

SPANISH BROADCASTING SYSTEM, INC. REPORTS RESULTS

Three Months Ended September 30,

Operating Expenses	24,976		24,084	4%		78,206	74,085	6%		
Station Operating Income (SOI), a non-GAAP measure*	10,031	\$	13,964	(28%)	\$	26,795	\$	37,040	(28%)	
Corporate Expenses, without stock-based compensation*	3,346		3,515	(5%)		10,546	11,897	(11%)		
Adjusted OIBDA, a non-GAAP measure*:	\$	6,685	\$	10,449	(36%)	\$	16,249	\$	25,143	(35%)

Three Months Ended Results

For the three months ended September 30, 2023, our operating results were impacted by investments in (i) unique Spanish language programming talent and content for our terrestrial and digital properties and (ii) digital infrastructure, personnel, and offerings, such as our pure play digital marketing department. During the comparative prior period ended September 30, 2022, our operating results were impacted by the receipt of \$2.3 million related to a 2020 business interruption claim recognized as other revenue and political sales of \$0.7 million.

Our net revenue

The table below represents a summary of the assets and liabilities classified as held for sale as of September 30, 2023. See Company's 2023 Unaudited Condensed Consolidated Balance Sheet.

	September 30, 2023	
Assets		
Property and equipment, net	\$	14,135
FCC broadcasting licenses		16,149
Operating lease right-of-use-assets		<u>921</u>
Assets held for sale	\$	31,205
Liabilities		
Operating lease liabilities	\$	79
Operating lease liabilities, net of current portion		<u>981</u>
Liabilities held for sale	\$	1,060

Additionally, the Company had no investments in capital expenditures during the three months ended September 30, 2023.

Acquisition of FM Radio Station

On April 3, 2023, Spanish Broadcasting System SouthWest, Inc. and SBS Houston Licensing, Inc., subsidiaries of Spanish Broadcasting System, Inc. (collectively, SBS SouthWest), entered into an asset purchase agreement (the Purchase Agreement) to acquire KROI, an FM broadcast station (the Radio Station) serving the Houston, Texas radio market, from Radio One Licenses, LLC and Radio One Houston, LLC (collectively, Radio One). Pursuant to the Purchase Agreement, Radio One, has agreed to convey and assign to SBS SouthWest all licenses, permits and authorizations issued by the FCC, tangible personal property and certain leases and other contracts related to the operation of the Radio Station to SBS SouthWest.

The purchase price is equal to \$7.5 million plus or minus certain customary prorations and adjustments. On April 5, 2023, pursuant to the Purchase Agreement and the related escrow agreement, SBS SouthWest deposited approximately \$0.4 million into an escrow account. On November 15, 2023, SBS Southwest and Sugarland Station Trust, LLC, (the trustee charged with the management and operation of KROI on behalf of Radio One) entered into an amendment to the Purchase Agreement (the Amendment) providing that

Forward Looking Statements

This press release, and oral statements made on the conference call in connection with the press release, contain forward looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward

Selected Balance Sheet Data- Unaudited
(in thousands)

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 6,906	\$ 7,517
Working capital*	42,118	19,351
Total assets	387,395	441,615
9.75% senior secured notes due 2026, net of deferred financing of \$4,531 at September 30, 2023 and \$5,963 at December 31, 2022	305,469	304,037
Stockholder's equity (deficit)	\$ (25,398)	\$ 18,095

*Working capital is defined as the excess of total current assets over total current liabilities.

Selected Statement of Cash Flows Data- Unaudited
(in thousands)

	Nine Months Ended September 30,	
	2023	2022
Capital expenditures	\$ 2,142	\$ 3,300
Net cash flows (used in) provided by operating activities	\$ (7,794)	\$ 2,400
Net cash flows provided by (used in) investing activities	2,283	(15,500)
Net cash flows provided by financing activities	4,900	4,000
Net decrease in cash and cash equivalents	\$ (611)	\$ (9,100)