Quarterly Financial Reporting Package
For the period ended March 31, 2024

Spanish Broadcasting System, Inc.
and Subsidiaries

Delaware

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FINANCIAL INFORMATION

SPANISH BROADCASTING SYSTEM, INC.
AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Operations
(In thousands, except per share data)

		2024		2023
Net revenue from continuing operations	$	32,324	$	34,547
Operating expenses from continuing operations:				
Operating expenses		24,905		27,730
Corporate expenses		2,516		3,484
Depreciation and amortization		575		561
Loss on the disposal of assets		—		9
Other operating (income) expenses		(259)		335
Total operating expenses from continuing operations		27,737		32,119
Operating income from continuing operations		4,587		2,428
Other expenses from continuing operations:				
Interest expense, net		(8,095)		(8,078)
Loss from continuing operations before income taxes		(3,508)		(5,650)
Income tax benefit		(1,057)		(1,844)
Loss from continuing operations		(2,451)		(3,806)
Income from discontinued operations, net of tax (Note 9)		830		1,212
Net loss	$	(1,621)	$	(2,594)
Class A weighted average common shares outstanding (Note 3)				
Basic and Diluted		6,210		5,042
Class B weighted average common shares outstanding (Note 3)				
Basic and Diluted		2,340		2,340
Series C (as converted) weighted average common shares outstanding (Note 3)				
Basic and Diluted		760		760
Class A, B and Series C (as converted) income (loss) from continuing operations per common share (Note 3)				
Basic and Diluted	$	(0.26)	$	(0.47)
Class A, B and Series C (as converted) income (loss) from discontinued operations per common share (Note 3)				
Basic and Diluted	$	0.09		

SPANISH BROADCASTING SYSTEM, INC.
AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Cash Flows
(In thousands)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net loss	$ (1,621)	$ (2,594)
Adjustments to reconcile net loss to net cash provided by operating activities:		
(Gain) loss on the disposal of assets, net of disposal costs	—	9
Stock-based compensation	63	62
Depreciation and amortization	575	673
Net barter income	(147)	(91)
Provision for trade doubtful accounts	101	382
Amortization of deferred financing costs	477	477
Unearned revenue-barter	(149)	179
Changes in operating assets and liabilities:		
Trade receivables	7,952	10,475
Prepaid expenses and other current assets	1,082	322
Other assets	(140)	344
Accounts payable and accrued expenses	(1,065)	(2,169)
Accrued interest	(7,513)	(7,749)
Other liabilities	(807)	(113)
Net cash provided by (used in) operating activities	(1,192)	207
Cash flows from investing activities:		
Purchases of property and equipment	(237)	(805)
Proceeds from terminated asset purchase agreements	2,000	3,800
Deposit for acquisition of radio station and related assets	(2,000)	—
Net cash provided by (used in) investing activities	(237)	$ 2,995
Cash flows from financing activities:		
Proceeds from revolving credit facility	4,900	—
Net cash provided by financing activities	$ 4,900	$ —
Net increase in cash	3,471	3,202
Cash and cash equivalents at beginning of period	6,167	7,517
Cash and cash equivalents at end of period	$ 9,638	$ 10,719
Supplemental cash flows information:		
Interest paid	$ 15,131	$ 15,228
Income tax paid with cash	$ 329	$ —

See accompanying notes to unaudited condensed consolidated financial statements.

SPANISH BROADCASTING SYSTEM, INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of Spanish Broadcasting System, Inc. and its subsidiaries (the Company, we, us, our or SBS). All intercompany balances and transactions have been eliminated in consolidation. The accompanying unaudited condensed consolidated financial statements as of March 31, 2024, and December 31, 2023 and for the three months ended March 31, 2024 and 2023 have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. They do not include all information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with our consolidated financial statements included in our Year End Financial Reporting Package for the fiscal year ended December 31, 2023. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, which are all of a normal and recurring nature, necessary for a fair presentation of the results of the interim periods. Additionally, we evaluated subsequent events after the balance sheet date of March 31, 2024 through the financial statements' issuance date. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results for the entire year ending Decemberuatindi ti c43.9 (⋗DC 0)-3.MC 1 g34

c) Barter advertising

Barter sales agreements are primarily used to reduce cash paid for operating costs and expenses by exchanging advertising airtime for goods or services.

A contract for barter advertising exists only at the time commercial substance is present. For each contract, the Company considers the promise to air or display advertisements, each of which is distinct, to be the identified performance obligation. The price as specified on a counterparty's purchase order is considered the standalone selling price as it is an observable input which depicts the price as if sold to a similar customer in similar circumstances. Revenue is recognized when control is transferred to the customer (i.e., when the Company's performance obligation is satisfied), which typically occurs as an advertisement airs or displays.

For the three months ended March 31, 2024 and 2023, barter revenue of $1.3 million and $1.0 million was offset by barter expense of $1.1 million and $0.8 million, respectively.

d) Other revenue

Other revenue consists primarily of ancillary revenue such as rental income from renting available tower space or sub-channels and various other non-broadcast related revenues. Other revenues related to renting tower space are recognized in accordance with ASC 842 - Leases.

e) Agency commissions

Agency commissions are calculated based on a stated percentage applied to gross billing revenue. Advertisers remit the gross billing amount to the agency and the agency remits gross billings less their commission to the Company when the advertisement is not placed directly by the advertiser.

Significant Judgments

As part of its consideration of the existence of contracts, the Company evaluates certain factors including the customer's ability to pay (or credit risk). Advertising contracts are for one year or less. In determining the transaction price, the Company evaluates whether the price is subject to refund or adjustment to determine the net consideration to which the Company expects to be entitled. In determining whether control has transferred, the Company considers if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer.

Contract Balances

Unearned revenue balances which are included in unearned revenue and other liabilities, net of current portion, were $2.3 million as of March 31, 2024 and $2.6 million as of December 31, 2023. Additionally, there were $2.2 million of unearned revenue balances which are included in unearned revenue and other liabilities, net of current portion, as of March 31, 2023 and $1.6 million as of December 31, 2022.

Variable consideration in the form of agency-based volume discounts recognized and recorded as contract liabilities within accounts payable and accrued expenses were $1.9 million as of March 31, 2024 and $1.6 million as of December 31, 2023. Additionally, there were $1.9 million of variable consideration in the form of agency-based volume discounts recognized and recorded as contract liabilities within accounts payable and accrued expenses as of March 31, 2023 and $1.5 million as of December 31, 2022.

Transaction Price Allocated to the Remaining Performance Obligation

The Company has elected to use the op (n)-2 (an)-39.1 (t).004 Tw.1 (s)0.5 (e)-1 (t)2.7 (e (t))0.9 (e)-13 6berbasof s

3. Basic and Diluted Net Loss Per Common Share

6. $310 Million Senior Secured Notes Due 2026 and

At March 31, 2024, the Company had no events of default under the Revolver. Subsequent to quarter end, the Company did not timely furnish

The table below represents the amounts classified as discontinued operations during the three months ended March 31, 2024 and 2023 on the Company's Unaudited Condensed Consolidated Statements of Operations (in thousands).

	2024	2023
Net revenue from discontinued operations	$ 1,410	$ 1,792
Operating expenses from discontinued operations:		
Operating expenses	2,507	3,234
Depreciation and amortization	—	112
Other operating income	(1,731)	—

Management’s Discussion and Analysis of Financial Condition and Results of Operations

General Overview

We are a leading Spanish-language media and entertainment company with radio operations, together with live concerts and events, mobile, digital, and interactive media platforms, which reach the growing U.S. Hispanic population, including Puerto Rico. We produce and distribute original Spanish-language content, including radio programs, music, and live entertainment through our multi-media platforms.

We own and operate radio stations located in some of the top Hispanic markets in the United States: Los Angeles, New York, Puerto Rico, Chicago, Miami, San Francisco, Orlando, and Tampa. The Los Angeles and New York markets have the largest and second largest Hispanic populatims4a.u

Our net revenue is generally determined by the advertising rates that we are able to charge and the number of advertisements that we can broadcast without jeopardizing listenership/viewership levels. Each station broadcasts a predetermined number of advertisements per hour with the actual number depending upon the format of a particular station and any programming strategy we are utilizing to attract an audience. The number of advertisements we decide to broadcast hourly is intended to maximize the station's revenue without negatively impacting its audience listener/viewer levels. While there may be shifts from time to time in the number of advertisements broadcast during a particular time of the day, the total number of advertisements broadcast on a particular station generally does not vary significantly from year to year.

Our advertising rates are primarily based on the following factors:

- a station's audience share in the demographic groups targeted by advertisers which are measured by ratings agencies, primarily Nielsen;
- the number of stations, as well as other forms of media, in the market competing for the attention of the same demographic groups;
- the supply of, and demand for, advertising time; and
- the size of the market.

Our net revenue is also affected by general economic conditions, competition, and our ability to improve operations at our market clusters. Seasonal revenue fluctuations are also common in the broadcasting industry and are primarily due to variations in advertising expenditures by local and national advertisers. Our net revenue is typically the lowest in the first calendar quarter of the year.

In addition to advertising revenue, we also generate revenue from barter sales, special events revenue, and other revenue.

- Special events revenue. We generate special events revenue from ticket sales and licensing, as well as profit-sharing arrangements by producing or co-producing live concerts and 5 (h)0.9 (ar)-5.4 .9 (l)-8..9 (t)2.Td[a)- Td[p)0.9 (r)-5.4 (oe)-1 (m)o.8 (en)

Comparison Analysis of the Operating Results for the Three Months Ended March 31, 2024 and 2023

The following summary table presents a comparison of our operating results for the three months ended March 31, 2024 and 2023 (in thousands). Operational and financial results related to the held for sale assets of the television segment, have been reclassified from continuing operations to discontinued operations in the prior year. Various fluctuations illustrated in the table are discussed below. This section should be read in conjunction with our consolidated financial statements and related notes.

	Three Months Ended March 31,	
	2024	2023
Net revenue from continuing operations	$ 32,324	$ 34,547
Operating expenses	24,905	27,730
Corporate expenses	2,516	3,484
Depreciation and amortization	575	561
(Gain) loss on the disposal of assets	—	9
Impairment charges	—	—
Other operating (income) expenses	(259)	335
Operating income (loss) from continuing operations	4,587	2,428
Other expenses:		
Interest expense, net	(8,095)	(8,078)
Loss from continuing operations before income taxes	(3,508)	(5,650)
Income tax benefit	(1,057)	(1,844)
Loss from continuing operations	(2,451)	(3,806)
Income from discontinued operations, net of tax	830	1,212
Net loss	$ (1,621)	$ (2,594)

Overview

For the three months ended March 31, 2024, our operating results were impacted by our special events which had lower ticket sales and event expenses. Our operating expenses were impacted by an overall decrease of expenses throughout our markets and expense categories.

Class A Common Stock

As of March 31, 2024, we had 6,209,446 shares of Class A common stock outstanding.

Class B Common Stock

As of March 31, 2024, we had 2,340,353 shares of Class B common stock outstanding, which have ten votes per share. Raúl Alarcón, our Chairman of the Board and Chief Executive Officer, has voting control over all but 350 shares of the Class B common stock.

Record Holders

As of March 31, 2024, there were approximately 97 record holders of our Class A common stock, three record holders of our Class B common stock and one record holder of our Series C preferred stock. These figures do not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies. There is no established public trading market for our Class B common stock or our Series C preferred stock. Our Class B common stock is convertible into our Class A common stock on a share-for-share basis, and each share of the Series C preferred stock is convertible into two shares of Class A common stock.

Summary of Capital Resources

The following summary table presents a comparison of our capital resources for the three months ended March 31, 2024 and 2023 (in thousands), with respect to certain of our key measures affecting our liquidity. The changes set forth in the table are discussed below. This section should be read in conjunction with the consolidated financial statements and accompanying notes.

	Three Months Ended March 31,		Change
	2024	2023	$
Capital expenditures	$ 237	$ 805	(568)
Net cash flows provided by (used in) operating activities	$ (1,192)	$ 207	(1,399)
Net cash flows provided by (used in) investing activities	(237)	2,995	(3,232)
Net cash flows provided by financing activities	4,900	—	4,900
Net increase in cash	$ 3,471	$ 3,202	

Net Cash Flows Provided by Financing Activities

Changes in our net cash flows provided by financing activities were a result of having drawn $4.9 million on our available revolving credit facility in the current year.

Special Note Regarding Forward-Looking Statements

This Financial Reporting Package contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Spanish Broadcasting System, Inc. and Subsidiaries intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and includes this statement for purposes of such safe harbor provisions. These forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results and performance in future periods to be materially different from any future results or performance suggested by the forward-looking statements in this Financial Reporting Package. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that actual results will not differ materially from these expectations.

"Forwardwith FCC regulations and policies, our business may be materially impaired; there is significant uncertainty regarding the FCC's media