else wants to exercise this SAR Award after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.
Settlement	Upon exercise of the SARs, the Company shall issue to you whole Shares with a Fair Market Value (determined as of the date on which the SAR is exercised) equal to the Spread, less required withholding. The Shares to be issued under this Agreement may be issued in book or other electronic form, and a certificate for the Shares shall only be delivered to you upon your request, unless otherwise restricted.

Withholding Taxes and Stock Withholding	Regardless of any action any member of the Company Group employing you ("**Employer**") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("**Tax-Related Items**"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or your Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this SAR grant, including the grant, vesting or exercise of this SAR Award, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (2) do not commit to structure the terms of the grant or any aspect of this SAR Award to reduce or eliminate your liability for Tax-Related Items. At your election made through an online election process established by, or on behalf of the Company Group, either (a) Shares acquired by you upon exercise of the SARs hereunder shall be reduced by a number of Shares with a Fair Market Value equal to the taxes which the Company Group is required to withhold under the then applicable provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), or its successors, or any other federal, state or local tax withholding requirement ("**Withholding**") during an open trading window or (b) you shall pay to the Company Group in immediately available funds the amount of such Withholding; provided, if you do not make such election prior to the time that such Withholding would be required, you shall be deemed to have elected the action under clause (a) of this paragraph. Such reductions shall occur, and Withholding shall be applicable immediately upon the exercise of any SARs. An online election made by you pursuant to this paragraph shall remain in effect with respect to all SARs held by you until such time, as any, that you utilize the online election process to make an alternative election. The Company may refuse to honor the exercise and refuse to deliver the Shares if you fail to comply with your obligations in connection with the Tax-Related Items as described in this section.
Restrictions on Resale	You agree not to sell any Shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company Group may specify.

Transfer of SAR

In general, only you can exercise this SAR Award prior to your death. You may not sell, transfer, assign, pledge or otherwise dispose of this SAR Award, other than as designated by you by will or by the laws of descent and distribution, except as provided below. For instance, you may not use this SAR Award as security for a loan. If you attempt to do any of these things, this SAR Award will immediately become invalid. You may in any event dispose of this SAR Award in your will. Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your former spouse, nor is the Company obligated to recognize your former spouse's interest in this SAR Award in any other way.

However, the Committee may, in its sole discretion, allow you to transfer this SAR Award as a gift to one or more family members. For purposes of this Agreement, "**family member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships), any individual sharing your household (other than a tenant or employee), a trust in which one or more of these individuals have more than fifty percent (50%) of the beneficial interest, a foundation in which you or one or more of these persons control the management of assets, and any entity in which you or one or more of these persons own more than fifty percent (50%) of the voting interest.

In addition, the Committee may, in its sole discretion, allow you to transfer this SAR Award to your spouse or former spouse pursuant to a domestic relations order in settlement of marital property rights.

The Committee will allow you to transfer this SAR Award only if both you and the transferee(s) execute the forms prescribed by the Committee, which include the consent of the transferee(s) to be bound by this Agreement.

Retention Rights

Neither this SAR Award nor this Agreement gives you the right to be employed or retained by the Company Group in any capacity. The Company Group reserves the right to terminate your Service at any time, with or without cause.

Shareholder Rights

This SAR Award carries neither voting rights nor rights to dividends. You, or your estate or heirs, have no rights as a shareholder of the Company with respect to the Shares covered by this SAR Award unless and until you have exercised this SAR Award by giving the required notice to the Company. No adjustments will be made for dividends or other rights if the applicable record date occurs before you exercise this SAR Award, except as described in the Plan.

Adjustments	The number of Shares covered by this SAR Award and the exercise price per Share will be subject to adjustment in the event of a stock split, a stock dividend or a similar change in Company Shares, and in other circumstances, as set forth in the Plan. The forfeiture provisions and restrictions described above will apply to all new, substitute or additional SARs or securities to which you are entitled by reason of this SAR Award.
Successors and Assigns	Except as otherwise provided in the Plan or this Agreement, every term of this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees and assigns.
Notice	Any notice required or permitted under this Agreement will be given in writing and will be deemed effectively given upon the earliest of personal delivery, receipt or the third (3rd) full day following mailing with postage and fees prepaid, addressed to the other party hereto at the address last known in the Company Group's records or at such other address as such party may designate by ten (10) days' advance written notice to the other party hereto.
Section 409A of the Code	To the extent this Agreement is subject to, and not exempt from, Section 409A of the Code, this Agreement is intended to comply with Section 409A, and its provisions will be interpreted in a manner consistent with such intent. You acknowledge and agree that changes may be made to this Agreement to avoid adverse tax consequences to you under Section 409A.
Applicable Law and Choice of Venue	This Agreement will be interpreted and enforced under the laws of the State of Maryland without application of the conflicts of law principles thereof. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this SAR Award or this Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Maryland and agree that any such litigation will be conducted only in the courts of Maryland, or the federal courts of the United States located in Maryland and no other courts.
Miscellaneous	You understand and acknowledge that (1) the Plan is entirely discretionary, (2) the Company Group and your Employer have reserved the right to amend, suspend or terminate the Plan at any time, (3) the grant of this SAR Award does not in any way create any contractual or other right to receive additional grants of SARs (or benefits in lieu of SARs) at any time or in any amount and (4) all determinations with respect to any additional grants, including (without limitation) the times when SARs will be granted, the number of Shares subject to awards, the exercise price and the vesting schedule, will be at the sole discretion of the Company. In the event of a conflict between the terms of this SAR Award and the terms of your employment agreement or similar agreement, the terms of this SAR Award will govern.

The value of this SAR Award will be an extraordinary item of compensation outside the scope of your employment contract, if any, and will not be considered a part of your normal or expected compensation for purposes of calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

You understand and acknowledge that participation in the Plan ceases upon termination of your Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

You hereby authorize and direct your Employer to disclose to the Company Group any information regarding your employment, the nature and amount of your compensation and the fact and conditions of your participation in the Plan, as your Employer deems necessary or appropriate to facilitate the administration of the Plan.

You consent to the collection, use and transfer of personal data as described in this subsection. You understand and acknowledge that the Company Group and your Employer hold certain personal information regarding you for the purpose of managing and administering the Plan, including (without limitation) your name, home address, telephone number, date of birth, social insurance or other government identification number, salary, nationality, job title, any Shares or directorships held in the Company and details of all SARs or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor (the "**Data**"). You further understand and acknowledge that the Company Group will transfer Data among itself as necessary for the purpose of implementation, administration and management of your participation in the Plan and that the Company Group may each further transfer Data to any third party assisting the Company Group in the implementation, administration and management of the Plan. You understand and acknowledge that the recipients of Data may be located in the United States or elsewhere, and that the laws of a recipient's country of operation (e.g., the United States) may not have equivalent privacy protections as local laws where you reside or work. You authorize such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering your participation in the Plan, including a transfer to any broker or other third party with whom you elect to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf. You may, at any time, view the Data, require any necessary modifications of Data, make inquiries about the treatment of Data or withdraw the consents set forth in this subsection by contacting the Human Resources Department of the Company in writing.

BY ELECTRONICALLY ACCEPTING THIS AWARD, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is dated this 27th day of March 2024, but shall be effective January 1, 2024 (the "Effective Date"), between Sinclair, Inc., a Maryland corporation ("Sinclair"), Sinclair Broadcast Group, LLC, a Maryland limited liability company ("SBG" or the "Company") and David B. Gibber ("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. Employee has been employed by SBG and serves as its and Sinclair's Senior Vice President and General Counsel.

C. The parties hereto desire to enter into this Agreement relating to the terms and conditions of Employee's employment.

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 be promoted to SBG's and Sinclair's Executive Vice President and Chief Legal Officer. In such capacity, Employee will:

(a) report to the President/CEO of Sinclair (the "CEO");

(b) have such reasonable responsibilities and perform such duties and in such locations as may from time to time be established by the CEO; and

(c) oversee the legal department(s) of Sinclair, SBG and Ventures and be the most senior legal employee in Sinclair and its affiliates and subsidiaries.

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 direct and indirect subsidiaries.

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

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1.4_Works Made For Hire_. Employee agrees and acknowledges that 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 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 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 Company all right, title and interest in and to the copyright(s) in such Work Product. Recipient 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 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 Company without charge. Should 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. ***<u>At Will Employment</u>*****.** Notwithstanding anything else in this Agreement to the contrary, including, without limitation, the provisions of <u>Section</u> 2.1, <u>Section</u> 3, or <u>Section</u> 4 of this Agreement, the employment of Employee is not for a specified period of time, and Company or Employee may terminate the employment of Employee with or without Cause (as defined in <u>Section</u> 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. ***<u>Compensation and Benefits</u>*****.**

3.1. ***<u>Compensation</u>*****.** Effective January 1, 2024 through December 31, 2024, Employee's annual base salary shall be Nine Hundred and Fifty Thousand Dollars ($950,000) and effective January 1, 2025 through December 31, 2026, Employee's annual base salary shall be Nine Hundred and Eighty Thousand Dollars ($980,000) ("Base Salary"). During each subsequent year of employment, the Employee's Base Salary shall be determined by the

Compensation Committee of the Board of Directors of Sinclair (the "Comp Committee"), in its absolute and complete discretion. In addition, the Employee will be eligible to receive certain additional compensation as further described in <u>Section</u> 3.2 of this Agreement.

3.2 ***<u>Incentive Compensation</u>***

(a) <u>Cash Bonuses</u>. For calendar year 2024, Employee will receive an annual cash bonus the amount of not less than Three Hundred and Fifty Thousand Dollars ($350,000) with such payment made in January 2025 (the "2024 Bonus", together with the Performance Bonuses (as defined below), the "Bonuses" and with respect to any calendar year, the "Bonus"). Any increase for a subsequent year shall be determined by the Comp Committee, in its absolute and complete discretion. Employee shall also be eligible for calendar year 2024 to a quarterly performance bonus based on criteria determined by the Comp Committee (which shall not be materially different from the EBIDTA criteria previously used for similarly situated executives) (the "2024 Performance Bonus") of Fifty Thousand Dollars ($50,000). For calendar year 2025 and 2026, Employee shall be eligible for an annual performance bonus (the “2025/6 Performance Bonus”) based on reasonable criteria determined by the Comp Committee (which shall not be materially different from the criteria used for similarly situated executives), and which shall be provided to Employee in writing, as follows: for 2025, an amount of Five Hundred and Seventy-Five Dollars ($575,000) and for 2026, an amount of Six Hundred and Seventy-Five Dollars ($675,000); and for subsequent years, any amount shall be determined by the Comp Committee, in its absolute and complete discretion. Employee shall also be eligible for an annual distribution performance bonus for calendar years 2025 and 2026 in the amount of Two-Hundred and Fifty Thousand Dollars ($250,000) each year (each, a “Distribution Bonus”, and together with the 2024 Performance Bonus, 2025/6 Performance Bonus, and any distribution bonus and performance bonus for subsequent years, the “Performance Bonuses”) based on achievement of the criteria set forth on Attachment 1 or as otherwise agreed to by Employee and the Company, and for subsequent years, any increase shall be determined by the Comp Committee, in its absolute and complete discretion. Any such Performance Bonus shall be determined and payable after the Comp Committee has had the opportunity to review any financial, ratings, 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, any 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 the Bonus arises

(b) Grants.

(i) Employee shall receive (i) a one-time grant (“One-Time Grant”) of restricted shares of Sinclair’s Class A common stock (the “Restricted Stock”) pursuant to the Sinclair, Inc. 2022 Stock Incentive Plan (“SIP”) (a copy of which is attached to this Agreement as Exhibit B), within two (2) days following the execution of this Agreement with a grant date value of One Million Dollars ($1,000,000) which shall vest in its entirety on January 1, 2028 (subject to terms set forth below), and (ii) an annual grant (“Annual Grant”) of Restricted Stock, with the first grant for 2024 made in the first quarter of 2025 as follows: for 2024, Employee shall receive a grant of Restricted Stock with a grant date value of Six-Hundred Thousand Dollars ($600,000); for 2025, Employee shall receive a grant of Restricted Stock with a grant date value of Seven Hundred Thousand Dollars ($700,000); for 2026, Employee shall receive a grant of Restricted Stock with a grant date value of Eight Hundred Thousand Dollars

($800,000); and for subsequent years, 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) For the calendar year 2024, Employee shall receive an annual grant of stock settled stock appreciation rights (“SARS”) covering Sinclair’s Class A common stock pursuant to the SIP to made in the first quarter of 2025 with a grant date value of Three Hundred Fifty Thousand Dollars ($350,000) as determined by the Comp Committee using a standard valuation method (“SARS Grant”, together with the One-Time Grant and the Annual Grant, the “Grants”). If Sinclair grants other similarly situated executive employees SARS as it relates to calendar year 2025 or 2026, Employee shall also be granted SARS with the grant date value set forth above for such calendar year. Any grants for a subsequent year shall be determined by the Comp Committee, in its absolute and complete discretion.

(iii) Each 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 A); (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 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 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.

(c) Additional Compensation. If the SBG Event (as defined below) has not occurred on or prior to June 1, 2029, and provided that Employee is employed on June 1, 2029 by the Company or any of its affiliates, successors, assigns or transferees, the Company agrees to pay Employee the One-Time Bonus (as defined below), which shall be paid to Employee on January 31, 2032 or as accelerated in accordance with the Agreement. In the event that (i) Employee’s employment is terminated pursuant to Section 4.1(a)(7) (due to Change in Control), (ii) Employee is not employed by a successor or surviving entity and (iii) this Agreement is not assumed in writing by a successor or surviving entity, then the Company or its successor or surviving entity shall pay Employee the One-Time Bonus (and all other amounts due hereunder) within thirty (30) days after the Termination Date. In the event that Employee is employed on June 1, 2029, but following such date, employment is terminated pursuant to Section 4.1(a)(1) (due to death) or Section 4.1(a)(2) (due to Disability), then the Company shall pay Employee the One-Time Bonus set forth in this Section (and all other amounts due hereunder) within thirty (30) days after the Termination Date. In the event of 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 EBIDTA of SBG (as determined on December 31, 2023) (an "SBG Event"), and provided that Employee is continuously employed by the Company or any of its affiliates, successors, assigns or transferees through the date of consummation of the SBG Event, then the Company agrees to pay Employee a one-time cash bonus ("One-Time Bonus") in the amount of Two Million and Five Hundred Thousand Dollars ($2,500,000) immediately upon the consummation of the SBG Event. For clarity, Employee may earn the One-Time Bonus only once.

(d) Ventures Acquisitions Bonus. Employee shall also be eligible for discretionary bonuses in the form of cash or equity as determined by the Comp Committee in its sole and absolute discretion for acquisitions made by Ventures during the term of this Agreement.

3.3*Vacation*. During each Employment Year, 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 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 of the Internal Revenue Code, (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 Employer 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 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 policy after written notice of such violations (such policy may include policies as to drug or alcohol abuse) and the reasonable opportunity to cure such violations, (v) any willful misconduct or gross negligence by Employee which is reasonably likely (in the opinion of Sinclair's FCC counsel) to actually jeopardize a Federal Communications Commission license of any broadcast station owned directly or indirectly by Sinclair, or programmed, directly or indirectly, by Sinclair; or (vi) the continued insubordination of Employee and/or Employee's repeated failure to follow the reasonable directives of the CEO 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: (i) the relocation of Employee's principal place of employment more than fifty (50) miles from the Baltimore, Maryland metropolitan area, (ii) for calendar year 2024, a reduction in the 2024 Bonus from the amount set forth in, and subject to the terms in, Section 3 hereof, (iii) for calendar years 2024, 2025 and 2026, a reduction in either Base Salary, Performance Bonuses, Annual Grants and/or SARS Grants from the amounts set forth in, and subject to the terms in, Section 3 hereof, (iv) for any calendar year after calendar year 2026, a reduction in Base Salary and/or the Distribution Bonus of more than 5% from the amount set forth for calendar year 2026 in Section 3 hereof, (v) for any calendar year after calendar year 2026, a reduction in the Performance Bonus (other than the Distribution Bonus), Annual Grants or SARS Grants (if applicable and subject to the terms in Section 3 hereof) that is greater than the reduction in percentage of such grants from the prior calendar year for similarly situated executive employees, (vi) a material reduction or adverse change in the duties, position or responsibilities of Employee or a material change in Employee's working conditions, (vii) a change in reporting structure, such that the Employee no longer reports directly to the current or then-current CEO or the current Chairman of Sinclair, or (viii) any other material breach by the Company or Sinclair of the Agreement that it fails to cure within thirty (30) days.

(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 of the Internal Revenue Code, 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 of the Internal

Revenue Code), shall be treated as a single employer for purposes of determining whether there has occurred a separation from service.

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, 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

4. 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, 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

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

(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, the Base Salary due Employee up to and including the Termination Date; and, within thirty (30) days after the Termination Date, the Company shall pay in cash Employee a lump-sum severance in the amount equal to twelve (12) months of Employee's then current total compensation (including the current Base Salary and the average Bonus over the previous two years) (the "Severance Payment");provided however, theCompany's obligation to make the Severance Payment shall be conditioned upon 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 Company and consistent with the terms hereof;

2. within thirty (30) days after the Termination Date, the Company shall pay to Employee the amount of the One-Time Bonus, if (i) the One-Time Bonus was not previously earned and paid by the Company, or (ii) Employee was employed on June 1, 2029;

3. 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; and

4. within thirty (30) days after the Termination Date, a payment in respect of unutilized vacation time that has accrued through the Termination Date

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(determined in accordance with the Company's established policies and consistent with Section 3.4 of this Agreement).

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 the CEO or Sinclair's Board; or (iii) required by law or any order, rule, or regulation of any court or governmental agency (but only after notice to the CEO or Sinclair's Board 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, 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 a stockholder, 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 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

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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 being employed by 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

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from undertaking or performing 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 stockholders of Sinclair, SBG or Ventures approve a merger or consolidation of Sinclair, SBG or Ventures with any other corporation, other than a merger or consolidation which would result in the voting securities of Sinclair, SBG or Ventures 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 stockholders of Sinclair, SBG or Ventures approve a plan of complete liquidation of Sinclair, SBG or Ventures or an agreement for the sale or disposition by Sinclair, SBG or Ventures of all or substantially all of Sinclair, SBG or Ventures' 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 immediately following which such Person beneficially owns securities of Sinclair, SBG or Ventures representing more than fifty percent (50%) of the total voting power represented by Sinclair, SBG or Ventures' 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; 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 EBIDTA 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: President and CEO

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

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

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

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

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

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

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

9.8.*__Entire Agreement__*. This Agreement constitutes the entire agreement of Employee, Sinclair and the Company regarding Employee's employment by the Company. This Agreement amends, supersedes, and replaces all prior agreements and understandings, written or verbal, formal or informal, among the parties with respect to the employment of Employee by the Company, including the subject matter of this Agreement. This Agreement may not be amended or modified except by agreement in writing, signed by the party against whom enforcement of any waiver, amendment, modification, or discharge is sought. Notwithstanding anything herein to the contrary, this Agreement is not intended to supersede, amend, replace or in any way effect any Restricted Stock Agreement or Stock Appreciation Rights Agreement between Sinclair and

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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, Sinclairand 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 Companyeach 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 <u>Section</u> 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 of the Internal Revenue Code. 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 the Plan 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 of the Internal Revenue Code or any regulatory or other guidance issued by the Internal Revenue Service thereunder. 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 Internal Revenue 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 Internal Revenue 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, any dispute or controversy arising out of or relating to this Agreement, as an individual or as part of a class, shall be determined and settled by arbitration in Baltimore County, Maryland in accordance with the Commercial Rules of the American Arbitration Association then in effect, and the Federal Arbitration Act, 9 U.S.C. § 1 etseq., and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. 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.

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.

(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/ Chris Ripley
Name: Chris Ripley
Title: President and Chief Executive Officer

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

By: /s/ Chris Ripley
Name: Chris Ripley
Title: President and Chief Executive Officer

EMPLOYEE:

/s/ David B. Gibber
David B. Gibber

[Attachments and exhibits intentionally omitted]

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 9, 2023 May 10, 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 9, 2023 May 10, 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 9, 2023 May 10, 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 9, 2023 May 10, 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, 2023 March 31, 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 9, 2023 May 10, 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, 2023 March 31, 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 9, 2023 May 10, 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, 2023 March 31, 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 9, 2023 May 10, 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, 2023 March 31, 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 9, 2023 May 10, 2024

DISCLAIMER