



## **SPANISH BROADCASTING SYSTEM, INC. MATERIAL CHANGE REPORT**

**February 13, 2023**

Reference is made to that certain indenture (the “Indenture”), dated February 17, 2021, by and between Spanish Broadcasting System, Inc. (the “Company”) and Wilmington Trust, National Association, as trustee (the “Trustee”) governing the Company’s 9.75% senior secured notes due 2026 (the “Notes”). This material change report has been prepared and delivered to holders of Notes in accordance with Section 4.11 of the Indenture. The Company shall be deemed to have satisfied its obligation to furnish this material change report to holders of the Notes upon posting of such report to the Company’s website to which holders of Notes are given access.

### **Item 1.01 Entry into a Material Definitive Agreement.**

#### *Sale of Television Assets and Certain Real Estate Properties*

On February 9, 2023, the Company entered into various asset and real property purchase agreements (together the “Purchase Agreements”) to sell substantially all its television and certain real estate assets (together the “Purchased Assets”) which comprise the Company’s television operations known as MegaTV, serving the United States of America and Puerto Rico, to Voz Media, Inc. Pursuant to the Purchase Agreements, the Purchased Assets include: licenses, permits and authorizations issued by the FCC; programming content, equipment, leases and contracts used in or related to the operation of MegaTV; and certain real properties located in Miami, Florida and Puerto Rico as part of the transaction.

The Purchase Agreements aggregate to \$64.0 million of total cash consideration, as follows.

- (i) Asset Purchase Agreement to sell WSBS(TV) and WSBS-CD in Miami, Florida and the MegaTV television network for consideration in the amount of \$19.0 million. In addition, Voz Media, Inc. will buy \$7.0 million of prepaid advertising from the Company and its affiliates to promote Voz’s newly-acquired television business during the 4 years following the closing;
- (ii) Asset Purchase Agreement to sell WTCV(TV), WVEO(TV) and WVOZ(TV) in Puerto Rico for consideration in the amount of \$10.0 million;
- (iii) Real Property Purchase and Sale Agreement to sell certain real property in Miami, Florida for consideration in the amount of \$22.0 million; and
- (iv) Real Property Purchase and Sale Agreement to sell certain real property in Puerto Rico for consideration in the amount of \$6.0 million.

The Purchase Agreements are not contingent on financing and, at closing, Voz Media will pay the remaining balances, net of a \$3.8 million non-refundable deposit, with immediately available funds. As it relates to the prepaid advertising that will be bought by Voz Media, such \$7.0 million will be paid to the Company as follows: \$5.0 million at closing and \$2.0 million by the first anniversary of the closing.

The Purchase Agreements contain representations, warranties, covenants, closing conditions, termination rights, and other provisions customary in asset sale transactions in the broadcast television industry, including that the transaction is subject to the prior approval of the Federal Communications Commission (the “FCC”).

The transaction is expected to receive regulatory approval by the FCC during the third quarter of 2023 and will close within five (5) business days of meeting the closing conditions set forth in the Purchase Agreements which include the FCC’s Consent.