SPANISH BROADCASTING SYSTEM, INC. REPORTS RESULTS FOR THE SECOND QUARTER 2021

- Company Announces Triple-Digit Rebound in Revenues and Adjusted OIBDA -
- Radio Revenues and Adjusted OIBDA Surpass 2019 Levels -

MIAMI, **FLORIDA**, August 30, 2021 – Spanish Broadcasting System, Inc. (the "Company" or "SBS") (OTC Pink: SBSAA) today reported financial results for the three- and six- months ended June 30, 2021.

Financial Highlights

(in thousands)	Three Months Ended June 30,		%	Six Months Ended June 30,		%
	2021	2020	Change	2021	2020	Change
Net revenue:						
Radio	$ 33,052	$ 12,706	160%	$ 54,807	$ 45,239	21%
Television	3,122	2,822	11%	6,010	6,564	(8%)
Consolidated	$ 36,174	$ 15,528	133%	$ 60,817	$ 51,803	17%
Adjusted OIBDA*:						
Radio	$ 15,604	$ 2,382	555%	$ 20,241	$ 12,639	60%
Television	(493)	911	(154%)	(1,229)	1,014	(221%)
Corporate	(2,894)	(1,650)	(75%)	(5,367)	(4,473)	(20%)
Consolidated	$ 12,217	$ 1,643	644%	$ 13,645	$ 9,180	49%
Adjusted OIBDA Margins*:						
Radio	47%	19%		37%	28%	
Television	(16%)	32%		(20%)	15%	
Consolidated	34%	11%		22%	18%	

***** Please refer to the Non-GAAP Financial Measures section for a definition of Adjusted OIBDA and a reconciliation from the most directly comparable GAAP financial measure.

Discussion and Results

"Our financial performance continues to improve with our radio revenues up an industry-leading 160%. Most significantly, radio revenues are exceeding our pre-pandemic 2019 levels, even with the exclusion of certain revenue categories associated with the rescheduling of our branded live events at venues which have not yet been fully cleared of their COVID-19 restrictions", said Raúl Alarcón, Chairman and Chief Executive Officer of SBS. "This clearly speaks to the underlying resiliency of our media assets and the Company's operational integrity in retaining its audience and optimizing ad demand as the overall market recovery continues to take shape."

"Our ratings performance in the largest Hispanic markets remains strong and our operating margins are again the highest in the radio sector. We are focused on harnessing the purchasing power and influence of the Latino consumer which, as the 2020 census has shown, have never been stronger. Today, we engage over 25 million Latinos weekly across our radio, television and digital platforms. We have the content, personnel, distribution and market position to emerge on the other side of the pandemic an even stronger competitor, as evidenced by these second quarter results and what we see taking place in the remainder of the year."

"Looking ahead, we are committed to driving accelerated growth in the second half of 2021 as we continue to build upon nearly four decades of success serving the nationwide Latino community and the growing advertiser base it has engendered."

Three Months Ended Results

Our consolidated net revenue totaled $36.2 million compared to $15.5 million for the same prior year period, resulting in an increase of approximately $20.7 million or 133%.

- Our radio segment net revenue totaled $33.1 million, an increase of $20.3 million or 160%. The increase in radio segment net revenue was primarily due to increases in all cash advertising revenue streams which continue to improve. Additionally, our radio segment net revenue exceeded the same period in 2019 despite the lack of major special events in 2021.

- Our television segment net revenue increased approximately $0.3 million or 11%, primarily due to an increase in local revenues.

Consolidated Adjusted OIBDA, a non-GAAP measure, totaled $12.2 million compared to $1.6 million for the same prior year period, representing an increase of $10.6 million.

- Our radio segment Adjusted OIBDA increased $13.2 million, primarily due to the increase in net revenue of $20.3 million partially offset by an increase in operating expenses of $7.1 million. Radio station operating expenses increased mainly due to increases in commissions, compensation, music license fees, rating services and barter, partially offset by a decrease in our allowance for doubtful accounts. Additionally, our radio segment Adjusted OIBDA of $15.6 million increased $1.0 million or 7% when compared to $14.6 million for the same period in 2019 despite the lack of major special events.

- Our television segment Adjusted OIBDA decreased $1.4 million, due to the increase in operating expenses of $1.7 million partially offset by the increase in net revenue of approximately $0.3 million. Television station operating expenses increased due to increases in net production costs, outside programming services and facilities costs as compared to the same prior year period.

- Corporate expenses increased $1.2 million or 75% primarily due to increases compensation, outside services and travel related expenses.

Operating income totaled $12.6 million compared to an operating loss of $0.5 million for the same prior year period, representing an increase of $13.1 million. This increase in operating income was primarily due to the increase in net revenues and other operating income as well as the lack of impairment charges during the period, and the decrease in recapitalization costs, which were partially offset by the increase in station operating and corporate expenses.

Six Months Ended Results

Our consolidated net revenues increased $9.0 million or 17% due to the net revenue increases in our radio segment.

- Our radio segment net revenue increased $9.6 million or 21% due to increases in all cash advertising revenue streams which continue to improve.

- Our television segment net revenue decreased $0.6 million or 8% due to decreases in sub-channel rental, subscriber fees and national sales revenue.

Consolidated Adjusted OIBDA, a non-GAAP measure, increased $4.5 million or 49% compared to the same prior year period.

- Our radio segment Adjusted OIBDA increased $7.6 million or 60%, primarily due to the increase in net revenue of $9.6 million which was partially offset by an increase in operating expense of approximately $2.0 million. Radio station operating expenses increased mainly due to increases in commissions, compensation, music license fees and rating services, partially offset by decreases in special events expense, our allowance for doubtful accounts, professional fees, barter and advertising.

- Our television segment Adjusted OIBDA decreased $2.2 million or 221%, due to increases in operating expense of approximately $1.7 million and the decrease in net revenue of $0.6 million. Television station operating expenses increased primarily due to increases in net production costs and compensation and benefits.

- Our corporate expenses increased $0.9 million or 20% primarily due to increases compensation and outside services.

Operating income totaled $11.9 million compared to an operating loss of $6.4 million for the same prior year period, representing an increase of $18.3 million or 286%. This increase in operating income was primarily due to the increase in net revenues, the lack of impairment charges during the period and the decrease in recapitalization costs, which were partially offset by the increase in operating expenses and the decreased gains on the disposal of assets.

Paycheck Protection Program (PPP) Loan

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law and subsequently amended, on June 5, 2020, when the Paycheck Protection Flexibility Act of 2020 ("Flexibility Act") was signed into law. The CARES Act provides opportunities for additional liquidity, loan guarantees, and other government programs to support companies affected by the COVID-19 pandemic and their employees. Given the uncertainty in the duration of the COVID-19 pandemic and based on the Company's analysis of the CARES Act, the Company applied for and on April 15, 2020 received an unsecured PPP Loan in the amount of approximately $6.5 million to support the Company's ongoing operations which is providing vital information and entertainment to Latino communities. The funds were utilized in their entirety to pay for and maintain employment and compensation levels and pay benefits during the second quarter of 2020 as required by the CARES Act for the loan to be forgiven. For the three- and six-month periods ended June 30, 2020, Consolidated Adjusted OIBDA included the $6.5 million PPP proceeds received as a direct offset and reduction to the related eligible compensation and benefits expenses and were allocated as follows: Radio $5.1 million, Television $0.8 million and Corporate $0.6 million. On April 6, 2021, the SBA informed the Company that its Paycheck Protection Program Loan of $6.5 million had been forgiven in its entirety.

On May 27, 2021, the SBA informed the Company that it had granted it a Second Draw PPP Loan in the amount of $2.0 million. The funds were utilized in their entirety to pay for and maintain employment and compensation levels during the second quarter of 2021 as required by the CARES Act for the loan to be forgiven. As in the prior year, the Company has accounted for the PPP Loan under International Accounting Standard 20 Accounting for Government Grants and Disclosure of Government Assistance ("IAS 20") as the Company believes it has met the eligibility criteria and that the PPP loan represents, in substance, a grant that is expected to be forgiven. For the three- and six-month periods ended June 30, 2021, Consolidated Adjusted OIBDA includes the $2.0 million PPP proceeds received as a direct offset and reduction to the related eligible compensation and benefits expenses and were allocated as follows: Radio $1.6 million, Television $0.3 million and Corporate $0.1 million.

The Company's Second Draw PPP Loan may be subject to a review by the Small Business Administration for compliance with the PPP program requirements. If all or a portion of the PPP Loan is not forgiven, all or the remaining portion will be for a term of five years but can be prepaid at any time prior to maturity without any prepayment penalties. The annual interest rate on the PPP Loan is 1.0% and no payments of principal or interest are due until the date that the Small Business Administration remits the loan forgiveness amount to our lender. The Company is in the process of applying for forgiveness of the loan.

Second Quarter 2021 Conference Call

The Company will host a webcast to discuss its second quarter 2021 financial results on Wednesday, September 1, 2021, at 11:00 a.m. Eastern Time. The live webcast can be found on the Company's website at http://www.spanishbroadcasting.com/webcasts-presentations. A replay of the webcast will also be available at http://www.spanishbroadcasting.com/webcasts-presentations for fourteen days.

You may also access via teleconference by dialing 412-317-5441 ten minutes prior to its scheduled start time. There will also be a replay available through Wednesday, September 15, 2021, which can be accessed by dialing 877-344-7529 (U.S) or 412-317-0088 (Int'l), passcode: 10159822.

About Spanish Broadcasting System, Inc.

Spanish Broadcasting System, Inc. (SBS) owns and operates radio stations located in the top U.S. Hispanic markets of New York, Los Angeles, Miami, Chicago, San Francisco, and Puerto Rico, airing the Tropical, Regional Mexican, Spanish Adult Contemporary, Top 40 and Urbano format genres. SBS also operates AIRE Radio Networks, a national radio platform of over 290 affiliated stations reaching 95% of the U.S. Hispanic audience. SBS also owns MegaTV, a network television operation with over-the-air, cable and satellite distribution and affiliates throughout the U.S. and Puerto Rico, produces a nationwide roster of live concerts and events, and owns a stable of digital properties, including La Musica, a mobile app providing Latino-focused audio and video streaming content and HitzMaker, a new-talent destination for aspiring artists. For more information, visit us online at www.spanishbroadcasting.com.

Forward Looking Statements

This press release, and oral statements made in connection with it, contains certain 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. 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 press release. 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.

"Forward-looking" statements represent our expectations or beliefs, including, but not limited to, statements concerning our operations, economic performance, financial condition, growth and acquisition strategies, investments and future operational plans. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "forecast," "seek," "plan," "predict," "project," "could," "estimate," "might," "continue," "seeking" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements, by their nature, involve substantial risks and uncertainties, certain of which are beyond our control. Additional risks and uncertainties that we are not aware of or that we currently deem immaterial also may impair our business. If any of the following risks actually occur, our business, financial condition and operating results could be materially adversely affected, and actual results may differ materially depending on a variety of important factors, including, but not limited to the following: we are highly leveraged and our substantial level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our financial obligations; we face risks regarding the foreign ownership issue that include but are not limited to an order to divest, fines, denial of license renewal and/or spectrum license revocation; we have experienced net losses in the past and, to the extent that we experience net losses in the future, our ability to raise capital may be adversely affected; we face risks relating to our NOL carry-forwards since they became subject to limitations under Section 382 of the Internal Revenue Code of 1986 when we experienced an ownership change due to the recent recapitalization of the Company; our industry is highly competitive, and we compete for advertising revenue with other broadcast stations, as well as other media, many operators of which have greater resources than we do, a large portion of our net revenue and operating income currently comes from our New York, Los Angeles and Miami markets, an economic downturn, increased competition or another significant negative event in any of these markets, including the recent outbreak of COVID-19, could reduce our revenues and results of operations more dramatically than other companies that do not depend as much on these markets; cancellations, reductions, delays and seasonality in advertising could adversely affect our net revenues; the success of our radio stations depends on the popularity and appeal of our content, which is difficult to predict; the success of our television operation depends upon our ability to attract viewers and advertisers to our broadcast television operation; the loss of distribution agreements could materially adversely affect our results of operations; our business is affected by natural catastrophes that can disrupt our operations, by causing failure or destruction of satellites and transmitter facilities that we depend upon to distribute our programming; we may incur property and other losses that are not adequately covered by insurance; we must respond to rapid changes in technology, content creation, services and standards in order to remain competitive; cybersecurity risks could affect our operations and adversely affect our business; our business is dependent upon the performance of key employees, on-air talent and program hosts. Cost increases in the retention of such employees may adversely affect our profits. Impairment of our goodwill and other intangible assets deemed to have indefinite useful lives can cause our net income or net loss to fluctuate significantly; piracy of our programming and other content, including digital and Internet piracy, may decrease revenue received from the exploitation of our programming and other content and adversely affect our business and profitability; damage to our brands or reputation could adversely affect our company; our business may be adversely affected by legal or governmental proceedings brought by or on behalf of our employees. Raúl Alarcón, the Chairman of our Board of Directors and Chief Executive Officer, has majority voting control of our common stock and 100% voting control of our Series C preferred stock and this control may discourage or influence certain types of transactions or strategic initiatives; our deregistered stock's liquidity can be adversely affected because we are no longer required to report to the SEC and our stock continues to trade on the OTC Pink Market. There may not be sufficient liquidity in the market for our securities in order for investors to sell their securities; the market price of our common stock may be volatile; changes in U.S. communications laws or other regulations may have an adverse effect on our business. Proposed legislation would require radio broadcasters to pay royalties to record labels and recording artists; the FCC vigorously enforces its indecency and other program content rules against the broadcast industry, which could have a material adverse effect on our business; our businesses depend upon licenses issued by the FCC, and if any of those licenses were not renewed or we were to be out of compliance with FCC regulations and policies, our business may be materially impaired; there is significant uncertainty regarding the FCC's media ownership rules, and any changes to such rules could restrict our ability to acquire broadcast stations; we may be adversely affected by comprehensive tax reform; new or changing federal, state or international privacy legislation or regulation could hinder the growth of our internet business; COVID-19 will likely have a negative effect on our business, financial position, results of operations, liquidity or cash flows but it is difficult to predict that impact with certainty.

We do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

(Financial Tables Follow)

Contacts:

Analysts and Investors
José I. Molina
Chief Financial Officer
(305) 441-6901

Analysts, Investors or Media
Brad Edwards
The Plunkett Group
(212) 739-6740

Below are the Unaudited Condensed Consolidated Statements of Operations for the Three- and Six- Months ended June 30, 2021 and 2020.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net revenue	$ 36,174	$ 15,528	$ 60,817	$ 51,803
Station operating expenses	21,063	12,235	41,805	38,150
Corporate expenses	2,894	1,651	5,368	4,475
Depreciation and amortization	769	854	1,562	1,700
Loss (gain) on the disposal of assets	—	9	(198)	(3,177)
Recapitalization costs	—	1,011	420	2,695
Impairment charges	—	249	—	14,352
Other operating income	(1,190)	(10)	(9)	(10)
Operating income (loss)	12,638	(471)	11,869	(6,382)
Interest expense	(7,686)	(7,915)	(15,314)	(15,831)
Amortization of deferred financing costs	(476)	—	(713)	—
Dividends on Series B preferred stock classified as interest expense	—	(2,433)	(1,323)	(4,867)
Income (loss) before income tax	4,476	(10,819)	(5,481)	(27,080)
Income tax expense (benefit)	106	(651)	(573)	(2,582)
Net income (loss)	$ 4,370	$ (10,168)	$ (4,908)	$ (24,498)
Class A weighted average common shares outstanding				
Basic	4,392	4,242	4,318	4,242
Diluted	4,465	4,242	4,318	4,242
Class B weighted average common shares outstanding				
Basic	2,340	2,340	2,340	2,340
Diluted	2,340	2,340	2,340	2,340
Class A and B net income (loss) per common share				
Basic and Diluted	$ 0.58	$ (1.38)	$ (0.66)	$ (3.34)

Non-GAAP Financial Measures

Adjusted Operating Income (Loss) before Depreciation and Amortization, Gain (loss) on the Disposal of Assets, Recapitalization Costs, Impairment Charges and Other Operating Expenses excluding non-cash stock-based compensation (“Adjusted OIBDA”) is not a measure of performance or liquidity determined in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States. However, we believe that this measure is useful in evaluating our performance because it reflects a measure of performance for our stations before considering costs and expenses related to our capital structure and dispositions. This measure is widely used in the broadcast industry to evaluate a company’s operating performance and is used by us for internal budgeting purposes and to evaluate the performance of our stations, segments, management and consolidated operations. However, this measure should not be considered in isolation or as a substitute for Operating Income, Net Income, Cash Flows from Operating Activities or any other measure used in determining our operating performance or liquidity that is calculated in accordance with GAAP. In addition, because Adjusted OIBDA is not calculated in accordance with GAAP, it is not necessarily comparable to similarly titled measures used by other companies.

Included below are unaudited tables, in thousands, that reconcile Adjusted OIBDA to operating income (loss) for each segment and consolidated operating income (loss), which are the most directly comparable GAAP financial measures.

	Three Months Ended June 30, 2021			
	Consolidated	Radio	Television	Corporate
Adjusted OIBDA	**$ 12,217**	**15,604**	**(493)**	**(2,894)**
Less expenses excluded from Adjusted OIBDA but included in operating income (loss):				
Depreciation and amortization	769	351	319	99
Other operating income	(1,190)	(1,164)	—	(26)
Operating Income (Loss)	**$ 12,638**	**16,417**	**(812)**	**(2,967)**

	Three Months Ended June 30, 2020			
	Consolidated	Radio	Television	Corporate
Adjusted OIBDA	**$ 1,643**	**2,382**	**911**	**(1,650)**
Less expenses excluded from Adjusted OIBDA but included in operating income (loss):				
Stock-based compensation	1	—	—	1
Depreciation and amortization	854	447	344	63
Loss on the disposal of assets, net	9	9	—	—
Recapitalization costs	1,011	—	—	1,011
Impairment charges	249	249	—	—
Other operating income	(10)	(10)	—	—
Operating (Loss) Income	**$ (471)**	**1,687**	**567**	**(2,725)**

	Six Months Ended June 30, 2021			
	Consolidated	Radio	Television	Corporate
Adjusted OIBDA	**$ 13,645**	**20,241**	**(1,229)**	**(5,367)**
Less expenses excluded from Adjusted OIBDA but included in operating income (loss):				
Stock-based compensation	1	—	—	1
Depreciation and amortization	1,562	699	662	201
Gain on the disposal of assets, net	(198)	—	(198)	—
Recapitalization costs	420	—	—	420
Other operating (income) expense	(9)	17	—	(26)
Operating Income (Loss)	**$ 11,869**	**19,525**	**(1,693)**	**(5,963)**

	Six Months Ended June 30, 2020			
	Consolidated	Radio	Television	Corporate
Adjusted OIBDA	**$ 9,180**	**12,639**	**1,014**	**(4,473)**
Less expenses excluded from Adjusted OIBDA but included in operating income (loss):				
Stock-based compensation	2	—	—	2
Depreciation and amortization	1,700	887	693	120
(Gain) loss on the disposal of assets, net	(3,177)	1	(3,178)	—
Recapitalization costs	2,695	—	—	2,695
Impairment charges	14,352	14,352	—	—
Other operating income	(10)	(10)	—	—
Operating (Loss) Income	**$ (6,382)**	**(2,591)**	**3,499**	**(7,290)**

Unaudited Segment Data

We have two reportable segments: radio and television. The following summary table presents separate financial data for each of our operating segments:

	Three-Months Ended June 30,		Six-Months Ended June 30,	
	2021	2020	2021	2020
Net revenue:				
Radio	$ 33,052	$ 12,706	$ 54,807	$ 45,239
Television	3,122	2,822	6,010	6,564
Consolidated	$ 36,174	$ 15,528	$ 60,817	$ 51,803
Engineering and programming expenses:				
Radio	$ 5,558	$ 2,937	$ 11,097	$ 8,545
Television	2,076	952	4,163	3,018
Consolidated	$ 7,634	$ 3,889	$ 15,260	$ 11,563
Selling, general and administrative expenses:				
Radio	$ 11,890	$ 7,387	$ 23,469	$ 24,055
Television	1,539	959	3,076	2,532
Consolidated	$ 13,429	$ 8,346	$ 26,545	$ 26,587
Corporate expenses:	$ 2,894	$ 1,651	$ 5,368	$ 4,475
Depreciation and amortization:				
Radio	$ 351	$ 447	$ 699	$ 887
Television	319	344	662	693
Corporate	99	63	201	120
Consolidated	$ 769	$ 854	$ 1,562	$ 1,700
Loss (Gain) on the disposal of assets, net:				
Radio	$ —	$ 9	$ —	$ 1
Television	—	—	(198)	(3,178)
Corporate	—	—	—	—
Consolidated	$ —	$ 9	$ (198)	$ (3,177)
Recapitalization costs:				
Radio	$ —	$ —	$ —	$ —
Television	—	—	—	—
Corporate	—	1,011	420	2,695
Consolidated	$ —	$ 1,011	$ 420	$ 2,695
Impairment charges:				
Radio	$ —	$ 249	$ —	$ 14,352
Television	—	—	—	—
Corporate	—	—	—	—
Consolidated	$ —	$ 249	$ —	$ 14,352
Other operating (income) expense:				
Radio	$ (1,164)	$ (10)	$ 17	$ (10)
Television	—	—	—	—
Corporate	(26)	—	(26)	—
Consolidated	$ (1,190)	$ (10)	$ (9)	$ (10)
Operating income (loss):				
Radio	$ 16,417	$ 1,687	$ 19,525	$ (2,591)
Television	(812)	567	(1,693)	3,499
Corporate	(2,967)	(2,725)	(5,963)	(7,290)
Consolidated	$ 12,638	$ (471)	$ 11,869	$ (6,382)