

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549--
FORM 10-K**

- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2025**
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 1-13796

GRAY MEDIA, INC.

(Exact name of Registrant as specified in its charter)

Georgia **58-0285030**
(State or other jurisdiction of incorporation) (I.R.S. Employer Identification No.)
4370 Peachtree Road, NE Atlanta, GA **30319**
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(404) 504-9828**

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock (no par value)	GTN.A	New York Stock Exchange
common stock (no par value)	GTN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **NONE**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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. 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 files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one).

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any error corrections and restatements require a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock (based upon the closing sales prices quoted on the New York Stock Exchange) held by non-affiliates of the registrant (solely for purposes of this calculation, all directors, executive officers and 10% or greater stockholders of the registrant are considered to be "affiliates") as of June 30, 2025: **Class A common stock and common stock; no par value – \$395,723,940.**

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Common Stock (No Par Value)</u>	<u>Class A Common Stock (No Par Value)</u>
93,563,703 shares outstanding as of February 20, 2026	10,212,436 shares outstanding as of February 20, 2026

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for the 2026 annual meeting of stockholders, are incorporated by reference into Part III of this Annual Report to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2025.

GRAY MEDIA, INC.

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FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K (“Annual Report”) contains and incorporates by reference “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. Forward-looking statements are all statements other than those of historical fact. When used in this annual report, the words “believes,” “expects,” “anticipates,” “estimates,” “will,” “may,” “should” and similar words and expressions are generally intended to identify forward-looking statements. These forward-looking statements reflect our then-current expectations and are based upon data available to us at the time the statements are made. Forward-looking statements may relate to, among other things, our strategies, expected results of operations, general and industry-specific economic conditions, future pension plan contributions, future capital expenditures, future income tax payments, future payments of interest and principal on our long-term debt, assumptions underlying various estimates and estimates of future obligations and commitments, and should be considered in context with the various other disclosures made by us about our business. Readers are cautioned that any forward-looking statements, including those regarding the intent, belief or current expectations of our management, are not guarantees of future performance, results or events and involve significant risks and uncertainties, and that actual results and events may differ materially from those contained in the forward-looking statements as a result of various factors including, but not limited to, those listed in Item 1A. of this Annual Report and the other factors described from time to time in our SEC filings. The forward-looking statements included in this Annual Report are made only as of the date hereof. We undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstances.

PART I

Item 1. BUSINESS

On January 1, 2025, we changed our corporate name from Gray Television, Inc. to Gray Media, Inc. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout this Annual Report. As such, in this Annual Report, unless otherwise indicated or the context otherwise requires, the words “Gray,” “Gray Media,” “the Company,” “we,” “us,” and “our” refer to Gray Media, Inc. and its consolidated subsidiaries.

Unless otherwise indicated, all station rank, in-market share and television household data herein are derived from reports prepared by The Nielsen Company US, LLC (“Nielsen”) and/or Comscore, Inc. (“Comscore”). While we believe this data to be accurate and reliable, we have not independently verified such data, nor have we ascertained the underlying assumptions relied upon therein and cannot guarantee the accuracy or completeness of such data.

General

We are a multimedia company headquartered in Atlanta, Georgia. We are the nation’s largest owner of top-rated local television stations and digital assets in the United States. Our television stations serve 114 full-power television markets that collectively reach approximately 37% of US television households. This portfolio includes 77 markets with the top-rated television station and 97 markets with the first and/or second highest rated television station in average all-day ratings across the 113 of such markets measured by Nielsen in 2025. We also own the largest Telemundo Affiliate group with 47 markets totaling over 1.6 million Hispanic TV Households. We also own Gray Digital Media, a full-service digital agency offering national and local clients digital marketing strategies with the most advanced digital products and services. Our additional media properties include video production companies Raycom Sports, Tupelo Media Group, and PowerNation Studios, and studio production facilities Assembly Atlanta and Third Rail Studios.

Our operating revenues are derived primarily from broadcast and digital advertising and from retransmission consent fees. For the years ended December 31, 2025, 2024 and 2023 our total revenue was \$3.1 billion, \$3.6 billion and \$3.3 billion, respectively.

Markets and Stations

We believe a key driver for our strong market position is our focus on strong local news and information programming. We believe that our market position and our strong local teams have enabled us to maintain more stable revenues compared to many of our peers.

We are diversified across our markets and network affiliations. In both 2025 and 2024, our largest market, by revenue, was Phoenix, Arizona, which contributed 5% of our total revenue. Our top 10 markets by revenue contributed approximately 25% and 26% of our total revenue in the years ended December 31, 2025 and 2024, respectively. For the year ended December 31, 2025, our CBS-affiliated channels accounted for approximately 37% of total revenue; our NBC-affiliated channels accounted for approximately 27% of total revenue; our FOX-affiliated channels accounted for approximately 14% of total revenue; and our ABC-affiliated channels accounted for approximately 11% of total revenue. We refer to CBS, NBC, ABC and FOX as the “Big Four” networks.

In each of our markets other than Atlanta, we own and operate at least one television station broadcasting a primary channel affiliated with one of the Big Four networks. Effective August 16, 2025, our Atlanta station, WANF, ceased its affiliation with the CBS Network and began operations as an independent television station. We also own additional stations in some markets, some of which also broadcast primary channels affiliated with one of the Big Four networks. Nearly all of our stations broadcast secondary digital channels that are affiliated with various networks or are independent of any network. The terms of our affiliations with broadcast networks are governed by network affiliation agreements. Each network affiliation agreement provides the affiliated station with the right to broadcast all programs transmitted by the affiliated network. Our network affiliation agreements with the Big Four broadcast networks currently expire at various dates from mid-2027 through December 31, 2028.

Television Industry Background

The Federal Communications Commission (“FCC”) grants broadcast licenses to television stations. There are only a limited number of broadcast licenses available in any one geographic area. Each commercial television station in the US is assigned to one of 210 designated market areas (“DMAs”). These markets are ranked in size according to their number of television households, with the market having the largest number of television households ranked number one (New York City). Each DMA is an exclusive geographic area consisting of all counties (and in some cases, portions of counties) in which the home-market commercial television stations receive the greatest percentage of total viewing hours.

Television station revenue is derived primarily from local, regional and national advertising revenue, including digital advertising revenue (together, but excluding political advertising revenue, “Core”), and retransmission consent fees. Television station revenue is also derived to a much lesser extent from studio and tower space rental fees and production activities. “Advertising” primarily refers to advertisements broadcast by television stations, but it also includes advertisements placed on a television station’s website and sponsorships of television programming and offline content such as email messages, mobile applications, and other electronic content distributed by stations. Advertising rates are typically driven by: (i) the size of a station’s market; (ii) a station’s overall ratings; (iii) a program’s popularity among targeted viewers; (iv) the number of advertisers competing for available time; (v) the demographic makeup of the station’s market; (vi) the availability of alternative advertising media in the market; (vii) the presence of effective sales forces; and (viii) the development of projects, features and programs that tie advertiser messages to programming and/or digital content on a station’s website or mobile applications.

Because broadcast stations rely on advertising revenues, they are sensitive to cyclical changes in the economy. The sizes of advertisers' budgets, which can be affected by broad economic trends, can affect the broadcast industry in general and the revenues of individual broadcast television stations.

Strategy

Our success is based on the following strategies:

Grow by Leveraging our Diverse National Footprint. We serve a diverse and national footprint of television stations. We currently operate in DMAs ranked between 7 and 209. We operate in many markets that we believe have the potential for significant political advertising revenue in periods leading up to elections. We are also diversified across our broadcast programming.

Maintain and Grow our Market Leadership Position. According to Nielsen, our owned and operated television stations achieved the #1 ranking in overall audience in 77 of our 113 markets measured by Nielsen during 2025. In addition, our stations achieved the #1 and/or #2 ranking in overall audience in 97 of our 113 markets measured by Nielsen.

We believe there are significant advantages in operating the #1 or #2 television broadcasting stations in a local market. Strong audience and market share allow us to enhance our advertising revenue through price discipline and leadership. We believe a top-rated local news platform is critical to capturing incremental sponsorship and political advertising revenue. Our high-quality station group allows us to generate higher operating margins, which allows us additional opportunities to reinvest in our business to further strengthen our network and local news ratings. Furthermore, we believe operating the top-ranked stations in our various markets allows us to attract and retain top talent.

We also believe that our local market leadership positions help us in negotiating more beneficial terms in our major network affiliation agreements, which currently expire at various dates from mid-2027 through December 31, 2028, as well as our syndicated programming and local sports programming agreements. These leadership positions also give us additional leverage to negotiate retransmission contracts with cable system operators, telephone video distributors, direct broadcast satellite ("DBS") operators and other multichannel video programming distributors ("MVPDs").

We intend to maintain our market leadership position through continued prudent investment in our local news and syndicated programs, as well as continued technological advances and workflow improvements. We expect to continue to invest in technological upgrades in the future. We believe the foregoing will help us maintain and grow our market leadership, thereby enhancing our ability to grow and further diversify our revenues and cash flows.

Continue to Pursue Strategic Growth and Accretive Acquisition Opportunities. Over the last 15 years, the television broadcasting industry has been characterized by a high level of acquisition activity. We believe that there are a number of television stations, and a few station groups, that have attractive operating profiles and characteristics, and that share our commitment to local news coverage in the communities in which they operate and to creating high-quality and locally driven content. On a highly selective basis, we may pursue opportunities for the acquisition of additional television stations or station groups that fit our strategic and operational objectives, and where we believe that we can improve revenue, efficiencies and cash flow through active management and cost controls. As we consider potential acquisitions, we primarily evaluate potential station audience and revenue shares and the extent to which the acquisition target would positively impact our existing station operations. We also consider the amount of leverage that an acquisition would entail and our ability to carry such additional leverage at and after the time of acquisition. Consistent with this strategy, we have completed several acquisition and divestiture transactions, including some that had a material impact on our results of operations, between late 2013 and early 2026. Furthermore, we have signed agreements to acquire additional television stations that we anticipate completing later in 2026. For more information on these transactions, see Note 3 "Acquisitions and Divestitures" of our audited consolidated financial statements included elsewhere herein. This note also describes the stations we acquired in 2024 and 2023 and were pending as of December 31, 2025, which we may also refer to collectively as our "acquisitions," our "recent acquisitions" or "the acquisitions."

Continue to Monetize Digital Spectrum. In addition to each station’s primary channel, we also broadcast a number of secondary channels. Certain secondary channels are simultaneously affiliated with more than one network. Our strategy includes expanding upon our digital offerings and sales. We continuously evaluate opportunities to use spectrum for future delivery of data to mobile devices using a new transmission standard called NextGen TV.

Continue to Maintain Prudent Cost Management. Historically, we have closely managed costs to maintain and improve our margins. We believe that our market leadership position provides additional negotiating leverage that enables us to lower, on a relative basis, our programming costs. We are pursuing opportunities to use spectrum more efficiently for content and sales by transitioning our stations to NextGen TV.

Further Strengthen our Balance Sheet. During the last several years, we have leveraged our strong cash flow and efficient operating model to grow our diverse national footprint while strategically managing our leverage. In 2025, our debt refinancings extended our significant maturities beyond the next two political cycles and enhanced our financial flexibility. In 2024, we made net principal payments totaling \$520 million, reducing the balance outstanding under our Senior Credit Agreement and Senior Notes (in each case as defined below), including both voluntary and required payments, strategic refinancing activities, as well as open-market purchases of portions of our debt at prices below the face value of the instruments purchased. For more information regarding our payment, refinancing and debt purchase activities, see Note 4 “Long-term Debt” of our audited consolidated financial statements included herein.

Stations

Our television stations serve local communities across the country. From our largest market in Atlanta, Georgia (DMA 7) to our smallest in North Platte, Nebraska (DMA 209), as tabulated by Nielsen, we inform, educate, entertain and connect each of these communities to their state, the nation and the whole world. Nearly all markets have a local studio, tower, sales, technical and administrative personnel dedicated to their community. Our network affiliations include the Big Four networks and many smaller networks. Nearly all stations also provide content through digital platforms including a local station website and one or more digital apps and/or Free Ad-Supported Television (“FAST”) channels. For more information about our stations please visit our corporate website at www.graymedia.com.

Cyclicality, Seasonality and Revenue Concentrations

Broadcast stations like ours rely on advertising revenue and are therefore sensitive to cyclical changes in the economy. Our political advertising revenue is generally not as significantly affected by economic slowdowns or recessions as non-political advertising revenue.

Broadcast advertising revenue is generally highest in the second and fourth quarters. This seasonality results partly from increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. Broadcast advertising revenue is also typically higher in even-numbered years due to spending by political candidates, political parties and special interest groups during the “on year” of the two-year election cycle. Political advertising spending is typically heaviest during the fourth quarter. In addition, the broadcast of the Olympic Games by our NBC-affiliated stations generally leads to increased viewership and revenue during those years for our NBC-affiliated stations.

Our broadcast advertising revenue is earned from the sale of advertisements broadcast by our stations. Although no single customer represented more than 5% of our broadcast advertising revenue for the years ended December 31, 2025, 2024 or 2023, we derived a material portion of our non-political broadcast advertising revenue from advertisers in a limited number of industries, particularly the services sector, comprising financial, legal and medical advertisers, and the automotive industry. The services sector has become an increasingly important source of advertising revenue over the past few years. During the years ended December 31, 2025, 2024 and 2023 approximately 26%, 23% and 27%, respectively, of our broadcast advertising revenue (excluding political advertising revenue) was obtained from advertising sales to the services sector. During the years ended December 31, 2025, 2024 and 2023 approximately 17%, 20% and 20%, respectively, of our broadcast advertising revenue (excluding political advertising revenue) was obtained from advertising sales to automotive customers. Revenue from these industries may represent a higher percentage of total revenue in odd-numbered years due to, among other things, the increased availability of advertising time, as a result of such years being the “off year” of the two-year election cycle.

Station Network Affiliations. In addition to affiliations with ABC, CBS, NBC and FOX, our secondary channels are affiliated with numerous smaller networks and program services including, among others, the CW Network or the CW Plus Network (collectively, “CW”), MY Network, the MeTV Network, Telemundo, THE365, Outlaw, and others. Certain of our secondary digital channels are affiliated with more than one network simultaneously. We also broadcast independent and local news/weather channels in some markets on both primary and secondary channels.

The Big Four networks dominate broadcast television in terms of the amount of viewership that their original programming attracts. The “Big Three” major broadcast networks of CBS, NBC and ABC provide their respective network affiliates with a majority of the programming broadcast each day. FOX and CW provide their affiliates with a smaller portion of each day’s programming compared to the Big Three networks. The CW Plus Network generally provides programming for the entire broadcast day for CW affiliates in markets smaller than the top 100 DMAs.

We believe most successful commercial television stations obtain their brand identity from locally produced news programs; however, the affiliation of a station’s channels with one of the Big Four major networks can have a significant impact on the station’s programming, revenues, expenses and operations. A typical network provides an affiliate with network programming in exchange for a substantial majority of the advertising time available for sale during the airing of the network programs. The network then sells this advertising time and retains the revenue. The affiliate sells the remaining advertising time available within the network programming and non-network programming, and the affiliate retains most or all of these revenues. In seeking to acquire programming to supplement network-supplied programming, which we believe is critical to maximizing affiliate revenue, affiliates compete primarily with other affiliates and independent stations in their markets and, in certain cases, various national non-broadcast networks (“cable networks”) and various video streaming services that present competitive programming. The Big Four networks and CW charge fees to their affiliates for receiving network programming.

A television station may also acquire programming through barter arrangements. Under a programming barter arrangement, a national program distributor retains a fixed amount of advertising time within the program in exchange for the programming it supplies. The television station may pay a fixed fee for such programming.

We record revenue and expense for trade transactions involving the exchange of tangible goods or services with our customers. The revenue is recorded at the time the advertisement is broadcast and the expense is recorded at the time the goods or services are used. The revenue and expense associated with these transactions are based on the fair value of the assets or services received.

Affiliates of FOX and CW must purchase or produce a greater amount of programming for their non-network time periods, generally resulting in higher programming costs. On the other hand, affiliates of FOX and CW retain a larger portion of their advertising time inventory and the related revenues compared to Big Three affiliates.

Competition

Television stations compete for audiences, certain programming (including news) and advertisers. Cable network programming is a significant competitor of broadcast television programming. No single cable network regularly attains audience levels comparable to any major broadcast network. Despite increasing competition from cable channels, streaming services, digital platforms, social media, and internet-delivered video channels, television broadcasting remains the dominant distribution system for mass-market television advertising. In addition, signal coverage and carriage on MVPD systems materially affect a television station's competitive position.

Audience. Stations compete for audience based on broadcast program popularity, which has a direct effect on advertising rates. Networks supply a substantial portion of our affiliated stations' daily programming. Affiliated stations depend on the performance of the network programs to attract viewers. There can be no assurance that any such current or future programming created by our affiliated networks will achieve or maintain satisfactory viewership levels. Stations program non-network time periods with a combination of locally produced news, local and regional sports, public affairs and entertainment programming, including national news or syndicated programs purchased for cash, cash and barter or barter only.

MVPD systems have significantly altered the competitive landscape for audience in the television industry. Specifically, MVPD systems can increase a broadcasting station's competition for viewers in a market by providing both cable networks and distant television station signals not otherwise available to the station's audience.

Other sources of competition for audiences, programming and advertisers include streaming services, connected televisions, internet websites, mobile applications and wireless carriers, direct-to-consumer video distribution systems and home entertainment systems.

Recent developments by many companies, including digital streaming service providers and internet website operators, have expanded, and are continuing to expand, the variety and quality of broadcast and non-broadcast video programming available to consumers via the internet. Internet companies have developed business relationships with companies that have traditionally provided syndicated programming, network television and other content. As a result, additional programming has, and is expected to further become, available through non-traditional methods, which can directly impact the number of TV viewers, and thus indirectly impact station rankings, popularity and revenue possibilities of our stations.

Programming. Competition for non-network programming involves negotiating with national program distributors, or syndicators, that sell “first run” and “off network” or rerun programming packages. Each station competes against the other broadcast stations in its market for exclusive access to first run programming (such as *Wheel of Fortune*) and off-network reruns (such as *The Big Bang Theory*). Broadcast stations also compete for exclusive news stories and features. Cable networks, streaming services and internet service providers compete with local stations for programming.

Advertising. Advertising revenues comprise the primary source of revenues for our stations. Our stations compete for advertising revenues in their respective markets with other television stations, digital platforms including Google and YouTube, Facebook and Instagram, local cable and other MVPD systems, as well as local newspapers, radio stations, magazines, outdoor advertising, transit advertising, yellow page directories and direct mail.

Federal Regulation of the Television Broadcast Industry

General. Under the Communications Act of 1934, as amended (“Communications Act”), television broadcast operations such as ours are subject to the jurisdiction of the FCC. Among other things, the Communications Act empowers the FCC to: (i) issue, revoke and modify broadcasting licenses; (ii) regulate stations’ operations and equipment; and (iii) impose penalties for violations of the Communications Act or FCC regulations. The Communications Act prohibits the assignment of a license or the transfer of control of a licensee without prior FCC approval.

License Grant and Renewal. The FCC grants broadcast licenses to television stations for terms of up to eight years. Broadcast licenses are of paramount importance to the operations of television stations. The Communications Act requires the FCC to renew a licensee’s broadcast license if the FCC finds that: (i) the station has served the public interest, convenience and necessity; (ii) there have been no serious violations of either the Communications Act or the FCC’s rules and regulations; and (iii) there have been no other violations which, taken together, would constitute a pattern of abuse. Historically the FCC has renewed broadcast licenses in substantially all cases. While we are not currently aware of any facts or circumstances that might prevent the renewal of our stations’ licenses at the end of their respective license terms, we cannot provide any assurances that any license will be renewed. Failure to renew any licenses upon the expiration of any license term could have a material adverse effect on our business. Under the Communications Act, the term of a broadcast license is automatically extended pending the FCC’s processing of a timely filed renewal application.

Media Ownership Restrictions and FCC Proceedings. The FCC’s broadcast ownership rules affect the number, type and location of broadcast properties that we may hold or acquire. Those rules generally prohibit an entity from acquiring “attributable” interests in more than two television stations in the same market if the stations’ digital noise limited service contours (the geographic area where a station’s signal is reliable, “NLSCs”) overlap (the “Two-Station Limit”). The rules continue to limit the aggregate national audience reach of television stations that may be under common ownership, operation and control, or in which a single person or entity may hold an official position or have more than a specified interest or percentage of voting power. The FCC’s rules also define the types of positions and interests that are considered attributable for purposes of the ownership limits, and thus also apply to our principals and certain investors.

The FCC is required by statute to review all of its broadcast ownership rules every four years to determine if such rules remain necessary in the public interest. In September 2025, the FCC issued a Notice of Proposed Rulemaking (the “Ownership NPRM”) in response to its 2022 quadrennial review of its media ownership rules. The Ownership NPRM seeks comment on specific aspects of the television ownership rule, including whether the Two-Station Limit remains necessary given competitive developments in the video marketplace. This notice remains pending.

Local TV Ownership Rules. The FCC’s Two-Station Limit rules allow one entity to acquire two commercial television stations in a DMA as long as the stations’ NLSCs do not overlap.

In July 2025, the U.S. Court of Appeals for the Eighth Circuit vacated two aspects of the FCC’s Two-Station Limit that had placed additional restrictions on broadcasters. The court vacated the “top-four” prohibition, which prevented a broadcaster from owning two of the top four ranked stations in a market. The court also vacated the Note 11 amendment, which extended the top-four prohibition to low power television (“LPTV”) stations and multicast streams.

National Television Station Ownership Rule. The maximum percentage of US households that a single owner can reach through commonly owned television stations is 39%. Congress required the FCC to modify its rules to specify this limit in 2004. The FCC applies a 50% “discount” for ultra-high frequency (“UHF”) stations. In December 2017, the FCC issued an NPRM seeking comment on whether it should modify or eliminate the national cap, including the UHF discount. Comments and reply comments were filed in 2018, and the proceeding remains open.

Attribution Rules. Under the FCC’s ownership rules, a direct or indirect purchaser of certain types of our securities could violate FCC regulations if that purchaser owned or acquired an “attributable” interest in another television broadcast station in the same area as one or more of our stations. Pursuant to FCC rules, the following relationships and interests are generally considered attributable for purposes of media ownership restrictions: (i) all officers and directors of a corporate licensee and its direct or indirect parent(s); (ii) voting stock interests of at least 5%; (iii) voting stock interests of at least 20%, if the holder is a passive institutional investor (such as an investment company, as defined in 15 U.S.C. §80a-3, a bank holding stock through its trust department, or an insurance company); (iv) any limited partnership interest or interest in a limited liability company, unless properly “insulated” from management activities; (v) equity and/or debt interests that in the aggregate exceed 33% of a licensee’s total assets, if the interest holder supplies more than 15% of the station’s total weekly programming or is a same-market television broadcast company; and (vi) time brokerage of a television broadcast station by a same-market television broadcast company providing more than 15% of the station’s weekly programming.

Management services agreements and other types of shared services arrangements between same-market stations that do not include attributable time brokerage components generally are not deemed attributable under the FCC’s current rules and policies. However, the FCC previously requested comment on whether local news service agreements and/or shared services agreements should be considered attributable for purposes of applying the media ownership rules, and the FCC has recently provided additional scrutiny to such arrangements. The DOJ has also taken steps under the antitrust laws to block certain transactions involving joint sales or other services agreements.

To our knowledge, no officer, director or 5% or greater shareholder currently holds an attributable interest in another television station that is inconsistent with the FCC’s ownership rules and policies or with our ownership of our stations.

Alien Ownership Restrictions. The Communications Act restricts the ability of foreign entities or individuals to own or hold interest in broadcast licenses. The Communications Act bars the following from holding broadcast licenses: foreign governments, representatives of foreign governments, non-citizens, representatives of non-citizens, and corporations or partnerships organized under the laws of a foreign nation. Foreign individuals or entities, collectively, may directly or indirectly own or vote no more than 20% of the capital stock of a licensee or 25% of the capital stock of a corporation that directly or indirectly controls a licensee. The 20% limit on foreign ownership of a licensee may not be waived. In September 2016, the FCC adopted an Order that allows broadcast licensees to file a petition for declaratory ruling seeking FCC approval to exceed the 25% foreign ownership benchmark for a parent company. The FCC also clarified the methodology for publicly traded broadcasters to assess compliance with the foreign ownership limits.

We serve as a holding company for our subsidiaries, including subsidiaries that hold station licenses. Therefore, absent a grant of a declaratory ruling, we are restricted from having more than one-fourth of our stock owned or voted directly or indirectly by non-citizens, foreign governments, representatives of non-citizens or foreign governments, or foreign corporations.

Programming and Operations. Rules and policies of the FCC and other federal agencies regulate certain programming practices and other areas affecting the business or operations of broadcast stations.

The Children's Television Act of 1990 limits commercial matter in children's television programs and requires stations to present educational and informational children's programming. Broadcasters are effectively required through license renewal processing guidelines to provide a certain amount of children's educational programming per week on their primary channels. In July 2019, the FCC issued an Order that adopted sweeping changes to the current children's programming rules giving broadcasters increased flexibility in how they choose to serve the educational and informational needs of children.

The FCC also regulates broadcast indecency and profanity and the statutory maximum fine for broadcasting indecent material is approximately \$0.5 million per incident. The FCC had sought comment on whether it should modify its indecency policies but dismissed this proceeding without taking action. However, the courts remain free to review the FCC's current policy. We are unable to predict the outcome of any such judicial proceeding, which could have a material adverse effect on our business.

EEO Rules. The FCC's Equal Employment Opportunity ("EEO") rules impose job information dissemination, recruitment, documentation and reporting requirements on broadcast station licensees. Broadcasters are subject to random audits to ensure compliance with EEO rules and may be sanctioned for noncompliance.

MVPD Retransmission of Local Television Signals. Under the Communications Act and FCC regulations, each television station generally has a so-called "must-carry" right to carriage of its primary channels on all cable systems and direct broadcast satellite systems serving its market. Each commercial television station may elect between invoking its "must carry" right or invoking a right to prevent an MVPD system from retransmitting the station's signal without its consent ("retransmission consent"). Stations must make this election by October 1 every three years. Such elections are binding throughout the three-year cycle that commences on the subsequent January 1. The current election cycle commenced on January 1, 2024, and ends on December 31, 2026. During this period, our stations elected retransmission consent and have entered into retransmission consent contracts with virtually all MVPD systems serving their markets. Under the Communications Act and FCC regulations, broadcasters and MVPDs are required to negotiate retransmission consent agreements in good faith. Among other things, MVPDs may designate a buying group to negotiate retransmission consent agreements on their behalf and large stations groups, such as us, are required to negotiate for retransmission consent in good faith with a qualified MVPD buying group.

The FCC also has promulgated rules that: (i) grant DBS providers the right to seek market modifications based on factors similar to those used in the cable industry; (ii) broaden the FCC's prohibition against joint retransmission negotiations by prohibiting joint retransmission negotiations by any stations in the same DMA not under common control; (iii) prohibit a television station from limiting the ability of an MVPD to carry into its local market television signals that are deemed significantly viewed; and (iv) eliminate the "sweeps prohibition," which precluded cable operators from deleting or repositioning local commercial television stations during "sweeps" ratings periods.

We currently are not a party to any agreements that delegate our authority to negotiate retransmission consent for any of our television stations or that grant us authority to negotiate retransmission consent for any other television station. Nevertheless, we cannot predict how the FCC's restriction on joint negotiation might impact future opportunities.

The FCC has sought comment on whether it should modify or eliminate the network non-duplication and syndicated exclusivity rules. In March 2020, the FCC sought comment on whether it should modernize its methodology for determining whether a television station is significantly viewed in a community outside of its local television market. Under exceptions to the network non-duplication and syndicated exclusivity rules, cable operators and satellite carriers are not required to delete the duplicating network or syndicated programming where the signal of the otherwise distant station is determined to be significantly viewed in the relevant community. We cannot predict the outcome of these proceedings. If, however, the FCC eliminates or relaxes its rules enforcing our program exclusivity rights, it could affect our ability to negotiate future retransmission consent agreements, and it could harm our ratings and advertising revenue if cable and satellite operators import duplicative programming.

Certain online video distributors ("OVDs", sometimes referred to as virtual internet-delivered multichannel video programming distributors, or "vMVPDs") have explored streaming broadcast programming over the internet without the consent of the copyright owner of the programming. The majority of federal courts have sided with broadcasters and enjoined OVDs from streaming broadcast programming without obtaining such copyright clearance.

In December 2014, the FCC issued an NPRM seeking comment on its proposal to modernize the term "MVPD" to be technology neutral. If the NPRM proposal is adopted, an entity that uses the internet to distribute multiple streams of linear programming, including OVDs, would be considered an MVPD and would have the same retransmission consent rights and obligations as other MVPDs, including the right to negotiate with television stations to carry their broadcast signals. The FCC also asked about the possible copyright implications of this proposal. Currently, a number of OVDs have obtained appropriate copyright authority and are retransmitting broadcast programming over the internet, but have not been required to obtain separate retransmission consent from the broadcast stations being retransmitted. Often, such rights have been obtained through negotiations directly with the major broadcast networks, and local broadcasters have been offered the opportunity to "opt-in" to those agreements. In November 2025, the FCC's Media Bureau issued a public notice asking whether any barriers are preventing local broadcast stations from meeting their public interest obligations, including a request for comment on the status of the relationship between national programmers and their local affiliates. The Company, as well as major broadcast affiliate groups, submitted comments asking the FCC to evaluate the current network-affiliate relationship, including the networks' practice of (i) negotiating agreements with OVDs and offering local affiliates the ability to "opt-in" to those agreements and (ii) offering OVDs "white feeds" of their programming that do not include broadcasters' local content, and urged the FCC to take action to restore balance in the network-affiliate relationship. We cannot predict the outcome of the FCC's interpretive proceedings or whether the FCC will institute a rulemaking proceeding to assess the network-affiliate relationship.

The foregoing does not purport to be a complete summary of the Communications Act, other applicable statutes, or the FCC's rules, regulations or policies. Proposals for additional or revised regulations and requirements are pending before, are being considered by, and may in the future be considered by, Congress and federal regulatory agencies from time to time. We cannot predict the effect of any existing or proposed federal legislation, regulations or policies on our business. Also, several of the foregoing matters are now, or may become, the subject of litigation, and we cannot predict the outcome of any such litigation or the effect on our business.

Human Capital

Successful execution of our strategy is dependent on attracting, developing and retaining key employees and members of our management team. We believe the substantial skills, experience and industry knowledge of our employees and our training of our customer-facing employees benefit our operations and performance. There are several ways in which we attract, develop, and retain highly qualified talent, including:

- *Training and investing in our employees.* With competitive wages, healthcare benefits, a defined contribution retirement program and opportunities for job training and advancement, our employees develop skills and expertise necessary to build careers.
- *Driving a diverse and inclusive culture.* We are committed to a welcoming and inclusive environment in every aspect of our business. As we strive to deliver high-quality products and services that exceed expectations, we embrace the unique perspectives and experiences of our employees and partners and the communities we serve.
- *Focusing on a safe and healthy workplace.* We value our employees and are committed to providing a safe and healthy workplace. All employees are required to comply with Company safety rules and expectations and are expected to actively contribute to making our Company a safer place to work.

Employees

As of February 20, 2026, we had 9,165 full-time employees and 417 part-time employees, of which, 506 full-time and 16 part-time employees at 17 stations were represented by various unions. We consider our relations with our employees to be good.

Corporate Information

Gray Media, Inc. is a Georgia corporation, incorporated in 1897 initially to publish the Albany Herald in Albany, Georgia. We entered the broadcast industry in 1953. Our executive offices are located at 4370 Peachtree Road, NE, Atlanta, Georgia 30319, and our telephone number at that location is (404) 504-9828. Our website address is <http://www.graymedia.com>. The information on our website is not incorporated by reference or part of this or any other report we file with or furnish to the Securities and Exchange Commission (“SEC”). We make the following reports filed or furnished, as applicable, with the SEC available, free of charge, on our website under the heading “SEC Filings” as soon as practicable after they are filed with, or furnished to, the SEC: our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and amendments to any of the foregoing.

A Code of Ethics (“Code”) applies to all of our directors, executive officers and employees. The Code is available on our website in the Investor Relations section under the subheading Governance Documents. If any waivers of the Code are granted to an executive officer or director, the waivers will be disclosed in an SEC filing on Form 8-K.

Item 1A. RISK FACTORS

In addition to the other information contained in, incorporated by reference into or otherwise referred to in this Annual Report, you should consider carefully the following factors when evaluating our business. Any of these risks, or the occurrence of any of the events described in these risk factors, could materially adversely affect our business, financial condition and the results of operations. In addition, other risks or uncertainties not presently known to us or that we currently do not deem material could arise, any of which could also materially adversely affect us. This Annual Report also contains and incorporates, by reference, forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements as a result of certain factors, including the occurrence of one or more of the following risk factors.

Risks Related to Our Business

Operating Risks

The success of our business is dependent upon advertising revenues, which are seasonal and cyclical, and also fluctuate as a result of a number of factors, some of which are beyond our control.

Our main source of revenue is the sale of advertising time and space. Our ability to sell advertising time and space depends on, among other things:

- economic conditions in the areas where our stations are located and in the nation as a whole;
- the popularity and performance of the programming offered by our television stations;
- changes in population demographics in the areas where our stations are located;
- local and national advertising price fluctuations, which can be affected by the availability of programming, the popularity of programming, and the relative supply of and demand for commercial advertising;
- our competitors' activities, including increased competition from other advertising-based mediums, particularly digital and streaming platforms, cable networks, MVPDs and other internet companies;
- the duration and extent of any network preemption of regularly scheduled programming for any reason;
- decisions by advertisers to withdraw, reduce or delay planned advertising expenditures for any reason;
- the competitiveness of local, regional, and federal elections and ballot initiatives;
- labor disputes or other disruptions at major national advertisers, programming providers or networks; and
- other factors beyond our control.

Our results are also subject to seasonal and cyclical fluctuations. Seasonal fluctuations typically result in higher revenue and broadcast operating income in the second and fourth quarters than in the first and third quarters of each year. This seasonality is primarily attributable to advertisers' increased expenditures in the spring and in anticipation of holiday season spending in the fourth quarter, as well as increased television viewership during these periods. In addition, we typically experience fluctuations in our revenue and broadcast operating income between even-numbered and odd-numbered years. In years in which there are impending elections for various state and national offices, which primarily occur in even-numbered years, political advertising revenue tends to increase, often significantly, and particularly during presidential election years. We consider political broadcast advertising revenue to be revenue earned from the sale of advertising to political candidates, political parties and special interest groups of advertisements broadcast by our stations that contain messages primarily focused on elections and/or public policy issues. In even-numbered years, we typically derive a material portion of our broadcast advertising revenue from political broadcast advertisers. For the years ended December 31, 2025 and 2024, we derived approximately 1% and 14%, respectively, of our total revenue from political broadcast advertisers. If political broadcast advertising revenues declined, especially in an even-numbered year, our results of operations and financial condition could be materially adversely affected. Also, our stations affiliated with the NBC Network broadcast Olympic Games and typically experience increased viewership and revenue during those broadcasts. As a result of the seasonality and cyclicity of our revenue and broadcast operating income, and the historically significant increase in our revenue and broadcast operating income during even-numbered years, it has been, and is expected to remain, difficult to conduct meaningful period-over-period comparisons of our revenue and results of operations.

Uncertain financial, economic and political conditions may have an adverse impact on our business, results of operations or financial condition.

Uncertainty regarding financial, economic and political conditions over the longer term and the continuation or worsening of such conditions could reduce consumer confidence and adversely affect our business, results of operations and/or financial condition. A decline in consumer confidence could negatively affect our advertising customers' businesses and their advertising budgets. In addition, volatile economic conditions and/or the adoption or expansion of trade restrictions or other governmental actions related to tariffs or trade policies could negatively impact our industry or the industries of our customers who advertise on our stations, resulting in reduced advertising sales. Furthermore, actions taken by any governmental or regulatory body for the purpose of stabilizing the economy or financial markets may not achieve their intended effects. In addition to any direct negative consequences to our business or results of operations arising from these financial, economic and political developments, some of these actions may adversely affect financial institutions, capital providers, advertisers or other consumers on whom we rely, including for access to future capital or financing arrangements necessary to support our business. Our inability to obtain financing in amounts and at times necessary could make it more difficult or impossible to meet our obligations or otherwise take actions in our best interests.

Our dependence upon a limited number of advertising categories could adversely affect our business.

We consider broadcast advertising revenue to be revenue earned primarily from the sale of advertisements broadcast by our stations. Although no single customer represented more than 5% of our broadcast advertising revenue for the years ended December 31, 2025 and 2024, we derived a material portion of our non-political local, national, and digital broadcast advertising revenue ("Core Advertising Revenue") from advertisers in a limited number of industries, particularly the services sector, (primarily financial, legal and medical advertisers) and the automotive industry. The services sector has become an increasingly important source of advertising revenue in recent years. Approximately 26%, 23%, and 27% of our Core Advertising Revenue was derived from advertising sales to customers in the services sector for the years ended December 31, 2025, 2024, and 2023, respectively. Approximately 17%, 20%, and 20% of our Core Advertising Revenue was derived from advertising sales to automotive customers for the years ended December 31, 2025, 2024, and 2023, respectively. Our results of operations and financial condition could be materially adversely affected if broadcast advertising revenue from the services sector, the automotive industry or certain other industries, such as the restaurant, communications, or furniture and appliances industries, declined.

We intend to continue to evaluate growth opportunities through strategic acquisitions, and there are significant risks associated with an acquisition strategy.

We intend to continue to evaluate opportunities for growth through selective acquisitions of television stations or station groups, subject to our commitment to reducing our leverage ratio over time. There can be no assurance that we will be able to identify any suitable acquisition candidates, and we cannot predict whether we will be successful in pursuing or completing any acquisitions, or what the consequences of not completing any acquisitions would be. Consummation of any proposed acquisition may also be subject to various conditions such as compliance with FCC rules and policies, as well as antitrust or other regulatory requirements. In order to comply with antitrust or other regulatory requirements, the consummation of such acquisitions may also require waivers or be subject to various conditions for approval, and there can be no assurance that the approvals, waivers, or conditions will be satisfied and the consummation of any acquisitions will occur on the timelines contemplated or at all.

In addition, as we operate in a highly regulated industry, we could be subject to litigation, government investigations and enforcement actions on a variety of matters, the result of which could limit our acquisition strategy.

An acquisition strategy involves numerous other risks, including risks associated with:

- identifying suitable acquisition candidates and negotiating definitive purchase agreements on satisfactory terms;
- integrating operations and systems and managing a larger and more geographically diverse group of stations;
- obtaining financing to complete acquisitions, which may not be available to us at times, in amounts, or at rates acceptable to us, if at all, and the related risks associated with increased debt;
- diverting our management's attention from other business priorities;
- potentially losing key employees; and
- potential changes in the regulatory approval process that may materially increase costs, or materially delay our ability, to consummate any proposed acquisitions.

Our failure to identify suitable acquisition candidates, to complete any acquisitions and integrate any acquired businesses, or to realize the expected benefits therefrom, could materially adversely affect our business, financial condition and results of operations.

We may fail to realize any benefits and incur unanticipated losses related to any acquisition.

The success of any strategic acquisition depends, in part, on our ability to successfully combine the acquired business and assets with our operations and to effectively manage the assets so acquired. It is possible that the integration process could result in the loss of key employees, the disruption of ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers and employees or to achieve the anticipated benefits of an acquisition. Successful integration may also be hampered by any differences between the operations and corporate culture of the organizations. Additionally, general market and economic conditions may inhibit the successful integration of any business. If we experience difficulties with the integration process, the anticipated benefits of an acquisition may not be realized fully, or at all, or may take longer to realize than expected. Finally, any cost savings that are realized may be offset by revenue losses from the acquired business, by the disposition of assets or operations in connection with the acquisition, or by charges to earnings associated with such acquisitions.

We must purchase television programming in advance of knowing whether a particular show will be popular enough for us to recoup our costs.

One of our most significant costs is the purchase of television programming. If a particular program is not sufficiently popular among audiences relative to the cost we pay for such program, we may not be able to sell enough related advertising to recover the broadcast costs. We also typically must purchase programming several years in advance, and we may have to commit to purchase more than one year's worth of programming, resulting in the incurrence of significant costs in advance of our receipt of any related revenue. We may also replace underperforming programs before we have recaptured any significant portion of the costs we incurred to obtain such programming or fully expensed those costs for financial reporting purposes. Any of these factors could reduce our revenues, result in impairment charges, or otherwise cause our costs to escalate relative to revenues.

We are highly dependent upon our network affiliations, and our business and results of operations may be materially affected if a network: (i) terminates its affiliation with us; (ii) significantly changes the economic terms and conditions of any future affiliation agreements with us; or (iii) significantly changes the type, quality or quantity of programming provided to us under an affiliation agreement.

Our business depends in large part on the success of our network affiliations. One or more stations in each of our operating markets other than Atlanta are affiliated with at least one of the four major broadcast networks pursuant to individual affiliation agreements. Each affiliation agreement provides the affiliated station with the right to broadcast all programs transmitted by the affiliated network during the term of the related agreement. Our affiliation agreements with the Big Four networks expire at various dates from mid-2027 through December 31, 2028.

If we cannot enter into NEW affiliation agreements to replace any agreements in advance of their expiration, we would no longer be able to carry the affiliated network's programming. This loss of programming would require us to create and/or obtain replacement programming. Such replacement programming may involve higher costs and may be less attractive to our target audiences, thereby reducing our ability to generate advertising revenue, and potentially having a material adverse effect on our results of operations. On the other hand, replacement programming may provide additional advertising inventory than that provided to affiliated stations by their networks. Our concentration of CBS and/or NBC affiliates makes us particularly sensitive to adverse changes in our business relationships with, and the general success of, CBS and/or NBC.

If we are able to renew or replace existing affiliation agreements, we can give no assurance that any future affiliation agreements will have economic terms and conditions equivalent to, or more favorable than, our current agreements. If, in the future, a network or networks impose more adverse economic terms upon us, such event or events could have a material adverse effect on our business and results of operations.

In addition, if we are unable to renew or replace any existing affiliation agreements, we may be unable to satisfy certain obligations under our existing or any future retransmission consent agreements with MVPDs and/or to secure payment of retransmission consent fees under such agreements. Furthermore, if in the future a network limited or removed our ability to retransmit network programming to MVPDs, we may be unable to satisfy certain obligations or criteria for fees under any existing or any future retransmission consent agreements. In either case, such events could have a material adverse effect on our business and results of operations.

We are also dependent upon our retransmission consent agreements with MVPDs, and we cannot predict the outcome of potential regulatory changes to the retransmission consent regime.

We are also dependent, in significant part, on our retransmission consent agreements. Our current retransmission consent agreements expire at various times over the next several years. There can be no assurance that we will be able to renegotiate all of such agreements on favorable terms, on a timely basis, or at all. The failure to renegotiate such agreements could have a material adverse effect on our business and results of operations.

Our ability to successfully negotiate future retransmission consent agreements may be hindered by potential legislative or regulatory changes to the framework under which these agreements are negotiated.

In December 2019, Congress adopted the Satellite Television Community Protection and Promotion Act of 2019 and the Television Viewer Protection Act of 2019 (the “TVPA of 2019”). Among other things, these acts (i) made permanent the copyright license set out in Section 119 of the Copyright Act; (ii) limited eligibility for use of the Section 119 license to retransmit the signals of network television broadcast stations to unserved households to those satellite operators that provide local-into-local service to all DMAs; and (iii) modified the definition of unserved households to those households located in a “short market” (which, in turn, was defined as a local market in which programming of one or more of the top four networks is not offered on either the primary or multicast stream by any network station in that market). The TVPA of 2019 also made permanent the requirement that broadcasters and MVPDs negotiate in good faith and added a provision that (i) allows MVPDs to designate a buying group to negotiate retransmission consent agreements on their behalf and (ii) requires large station groups, including ours, to negotiate in good faith with a qualified MVPD buying group.

Congress continues to consider various changes to the statutory scheme governing retransmission of broadcast programming. Some of the proposed bills would make it more difficult to negotiate retransmission consent agreements with large MVPDs and would weaken our leverage to seek market-based compensation for our programming. We cannot predict whether any of these proposals will become law, and, if any do, we cannot determine the effect that any statutory changes would have on our business.

We may be unable to maintain or increase our digital advertising revenue, which could have a material adverse effect on our business and operating results.

We generate a meaningful portion of our advertising revenue from the sale of advertisements on our digital platforms and through the sale of inventory on digital platforms owned by third parties. Our ability to maintain and increase this advertising revenue is largely dependent upon the number of users actively visiting the digital sites, digital apps, and platforms and our arrangements that allow us to sell and service such inventory. Because digital advertising techniques are evolving, if our content, technology and/or advertisement-serving techniques do not evolve to meet the changing needs of advertisers, our advertising revenue could decline. Changes in our business model, advertising inventory or initiatives could also cause a decrease in our digital advertising revenue. In addition, changes in or deprecation of third-party cookies, mobile identifiers and measurement tools; browser, device and app store policies; increased use of ad-blocking technologies; changes in brand-safety, suitability and viewability standards; and evolving privacy and data protection laws and industry frameworks may reduce our ability to target, deliver and measure advertising and could adversely affect pricing and demand. Policy or algorithm changes by major technology platforms, or disruptions in the digital advertising ecosystem, could also reduce the reach, monetization or effectiveness of our digital advertising offerings.

We do not have long-term agreements with most of our digital advertisers. Any termination, change or decrease in our relationships with our largest digital advertising clients could have a material adverse effect on our revenue and profitability. If we do not maintain or increase our digital advertising revenue, our business, results of operations and financial condition could be materially adversely affected.

Increased cybersecurity threats, attacks, and cybersecurity incidents impacting our information technology infrastructure or those of our third-party service providers could interfere with our operations, compromise client information and expose us to liability, possibly causing our business and reputation to suffer.

We rely on technology and data owned or controlled by us or our third-party service providers in substantially all aspects of our business operations. Our revenues are increasingly dependent on digital products and access to systems and data. Such use exposes us to cybersecurity threats arising from a variety of causes and forms, including from deliberate attacks or unintentional events. These cybersecurity incidents and similar attacks could include, but are not limited to, the deployment of harmful malware or ransomware, denial-of-services attacks, account takeovers and other attacks, which may affect business continuity and threaten the availability, confidentiality and integrity of our systems and information. These attacks and incidents can also include employee or personnel failures, fraud, phishing or other social engineering attempts or other methods to cause confidential information, payments, account access or access credentials, or other data to be transmitted to an unintended recipient, and attempts to gain unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, data corruption or operational disruption. Cybersecurity threat actors also may attempt to exploit vulnerabilities in widely used or bundled software, including software commonly used by companies in cloud-based services, and may target third parties on whom we rely for hosting, content delivery, advertising technology, audience measurements and other critical services. If we are subject to a cybersecurity incident or a similar attack, it could result in business interruption, disclosure of nonpublic information, alteration or corruption of data or systems, decreased advertising revenues, misstated financial data, liability for stolen assets or information, increased cybersecurity protection costs, litigation or investigations, including individual claims or consumer class actions, commercial litigation, administrative, and civil or criminal investigations or actions, regulatory intervention and sanctions or fines, investigation and remediation costs, financial consequences and reputational damage adversely affecting customer or investor confidence, among other things, any or all of which could materially adversely affect our business. While we have experienced cybersecurity incidents in the past, and may experience additional cybersecurity incidents in the future, we are not aware of any cybersecurity incident having a material adverse effect on our business, results of operations or financial condition to date. However, there can be no assurance that we will not experience future cybersecurity incidents that may be material. Although we have systems and processes in place to try to protect against risks associated with cybersecurity incidents in the future, depending on the nature of a cybersecurity incident, these protections may not be fully sufficient or effective, particularly as threat techniques, tools and attack vectors evolve. In addition, because techniques used in cybersecurity threats change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. A cybersecurity incident may not be detected until well after it occurs and the severity and potential impact may not be fully known for a substantial period of time after it has been discovered. We may also be required to comply with evolving cybersecurity and data protection laws, regulations, and industry standards, including incident reporting, notification and disclosure requirements, which could increase compliance costs and exposure to enforcement. Although we maintain a cyber insurance policy, there is no guarantee that such coverage will be sufficient to address costs, liabilities and damages we may incur in connection with a cybersecurity incident, that it will cover all types of events or losses (including fines, penalties or certain categories of business interruption), or that such coverage will continue to be available on commercially reasonable terms or at all.

Industry Risks

We operate in a highly competitive environment. Competition occurs on multiple levels (for audiences, programming and advertisers) and is based on a variety of factors. If we are not able to successfully compete in all relevant aspects, our revenues will be materially adversely affected.

Television stations compete for audiences, certain programming (including news) and advertisers. Signal coverage and carriage on MVPD systems also materially affect a television station's competitive position. With respect to audiences, stations compete primarily based on broadcast program popularity. We cannot provide any assurances as to the acceptability by audiences of any of the programs we broadcast. Further, because we compete with other broadcast stations for certain programming, we cannot provide any assurances that we will be able to obtain any desired programming at costs that we believe are reasonable. Cable-network programming, combined with increased access to cable, satellite TV, vMVPDs, as well as internet video services (such as YouTube) and internet streaming channels and services including subscription video on demand ("SVOD") and advertising video on demand ("AVOD") have become significant competitors for television programming viewers. Cable networks' viewership and advertising share have been declining in recent years, while streaming viewership has accelerated and recently surpassed the combined viewership of broadcast and cable-network programming combined. Further increases in the advertising share of cable networks, internet video services, social and short-form platforms and internet streaming channels and services could materially adversely affect the advertising revenue of our television stations.

In addition, new technologies and methods of buying advertising present an additional competitive challenge, as competitors may offer products and services such as the ability to purchase advertising programmatically or bundled offline and online advertising, aimed at more efficiently capturing advertising spend. The number of viewers and ratings of our television stations and advertising revenues in general may be impacted by viewers moving to these programming alternatives and alternate media content providers, and by eliminating or reducing subscriptions to traditional MVPD services ("cord cutting" and "cord shaving," respectively). As these programming alternatives continue to drive changes in consumer behavior and other consumption strategies, including the fragmentation of audiences across platforms and devices, our business and results of operations may be materially affected.

Our inability or failure to broadcast popular programs, or otherwise maintain viewership for any reason, including as a result of increases in programming alternatives, or our loss of advertising due to technological changes, could result in a lessening of advertisers, or a reduction in the amount advertisers are willing to pay us to advertise, which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Indebtedness

We have substantial debt and have the ability to incur significant additional debt. The principal and interest payment obligations on such debt may restrict our future operations and impair our ability to meet our long-term obligations.

As of December 31, 2025, we had a \$5.8 billion in aggregate principal amount of outstanding indebtedness, excluding intercompany debt and deferred financing costs. Subject to our ability to meet certain borrowing conditions under our Fifth Amended and Restated Credit Agreement (the "Senior Credit Agreement"), we have the ability to incur significant additional debt, including secured debt under our \$750 million revolving credit facility (the "Revolving Credit Facility"). The terms of the indenture (the "2033 Notes Indenture") governing our outstanding 7.25% senior secured first lien notes due 2033 (the "2033 Notes (1L)"), indenture (the "2032 Notes Indenture") governing our outstanding 9.625% senior secured second lien notes due 2032 (the "2032 Notes (2L)"), indenture (the "2031 Notes Indenture") governing our outstanding 5.375% senior notes due 2031 (the "2031 Notes"), the indenture (the "2030 Notes Indenture") governing our outstanding 4.750% senior notes due 2030 (the "2030 Notes"), the indenture (the "2029 Notes Indenture") governing our outstanding 10.5% senior secured first lien notes due 2029 (the "2029 Notes (1L)") and the indenture (the "2026 Notes Indenture") governing our outstanding 5.875% senior notes due 2026 (the "2026 Notes") and, together with the 2033 Notes Indenture, the 2032 Notes Indenture, 2031 Notes Indenture, the 2030 Notes Indenture, the 2029 Notes Indenture, and the 2026 Notes Indenture, the "Existing Indentures" or the "Indentures") also permit us to incur additional indebtedness, subject to our ability to meet certain borrowing conditions.

Our substantial debt may have important consequences. For instance, it could:

- require us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which would reduce funds available for other business purposes, including capital expenditures, acquisitions and investments;
- place us at a competitive disadvantage compared to some of our competitors that may have less debt and better access to capital resources;
- limit our ability to obtain additional financing to fund acquisitions, working capital and capital expenditures and for other general corporate purposes; and
- make it more difficult for us to satisfy our financial obligations.

Our ability to service our significant financial obligations depends on our ability to generate significant cash flow. This is partially subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, that future borrowings will be available to us under our Senior Credit Agreement or any other credit facilities, or that we will be able to complete any necessary financings, in amounts sufficient to enable us to fund our operations or pay our debts and other obligations, or to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. Additional debt or equity financing may not be available in sufficient amounts, at times or on terms acceptable to us, or at all. Specifically, volatility in the capital markets may also impact our ability to obtain additional financing, or to refinance our existing debt, on terms or at times favorable to us. If we are unable to implement one or more of these alternatives, we may not be able to service our debt or other obligations, which could result in us being in default thereon, in which circumstances our lenders could cease making loans to us, and lenders or other holders of our debt could accelerate and declare due all outstanding obligations due under the respective agreements, which could have a material adverse effect on us.

The agreements governing our various debt obligations impose restrictions on our operations and limit our ability to undertake certain corporate actions.

The agreements governing our various debt obligations, including our Senior Credit Agreement and the Existing Indentures, include covenants imposing significant restrictions on our operations. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. These covenants place, or will place, restrictions on our ability to, among other things:

- incur additional debt, subject to certain limitations;
- declare or pay dividends, redeem stock or make other distributions to stockholders;
- make investments or acquisitions;
- create liens or use assets as security in other transactions;
- issue guarantees;
- merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets;
- amend our articles of incorporation or bylaws;
- engage in transactions with affiliates; and
- purchase, sell or transfer certain assets.

Any of these restrictions and limitations could make it more difficult for us to execute our business strategy.

The Existing Indentures and our Senior Credit Agreement require us to comply with certain financial ratios or other covenants; our failure to do so would result in a default thereunder, which would have a material adverse effect on us.

We are required to comply with certain financial or other covenants under the Existing Indentures and our Senior Credit Agreement. Our ability to comply with these requirements may be affected by events affecting our business, but beyond our control, including prevailing general economic, financial and industry conditions. These covenants could have an adverse effect on us by limiting our ability to take advantage of financing, investment, acquisition or other corporate opportunities. The breach of any of these covenants or restrictions could result in a default under the Existing Indentures or our Senior Credit Agreement.

Upon a default under any of our debt agreements, the lenders or debtholders thereunder could have the right to declare all amounts outstanding, together with accrued and unpaid interest, to be immediately due and payable, which could, in turn, trigger defaults under other debt obligations and could result in the termination of commitments of the lenders to make further extensions of credit under our Senior Credit Agreement. If we were unable to repay our secured debt to our lenders, or were otherwise in default under any provision governing our outstanding secured debt obligations, our secured lenders could proceed against us and our subsidiary guarantors and against the collateral securing that debt. Any default resulting in an acceleration of outstanding indebtedness, a termination of commitments under our financing arrangements or lenders proceeding against the collateral securing such indebtedness would likely result in a material adverse effect on our business, financial condition and results of operations.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our annual debt service obligations to increase significantly.

Borrowings under our Senior Credit Agreement are at variable rates of interest and expose us to interest rate risk. If the rates on which our borrowings are based were to increase from current levels, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash available to service our other obligations would decrease.

Other Financial Risks

We recently have incurred impairment charges on our goodwill, broadcast licenses, other intangible assets and investments. Any such future charges may have a material effect on the value of our total assets.

As of December 31, 2025, the book value of our broadcast licenses was \$5.3 billion and the book value of our goodwill was \$2.6 billion, in comparison to total assets of \$10.4 billion.

During 2023, as a result of the bankruptcy of Diamond Sports Group, LLC (“Diamond”), our production companies segment recorded a non-cash charge of \$43 million, for impairment of goodwill and other intangible assets. In January 2025, we received a cash payment of \$4 million in settlement of our claim in the Diamond plan of reorganization that was confirmed on November 14, 2024.

Also, during the years ended December 31, 2025, 2024 and 2023, we have recognized impairment charges of \$20 million, \$25 million and \$29 million, respectively, related to investments. These impairment charges were recorded upon our determination that the fair value of the investments had declined on an other-than-temporary basis or that the recorded value was not recoverable.

Not less than annually, and more frequently if necessary, we are required to evaluate our goodwill and broadcast licenses to determine if the estimated fair value of these intangible assets is less than book value. If the estimated fair value of these intangible assets is less than book value, we will be required to record a non-cash expense to write down the book value of the intangible asset to the estimated fair value. During the year ended December 31, 2025, we recognized an impairment charge of \$2 million related to broadcast licenses and \$28 million related to other intangibles. We cannot make any assurances that any required impairment charges in the future will not have a material adverse effect on our total assets.

We are a holding company with no material independent assets or operations and we depend on our subsidiaries for cash.

We are a holding company with no material independent assets or operations, other than our investments in our subsidiaries. Because we are a holding company, we are dependent upon the payment of dividends, distributions, loans or advances to us by our subsidiaries to fund our obligations. These payments could be or become subject to dividend or other restrictions under applicable laws in the jurisdictions in which our subsidiaries operate. Payments by our subsidiaries are also contingent upon the subsidiaries’ earnings. If we are unable to obtain sufficient funds from our subsidiaries to fund our obligations, our financial condition and ability to meet our obligations may be materially adversely affected.

Risks Related to the Ownership of Our Equity Securities

The price and trading volume of our equity securities may be volatile.

The price and trading volume of our equity securities may be volatile and subject to fluctuations. Some of the factors that could cause fluctuation in the stock price or trading volume of our equity securities include:

- general market and economic conditions and market trends, including in the television broadcast industry and the financial markets generally, including levels of key interest rates, inflation and recessionary concerns;
- the political, economic and social environment in the United States;

- actual or anticipated variations in operating results, including audience share ratings and financial results;
- inability to meet projections in revenue;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, capital commitments or other business developments;
- technological innovations in the television broadcast industry;
- adoption of new accounting standards affecting our industry;
- operations of competitors and the performance of competitors' common stock;
- litigation or governmental action involving or affecting us or our subsidiaries;
- changes in financial estimates and recommendations by securities analysts;
- recruitment or departure of key personnel;
- purchases or sales of blocks of our common stock; and
- operating and stock performance of the companies that investors may consider to be comparable.

There can be no assurance that the price of our equity securities will not fluctuate or decline significantly. The stock market in recent years has experienced considerable price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of individual companies and that could adversely affect the price of our equity securities, regardless of our operating performance. Stock price volatility might be worse if the trading volume of shares of our equity securities is low. Significant volatility could also impair our ability to raise capital, use our equity as consideration for acquisitions, or retain employees through equity compensation. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our equity securities were to decline significantly, which may cause us to incur substantial costs and could divert the time and attention of our management.

We currently pay cash dividends on our common stock and Class A common stock but this is subject to approval by our Board each quarter. To the extent a potential investor ascribes value to a dividend-paying stock, the value of our stock may be correspondingly affected.

Our Board of Directors reinstated a cash or stock dividend on both classes of our common stock beginning in the first quarter of 2021. The timing and amount of any future dividend is at the discretion of our Board of Directors, and they may be subject to limitations or restrictions in our Senior Credit Agreement and other financing agreements, including our Series A Perpetual Preferred Stock, we may be, or become, party to. We can provide no assurance when or if any future dividends will be declared on our common stock or Class A common stock. As a result, if and to the extent an investor ascribes value to a dividend-paying stock, the value of our common stock or Class A common stock may be correspondingly affected.

Anti-takeover provisions contained in our Restated Articles of Incorporation (“Articles”) and our Bylaws, as amended (“Bylaws”), as well as provisions of Georgia law, could impair a takeover attempt.

Our Articles and Bylaws may have the effect of delaying, deferring or discouraging a prospective acquirer from making a tender offer for our shares of common stock or otherwise attempting to obtain control of us. To the extent that these provisions discourage takeover attempts, they could deprive stockholders of opportunities to realize takeover premiums for their shares. Moreover, these provisions could discourage accumulations of large blocks of common stock, thus depriving stockholders of any advantages which large accumulations of stock might provide.

As a Georgia corporation, we are also subject to provisions of Georgia law, including Section 14-2-1132 of the Georgia Business Corporation Code. Section 14-2-1132 prevents some stockholders holding more than 10% of our outstanding common stock from engaging in certain business combinations unless the business combination was approved in advance by our Board of Directors or results in the stockholder holding more than 90% of our outstanding common stock.

Any provision of our Articles, our Bylaws or Georgia law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

We have the ability to issue additional preferred stock, which could affect the rights of holders of our common stock and Class A common stock.

Including the shares of preferred stock issued in the acquisition of Raycom Media, Inc. (the “Raycom Merger”), our Articles allow our Board of Directors to issue up to 20 million shares of preferred stock and set forth the terms of such preferred stock. The terms of any such preferred stock, if issued, may materially adversely affect the dividend and liquidation rights of holders of our common stock.

Holders of our Class A common stock have the right to 10 votes per share on all matters to be voted on by our stockholders and, consequently, the ability to exert significant influence over us.

As a result of the 10 to 1 voting rights of holders of our Class A common stock, these stockholders are expected to be able to exert significant influence over all matters requiring stockholder approval, including mergers and other material transactions, and may be able to cause or prevent a change in the composition of our Board of Directors or a change in control of our Company that could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of the Company and might ultimately affect the market price of our common stock.

Certain stockholders or groups of stockholders have the ability to exert significant influence over us.

Hilton H. Howell, Jr., our Executive Chairman and Chief Executive Officer, is the husband of Robin R. Howell, a member of our Board of Directors (collectively with other members of their family, the “Howell-Robinson Family”). As a result of their significant stockholdings and positions on the Board of Directors, the Howell-Robinson Family is able to exert significant influence over our policies and management, potentially in a manner which may not be consistent with the interests of our other stockholders.

Risks Related to Regulatory Matters

Federal broadcasting industry regulations limit our operating flexibility.

The FCC regulates all television broadcasters, including us. We must obtain FCC approval whenever we (i) apply for a new license; (ii) seek to renew, modify or assign a license; (iii) purchase a broadcast station; and/or (iv) transfer the control of one of our subsidiaries that holds a license. Our FCC licenses are critical to our operations, and we cannot operate without them. We cannot be certain that the FCC will renew these licenses in the future or approve new acquisitions, mergers, divestitures or other business activities. Our failure to renew any licenses upon the expiration of any license term could have a material adverse effect on our business.

Federal legislation and FCC rules have changed significantly in recent years and may continue to change. These changes may limit our ability to conduct our business in ways that we believe would be advantageous and may affect our operating results.

The FCC can sanction us for programming broadcast on our stations that it finds to be indecent.

The FCC has pursued several enforcement matters regarding broadcast indecency and profanity and the statutory maximum fine for broadcasting indecent material is approximately \$0.5 million per incident, up to a maximum of approximately \$4.7 million for a continuing violation. The courts remain free to review the FCC's current policy. We are unable to predict the outcome of any such judicial proceeding, which could have a material adverse effect on our business.

The FCC's local ownership restrictions limit our ability to own and operate multiple television stations in the same market.

The FCC's Two-Station Limit generally prohibits us from acquiring an "attributable interest" in more than two television stations that are located in the same market if the stations' NLSCs overlap.

In July 2025, the U.S. Court of Appeals for the Eighth Circuit vacated two aspects of the FCC's Two-Station Limit that had placed additional restrictions on our ability to acquire additional stations in a market. Specifically, the court vacated the "top-four" prohibition, which prevented a broadcaster from owning two of the top four ranked stations in a market. The court also vacated the Note 11 amendment, which extended the top-four prohibition to low power television ("LPTV") stations and multicast streams. We anticipate that the FCC will implement this decision in the near term.

In September 2025, the FCC issued a Notice of Proposed Rulemaking (Ownership NPRM) in its 2022 Quadrennial Review of its media ownership rules. The Ownership NPRM seeks comment on specific aspects of the television ownership rule, including whether the Two-Station Limit remains necessary given competitive developments in the video marketplace. This proceeding remains pending.

In November 2022, the FCC issued a Forfeiture Order finding that Gray's acquisition of CBS programming from another broadcaster in the Anchorage market for Gray's station KYES-TV was inconsistent with the local television ownership rule's "top-four" prohibition given Gray's ownership of KTUU-TV in the same market (a top-four ranked station) and imposed a fine of \$0.5 million. This Forfeiture Order was vacated by the U.S. Court of Appeals for the 11th Circuit in March 2025.

The FCC also considers television Local Marketing Agreements ("LMAs") (which are agreements under which a television station sells or provides more than 15% of the programming on another same-market television station) as "attributable interests." Pursuant to the FCC's ownership rules currently in effect, our ability to expand in our present markets through additional station acquisitions or LMAs may be constrained.

The FCC’s National Television Station Ownership Rule limits the maximum number of households we can reach.

Under the FCC’s National Television Station Ownership Rule, a single television station owner may not reach more than 39% of United States households through commonly owned television stations, subject to a 50% discount of the number of television households attributable to UHF stations (the “UHF Discount”). In December 2017, the FCC issued an NPRM seeking comment on whether it should modify or eliminate the national cap, including the UHF Discount. This proceeding remains pending. This rule may constrain our ability to expand through additional station acquisitions. Currently our station portfolio reaches approximately 37% of total United States television households, and approximately 25% after applying the UHF Discount.

The Company is subject to governmental oversight regarding compliance with antitrust law as well as related civil litigation.

Various governmental agencies, including the DOJ, have authority to enforce the antitrust laws of the United States in the broadcast television industry. The DOJ has increased its enforcement activities within the industry. For example, in the fourth quarter of 2018, the DOJ filed a lawsuit in the United States District Court for the District of Columbia against six broadcasters, including Raycom and Meredith, alleging an agreement to exchange certain competitively sensitive information relating to advertising sales among certain stations in some local markets. The broadcasters and the DOJ entered into substantially identical consent decrees, which, among other things, prohibits the defendant broadcasters from exchanging competitively sensitive information and impose certain compliance requirements. No party to the settlement agreement, including Raycom and Meredith, admitted to any wrongdoing. In addition, following the public disclosure of the DOJ’s investigation and settlement, various putative class action lawsuits were filed against a number of owners of television stations. The cases have been consolidated in a single multidistrict litigation in the District Court for the Northern District of Illinois and the plaintiffs’ operative complaint alleges price fixing and unlawful information exchange among the defendants’ advertisement sales teams. We are unable to predict the outcome of these proceedings. For more information on these proceedings, see “Item 3. Legal Proceedings.”

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

Risk Management and Strategy

We strive to implement leading data protection standards to ensure a strong commitment to cybersecurity. Our Data Security Policy and Cybersecurity Incident Response Plan (“CIRP”), which is part of our enterprise-wide risk management processes, guides our cybersecurity program. The CIRP, developed in consultation with an independent cybersecurity expert, includes processes for identifying, managing, and remediating cybersecurity incidents. We utilized the National Institute of Standards and Technology (“NIST”) and the Center for Internet Security (“CIS”) guidelines to develop and implement the CIRP, which is approved by our Chief Technology Officer (“CTO”). However, this should not be interpreted to mean that we meet any particular technical standards, specifications, or requirements, only that we used the NIST and CIS as a guide to help create develop and implement the CIRP. The CIRP is reviewed and updated annually. The Company’s cybersecurity risk management processes include ongoing monitoring and testing of its information systems and data to identify and respond to potential cybersecurity threats. Internally, the Company utilizes an enterprise Attack Surface Management tool to routinely scan for vulnerabilities to internal assets. Externally, we use third-party vendors to routinely conduct scans for vulnerabilities to external assets. In addition, our internal auditors along with management also conduct periodic monitoring of our internal controls over our data security and customer privacy systems and processes.

For many vendors for the Company, we request copies of standard security reports or assessments, such as System and Organization Controls (“SOC”) reports, to support our assessment of our vendors’ security practices. In collaboration with the National Association of Broadcasters, North American Broadcasters Association, and risk management vendors, we are also working to assemble broadcaster-specific guidelines for information technology vendor selection.

The Company provides security awareness training for all employees on a regular basis. The training is designed to educate and prepare employees to recognize unsafe practices and to properly respond to phishing attacks from email, social media, and other sources. Follow-up testing using simulated attack tools is used to validate the effectiveness of training and compliance.

Although we have systems and processes in place to protect against risks associated with cybersecurity incidents in the future, depending on the nature of an incident, these protections may not be fully sufficient. To date, no risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or have been determined to be reasonably likely to materially affect the Company or our business strategy, results of operations, or financial condition. For additional information regarding the risks from cybersecurity threats and incidents we face, see the section captioned “Operating Risks – Disruptions or security breaches of our information technology infrastructure could interfere with our operations, compromise client information and expose us to liability, possibly causing our business and reputation to suffer” within Part I, Item 1A. “Risk Factors”.

Governance

Management is responsible for the Company’s day-to-day risk management, and the Board serves in an oversight role. The Board has empowered the Audit Committee with formal oversight of enterprise risk matters, including with respect to cybersecurity. The Audit Committee and management periodically review the Company’s policies with respect to risk identification, assessment, and management, including cybersecurity risk exposures and the internal controls and procedures in place to manage such risks, as well as the steps that management takes to monitor and control such exposures. In addition, the Audit Committee and the Board consider risk-related matters on an ongoing basis in connection with deliberations regarding specific transactions and issues.

The Cybersecurity Incident Response Team (“CIRT”), which is led by the CTO, is responsible for the prevention, detection, mitigation, and remediation of cybersecurity incidents and conducts primary incident response efforts. Our CTO, who is responsible for assessing and managing the Company’s cybersecurity risks, has over 30 years of industry experience, including serving in similar roles leading and overseeing cybersecurity programs at Raycom Media prior to the Raycom Merger. Other team members of the CIRT also have relevant educational and industry experience, including holding similar positions at large companies. Incidents can be escalated up to our executive leadership team, depending on the severity of the incidents. Our President and/or CTO regularly report to our Board, and our CISO and General Counsel regularly report to our Audit Committee about our cybersecurity health and initiatives. In addition, the Board receives quarterly reports on risk management activities across Gray operations, including with respect to cybersecurity.

Item 2. PROPERTIES

We lease our principal executive offices in a building located at 4370 Peachtree Road, NE, Atlanta, Georgia, 30319. We also own or lease various other offices and technical facilities that support our operations. See “Stations”, in Item 1. Business. of this Form 10-K.

The types of properties required to support television stations include offices, studios, transmitter sites and antenna sites. A station’s studios are generally housed within its offices in each respective market. The transmitter sites and antenna sites are generally located in elevated areas to provide optimal signal strength and coverage. We own or lease land, offices, studios, transmitters and antennas in each of our markets necessary to support our operations in that market area. In some market areas, we also own or lease multiple properties, such as towers and/or signal repeaters (translators), to optimize our broadcast capabilities. To the extent that our properties are leased, and those leases contain expiration dates, we believe that those leases can be renewed, or that alternative facilities can be leased or acquired, on terms that are comparable, in all material respects, to our existing properties.

We also own Third Rail Studios and Assembly Atlanta, which is a 135-acre real estate complex centered around the studio industry located in the City of Doraville, Georgia. The Assembly Atlanta development includes the 43-acre Assembly Studios complex. The studio operations are managed under an operating agreement with NBCUniversal Media, LLC (“NBCU”) through which NBCU leases and operates the state-of-the-art studio facilities as well as manages our retained studio facilities at Assembly Studios and the adjacent Third Rail Studios.

We believe our owned and leased properties are in good condition and suitable for the conduct of our present business.

Item 3. LEGAL PROCEEDINGS

From time to time, we are subject to legal proceedings and claims in the ordinary course of business. We do not believe that any known legal proceedings or claims are likely to have a material adverse effect on our business, financial condition, results of operations or cash flows. See Note 12 “Commitments and Contingencies” of our audited consolidated financial statements included elsewhere herein for a further discussion of our legal proceedings and incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Set forth below is certain information with respect to our executive officers as of February 20, 2026:

Hilton H. Howell, Jr., age 63, has served as our Executive Chairman and Chief Executive Officer since January 2, 2019. Prior to that, Mr. Howell served as our Chairman, Chief Executive Officer, and President from June 2013 to December 2018. Mr. Howell is a member of the Executive Committee of the Board, has been a Director since 1993, and served as the Vice Chairman of the Board from 2002 to April 2016 when he was appointed as Chairman. He served as our Executive Vice President from September 2002 to August 2008. In addition, he serves as President and Chief Executive Officer of Atlantic American Corporation, an insurance holding company, and as Chairman of that company since February 2009. He was Executive Vice President of Delta Life Insurance Company and Delta Fire & Casualty Insurance Company from 1991-2013 and has since served as Chief Executive Officer. Mr. Howell has served as General Counsel of Delta Life and Delta Fire since 1991. Mr. Howell also serves as a Director of Atlantic American Corporation and of each of its subsidiaries, American Southern Insurance Company, American Safety Insurance Company and Bankers Fidelity Life Insurance Company, as well as a Director of Delta Life Insurance Company and Delta Fire & Casualty Insurance Company. He is the husband of Mrs. Robin R. Howell, who is a member of our Board of Directors. Previously, Mr. Howell served as a board member of the National Association of Broadcasters and the NBC Affiliate Board.

Donald P. LaPlatney, age 66 has served as our President and Co-Chief Executive Officer since January 2, 2019. Prior to that, from July 2016 until the closing of the Raycom Merger, he served as Chief Executive Officer and President of Raycom Media and served as member on their Board of Directors. Before that, he served as Chief Operating Officer of Raycom from April 2014 to July 2016, as Senior Vice President, Digital Media from April 2012 until April 2014, and as Vice President, Digital Media from August 2007 to April 2012. Prior to joining Raycom in 2007, Mr. LaPlatney held various executive positions at The Tube Media Corp., Westwood One, and Raycom Sports. In addition, Mr. LaPlatney serves on the Board of the National Association of Broadcasters (NAB). Previously, Mr. LaPlatney served as Chairman of the NBC Affiliate Board as well as the Chairman of the Television Board of the NAB.

Jeffrey R. Gignac, age 50, has served as our Executive Vice President since April 2024 and as our Chief Financial Officer since July 2024. Previously, he served as Managing Director and Head of Media & Telecom Investment Banking at Wells Fargo Securities. Prior to that he spent 18 years in leveraged finance, focused on the telecom, media and technology industries. Prior to Wells Fargo, Jeff worked at Ernst & Young and Arthur Andersen. He holds a BA in Accounting from Michigan State University.

Kevin P. Latek, age 55, has served as our Executive Vice President and Chief Legal and Development Officer since February 2016. Prior to that, he served as our Senior Vice President, Business Affairs since July 2013 and as our Vice President for Law and Development from March 2012 to June 2013. Prior to joining Gray, Mr. Latek practiced law in Washington, DC representing television and radio broadcasters and financial institutions in FCC regulatory and transactional matters. He is a past officer of the CBS Affiliate Board and a past member of the FOX Affiliate Board of Governors.

Sandra Breland, age 63, has served as our Chief Operating Officer since May 2023. In early 2019, Ms. Breland joined Gray as a Senior Vice President of Local Media upon Gray's acquisition of Raycom Media, where she served as a Group Vice President. With extensive experience in local broadcasting, Ms. Breland has held leadership roles as General Manager and News Director across multiple markets throughout her career. She serves on the Board of Directors for the Carole Kneeland Project and the Arnolt Center for Investigative Journalism in The Media School at Indiana University. Ms. Breland is a past president of the Fox Affiliate Board of Governors and past chairperson for the Louisiana Association of Broadcasters.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock, no par value, and our Class A common stock, no par value, have been listed and traded on the NYSE since September 24, 1996, and June 30, 1995, respectively, under the symbols "GTN" and "GTN.A," respectively.

As of February 20, 2026, we had 93,563,703 outstanding shares of common stock held by 20,672 stockholders and 10,212,436 outstanding shares of Class A common stock held by 1,169 stockholders. The number of stockholders consists of stockholders of record and individual participants in security position listings as furnished to us pursuant to Rule 17Ad-8 under the Securities Exchange Act of 1934 (the "Exchange Act").

For matters submitted to a shareholder vote, our Articles provide that each share of common stock is entitled to one vote, and each share of Class A common stock is entitled to 10 votes. Our Articles require that our common stock and our Class A common stock receive dividends on a *pari passu* basis when declared.

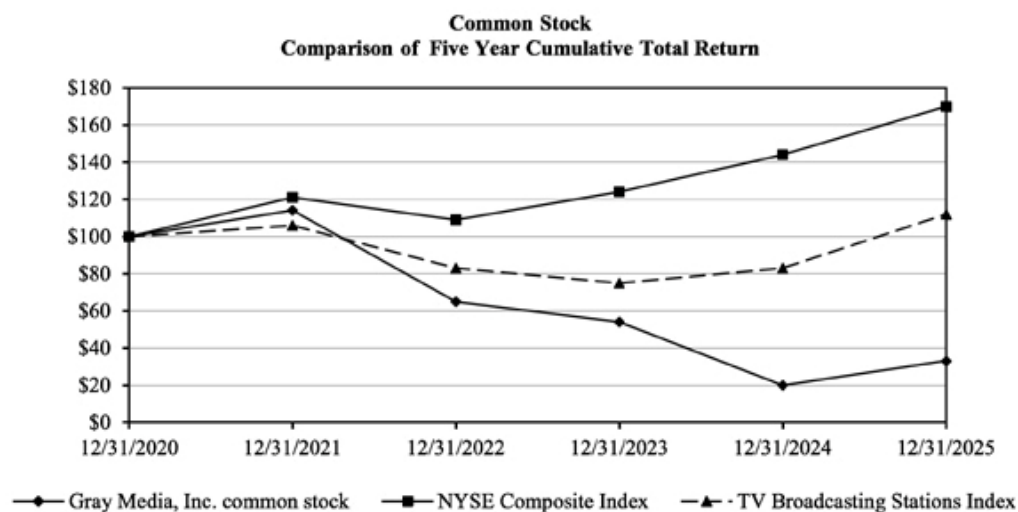
During 2025, we have paid quarterly cash dividends totaling \$0.32 per share on both classes of our common stock. While we have paid dividends to holders of our common stock on a quarterly basis since the beginning of 2021, any future payments of dividends will depend on our financial condition, results of operations, cash flows and such other factors as our Board of Directors deems relevant. In addition, the Senior Credit Agreement and our Indentures each contain covenants that could restrict our ability to pay cash dividends on our capital stock, which are currently applicable. See Note 4 "Long-term Debt" of our audited consolidated financial statements included elsewhere herein for a further discussion of restrictions on our ability to pay dividends.

During 2025, we paid quarterly cash dividends on our outstanding 650,000 shares of Series A Perpetual Preferred Stock (the "Preferred Stock"). Shares of the Preferred Stock accrue dividends on the face value of \$650 million in (A) cash at a rate of 8% per annum or, (B) at the Company's option, in-kind at a rate of 8.5% per annum, as declared by our Board of Directors.

Stock Performance Graph

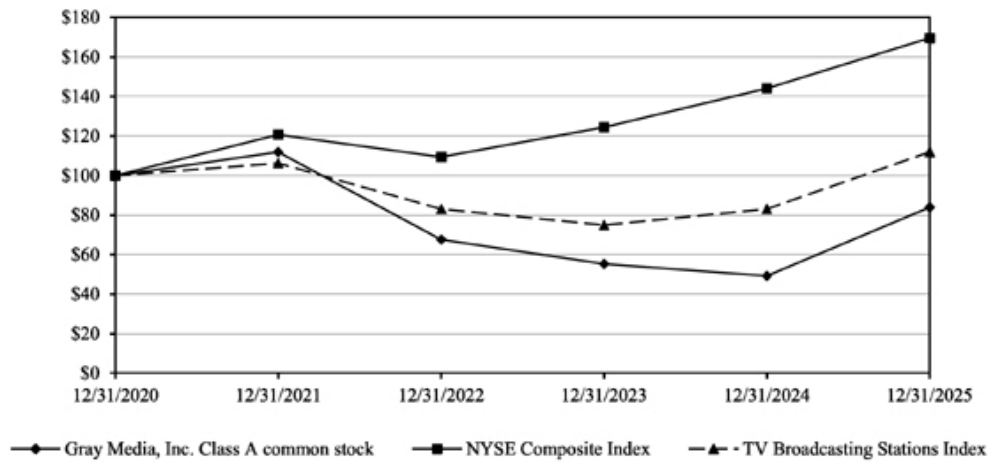
The following graphs compare the cumulative total return of our common stock and Class A common stock from December 31, 2020 to December 31, 2025, as compared to the stock market total return indexes for (i) The New York Stock Exchange Composite Index (the “NYSE Composite Index”) and (ii) The New York Stock Exchange Television Broadcasting Stations Index (the “TV Broadcasting Stations Index”).

The graphs assume the investment of \$100 in each of our common stock and the Class A common stock, respectively, the NYSE Composite Index and the TV Broadcasting Stations Index on December 31, 2020. Any dividends are assumed to have been reinvested as paid.



	As of					
	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>
Gray Media, Inc. common stock	\$ 100	\$ 114	\$ 65	\$ 54	\$ 20	\$ 33
NYSE Composite Index	\$ 100	\$ 121	\$ 109	\$ 124	\$ 144	\$ 170
TV Broadcasting Stations Index	\$ 100	\$ 106	\$ 83	\$ 75	\$ 83	\$ 112

**Class A Common Stock
Comparison of Five Year Cumulative Total Return**



	As of					
	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2022</u>	<u>12/31/2023</u>	<u>12/31/2024</u>	<u>12/31/2025</u>
Gray Media, Inc. Class A common stock	\$ 100	\$ 112	\$ 68	\$ 55	\$ 49	\$ 84
NYSE Composite Index	\$ 100	\$ 121	\$ 109	\$ 124	\$ 144	\$ 170
TV Broadcasting Stations Index	\$ 100	\$ 106	\$ 83	\$ 75	\$ 83	\$ 112

Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Overview

Introduction. The following discussion and analysis of the financial condition and results of operations of Gray Media, Inc. and its consolidated subsidiaries (except as the context otherwise provides, “Gray,” the “Company,” “we,” “us” or “our”) should be read in conjunction with our audited consolidated financial statements and notes thereto included elsewhere herein.

This section of our Annual Report discusses 2025 and 2024 items and year-over-year comparisons between 2025 and 2024. A detailed discussion of 2023 items and year-over-year comparisons between 2024 and 2023 that are not included in this Annual Report can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7. of our Annual Report for the year ended December 31, 2024.

Business Overview. We are a multimedia company headquartered in Atlanta, Georgia. We are the nation’s largest owner of top-rated local television stations and digital assets in the United States. Our television stations serve 114 full-power television markets that collectively reach approximately 37% of US television households. This portfolio includes 77 markets with the top-rated television station and 97 markets with the first and/or second highest rated television station in average all-day ratings across the 113 of such markets measured by Nielsen in 2025. We also own the largest Telemundo Affiliate group with 47 markets totaling over 1.6 million Hispanic TV Households. We also own Gray Digital Media, a full-service digital agency offering national and local clients digital marketing strategies with the most advanced digital products and services. Our additional media properties include video production companies Raycom Sports, Tupelo Media Group, and PowerNation Studios, and studio production facilities Assembly Atlanta and Third Rail Studios.

Our operating revenues are derived primarily from broadcast and digital advertising, retransmission consent fees and, to a lesser extent, other sources such as production of television and event programming, television commercials, tower rentals and management fees. For the years ended December 31, 2025, 2024 and 2023, we generated revenue of \$3.1 billion, \$3.6 billion and \$3.3 billion, respectively.

Revenues, Operations, Cyclicity and Seasonality. Broadcast advertising is sold for placement generally preceding or following a television station’s network programming and within local and syndicated programming. Broadcast advertising is sold in time increments and is priced primarily on the basis of a program’s popularity among the specific audience an advertiser desires to reach. In addition, broadcast advertising rates are affected by the number of advertisers competing for the available time, the size and demographic makeup of the market served by the station and the availability of alternative advertising media in the market area. Broadcast advertising rates are generally the highest during the most desirable viewing hours, with corresponding reductions during other hours. The ratings of a local station affiliated with a major network can be affected by ratings of network programming. Most advertising contracts are short-term, and generally run only for a few weeks.

We also sell digital advertising on our stations’ websites and mobile apps. These advertisements may be sold as banner advertisements, video advertisements and other types of advertisements or sponsorships.

Our broadcast and digital advertising revenues are affected by several factors that we consider to be seasonal in nature. These factors include:

- Spending by political candidates, political parties and special interest groups increases during the even-numbered “on-year” of the two-year election cycle. This political spending typically is heaviest during the fourth quarter of such years;
- Broadcast advertising revenue is generally highest in the second and fourth quarters each year. This seasonality results partly from increases in advertising in the spring and in the period leading up to and including the holiday season;
- Core Advertising Revenue on our NBC-affiliated stations increases in certain years as a result of broadcasts of the Olympic Games; and
- Because our stations and markets are not evenly divided among the Big Four broadcast networks, our local and national advertising revenue can fluctuate between years related to which network broadcasts the Super Bowl.

We derived a material portion of our non-political broadcast advertising revenue from advertisers in a limited number of industries, particularly the services sector, comprising financial, legal and medical advertisers, and the automotive industry. The services sector has become an increasingly important source of advertising revenue over the past few years. Approximately 26%, 23%, and 27% of our Core Advertising Revenue was derived from advertising sales to customers in the services sector for the years ended December 31, 2025, 2024, and 2023, respectively. Approximately 17%, 20%, and 20% of our Core Advertising Revenue was derived from advertising sales to automotive customers for the years ended December 31, 2025, 2024, and 2023, respectively. Revenue from these industries may represent a lower percentage of total revenue in even-numbered years due to, among other things, the decreased availability of advertising time, as a result of such years being the “on-year” of the two-year election cycle.

Our primary broadcasting operating expenses are employee compensation, related benefits and programming costs. In addition, the broadcasting operations incur overhead expenses, such as maintenance, supplies, insurance, rent and utilities. A large portion of the operating expenses of our broadcasting operations is fixed. We continue to monitor our operating expenses and seek opportunities to reduce them where possible.

Please see our “Results of Operations” and “Liquidity and Capital Resources” sections below for further discussion of our operating results.

Risk Factors. The broadcast television industry relies primarily on advertising revenue and faces significant competition. For a discussion of certain other presently known, significant risk factors that may affect our business, see “Item 1A. Risk Factors” included elsewhere herein.

Revenue

Set forth below are the principal types of revenue, less agency commissions, and the percentage contribution of each to our total revenue (dollars in millions):

	Year Ended December 31,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Revenue:						
Core advertising	\$ 1,452	47%	\$ 1,490	41%	\$ 1,514	46%
Political	42	1%	497	14%	79	2%
Retransmission consent	1,429	46%	1,482	41%	1,532	47%
Production companies	107	3%	105	3%	86	3%
Other	65	3%	70	1%	70	2%
Total	<u>\$ 3,095</u>	<u>100%</u>	<u>\$ 3,644</u>	<u>100%</u>	<u>\$ 3,281</u>	<u>100%</u>

Results of Operations

Year Ended December 31, 2025 (“2025”) Compared to Year Ended December 31, 2024 (“2024”)

Revenue. Total revenue decreased \$549 million, or 15%, to \$3.1 billion for 2025 compared to 2024. During the year ended December 31, 2025:

- Core Advertising Revenue decreased by \$38 million, due primarily to macroeconomic softness in the first half of 2025. Additionally, we generated \$9 million of Core Advertising Revenue from the broadcast of the Super Bowl on our 27 FOX channels in 2025, compared to an aggregate of \$18 million of advertising revenue relating to the broadcast of the Super Bowl on our 54 CBS channels during 2024. Our Super Bowl advertising revenue on our FOX channels increased from \$6 million in 2023 to \$9 million in 2025. In 2024, our Core Advertising Revenue benefited from \$16 million of advertising revenue earned on our 53 NBC channels from the broadcast of the Olympic Games. Our Core Advertising Revenue during 2025 was negatively impacted by one less selling day due to leap day, which we estimate impacted Core Advertising Revenue by \$4 million;
- Consistent with 2025 being the “off-year” of the two-year election cycle, political advertising revenue decreased by \$455 million, or 92%, compared to 2024;
- Retransmission consent revenue decreased by \$53 million or 4%, in 2025 compared to 2024, due to the impact of one station ceasing its networks affiliation on August 15, 2025 and a decrease in subscribers, offset, in part, by customary increases in rates under our retransmission agreements; and
- Production company revenue in 2025 increased by \$2 million, or 2%, compared to 2024.

Broadcasting Expenses. Broadcasting expenses (before depreciation, amortization, impairment and gain or loss on disposal of assets) decreased \$78 million or 3%, to \$2.2 billion. During the year ended December 31, 2025 compared to the year ended December 31, 2024:

- Broadcasting payroll expenses decreased by \$28 million. This decrease includes: \$15 million related to reduced incentive compensation, consistent with decreases in revenue; \$9 million related to reduced employee headcount; a \$5 million reduction in stock-based compensation; and a \$7 million decrease in other payroll-related expenses. This was offset by routine increases in compensation and an \$8 million increase in health care premiums.

- Broadcasting non-payroll expenses decreased by \$49 million primarily due to a \$50 million decrease in network affiliation expenses, consistent with the transition of one television station to independent status and the implementation of several new network affiliation agreements. Non-payroll expense also decreased \$14 million due to a reduction in business services expenses, which was offset, in part by an \$8 million increase in programming costs, and \$6 million in bad debt expense.
- Broadcasting non-cash stock-based compensation expenses were \$1 million and \$5 million in the 2025 and 2024, respectively.

Production Company Expenses. Production company expenses (before depreciation, amortization, and gain or loss on disposal of assets) increased by approximately \$12 million to \$95 million for 2025, compared to \$83 million in 2024. Production company operating expenses in 2025 increased primarily due to increases in property taxes at Assembly Atlanta and the non-recurring recovery from the Diamond Sports bankruptcy, which was recorded in 2024.

Corporate and Administrative Expenses. Corporate and administrative expenses (before depreciation, amortization and gain or loss on disposal of assets) increased by \$9 million to \$113 million in 2025 compared to 2024. During 2025, professional services increased by \$7 million primarily related to our pending business combination transactions. Non-cash stock-based compensation expenses increased to \$21 million in 2025 compared to \$17 million in 2024.

Depreciation. Depreciation of property and equipment totaled \$133 million and \$144 million in 2025 and 2024, respectively. Depreciation expenses have decreased as certain underlying assets become fully depreciated.

Amortization. Amortization of intangible assets totaled \$104 million and \$125 million in 2025 and the 2024, respectively. Amortization decreased primarily due to finite-lived intangible assets becoming fully amortized.

Impairment of Broadcast Licenses and Other Intangible Assets. During 2025, we recorded non-cash impairment charges of \$28 million related to a change in the network affiliation at one station. We also recorded a non-cash impairment charge of \$2 million for a license at one station.

(Gain) Loss on Disposal of Assets, Net. We recognized a gain on disposal of assets of \$11 million in 2025 compared to a loss on disposal of \$20 million in 2024, primarily due to on the sale of easements and the assignment of leases at some of our television broadcast tower sites. The loss in 2024 was primarily related to the acquisition of a construction permit to build television station KCBU in exchange for the divestiture of television stations KCWY and KGWN in which we recognized a loss of \$14 million.

Miscellaneous (Expense) Income, Net. Miscellaneous expense, net totaled \$1 million in 2025 compared to \$117 million of miscellaneous income, net in 2024. Miscellaneous expense, net in 2025 was due to \$8 million in various other miscellaneous expenses, offset primarily due to a gain of \$7 million on the sale of our investment in Premion, Inc.. Miscellaneous income, net in 2024 was due primarily to a gain of \$110 million from the sale of our investment in Broadcast Music, Inc.

Impairment of Investments. During 2025 and 2024, we wrote down the value of certain investments to their estimated net realizable values. The total impairment charges were \$20 million and \$25 million in 2025 and 2024, respectively.

Interest Expense. Interest expense decreased \$11 million, or 2%, to \$474 million for 2025 compared to 2024. This decrease was primarily attributable to a combination of factors including: decreases in the outstanding debt balance on our floating rate Senior Credit Agreement and on our Notes resulting from our 2025 refinancing activities, offset by an increased average interest rate. Our average outstanding total long-term debt balance was \$5.7 billion and \$6.1 billion during 2025 and 2024, respectively. Our average total interest rate was 7.5% and 7.2% during 2025 and 2024, respectively.

(Loss) Gain on Early Extinguishment of Debt. We recorded a loss on the early extinguishment of debt of \$10 million in 2025, primarily due to the write-off of deferred financing costs related to the open-market repurchases and expenses incurred related to our refinancing activities. We recorded a gain on the early extinguishment of debt of \$34 million in 2024, primarily as a result of our open-market repurchases of debt at prices below face value, partially offset by the write-off of deferred financing costs related to the open-market repurchases and expenses incurred related to our refinancing activities.

Income Tax (Benefit) Expense. Our effective income tax rate increased to 25% for 2025 compared to 24% for 2024. Our effective income tax rates differed from the statutory rate due to the following items:

	Year Ended December 31,	
	2025	2024
Statutory federal income tax rate	21%	21%
Nondeductible expenses	(3)%	1%
Nondeductible compensation	(7)%	(*)
Investments	2%	(*)
State and local taxes, net of federal tax benefit	10%	4%
Reserve for uncertain tax positions	0%	(3)%
Other items, net	2%	1%
Effective income tax expense rate	25%	24%

(*) Disaggregated in accordance with ASU 2023-09, which was adopted prospectively in 2025.

We file a consolidated federal income tax return and such state or local tax returns as are required based on our current forecasts. We estimate that these income tax payments, before deducting refunds, will be within a range of \$105 million to \$125 million in 2026.

Liquidity and Capital Resources

General. Our primary sources of liquidity are cash on hand, cash flows from operations and borrowing capacity under our Revolving Credit Facility and revolving accounts receivable securitization facility.

2025 Refinancing Activities. During 2025, we completed several steps to enhance our liquidity and to extend the maturity of portions of our debt obligations that were scheduled to mature in the near-term. Please refer to Note 4. “Long-Term Debt” for further information. During 2025, we:

- amended our Senior Credit Agreement to increase the availability under our Revolving Credit Facility by \$70 million to \$750 million and extended the term of those commitments to December 1, 2028.
- issued \$1.15 billion in aggregate principal amount of 9.625% Senior Secured Second Lien Notes due 2032, with \$900 million issued in July 2025 and the remaining \$250 million issued in December 2025. The proceeds of this issuance, together with \$50 million from our Revolving Credit facility were used to: (i) redeem all of our outstanding 7.0% senior notes due 2027 at par; (ii) to repay a portion of our 2024 Term Loan (due June 2029) under our Senior Credit Agreement; (iii) to redeem a portion of our outstanding 10.5% secured first lien notes due 2029 at 103% of par; (iv) to pay transaction expenses incurred in connection with the offerings; and (v) for general corporate purposes.

- issued \$775 million in aggregate principal amount of 7.25% senior secured first lien notes due 2033. Proceeds were used to: (i) repay \$630 million of our 2021 Term Loan (due December 2028) under our Senior Credit Agreement; (ii) \$80 million of our 2024 Term Loan (due June 2029) under our Senior Credit Agreement, (iii) repay all \$50 million then outstanding under our Revolving Credit Facility; and (iv) pay transaction fees and expenses incurred in connection with the offering.

We are a party to many contractual obligations involving commitments to make payments to third parties. These obligations impact our short-term and long-term liquidity and capital resource needs. Certain contractual obligations are reflected on the Consolidated Balance Sheet as of December 31, 2025, while others are considered future commitments. Our contractual obligations primarily consist of amounts required to be paid for: the acquisition of television stations; the purchase of property and equipment; service and other agreements; commitments for various television programming; and commitments under affiliation agreements with networks. In addition to our contractual obligations, we expect that our primary anticipated uses of liquidity in 2026 will be to reduce our indebtedness, fund our working capital, make interest and tax payments, fund capital expenditures, pursue certain strategic opportunities, maintain operations, and fund dividends. For a description of the Company's various contractual and other commitments requiring future payments, see Note 12 "Commitments and Contingencies" of our audited consolidated financial statements included elsewhere herein. In addition, for a description of the Company's interest payments and future maturities of long-term debt, see Note 4 "Long-term Debt" of our audited consolidated financial statements included elsewhere herein.

The following tables present data that we believe is helpful in evaluating our liquidity and capital resources (dollars in millions):

	Year Ended December 31,		
	2025	2024	2023
Net cash provided by operating activities	\$ 289	\$ 751	\$ 648
Net cash used in investing activities	(63)	(28)	(291)
Net cash provided (used in) financing activities	7	(609)	(397)
Net increase (decrease) in cash	<u>\$ 233</u>	<u>\$ 114</u>	<u>\$ (40)</u>
		December 31,	
		2025	2024
Cash		\$ 368	\$ 135
Long-term debt, including current portion, less deferred financing costs		\$ 5,744	\$ 5,621
Series A Perpetual Preferred Stock		\$ 650	\$ 650
Revolving Credit Facility:			
Revolving Credit Facility commitment		\$ 750	\$ 680
Undrawn outstanding letters of credit		(5)	(6)
Borrowing availability under Revolving Credit Facility		<u>\$ 745</u>	<u>\$ 674</u>

Net Cash Provided By (Used In) Operating, Investing and Financing Activities – 2025 Compared to 2024

Net cash provided by operating activities decreased \$462 million to \$289 million in 2025 compared to net cash provided by operating activities of \$751 million in 2024. The decrease in cash provided by operating activities was primarily due to the decrease in net income of \$460 million; a decrease in cash provided by changes in working capital of \$89 million; and offset, in part, by a decrease in net non-cash charges of \$87 million.

Net cash used in investing activities increased \$35 million to \$63 million for 2025 compared to \$28 million for 2024. The net increase in the amount used was primarily due to a decrease in cash proceeds received from the sale of investments and other assets, offset, in part, by a decrease in cash used for purchases of property.

Net cash provided by financing activities was \$7 million in 2025 compared to cash used by financing activities \$609 million in 2024. During each of 2025 and 2024, we used \$52 million of cash to pay dividends to holders of our preferred stock and \$33 million and \$32 million, respectively, to pay dividends to holders of our common stock. During 2025, we received net proceeds of \$123 million of principal borrowings net of principal payments on our long-term debt. During 2024, we used a net amount of \$474 million for principal payments net of borrowings on our long-term debt.

Liquidity. Based on our debt outstanding as of December 31, 2025, we estimate that we will make approximately \$450 million in debt interest payments over the twelve months immediately following December 31, 2025. Although our cash flows from operations are subject to a number of risks and uncertainties, we anticipate that our cash on hand, future cash expected to be generated from operations, borrowings from time to time under the Senior Credit Agreement (or any such other credit facility as may be in place at the appropriate time) and, potentially, external equity or debt financing, will be sufficient to fund any debt service obligations, estimated capital expenditures and acquisition-related obligations for the next twelve months and the foreseeable future. Any potential equity or debt financing would depend upon, among other things, the costs and availability of such financing at the appropriate time. We also believe that our future cash expected to be generated from operations and borrowing availability under the Senior Credit Agreement (or any such other credit facility) will be sufficient to fund our future capital expenditures and long-term debt service obligations for the next twelve months and the foreseeable future.

Collateral, Covenants and Restrictions of our Credit Agreements. Our obligations under the Senior Credit Agreement, the 2029 Notes (1L), the 2033 Notes (1L) and the 2032 Notes (2L) are secured by substantially all of our consolidated assets, excluding real estate. In addition, substantially all of our subsidiaries (subject to certain limited exceptions) are joint and several guarantors of, and our ownership interests in those subsidiaries are pledged to collateralize, our obligations under the Senior Credit Agreement, the 2029 Notes (1L), the 2033 Notes (1L) and the 2032 Notes (2L). Gray Media, Inc. is a holding company, and has no material independent assets or operations. For all applicable periods, the 2026 Notes, 2030 Notes and 2031 Notes have been fully and unconditionally guaranteed, on a joint and several, senior unsecured basis, by substantially all of Gray Media, Inc.'s subsidiaries (subject to certain limited exceptions). Any subsidiaries of Gray Media, Inc. that do not guarantee the 2026 Notes, 2030 Notes, 2031 Notes, the Senior Credit Agreement, the 2029 Notes (1L), the 2033 Notes (1L) and 2032 Notes (2L) are not material or are designated as unrestricted under the Senior Credit Agreement. As of December 31, 2025, there were no significant restrictions on our subsidiaries to distribute cash to us or the guarantor subsidiaries.

The Senior Credit Agreement contains affirmative and restrictive covenants with which we must comply, including: (a) limitations on additional indebtedness, (b) limitations on liens, (c) limitations on the sale of assets, (d) limitations on guarantees, (e) limitations on investments and acquisitions, (f) limitations on the payment of dividends and share repurchases, (g) limitations on mergers and (h) maintenance of the First Lien Leverage Ratio while any amount is outstanding under the Revolving Credit Facility, as well as other customary covenants for credit facilities of this type. The 2026 Notes, 2029 Notes (1L), 2030 Notes, 2031 Notes, 2032 Notes (2L) and 2033 Notes (1L) include covenants with which we must comply which are typical for financing transactions of their nature. As of December 31, 2025, we were in compliance with all required covenants under all of our debt obligations.

In addition to results prepared in accordance with GAAP, “Leverage Ratio Denominator” is a metric that management uses to calculate our compliance with our financial covenants in our indebtedness agreements. This metric is calculated as specified in our Senior Credit Agreement and is a significant measure that represents the denominator of a formula used to calculate compliance with material financial covenants within the Senior Credit Agreement that govern our ability to incur indebtedness, incur liens, make investments and make restricted payments, among other limitations usual and customary for credit agreements of this type. Accordingly, management believes this metric is a very material metric to our debt and equity investors. Leverage Ratio Denominator gives effect to the revenue and broadcast expenses of all completed acquisitions and divestitures as if they had been acquired or divested, respectively, on January 1, 2024. It also gives effect to certain operating synergies expected from the acquisitions and related financings and adds back professional fees incurred in completing the acquisitions. Certain of the financial information related to the acquisitions, if applicable, has been derived from, and adjusted based on, unaudited, un-reviewed financial information prepared by other entities, which Gray cannot independently verify. We cannot assure you that such financial information would not be materially different if such information were audited or reviewed and no assurances can be provided as to the accuracy of such information, or that our actual results would not differ materially from this financial information if the acquisitions had been completed on the stated date. In addition, the presentation of Leverage Ratio Denominator as determined in the Senior Credit Agreement and the adjustments to such information, including expected synergies, if applicable, resulting from such transactions, may not comply with GAAP or the requirements for pro forma financial information under Regulation S-X under the Securities Act of 1933. Leverage Ratio Denominator, as determined in the Senior Credit Agreement, represents an average amount for the preceding eight quarters then ended.

Specified Transaction Costs and Expenses are defined in our Senior Credit Agreement and include incremental expenses incurred specific to acquisitions and divestitures, including but not limited to legal and professional fees, severance and incentive compensation, and contract termination fees. We present certain line items from our selected operating data, net of Transaction Related Expenses, in order to present a more meaningful comparison between periods of our operating expenses and our results of operations.

Our “First Lien Adjusted Total Indebtedness”, “Secured Adjusted Total Indebtedness” and “Adjusted Total Indebtedness” in each case net of all cash, represents the amount of outstanding principal of our long-term debt, plus certain other obligations as defined in our Senior Credit Agreement for the applicable amount of indebtedness.

Below is a calculation of our “Leverage Ratio”, “First Lien Leverage Ratio” and “Secured Leverage Ratio” as defined in our Senior Credit Agreement as of December 31, 2025:

Calculation of Leverage Ratio, First Lien Leverage Ratio and Secured Leverage Ratio, as each is defined in our Senior Credit Agreement (Unaudited):

	Eight Quarters Ended December 31, 2025
	<u>(in millions)</u>
Net income	\$ 290
Adjustments to reconcile from net income to Leverage Ratio Denominator as defined in our Senior Credit Agreement:	
Depreciation	277
Amortization of intangible assets	229
Non-cash stock-based compensation	44
Loss on disposal of assets, net	14
Gain on disposal of investment, not in the ordinary course	(115)
Interest expense	959
Gain on early extinguishment of debt	(24)
Income tax expense	89
Impairment of goodwill, other intangibles and investments	75
Amortization of program broadcast rights	55
Payments for program broadcast rights	(56)
Pension expense	1
Adjustments for unrestricted subsidiaries	34
Specified Transaction Costs and Expenses	6
Other	1
Total eight quarters ended December 31, 2025	\$ 1,879
Leverage Ratio Denominator (total eight quarters ended December 31, 2025, divided by 2)	\$ 939
Total outstanding principal secured by a first lien	\$ 2,649
Less: Cash	(368)
First Lien Adjusted Total Indebtedness	\$ 2,281
First Lien Leverage Ratio (maximum permitted incurrence is 3.5 to 1.00) (1)	2.43
Total outstanding principal secured by a lien	\$ 3,799
Less: Cash	(368)
Secured Adjusted Total Indebtedness	\$ 3,431
Secured Leverage Ratio (maximum permitted incurrence is 5.50 to 1.00) (2)	3.65
Total outstanding principal, including current portion	\$ 5,810
Letters of Credit Outstanding	5
Less: Cash	(368)
Adjusted Total Indebtedness	\$ 5,447
Leverage Ratio (maximum permitted incurrence is 7.00 to 1.00)	5.80

(1) At any time any amounts are outstanding under our revolving credit facility, our maximum First Lien Leverage Ratio cannot exceed 4.25 to 1.00.

(2) For our 2032 Notes (2L) the maximum permitted Second Lien incurrence is 4.5 to 1.00

Retirement Plans

We sponsor and contribute to defined benefit and defined contribution retirement plans. These plans include:

- The Gray Media, Inc. Retirement Plan (the “Gray Pension Plan”)
- The Gray Media 401(k) Savings Plan (the “Gray 401(k) Plan”)
- Gray Media, Inc. Retirement Plan for Certain Bargaining Class Employees (the “Meredith Plan”)

The Gray Pension Plan is a defined benefit pension plan covering certain of our legacy employees. Benefits under the Gray Pension Plan are frozen and can no longer increase, and no new participants can be added to the plan.

Our funding policy for the Gray Pension Plan is consistent with the funding requirements of existing federal laws and regulations under the Employee Retirement Income Security Act of 1974. A discount rate is selected annually to measure the present value of the benefit obligations. In determining the selection of a discount rate, we estimated the timing and amounts of expected future benefit payments and applied a yield curve developed to reflect yields available on high-quality bonds. The yield curve is based on an externally published index specifically designed to meet the criteria of United States Generally Accepted Accounting Principles (“U.S. GAAP”). The discount rate selected for determining benefit obligations as of December 31, 2025, was 5.40%, which reflects the results of this yield curve analysis. The discount rate used for determining benefit obligations as of December 31, 2024 was 5.48%. Our assumptions regarding expected return on plan assets reflect asset allocations, the investment strategy and the views of investment managers, as well as historical experience. In 2025, we used an assumed rate of return of 5.25% for our assets invested in the Gray Pension Plan. The estimated asset returns for this plan, calculated on a mean market value assuming mid-year contributions and benefit payments, were a gain of 6.8% for the year ended December 31, 2025, and a gain of 0.7% for the year ended December 31, 2024. Other significant assumptions relate to inflation, retirement and mortality rates. Our inflation assumption is based on an evaluation of external market indicators. Retirement rates are based on actual plan experience and mortality rates are based on the Pri-2012 total mortality table and the MP-2021 projection scale published by the Society of Actuaries.

During the years ended December 31, 2025 and 2024, we determined that no contributions to the Gray Pension Plan were required. Currently we do not expect that a contribution to the Gray Pension Plan will be needed in 2026. The use of significantly different assumptions, or if actual experienced results differ significantly from those assumed, could result in our funding obligations being materially different.

On April 25, 2025, the Gray Pension Plan purchased a non-participating single premium group annuity contract for \$18 million from American United Life Insurance Company, a OneAmerica Financial Company. The contract assumes the obligation to provide monthly annuity payments for a subset of the plan’s retirees beginning July 1, 2025. On September 1, 2025, the Gray Pension Plan paid out \$15 million in lump sum payments to terminated participants with a vested benefit. On November 1, 2025, the Gray Pension Plan converted the Group Annuity Contract with Aetna from participating to non-participating for \$7 million. Following the change in the contract, Aetna assumed the obligation to pay all future monthly annuity payments to a subset of current retirees in the plan. The Gray Pension Plan was amended to allow for these transactions.

The Gray 401(k) Plan is a defined contribution plan intended to meet the requirements of section 401(k) of the Internal Revenue Code. During 2025 and 2024, employer contributions under the Gray 401(k) Plan include matching cash contributions at a rate of 100% of the first 1% of each employee's salary deferral, and 50% of the next 5% of each employee's salary deferral. In addition, the Company, at its discretion, may make an additional profit-sharing contribution, based on annual Company performance, to those employees who meet certain criteria. For the years ended December 31, 2025 and 2024, our matching contributions to our Capital Accumulation Plan were approximately \$25 million and \$28 million, respectively. Additional profit-sharing contributions were not approved for 2025 and 2024.

In connection with the Meredith Transaction, in 2021, we assumed a defined benefit pension plan covering certain legacy Meredith bargaining class employees. As of December 31, 2025 and 2024, the Meredith Plan had combined plan assets of \$25 million and \$22 million, respectively, and combined projected benefit obligations of \$20 million and \$18 million, respectively. A net asset of \$5 million and \$4 million for this plan are recorded in our financial statements as of December 31, 2025 and 2024, respectively.

See Note 11 "Retirement Plans" of our audited consolidated financial statements included elsewhere herein for further information concerning these retirement plans.

Capital Expenditures

We currently expect that our capital expenditures will be approximately \$140 million during 2026, which includes several significant station construction projects and capital expenditures at our Assembly Atlanta project.

During 2025, our gross capital expenditures related to Assembly Atlanta were \$34 million. Pursuant to our Purchase and Sale Agreement with the Doraville Community Improvement District (the "CID"), we received aggregate cash reimbursements of \$33 million during 2025 for the transfer of specific infrastructure projects to the CID and for other construction costs previously incurred. Required public infrastructure investment at Assembly Atlanta is substantially complete, and future reimbursements of public infrastructure costs, if any, are expected to be less than \$5 million.

Off-Balance Sheet Arrangements

Operating Commitments. We have various commitments for syndicated television programs. We have two types of syndicated television program contracts: first run programs and off network reruns. First run programs are programs such as *Wheel of Fortune* and off network reruns are programs such as *The Big Bang Theory*. First run programs have not been produced at the time the contract to air such programming is signed, and off network reruns have already been produced. For all syndicated television contracts, we record an asset and corresponding liability for payments to be made only for the current year of the first run programming and for the entire contract period for off-network programming. Only an estimate of the payments anticipated to be made in the year following the balance sheet date of the first run contracts are recorded on the current balance sheet, because the programs for the later years of the contract period have not been produced or delivered.

The total license fee payable under a program license agreement allowing us to broadcast programs is recorded at the beginning of the license period and is charged to operating expense over the period that the programs are broadcast. The portion of the unamortized balance expected to be charged to operating expense in the succeeding year is classified as a current asset, with the remainder classified as a non-current asset. The liability for license fees payable under program license agreements is classified as current or long-term, in accordance with the payment terms of the various license agreements.

The following are our material expected off balance sheet contractual obligations and commitments as of December 31, 2025:

- Cash interest on long-term debt obligations, including interest expense on long-term debt and required future principal repayments under those obligations.
- Preferred Stock dividends.
- On February 23, 2023, we, certain of our subsidiaries and a wholly-owned special purpose subsidiary (the “SPV”), entered into a revolving accounts receivable securitization facility (the “Securitization Facility”) with Wells Fargo Bank, N.A., as administrative agent, for the purpose of providing additional liquidity. On March 31, 2025, the Securitization Facility was amended to permit the SPV to draw up to a total of \$400 million, subject to the outstanding amount of the receivables pool and other factors, and the termination date was extended to March 31, 2028. The Securitization Facility is subject to interest charges, at the one-month SOFR rate plus 125 basis points on the amount of the outstanding facility. The SPV is also required to pay a commitment fee in connection with unused commitments under the Securitization Facility. On December 31, 2025, amounts outstanding under the Securitization Facility totaled \$400 million.
- Programming obligations not currently accrued that represent obligations for syndicated television programming whose license period has not yet begun, or the program is not yet available.
- Network affiliation agreements representing the fixed obligations under our current agreements with broadcast networks. Certain network affiliation agreements include variable fee components such as percentage of revenue or rate per subscriber. Our network affiliation agreements expire at various dates from mid-2027 through December 31, 2028.
- Service and other agreements for various non-cancelable contractual agreements for maintenance services and other professional services.

For more information about these off-balance sheet contractual obligations and commitments please refer to Note 12 “Commitments and Contingencies” of our audited consolidated financial statements included elsewhere herein.

Subsequent Events

On December 16, 2025, we announced that we reached an agreement with Bahakel Communications, Limited, to purchase WBBJ-TV (ABC) in Jackson, Tennessee. On January 1, 2026, we acquired all of the non-license assets of the station and commenced operating the station pursuant to a standard pre-closing agreement, and, on February 13, 2026, we acquired the license assets of the station, for total consideration of \$25 million.

On January 20, 2026, we received \$10 million in cash proceeds from the closing of the sale of our investment in FreeTV, Inc. We may receive up to \$6 million in additional consideration over the next three years should FreeTV achieve certain financial targets.

On January 20, 2026, we repaid the then outstanding principal balance under our 2026 Notes.

Inflation

During 2025, we have experienced moderate inflation in certain of our operating expenses. There can be no assurance that further increases in the rate of inflation or interest rates in the future would not have an adverse effect on operating results.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires us to make judgments and estimations that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ materially from those reported amounts. We consider our accounting policies relating to intangible assets and income taxes to be critical policies that require significant judgments or estimations in their application where variances may result in significant differences to future reported results. Our policies concerning intangible assets and income taxes are disclosed below.

Variability of Critical Accounting Estimates. Our critical accounting estimates include estimates and assumptions that are material to our financial statements. These estimates and assumptions are used in:

- our annual impairment testing of broadcast licenses and goodwill;
- our estimates of the fair value of assets acquired and liabilities assumed in businesses combinations; and
- our estimates and assumptions have been materially accurate in the past and have not changed materially. We do not expect that these assumptions are likely to change materially in the future.

Annual Impairment Testing of Broadcast Licenses and Goodwill. We evaluate broadcast licenses and goodwill for impairment on an annual basis, or more often when certain triggering events occur. Goodwill is evaluated at the reporting unit level.

Our broadcasting operating segment comprises a single reporting unit. Each of the distinct businesses within our production companies operating segment represents a reporting unit. Therefore, as of December 31, 2025, we evaluated our goodwill for impairment for five reporting units. One reporting unit for all of our broadcast television operations and four for each of the distinct businesses within our production companies. The Company has considered the requirements as stipulated within ASC 350. Management has identified the applicable assets and liabilities for each of the reporting units in accordance with ASC 350.

In the performance of our annual broadcast license and reporting unit impairment assessments, we have the option of performing a qualitative assessment to determine if it is more likely than not that the respective asset has been impaired. In 2025, we performed a qualitative assessment for 74 of our broadcast licenses and three of our reporting units. In 2024, we performed a qualitative assessment for 56 of our broadcast licenses and three of our reporting units.

As part of this qualitative assessment, we evaluate the relative impact of factors that are specific to the reporting units as well as industry, regulatory and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. We also consider the significance of the excess fair value over the carrying value reflected in prior quantitative assessments and the changes to the reporting units' carrying value since the last impairment test.

If we conclude that it is more likely than not that a broadcast license or reporting unit is impaired, or if we elect not to perform the optional qualitative assessment, we perform the quantitative assessment which involves comparing the estimated fair value of the broadcast license or reporting unit to its respective carrying value.

For our annual broadcast licenses impairment test in 2025, we concluded that it was more likely than not that all of our broadcast licenses that were evaluated through a qualitative assessment were not impaired. We elected to perform a quantitative assessment for our remaining broadcast licenses. Except for one broadcast license, we concluded that their fair values exceeded their carrying values. For the one broadcast license whose fair value did not exceed its carrying value, we recorded an impairment charge of \$2 million in 2025. To estimate the fair value of our broadcast licenses, we considered assumptions related to historical market and station growth trends, third party market specific industry data, the anticipated performance of the stations and discount rates. Our valuation technique included theoretical assumptions of the costs that would be incurred to construct a station when the only owned asset is the broadcast license and theoretical assumptions for the associated revenues, operating margins and capital expenditures expected to be incurred in the start-up years. We also consider other relevant factors such as the technical qualities of the broadcast license and the number of competing broadcast licenses within that market.

For our annual goodwill impairment test in 2025, we concluded that it was more likely than not that goodwill was not impaired based upon our qualitative assessments for one of our reporting units. We elected to perform a quantitative assessment for the remainder of our reporting units and concluded that their fair values exceeded their carrying values. To estimate the fair value of our reporting units, we utilize a discounted cash flow model supported by a market multiple approach. We believe that a discounted cash flow analysis is the most appropriate methodology to test the recorded value of long-term assets with a demonstrated long-lived/enduring franchise value. We believe the results of the discounted cash flow and market multiple approaches provide reasonable estimates of the fair value of our reporting units because these approaches are based on our actual results and reasonable estimates of future performance, and also take into consideration a number of other factors deemed relevant by us including, but not limited to, expected future market revenue growth, market revenue shares and operating profit margins. We have historically used these approaches in determining the value of our reporting units. We also consider a market multiple approach to corroborate our discounted cash flow analysis. We believe that this methodology is consistent with the approach that a strategic market participant would utilize if they were to value our television stations.

We believe we have made reasonable estimates and utilized appropriate assumptions to evaluate whether the fair values of our broadcast licenses and reporting units were less than their carrying values. If future results are not consistent with our assumptions and estimates, including future events such as a deterioration of market conditions or significant increases in discount rates, we could be exposed to impairment charges in the future. Any resulting impairment loss could have a material adverse impact on our consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows.

At December 31, 2025 and 2024, the recorded value of our broadcast licenses was \$5.3 billion and the recorded value of our goodwill was \$2.6 billion, at each date. See Note 13 “Goodwill and Intangible Assets” of our audited consolidated financial statements included elsewhere herein, for the results of our annual impairment tests for the years ended December 31, 2025, 2024 and 2023.

Valuation of Network Affiliation Agreements. We believe that the value of a television station is derived primarily from the attributes of its broadcast license rather than its network affiliation agreement. These attributes have a significant impact on the audience for network programming in a local television market compared to the national viewing patterns of the same network programming.

Certain other broadcasting companies have valued their stations on the basis that it is the network affiliation and not the other attributes of the station, including its broadcast license, which contributes to the operational performance of that station. As a result, we believe that these broadcasting companies allocate a significant portion of the purchase price for any station that they may acquire to the network affiliation relationship, and include in their network affiliation valuation amounts related to attributes which we believe are more appropriately reflected in the value of the broadcast license or reporting units.

The methodology we used to value our stations was based on our evaluation of the broadcast licenses acquired and the characteristics of the markets in which they operated. Given our assumptions and the specific attributes of the stations we acquired from 2002 through 2025, we generally ascribe no incremental value to the incumbent network affiliation relationship in each market beyond the cost of negotiating a new agreement with another network and the value of any terms of the affiliation agreement that were more favorable or unfavorable than those generally prevailing in the market. Due to certain characteristics of the small number of the stations acquired in 2023, we ascribed approximately \$14 million of the value of those transactions to network affiliations.

Some broadcast companies may use methods to value acquired network affiliations different than those that we use. These different methods may result in significant variances in the amount of purchase price allocated to these assets among broadcast companies.

If we were to assign higher values to all of our network affiliations and less value to our broadcast licenses or goodwill and if it is further assumed that such higher values of the network affiliations are finite-lived intangible assets, this reallocation of value might have a significant impact on our operating results. There is diversity of practice within the industry, and some broadcast companies have considered such network affiliation intangible assets to have a life ranging from 15 to 40 years depending on the specific assumptions utilized by those broadcast companies.

The following table reflects the hypothetical impact of the reassignment of value from broadcast licenses to network affiliations for our historical acquisitions (the first acquisition being in 1994) and the resulting increase in amortization expense assuming a hypothetical 15-year amortization period as of our most recent impairment testing date of December 31, 2025 (in millions, except per share data):

	As Reported	Percentage of Total Value Reassigned to Network Affiliation Agreements	
		50%	25%
Balance Sheet (As of December 31, 2025):			
Broadcast licenses	\$ 5,309	\$ 2,654	\$ 3,982
Other intangible assets, net (including network affiliation agreements)	157	1,459	808
Statement of Operations (For the year ended December 31, 2025):			
Amortization of intangible assets	104	254	179
Operating income	392	242	317
Net loss attributable to common stockholders	(137)	(250)	(193)
Per share - basic	\$ (1.41)	\$ (2.58)	\$ (1.99)
Per share - diluted	\$ (1.41)	\$ (2.58)	\$ (1.99)

For future acquisitions, if any, the valuation of the network affiliations may differ from the values of previous acquisitions due to the different characteristics of each station and the market in which it operates.

Recent Accounting Pronouncements. See Note 1 “Description of Business and Summary of Significant Accounting Policies” of our audited consolidated financial statements included elsewhere herein for more information.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain risks arising from business operations and economic conditions. We attempt to manage our exposure to a wide variety of business and operational risks principally through the management of our core business activities. We attempt to manage economic risk, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of our debt funding and, at times, the use of interest rate swap agreements. From time to time, we may enter into interest rate swap agreements or interest rate cap agreements to manage interest rate exposure with the following objectives:

- managing current and forecasted interest rate risk while maintaining financial flexibility and solvency;
- proactively managing our cost of capital to ensure that we can effectively manage operations and execute our business strategy, thereby maintaining a competitive advantage and enhancing shareholder value; and
- complying with covenant requirements in our financing agreements.

Under the Senior Credit Agreement, we pay interest based on a floating interest rate on balances outstanding. On February 23, 2023, we entered into interest rate caps (“Interest Rate Caps”) pursuant to an International Swaps and Derivatives Association (“ISDA”) Master Agreement with Wells Fargo Bank, NA and Truist Bank, respectively (the “Rate Caps”). The Rate Caps effectively limited the annual interest charged on all of our variable rate debt to a maximum one-month SOFR rate of 5 percent, plus the Applicable Margin, as defined in our Senior Credit Agreement. On June 25, 2024, we amended the Rate Caps in order to align the notional amount with the outstanding amounts of the related indebtedness. We further amended the Rate Caps during 2025, also to align the notional amount with the then outstanding amount of the related indebtedness. The Rate Caps expired on December 31, 2025 and we currently have no interest rate or other derivative instruments in place. The Company paid aggregate fees in connection with the Rate Caps of approximately \$34 million on December 31, 2025. The Rate Caps were hedging agreements entered into to mitigate the interest rate risk inherent in our variable rate debt and not for speculative trading purposes.

We pay a fixed rate of interest on the 2026 Notes, 2029 Notes, 2030 Notes, 2031 Notes, 2032 Notes and 2033 Notes. As of December 31, 2025, the majority of our outstanding debt bore interest at a fixed interest rate, which reduces our risk of potential increases in interest rates, but would not allow us to benefit from any reduction in market interest rates such as SOFR or the prime rate. See Note 4 “Long-term Debt” of our audited consolidated financial statements included elsewhere herein for more information on our long-term debt and associated interest rates.

At December 31, 2025 and 2024, the principal outstanding of our long-term debt, including current portion, was \$5.8 billion and \$5.7 billion, respectively, and the fair value of our long-term debt, including current portion, was \$5.5 billion and \$4.6 billion, respectively, as of December 31, 2025 and 2024. Fair value of our long-term debt is based on estimates provided by third-party financial professionals as of the respective dates.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Gray Media, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Gray Media, Inc. and its subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes to the consolidated financial statements and schedule (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated February 26, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Indefinite-Lived Intangible Asset Impairment Assessment

As described in Notes 1 and 13 to the consolidated financial statements, the Company's consolidated broadcast licenses are \$5.3 billion as of December 31, 2025 and are tested for impairment at least annually. In the Company's assessment of impairment, management identified those broadcast licenses for which a qualitative assessment would be performed to determine whether it is more likely than not that the broadcast license is impaired. For those broadcast licenses for which the Company did not elect to perform a qualitative analysis, the Company performed a quantitative analysis which involves comparing the estimated fair value of the broadcast licenses to their respective carrying values. To estimate the fair value of the broadcast licenses, management used an income approach. Under this approach, the broadcast license value is based on the estimated after-tax discounted future cash flows of the license, assuming an initial hypothetical start-up operation maturing into an average performing station in a specific television market and giving consideration to other relevant factors such as the technical qualities of the broadcast license and the number of competing broadcast licenses within that market. The assumptions considered by management in the analysis reflect historical market and station growth trends, third party market specific industry data, the anticipated performance of the stations and discount rates. The valuation technique used by management included theoretical assumptions of the costs that would be incurred to construct a station when the only owned asset is the broadcast license and the associated revenues, operating margins and capital expenditures expected to be incurred in the start-up years, which are inherently judgmental.

We identified the broadcast license impairment assessment as a critical audit matter because of the significant estimates and assumptions management used in the impairment analysis. Auditing management's judgments used in the impairment assessment regarding forecasts of future revenue, operating margins, capital expenditures, and the discount rate to be applied involved a high degree of auditor judgment and increased audit effort, including the use of our valuation specialist.

Our audit procedures related to the Company's broadcast license impairment assessment included the following, among others:

- We obtained an understanding of the relevant controls related to the Company's broadcast license impairment assessment, and tested such controls for design and operating effectiveness, including controls related to management's review of the significant assumptions noted above.
- We tested management's process for determining the fair value of the broadcast licenses subject to the quantitative impairment assessment. We compared management's forecasts of future revenue and operating margin to historical operating results for the Company's similar existing broadcast licenses, as well as third-party market specific industry data. We tested the assumptions related to the start-up years in the discounted cash flow model where there is no historical or third-party market data available to support those assumptions by evaluating the reasonableness of management's build-up of revenues and operating margins over the start-up period.
- We utilized our valuation specialist to assist in testing the Company's discounted cash flow models and certain significant assumptions, including discount rates, for broadcast licenses subject to a quantitative impairment assessment.

/s/ RSM US LLP

We have served as the Company's auditor since 2006.

Atlanta, Georgia
February 26, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Gray Media, Inc.

Opinion on the Internal Control Over Financial Reporting

We have audited Gray Media, Inc. and its subsidiaries (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Gray Media, Inc. and subsidiaries as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive (loss) income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes to the consolidated financial statements and schedule of the Company and our report dated February 26, 2026, expressed an unqualified opinion.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP

We have served as the Company's auditor since 2006.

Atlanta, Georgia
February 26, 2026

GRAY MEDIA, INC.
CONSOLIDATED BALANCE SHEETS
(in millions)

	December 31,	
	2025	2024
Assets:		
Current assets:		
Cash	\$ 368	\$ 135
Accounts receivable, net	205	337
Current portion of program broadcast rights, net	17	17
Income tax refunds receivable	6	6
Prepaid income taxes	35	25
Prepaid and other current assets	25	21
Total current assets	656	541
Property and equipment, net	1,509	1,577
Operating lease right of use asset	66	69
Broadcast licenses	5,309	5,311
Goodwill	2,642	2,642
Other intangible assets, net	157	290
Investments in broadcasting and technology companies	37	66
Deferred pension assets	21	19
Other	43	27
Total assets	\$ 10,440	\$ 10,542

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except for share data)

	December 31,	
	2025	2024
Liabilities and stockholders' equity:		
Current liabilities:		
Accounts payable	\$ 144	154
Employee compensation and benefits	103	111
Accrued interest	151	112
Other accrued expenses	47	53
Federal and state income taxes	5	5
Current portion of program broadcast obligations	18	18
Deferred revenue	20	29
Dividends payable	16	15
Current portion of operating lease liabilities	10	10
Current portion of long-term debt	2	20
Total current liabilities	516	527
Long-term debt, less current portion and less deferred financing costs	5,742	5,601
Deferred income taxes	1,300	1,347
Operating lease liabilities, less current portion	59	62
Other	18	72
Total liabilities	7,635	7,609
Commitments and contingencies (Note 12)		
Series A Perpetual Preferred Stock, no par value; cumulative; redeemable; designated 1,500,000 shares, issued and outstanding 650,000 shares at each date and \$650 aggregate liquidation value, at each date		
	650	650
Stockholders' equity:		
Common stock, no par value; authorized 200,000,000 shares, issued 113,779,383 shares and 111,166,022 shares, outstanding 92,444,984 shares and 90,768,247 shares, respectively	1,210	1,198
Class A common stock, no par value; authorized 25,000,000 shares, issued 12,198,808 shares and 11,237,386 shares, outstanding 9,557,830 shares and 8,814,187 shares, respectively	67	57
Retained earnings	1,205	1,375
Accumulated other comprehensive loss	(4)	(30)
	2,478	2,600
Treasury stock at cost, common stock, 21,334,399 shares and 20,397,775 shares, respectively	(288)	(284)
Treasury stock at cost, Class A common stock, 2,640,978 shares and 2,423,199 shares, respectively	(35)	(33)
Total stockholders' equity	2,155	2,283
Total liabilities and stockholders' equity	\$ 10,440	\$ 10,542

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except for net income per share data)

	Year Ended December 31,		
	2025	2024	2023
Revenue (less agency commissions):			
Broadcasting	\$ 2,988	\$ 3,539	\$ 3,195
Production companies	107	105	86
Total revenue (less agency commissions)	<u>3,095</u>	<u>3,644</u>	<u>3,281</u>
Operating expenses before depreciation, amortization, impairment and (gain) loss on disposals of assets, net:			
Broadcasting	2,239	2,317	2,268
Production companies	95	83	115
Corporate and administrative	113	104	112
Depreciation	133	144	145
Amortization of intangible assets	104	125	194
Impairment of goodwill, broadcast licenses and other intangible assets	30	-	43
(Gain) loss on disposal of assets, net	<u>(11)</u>	<u>20</u>	<u>21</u>
Operating expenses, net	<u>2,703</u>	<u>2,793</u>	<u>2,898</u>
Operating income	392	851	383
Other (expense) income:			
Miscellaneous (expense) income, net	(1)	117	7
Impairment of investments	(20)	(25)	(29)
Interest expense	(474)	(485)	(440)
(Loss) gain on early extinguishment of debt	<u>(10)</u>	<u>34</u>	<u>(3)</u>
(Loss) income before income taxes	(113)	492	(82)
Income tax (benefit) expense	<u>(28)</u>	<u>117</u>	<u>(6)</u>
Net (loss) income	(85)	375	(76)
Preferred stock dividends	52	52	52
Net (loss) income attributable to common stockholders	<u>\$ (137)</u>	<u>\$ 323</u>	<u>\$ (128)</u>
Basic per share information:			
Net (loss) income attributable to common stockholders	<u>\$ (1.41)</u>	<u>\$ 3.40</u>	<u>\$ (1.39)</u>
Weighted average shares outstanding	<u>97</u>	<u>95</u>	<u>92</u>
Diluted per share information:			
Net (loss) income attributable to common stockholders	<u>\$ (1.41)</u>	<u>\$ 3.36</u>	<u>\$ (1.39)</u>
Weighted average shares outstanding	<u>97</u>	<u>96</u>	<u>92</u>
Dividends declared per common share	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.32</u>

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in millions)

	Year Ended December 31,		
	2025	2024	2023
Net (loss) income	\$ (85)	\$ 375	\$ (76)
Other comprehensive (loss) income:			
Adjustment to pension liability	4	(1)	7
Adjustment to fair value of interest rate caps	31	(8)	(23)
Income tax expense (benefit) from adjustments	9	(2)	(5)
Other comprehensive income (loss)	26	(7)	(11)
Comprehensive (loss) income	\$ (59)	\$ 368	\$ (87)

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except for number of shares)

	Class A Common Stock		Common Stock		Retained Earnings	Treasury Stock Class A Common Stock		Treasury Stock Common Stock		Accumulated Other Comprehensive (Loss) Income	Total
	Shares	Amount	Shares	Amount		Shares	Amount	Shares	Amount		
	Balance at December 31, 2022	9,675,139	\$ 45	105,104,057		\$ 1,150	\$ 1,242	(2,130,724)	\$ (31)		
Net loss	-	-	-	-	(76)	-	-	-	-	-	(76)
Preferred stock dividends	-	-	-	-	(52)	-	-	-	-	-	(52)
Common stock dividends	-	-	-	-	(30)	-	-	-	-	-	(30)
Adjustment to pension liability, net of income tax	-	-	-	-	-	-	-	-	-	6	6
Adjustment to fair value of interest rate cap, net of income tax	-	-	-	-	-	-	-	-	-	(17)	(17)
Issuance of common stock:											
401(k) Plan	-	-	819,898	9	-	-	-	-	-	-	9
2022 Equity and Incentive Compensation Plan:											
Restricted stock awards	738,854	-	1,007,919	-	-	(121,003)	(1)	(234,938)	(3)	-	(4)
Restricted stock unit awards	-	-	247,953	-	-	-	-	(80,622)	(1)	-	(1)
Stock-based compensation	-	5	-	15	-	-	-	-	-	-	20
Balance at December 31, 2023	10,413,993	\$ 50	107,179,827	\$ 1,174	\$ 1,084	(2,251,727)	\$ (32)	(19,952,346)	\$ (282)	(23)	\$1,971
Net income	-	-	-	-	375	-	-	-	-	-	375
Preferred stock dividends	-	-	-	-	(52)	-	-	-	-	-	(52)
Common stock dividends	-	-	-	-	(32)	-	-	-	-	-	(32)
Adjustment to pension liability, net of income tax	-	-	-	-	-	-	-	-	-	(1)	(1)
Adjustment to fair value of interest rate cap, net of income tax	-	-	-	-	-	-	-	-	-	(6)	(6)
Issuance of common stock:											
401(k) Plan	-	-	1,765,444	9	-	-	-	-	-	-	9
2022 Equity and Incentive Compensation Plan:											
Restricted stock awards	823,393	-	1,655,958	-	-	(171,472)	(1)	(257,029)	(1)	-	(2)
Restricted stock unit awards	-	-	564,793	-	-	-	-	(188,400)	(1)	-	(1)
Stock-based compensation	-	7	-	15	-	-	-	-	-	-	22
Balance at December 31, 2024	<u>11,237,386</u>	<u>\$ 57</u>	<u>111,166,022</u>	<u>\$ 1,198</u>	<u>\$ 1,375</u>	<u>(2,423,199)</u>	<u>\$ (33)</u>	<u>(20,397,775)</u>	<u>\$ (284)</u>	<u>(30)</u>	<u>\$2,283</u>

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
(in millions, except for number of shares)

	Class A		Common Stock		Retained Earnings	Treasury Stock Class A		Treasury Stock Common Stock		Accumulated Other Comprehensive (Loss) Income	Total
	Common Stock		Common Stock			Common Stock		Common Stock			
	Shares	Amount	Shares	Amount		Shares	Amount	Shares	Amount		
Balance at December 31, 2024	11,237,386	\$ 57	111,166,022	\$ 1,198	\$ 1,375	(2,423,199)	\$ (33)	(20,397,775)	\$ (284)	(30)	\$ 2,283
Net loss	-	-	-	-	(85)	-	-	-	-	-	(85)
Preferred stock dividends	-	-	-	-	(52)	-	-	-	-	-	(52)
Common stock dividends	-	-	-	-	(33)	-	-	-	-	-	(33)
Adjustment to fair value of interest rate cap, net of income tax	-	-	-	-	-	-	-	-	-	23	23
Adjustment to pension liability, net of income tax	-	-	-	-	-	-	-	-	-	3	3
Issuance of common stock: 2022 Equity and Incentive Compensation Plan:											
Restricted stock awards	961,422	-	1,449,846	-	-	(217,779)	(2)	(559,333)	(3)	-	(5)
Restricted stock unit awards	-	-	1,163,515	-	-	-	-	(377,291)	(1)	-	(1)
Stock-based compensation	-	10	-	12	-	-	-	-	-	-	22
Balance at December 31, 2025	<u>12,198,808</u>	<u>\$ 67</u>	<u>113,779,383</u>	<u>\$ 1,210</u>	<u>\$ 1,205</u>	<u>(2,640,978)</u>	<u>\$ (35)</u>	<u>(21,334,399)</u>	<u>\$ (288)</u>	<u>(4)</u>	<u>\$ 2,155</u>

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	<u>Year Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:			
Net (loss) income	\$ (85)	\$ 375	\$ (76)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation	133	144	145
Amortization of intangible assets	104	125	194
Amortization of deferred loan costs	16	15	13
Accretion of original issue discount and premium related to long-term debt, net	-	-	(1)
Stock-based compensation	22	22	20
Amortization of program broadcast rights	27	28	37
Payments on program broadcast obligations	(27)	(29)	(38)
Common stock contributed to 401(k) plan	-	-	10
Deferred income taxes	(56)	(9)	(91)
(Gain) loss on disposal of property and equipment, net	(6)	20	21
Gain on sale of investments	(5)	(110)	-
Loss (gain) on early extinguishment of debt	10	(34)	3
Impairment of investments	20	25	29
Impairment of goodwill and other intangible assets	30	-	43
Other	15	(1)	14
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net	132	5	308
Income tax receivable or prepaid	(10)	8	26
Other current assets	(6)	27	7
Accounts payable	(10)	52	(32)
Employee compensation, benefits and pension costs	(7)	1	12
Accrued other expenses	(38)	49	(5)
Accrued interest	39	49	3
Income taxes payable	-	(17)	7
Deferred revenue	(9)	6	(1)
Net cash provided by operating activities	<u>289</u>	<u>751</u>	<u>648</u>
Cash flows from investing activities:			
Acquisitions of businesses and broadcast licenses, net of cash acquired	-	(1)	(6)
Proceeds from sale of television stations	-	-	6
Purchases of property and equipment	(108)	(143)	(348)
Proceeds from asset sales	47	14	54
Proceeds from sale of investments	24	110	-
Reimbursement of development costs	-	-	18
Investments in broadcast, production and technology companies	(8)	(7)	(14)
Other	(18)	(1)	(1)
Net cash used in investing activities	<u>(63)</u>	<u>(28)</u>	<u>(291)</u>
Cash flows from financing activities:			
Proceeds from borrowings on long-term debt	2,110	2,070	300
Repayments of borrowings on long-term debt	(1,987)	(2,544)	(610)
Payments of common stock dividends	(33)	(32)	(30)
Payments of preferred stock dividends	(52)	(52)	(52)
Deferred and other loan costs	(26)	(47)	-
Payments for taxes related to net share settlement of equity awards	(5)	(4)	(5)
Net cash provided by (used in) financing activities	<u>7</u>	<u>(609)</u>	<u>(397)</u>
Net increase (decrease) in cash	<u>233</u>	<u>114</u>	<u>(40)</u>
Cash at beginning of year	135	21	61
Cash at end of year	<u>\$ 368</u>	<u>\$ 135</u>	<u>\$ 21</u>

See accompanying notes to consolidated financial statements.

GRAY MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business and Summary of Significant Accounting Policies

Overview. We are a multimedia company headquartered in Atlanta, Georgia. We are the nation's largest owner of top-rated local television stations and digital assets in the United States. Our television stations serve 114 full-power television markets that collectively reach approximately 37% of US television households. This portfolio includes 77 markets with the top-rated television station and 97 markets with the first and/or second highest rated television station in average all-day ratings across the 113 of such markets measured by Nielsen in 2025. We also own the largest Telemundo Affiliate group with 47 markets totaling over 1.6 million Hispanic TV Households. We also own Gray Digital Media, a full-service digital agency offering national and local clients digital marketing strategies with the most advanced digital products and services. Our additional media properties include video production companies Raycom Sports, Tupelo Media Group, and PowerNation Studios, and studio production facilities Assembly Atlanta and Third Rail Studios.

Investments in Broadcasting, Production and Technology Companies. We have investments in several television, production and technology companies. We account for all material investments in which we have significant influence over the investee under the equity method of accounting. Upon initial investment, we record equity method investments at cost. The amounts initially recognized are subsequently adjusted for our appropriate share of the net earnings or losses of the investee. We record any investee losses up to the carrying amount of the investment plus advances and loans made to the investee, and any financial guarantees made on behalf of the investee. We recognize our share in earnings and losses of the investee as miscellaneous (expense) income, net in our consolidated statements of operations. Investments are also increased by contributions made to and decreased by the distributions from the investee. The Company evaluates equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may be impaired.

Investments in non-public businesses that do not have readily determinable pricing, and for which the Company does not have control or does not exert significant influence, are carried at cost less impairments, if any, plus or minus changes in observable prices for those investments. During each of the years ended December 31, 2025, 2024 and 2023, we determined that several of our investments were impaired and we recorded an impairment expense of \$20 million, \$25 million and \$29 million, respectively. Gains or losses resulting from changes in the carrying value of these investments are included as miscellaneous (expense) income, net in our consolidated statements of operations. These investments are reported together as a non-current asset on our consolidated balance sheets.

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Our actual results could differ materially from these estimated amounts. Our most significant estimates are our allowance for credit losses in receivables, valuation of goodwill and intangible assets, amortization of program rights and intangible assets, pension costs, income taxes, employee medical insurance claims, useful lives of property and equipment and contingencies.

Allowance for Credit Losses. We are exposed to credit risk primarily through sales of broadcast and digital advertising with a variety of direct and agency-based advertising customers, retransmission consent agreements with multichannel video program distributors and program production sales and services. We recorded for this allowance expenses of \$8 million, net recoveries of \$2 million, and expenses of \$21 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Our allowance for credit losses is an estimate of expected losses over the remaining contractual life of our receivables based on an ongoing analysis of collectability, historical collection experience, current economic and industry conditions and reasonable and supportable forecasts. The allowance is calculated using a historical loss rate applied to the current aging analysis. We may also apply an additional allowance when warranted by specific facts and circumstances. We generally write off accounts receivable balances when the customer files for bankruptcy or when all commonly used methods of collection have been exhausted.

During 2023, our credit losses included amounts written-off of \$17 million for the full amount owed to us by Diamond Sports Group, LLC (“Diamond”), a counterparty to certain contracts with us, as a result of Diamond’s voluntary Chapter 11 bankruptcy proceedings.

On February 23, 2023, we, certain of our subsidiaries and a wholly-owned special purpose subsidiary (the “SPV”), entered into a revolving accounts receivable securitization facility (the “Securitization Facility”) with Wells Fargo Bank, N.A., as administrative agent, and certain third-party financial institutions (the “Purchasers”). On March 31, 2025, we amended the terms of this agreement. As amended, the Securitization Facility permits the SPV to draw up to a total of \$400 million, subject to the outstanding amount of the receivables pool and other factors. The Securitization Facility matures on March 31, 2028, and is subject to customary termination events related to transactions of this type. The sale of receivables from the SPV is accounted for in the Company’s financial statements as a “true-sale” under Accounting Standards Codification (“ASC”) Topic 860.

Under the Securitization Facility, the SPV sells to the Purchasers certain receivables, including all rights, title, and interest in the related receivables (“Sold Receivables”). The parties intend that the conveyance of accounts receivables to the Purchasers, for the ratable benefit of the Purchasers, will constitute a purchase and sale of receivables and not a pledge for security. The SPV has guaranteed to each Purchaser the prompt payment of Sold Receivables, and to secure the prompt payment and performance of such guaranteed obligations, the SPV has granted a security interest to the Purchasers in all assets of the SPV. In our capacity as servicer under the Securitization Facility, we are responsible for administering and collecting receivables and have made customary representations, warranties, covenants and indemnities. We do not record a servicing asset or liability since the estimated fair value of the servicing of the receivables approximates the servicing income. We also provided a performance guarantee for the benefit of the Purchasers.

The Securitization Facility is subject to interest charges at the adjusted one-month Secured Overnight Financing Rate (“SOFR”) plus a margin (125-point basis) on the amount of the outstanding facility. The SPV was required to pay an upfront fee and a commitment fee in connection with the Securitization Facility. The SPV is a separate legal entity with its own separate creditors who will be entitled to access the SPV’s assets before the assets become available to us. As a result, the SPV’s assets are not available to pay our creditors or any of our subsidiaries, although collections from the receivables in excess of any amounts required to repay the Purchasers under the Securitization Facility and other creditors of the SPV may be remitted to us.

The proceeds of the Securitization Facility are classified as operating activities in our consolidated statements of cash flows. Cash received from collections of Sold Receivables is used by the SPV to fund additional purchases of receivables on a revolving basis or to return all or any portion of outstanding capital of the Purchasers. Subsequent collections on the pledged receivables, which have not been sold, will be classified as operating cash flows at the time of collection.

The amount sold to the Purchasers was \$400 million and \$300 million at December 31, 2025 and 2024, respectively, which was derecognized from the Consolidated Balance Sheets. As collateral against sold receivables, the SPV maintains a certain level of unsold receivables, which was \$344 million and \$337 million at December 31, 2025 and 2024, respectively. Total receivables sold under the Securitization Facility were \$589 million and \$597 million at December 31, 2025 and 2024, respectively.

Pursuant to the Securitization Facility, we recognized charges of \$9 million for the year ended December 31, 2023, that represented the discount on the accounts receivable balance transferred to the SPV. This discount was included in our loss on disposal of assets in our Consolidated Statements of Operations in 2023.

The following table provides a roll-forward of the allowance for credit losses. The allowance is deducted from the amortized cost basis of accounts receivable in our consolidated balance sheets (in millions):

	Year Ended December 31,	
	2025	2024
Beginning balance	\$ 15	\$ 17
Provision for credit losses	8	2
Amounts written off	(7)	-
Amounts recovered from previous write-offs	-	(4)
Ending balance	<u>\$ 16</u>	<u>\$ 15</u>

Program Broadcast Rights. We have two types of syndicated television program contracts: first run programs and off network reruns. First run programs are programs such as *Wheel of Fortune* and off network reruns are programs such as *The Big Bang Theory*. First run programs have not been produced at the time the contract to air such programming is signed, and off network rerun programs have already been produced. We record an asset and corresponding liability for payments to be made only for the current year of first run programming and for the entire contract period for off network programming. Only an estimate of the payments anticipated to be made in the year following the balance sheet date of first run program contracts are recorded on the current balance sheet, because the programs for the later years of the contract period have not been produced or delivered.

The total license fee payable under a program license agreement allowing us to broadcast programs is recorded at the beginning of the license period and is charged to operating expense over the period that the programs are broadcast. The portion of the unamortized balance expected to be charged to operating expense in the succeeding year is classified as a current asset, with the remainder classified as a non-current asset. The liability for license fees payable under program license agreements is classified as current or long-term, in accordance with the payment terms of the various license agreements.

Property and Equipment. Property and equipment are recorded at cost, or in the case of acquired businesses, at fair value. Depreciation is computed principally by the straight-line method. The following table lists the components of property and equipment by major category (dollars in millions):

	December 31,		Estimated Useful Lives (in years)
	2025	2024	
Property and equipment, net:			
Land	\$ 391	\$ 385	
Buildings and improvements	940	908	7 to 40
Equipment	1,149	1,105	3 to 20
Construction in progress	<u>32</u>	<u>82</u>	
	2,512	2,480	
Accumulated depreciation	<u>(1,003)</u>	<u>(903)</u>	
Total	<u>\$ 1,509</u>	<u>\$ 1,577</u>	

Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and betterments are capitalized. The cost of any assets divested, sold or retired and the related accumulated depreciation are removed from the accounts at the time of disposition, and any resulting gain or loss is reflected in income or expense for the period.

We incurred costs to build public infrastructure within the Assembly Atlanta project. Pursuant to our Purchase and Sale Agreement with the Doraville Community Improvement District (the "CID"), we receive cash reimbursements for the transfer of specific infrastructure projects to the CID and for other construction costs previously incurred. During the years ended December 31, 2025 and 2024, we received cash proceeds from the CID of \$33 million and \$9 million, respectively.

The following tables provide additional information related to gain on disposal of assets, net included in our consolidated statements of operations (in millions):

	Year ended December 31,		
	2025	2024	2023
Gain (loss) on disposal of assets, net:			
Proceeds from sale of fixed assets	\$ 47	\$ 13	\$ 60
Proceeds from sale of investments	24	-	-
Net book value of fixed assets disposed	(39)	(33)	(73)
Net book value of investments disposed	(19)	-	-
Non-cash loss on divestitures	(2)	-	1
Securitization Facility	-	-	(9)
Total	<u>\$ 11</u>	<u>\$ (20)</u>	<u>\$ (21)</u>

Deferred Loan Costs. Loan acquisition costs are amortized over the life of the applicable indebtedness using a straight-line method that approximates the effective interest method. These debt issuance costs related to a recognized debt liability are presented in our consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts.

Asset Retirement Obligations. We own office equipment, broadcasting equipment, leasehold improvements and transmission towers, some of which are located on, or are housed in, leased property or facilities. At the conclusion of several of these leases we are obligated to dismantle, remove and otherwise properly dispose of and remediate the facility or property. We estimate our asset retirement obligations based upon the net present value of the cash flows of the costs expected to be incurred. Asset retirement obligations are recognized as a non-current liability and as a component of the cost of the related asset. Changes to our asset retirement obligations resulting from revisions to the timing or the amount of the original undiscounted cash flow estimates are recognized as an increase or decrease in the carrying amount of the asset retirement obligation and the related asset retirement cost is capitalized as part of the related property, plant or equipment. Changes in asset retirement obligations resulting from accretion of the net present value of the estimated cash flows are recognized as operating expenses. We recognize depreciation expense of the capitalized cost over the estimated life of the lease. Our estimated obligations are due at varying times through 2062. The liability recognized for our asset retirement obligations was \$5 million and \$4 million as of each of December 31, 2025 and 2024, respectively, and included in other liabilities on our balance sheets. During the years ended December 31, 2025, 2024 and 2023, expenses related to our asset retirement obligations were not material.

Concentration of Credit Risk. We sell advertising airtime on our broadcasts and advertising space on our websites to national and local advertisers within the geographic areas in which we operate. Credit is extended based on an evaluation of the customer's financial condition, and generally advance payment is not required, except for political advertising. Credit losses are provided for in the financial statements and consistently have been within our expectations that are based upon our prior experience.

We derived a material portion of our Core Advertising Revenue from advertisers in a limited number of industries, particularly the services sector, comprising financial, legal and medical advertisers, and the automotive industry. The services sector has become an increasingly important source of advertising revenue over the past few years. During the years ended December 31, 2025, 2024 and 2023 approximately 26%, 23% and 27%, respectively, of our broadcast advertising revenue (excluding political advertising revenue) was obtained from advertising sales to the services sector. During the years ended December 31, 2025, 2024 and 2023 approximately 17%, 20% and 20%, respectively, of our broadcast advertising revenue (excluding political advertising revenue) was obtained from advertising sales to automotive customers. Although our revenues can be affected by changes within our customer base, we believe this risk is in part mitigated due to the fact that no one customer accounted for in excess of 5% of our broadcast advertising revenue in any of these periods. Furthermore, we believe that our large geographic operating area partially mitigates the potential effect of regional economic impacts.

Earnings Per Share. We compute basic earnings per share by dividing net income available to common stockholders by the weighted-average number of common shares outstanding during the relevant period. The weighted-average number of common shares outstanding does not include restricted shares. These shares, although classified as issued and outstanding, are considered contingently returnable until the restrictions lapse and, in accordance with U.S. GAAP, are not included in the basic earnings per share calculation until the shares vest. Diluted earnings per share is computed by including all potentially dilutive common shares, including restricted shares and shares underlying stock options, in the diluted weighted-average shares outstanding calculation, unless their inclusion would be antidilutive.

The following table reconciles basic weighted-average shares outstanding to diluted weighted-average shares outstanding for the years ended December 31, 2025, 2024 and 2023 (in millions):

	Year Ended December 31,		
	2025	2024	2023
Weighted average shares outstanding, basic	97	95	92
Weighted average shares underlying stock options and restricted shares	-	1	-
Weighted average shares outstanding, diluted	<u>97</u>	<u>96</u>	<u>92</u>

Valuation of Broadcast Licenses, Goodwill and Other Intangible Assets. We have acquired a significant portion of our assets in acquisition transactions. Among the assets acquired in these transactions were broadcast licenses issued by the FCC, goodwill and other intangible assets.

For broadcast licenses acquired prior to January 1, 2002, we recorded their respective values using a residual method (analogous to “goodwill”) where the excess of the purchase price paid in the acquisition over the fair value of all identified tangible and intangible assets acquired was attributed to the broadcast license. This residual basis approach generally produces higher valuations of broadcast licenses when compared to applying an income method as discussed below.

For broadcast licenses acquired after December 31, 2001, we record their respective values using an income approach. Under this approach, a broadcast license is valued based on analyzing the estimated after-tax discounted future cash flows of the acquired station, assuming an initial hypothetical start-up operation maturing into an average performing station in a specific television market and giving consideration to other relevant factors such as the technical qualities of the broadcast license and the number of competing broadcast licenses within that market. For television stations acquired after December 31, 2001, we allocate the residual value of the station to goodwill.

When renewing broadcast licenses, we incur regulatory filing fees and legal fees. We expense these fees as they are incurred.

Goodwill represents the excess of acquisition cost over the fair value of assets acquired, identifiable intangible assets, less liabilities assumed in business combination transactions. Goodwill is tested for impairment on an annual basis (at year end) or between annual tests if events or changes in circumstances indicate that the fair value of a reporting unit may be below its carrying amount.

Other intangible assets that we have acquired include network affiliation agreements, retransmission agreements, advertising contracts, client lists, talent contracts and leases. Although each of our stations is affiliated with at least one broadcast network, we believe that the value of a television station is derived primarily from the attributes of its broadcast license rather than its network affiliation agreement. As a result, we allocate only minimal values to our network affiliation agreements. We classify our other intangible assets as finite-lived intangible assets. The amortization period of our other intangible assets is equal to the shorter of their estimated useful life or contract period, including expected extensions thereof. When renewing other intangible asset contracts, we incur legal fees that are expensed as incurred.

Impairment Testing of Indefinite-Lived Intangible Assets. We test for impairment of our indefinite-lived intangible assets on an annual basis on December 31. However, if certain triggering events occur, we test for impairment when such events occur.

For purposes of testing goodwill for impairment, our broadcast television stations as a whole, and each of our production companies, is considered a separate reporting unit. In the performance of our annual assessment of goodwill for impairment, we have the option to qualitatively assess whether it is more likely than not that a reporting unit has been impaired. As part of this qualitative assessment, we evaluate the relative impact of factors that are specific to the reporting units as well as industry, regulatory and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. We also consider the significance of the excess fair value over the carrying value reflected in prior quantitative assessments and the changes to each reporting unit's carrying value since the last impairment test.

If we conclude that it is more likely than not that a reporting unit is impaired, or if we elect not to perform the optional qualitative assessment, we will determine the fair value of the reporting unit and compare that to the net book value of the reporting unit. If the fair value is less than the net book value, we will record an impairment to goodwill for the amount of the difference, limited to the amount of goodwill included in the reporting unit.

To estimate the fair value of our reporting units for a quantitative assessment, we utilize a discounted cash flow model supported by a market multiple approach. We believe that a discounted cash flow analysis is the most appropriate methodology to test the recorded value of long-term assets with a demonstrated long-lived/enduring franchise value. We believe the results of the discounted cash flow and market multiple approaches provide reasonable estimates of the fair value of our reporting units because these approaches are based on our actual results and reasonable estimates of future performance, and also take into consideration a number of other factors deemed relevant by us including, but not limited to, expected future market revenue growth, market revenue shares and operating profit margins. We have historically used these approaches in determining the value of our reporting units. We also consider a market multiple approach to corroborate our discounted cash flow analysis. We believe that this methodology is consistent with the approach that a strategic market participant would utilize if they were to value one of our reporting units.

In the performance of our annual assessment of broadcast licenses for impairment, we have the option to qualitatively assess whether it is more likely than not that these assets are impaired. When evaluating our broadcast licenses for impairment, the qualitative assessment is done at the individual television station level. If we conclude that it is more likely than not that one of our broadcast licenses is impaired, we will perform a quantitative assessment by comparing the fair value of the broadcast license to its carrying value. If the fair value is greater than the asset's recorded value, no impairment expense is recorded. If the fair value does not exceed the asset's recorded value, we record an impairment expense equal to the amount that the asset's recorded value exceeded the asset's fair value. We use the income method to estimate the fair value of all broadcast licenses, irrespective of whether they were initially recorded using the residual or income methods.

For further discussion of our goodwill, broadcast licenses and other intangible assets, see Note 13 "Goodwill and Intangible Assets."

Accumulated Other Comprehensive Loss. Our accumulated other comprehensive loss balances as of December 31, 2025, consisted of adjustments to our pension asset and the related income tax effects. Our comprehensive loss for the year ended December 31, 2025, consisted of adjustments to our Interest Rate Caps and the related income tax effect. Our comprehensive loss for the year ended December 31, 2024, consisted of the adjustment to our pension asset, the fair value of our Interest Rate Caps and the related income tax effect of each. As of December 31, 2025 and 2024, the balances were as follows (in millions):

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Items included in accumulated other comprehensive loss:		
Adjustment to pension liability	\$ (4)	\$ (8)
Adjustment to fair value of interest rate caps	-	(31)
Income tax benefit	-	(9)
Accumulated other comprehensive loss	<u>\$ (4)</u>	<u>\$ (30)</u>

Recent Accounting Pronouncements. In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*. The purpose of this amendment was to enhance the transparency and decision usefulness of income tax disclosures. We adopted this pronouncement prospectively for our current year financial statements. See Note 10, “Income Taxes”

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40), Disaggregation of Income Statement Expenses*. The purpose of this amendment was to improve the disclosures about a public business entity’s expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Currently we do not expect that the implementation of these changes will have a material impact on our financial statements.

In addition to the accounting standards described above, certain amounts have also been reclassified to conform to the current presentation.

2. Revenue

Revenue Recognition. We recognize revenue when we have completed a specified service and effectively transferred the control of that service to a customer in return for an amount of consideration we expect to be entitled to receive. The amount of revenue recognized is determined by the amount of consideration specified in a contract with our customers. We have elected to exclude taxes assessed by a governmental authority on transactions with our customers from our revenue. Any unremitted balance is included in current liabilities on our balance sheets.

Advertising Revenue. Broadcast advertising revenue is generated primarily from the broadcast of television advertising time to local, national and political advertisers, including digital advertising revenue. Most advertising contracts are short-term, and generally run only for a few weeks. Our performance obligation is satisfied when the advertisement is broadcast or appears on our stations’ websites or mobile applications. Advertising revenue is recognized when the performance obligation is satisfied and then billed to the customer in the period the revenue is recognized. We have an unconditional right to receive payment of the amount billed generally within 30 days of the invoice date. Payment terms are expressly stated in our standard terms and conditions. The invoiced amount to be received is recorded in accounts receivable on our balance sheets.

We broadcast the customer’s advertisement either preceding or following a television station’s network programming and within local and syndicated programming. Broadcast advertising is sold in time increments and is priced primarily on the basis of a program’s popularity among the specific audience an advertiser desires to reach. In addition, broadcast advertising rates are affected by the number of advertisers competing for the available time, the size and demographic makeup of the market served by the station and the availability of alternative advertising media in the market area. Broadcast advertising rates are generally the highest during the most desirable viewing hours, with corresponding reductions during other hours. The ratings of a local station affiliated with a major network can be affected by ratings of network programming. Digital advertising is placed on our stations’ websites and mobile applications. These advertisements may be in the form of banner advertisements, pre-roll advertisements or video and other types of advertisements or sponsorships.

We generate advertising revenue either by the efforts of our direct sales employees or through third-party advertising agency intermediaries. Third party advertising intermediaries represent the customer and contract with us to deliver broadcast or digital advertising for the customer.

Retransmission Consent Revenue. We enter into license agreements with cable, satellite, multichannel video programming distributors and digital delivery system (or “OTT”) customers (collectively “MVPD”) that provide them the right to use our broadcast signal for retransmission across the MVPD system for an agreed period of time. These agreements represent a sales-based and usage-based functional intellectual property license based on the number of subscribers to the licensee’s delivery systems. Our performance obligation is to provide the licensee with access to our intellectual property when it is broadcast. The duration of the typical retransmission consent contract is three years. Retransmission consent revenue is recognized continuously during the period of the contract as we transmit our broadcast signal to the MVPD. The amount of revenue recognized is determined based upon a fixed rate per subscriber multiplied by the number of active subscribers to our MVPD customer systems for the given month. We bill our MVPD customers monthly over the life of the retransmission consent contract. We have an unconditional right to receive payment of the amount billed generally within 30 days from the invoice date. Payment terms are expressly stated in our retransmission consent contracts as well as in the standard terms and conditions. The invoiced amount to be received is recorded in accounts receivable on our balance sheets.

Subscriber data necessary to calculate the amount of retransmission consent revenue to be recognized for the current month is not received until subsequent to that month. We estimate the current month retransmission consent revenue based upon the subscriber data from the most recent subscriber report by the MVPD. We record the estimate in the current month as retransmission consent revenue and then adjust the amount recorded in that month when we receive the actual subscriber data. We typically have monthly adjustments to our revenue to account for changes in MVPD subscribers, however, the number of MVPD subscribers does not change materially on a monthly basis and this adjustment does not materially impact our recorded retransmission consent revenue on a quarterly or annual basis.

Production Company Revenue. Our production company revenues include sports marketing, production and event management, sports and entertainment production services and automotive programming production and marketing solutions. We recognize revenue of marketing, production and events at the time the events are aired or delivered. We recognize advertising revenues related to the events when the advertisements are aired. Sponsorship revenue is recognized ratably over the contractual period of the sponsorship. Included in this category is revenue earned under lease agreements for use of our Assembly Studios and Third Rail Studios production facilities by third parties.

Other Revenues. Other revenues consist of production, tower rental and other miscellaneous items. Production revenue is derived from the production of programming. Production revenue is recognized as the programming is produced. Tower rental income is recognized monthly over the life of the lease. All of our leases under which we are lessor are considered operating leases. Other revenue is comprised of one-time or infrequently occurring special projects, dubbing, fees and other miscellaneous items. Other revenue is recognized as the services are performed. Other revenue is generated by our direct sales employees.

Expedients. We expense direct and agency commissions when incurred because our advertising contracts are one year or less in duration and the amortization period for capitalized expenses would be less than one year. Direct commissions are included in broadcast operating expense and agency commissions are netted against gross revenue in our consolidated statements of operations.

The nature of our contracts with advertising customers is such that our performance obligations arise and are satisfied concurrent with the broadcast or web placement of the advertisement. We did not have material incomplete or unsatisfied performance obligations at the end of any period presented.

Deferred Revenue. We record a deferred revenue for cash deposits received from our customers that are to be applied as payment once the performance obligation arises and is satisfied. These deposits are recorded as deferred revenue on our consolidated balance sheets. We generally require amounts payable under advertising contracts with our political advertising customers to be paid for in advance. We record the receipt of this cash as an advertising deposit liability. Once the advertisement has been broadcast, the revenue is earned, and we record the revenue and reduce the balance in this deposit liability account. We recorded \$12 million of revenue in the year ended December 31, 2025 that was included in the advertising deposit liability balance as of December 31, 2024. We also record other deposit liabilities for cash received in advance for other arrangements, for which revenue is recorded as earned in future periods.

The following table presents our deferred revenue by type (in millions):

	December 31,	
	2025	2024
Advertising deposit liabilities	\$ 7	\$ 12
Other deposit liabilities	13	17
Total deferred revenue	<u>\$ 20</u>	<u>\$ 29</u>

Disaggregation of Revenue. Revenue from our broadcast segment is generated through both our direct and advertising agency intermediary sales channels. Revenue from our production companies segment is generated through our direct sales channel. The following table presents our revenue from contracts with customers disaggregated by type of service and sales channel (in millions):

	Year Ended December 31,		
	2025	2024	2023
Market and service type:			
Advertising:			
Core	\$ 1,452	\$ 1,490	\$ 1,514
Political	42	497	79
Total advertising	1,494	1,987	1,593
Retransmission consent	1,429	1,482	1,532
Production companies	107	105	86
Other	65	70	70
Total revenue	<u>\$ 3,095</u>	<u>\$ 3,644</u>	<u>\$ 3,281</u>
Sales channel:			
Direct	\$ 2,210	\$ 2,236	\$ 2,225
Advertising agency intermediary	885	1,408	1,056
Total revenue	<u>\$ 3,095</u>	<u>\$ 3,644</u>	<u>\$ 3,281</u>

3. Acquisitions and Divestitures

During 2025, 2024 and 2023, we entered into and completed a number of acquisition and divestiture transactions. The acquisition transactions were and are expected to, among other things, increase our revenues and cash flows from operating activities, and allow us to operate more efficiently and effectively by increasing our scale and providing us, among other things, with the ability to negotiate more favorable terms in our agreements with third parties. For each television station described, the DMA rank presented is the DMA rank at the time of acquisition.

2025 Divestitures, Pending Acquisitions, and Subsequent Events

Premion Investment Sale

On April 30, 2025, we received \$21 million in pre-tax cash proceeds from the closing of the sale of our interest in Premion. Our basis in this investment was \$14 million and the related \$7 million gain was recorded in miscellaneous income, net.

2025 Pending Acquisitions

We entered into separate agreements involving television station acquisitions and divestitures with The E.W. Scripps Company (“Scripps”), Sagamore Hill Broadcasting, Inc. (“SGH”), Block Communications, Inc. (“BCI”), Allen Media Group, Inc. (“AMG”) and Bahakel Communications, Ltd. (“Bahakel”). Upon closing these transactions, we expect to enter seven new markets with the local news station that was ranked #1 in all-day ratings in the respective markets in 2024 according to Comscore and would augment our existing local news operations in several additional markets. In addition, we would exit three existing markets.

We believe each of these transactions furthers our commitment to pursuing strategic transactions in a prudent manner. Other than the Bahakel transaction, which closed in the first quarter of 2026, the parties to these transactions are currently working to secure the required regulatory approvals, including certain waivers, and other customary approvals; however, we can provide no assurance that we will receive the necessary regulatory approvals, or that the transactions will close on the timelines currently contemplated, or at all. We expect to fund the closing of these acquisitions with cash on hand and/or borrowings under our Revolving Credit Facility. The stations to be acquired and divested under each agreement are as follows:

<u>DMA</u>	<u>Market</u>	<u>Station to be Acquired</u>	<u>Station to be Divested</u>
Scripps (Non-Cash Swap):			
113	Lansing, MI	WSYM (FOX)	
124	Lafayette, LA	KATC (ABC)	
89	Colorado Springs, CO		KKTV (CBS)
186	Grand Junction, CO		KKCO (NBC)
188	Twin Falls, ID		KMVT (CBS)
SGH (Purchase Price of \$2 million):			
126	Columbus, GA	WLTZ (NBC)	
140	Lubbock, TX	KJTV (FOX)	
BCI (Purchase Price of \$80 million):			
48	Louisville, KY	WDRB (FOX), WBKI (CW)	
90	Springfield MO - Champaign/Decatur, IL	WAND (NBC)	
190	Lima, OH	WLIO (NBC)	
AMG (Purchase Price of \$171 million):			
73	Huntsville, AL	WAAY (ABC)	
92	Paducah, KY - Cape Girardeau, MO - Harrisburg, IL	WSIL (ABC)	
109	Evansville, IN	WEVV (CBS/FOX)	
108	Ft. Wayne, IN	WFFT (FOX)	
127	Montgomery, AL	WCOV (FOX)	
124	Lafayette, LA	KADN (FOX/NBC)	
135	Columbus-Tupelo, MS	WTVB (ABC/NBC)	
137	Rockford, IL	WREX (NBC)	
160	Terre Haute, IN	WTHI (CBS/FOX)	
189	West Lafayette, IN	WLFI (CBS)	
Bahakel (Purchase Price of \$25 million):			
175	Jackson, TN	WBBJ (ABC/CBS)	

2024 Acquisition and Divestitures

On July 1, 2024, we completed transactions with Marquee Broadcasting, Inc. (“Marquee”) in which we sold our television stations KCWY (NBC) in the Casper, Wyoming market (DMA 198) and KGWN (CBS) in the Cheyenne, Wyoming market (DMA 194) in exchange for Marquee’s FCC permit authorizing the construction of a new television station, to be built in the Salt Lake City, Utah market (DMA 27), which will be known as KCBU. No cash or other consideration was exchanged to fulfill the terms of this exchange.

The value of the construction permit acquired from Marquee was \$1 million, which was based upon management’s estimate of the fair value using valuation techniques including income, cost and market approaches. In determining the fair value of the acquired asset, the fair values were determined based on, among other factors, expected future revenue and cash flows, expected future growth rates and estimated discount rates.

The acquisition of the construction permit for station KCBU and the sale of television stations KCWY and KGWN resulted in a net non-cash loss on disposal of \$14 million.

In addition, we acquired broadcast licenses totaling approximately \$1 million that did not qualify as acquisitions of businesses.

BMI Investment Sale

On February 8, 2024, we received \$110 million in pre-tax cash proceeds from the closing of the sale of Broadcast Music, Inc. (“BMI”) to a shareholder group led by New Mountain Capital, LLC. Our basis in this investment was not material and the related gain was recorded in miscellaneous income, net.

2023 Acquisition and Divestiture

On May 1, 2023, we and Marquee completed transactions in which we sold television station KNIN (FOX) in the Boise, Idaho market (DMA 102) for \$6 million, and purchased television station WPGA (MeTV) in the Macon, Georgia market (DMA 126) for \$6 million.

The following table summarizes the values of the assets acquired of WPGA (in millions):

Property and equipment	\$	2
Broadcast licenses		<u>4</u>
Total	\$	<u><u>6</u></u>

These amounts are based upon management’s estimate of the fair values using valuation techniques including income, cost and market approaches. In determining the fair value of the acquired assets, the fair values were determined based on, among other factors, expected future revenue and cash flows, expected future growth rates and estimated discount rates.

Property and equipment are recorded at their fair value and are being depreciated over their estimated useful lives ranging from 3 to 40 years.

In this transaction, an immaterial amount of goodwill was acquired.

The sale of television station KNIN resulted in a loss on disposal of \$14 million.

4. Long-term Debt

As of December 31, 2025 and 2024, long-term debt consisted of obligations under our 2019 Senior Credit Facility (as defined below), our 5.875% senior notes due 2026 (the “2026 Notes”), our 7.0% senior notes due 2027 (the “2027 Notes”), our 10.5% senior secured first lien notes due 2029 (the “2029 Notes (1L)”), our 4.75% senior notes due 2030 (the “2030 Notes”), our 5.375% senior notes due 2031 (the “2031 Notes”), our 9.625% senior secured second lien notes due 2032 (the “2032 Notes (2L)”) and our 7.25% senior secured first lien notes due 2033 (the “2033 Notes (1L)”) as follows (in millions):

	December 31,	
	2025	2024
Long-term debt:		
2019 Senior Credit Facility:		
2021 Term Loan (1L) (matures December 1, 2028)	\$ 739	\$ 1,395
2024 Term Loan (1L) (matures June 4, 2029)	10	498
Senior secured first lien notes:		
2029 Notes (1L) (matures July 15, 2029)	1,125	1,250
2033 Notes (1L) (matures August 15, 2033)	775	-
Senior secured second lien notes:		
2032 Notes (2L) (matures July 15, 2032)	1,150	-
Senior unsecured notes:		
2026 Notes (matures July 15, 2026)	2	10
2027 Notes (matures May 15, 2027)	-	528
2030 Notes (matures October 15, 2030)	790	790
2031 Notes (matures November 15, 2031)	1,219	1,219
Total outstanding principal, including current portion	<u>5,810</u>	<u>5,690</u>
Unamortized deferred loan costs - Senior Credit Facility	(13)	(34)
Unamortized deferred loan costs - 2027 Notes	-	(3)
Unamortized deferred loan costs - 2029 Notes (1L)	(9)	(12)
Unamortized deferred loan costs - 2030 Notes	(7)	(8)
Unamortized deferred loan costs - 2031 Notes	(10)	(12)
Unamortized deferred loan costs - 2032 Notes (2L)	(17)	-
Unamortized deferred loan costs - 2033 Notes (1L)	(15)	-
Unamortized premium - 2032 Notes	5	-
Less current portion	(2)	(20)
Long-term debt, less current portion and deferred financing costs	<u>\$ 5,742</u>	<u>\$ 5,601</u>
Revolving Credit Facility:		
Revolving Credit Facility commitment	\$ 750	\$ 680
Undrawn outstanding letters of credit	(5)	(6)
Borrowing availability under Revolving Credit Facility	<u>\$ 745</u>	<u>\$ 674</u>

2025 Refinancing Activities

Revolving Credit Facility. On March 31, 2025, we entered into a fourth amendment (the “Fourth Amendment”) to the Senior Credit Agreement (as defined below). The Fourth Amendment, among other things, increases the aggregate commitments under the Revolving Credit Facility (the “Revolving Credit Facility”) by \$20 million, resulting in aggregate commitments under the Revolving Credit Facility of \$700 million. Borrowings under the Revolving Credit Facility bear interest, at our option, at either the SOFR rate or the Base Rate (as defined in the Fourth Amendment, in each case, plus an applicable margin). The costs associated with the amendment were not material.

On July 18, 2025, we entered into a fifth amendment to the Senior Credit Agreement (the “Fifth Amendment” and as amended, including by the Fifth Amendment, the “Senior Credit Agreement”). The Fifth Amendment, among other things, provided for an increase in the Revolving Credit Facility by \$50 million, resulting in aggregate commitments under the Revolving Credit Facility of \$750 million and an extension of the term of the commitments under the Revolving Credit Facility to December 1, 2028. The costs incurred in connection with this amendment were not material.

2032 Notes (2L). On July 18, 2025, we issued \$900 million, in aggregate principal amount of 2032 Notes (2L) pursuant to an indenture, dated as of July 18, 2025, between us, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee and collateral agent (the “2032 Notes (2L) Indenture”). The 2032 Notes (2L) issued in July 2025 were issued at par.

On December 12, 2025, we issued \$250 million in aggregate principal amount of 2032 Notes (2L) pursuant to the indenture, dated as of July 18, 2025, between us, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee and collateral agent. The 2032 Notes (2L) issued in December 2025 were issued at 102% of par.

Interest in the 2032 Notes (2L) accrues from July 18, 2025, and is payable semiannually on January 15 and July 15 of each year, beginning on January 15, 2026. The 2032 Notes (2L) mature on July 15, 2032.

The net proceeds from the 2032 Notes (2L), together with \$50 million borrowed under our Revolving Credit Facility, were used to (i) redeem all of our outstanding 2027 Notes at par; (ii) to repay \$403 million of our 2024 Term Loan (1L) under the Senior Credit Agreement; (iii) to redeem \$125 million of the 2029 Notes at 103% of par; (iv) to pay transaction expenses incurred in connection with the offering; and (v) for general corporate purposes.

The 2032 Notes (2L) and related guarantees are our senior secured second lien obligations. The 2032 Notes (2L):

- rank *pari passu* in right of payment to all of our and the guarantors’ existing and future senior, unsubordinated debt (including our Senior Credit Agreement and our 2033 Notes (1L), as defined below, 2031 Notes, 2030 Notes, 2029 Notes (1L) and 2026 Notes);
- are senior in right of payment to all of our and the guarantors’ future subordinated debt;
- are effectively subordinated to all of our or the guarantors’ existing and future debt that is secured by a lien on any assets not constituting Collateral (as defined in the 2032 Notes (2L) Indenture) to the extent of the value of such assets (including the assets sold to the Receivables SPV (as defined in the 2032 Notes (2L) Indenture) pursuant to the Receivables Sale Agreement);

- are effectively junior to all our existing and future debt that is secured by a lien that is senior to the 2032 Notes (2L), including the Senior Credit Agreement, the 2029 Notes (1L), and the 2033 Notes (1L), to the extent of the value of the Collateral; and
- are effectively senior to all existing and future debt that is either unsecured, including our 2031 Notes, 2030 Notes and 2026 Notes and the guarantees related thereto or secured by a lien that is junior to the lien securing the 2032 Notes (2L) and the related guarantees, in each case to the extent of the value of the Collateral.

2033 Notes (1L). On July 25, 2025, we issued \$775 million in aggregate principal amount of 2033 Notes (1L) pursuant to an indenture, dated as of July 25, 2025, between us, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee and collateral agent (the “2033 Notes (1L) Indenture”). The 2033 Notes (1L) were issued at par. Interest on the 2033 Notes (1L) accrues from July 25, 2025, and is payable semiannually, on February 15 and August 15 of each year, beginning on February 15, 2026. The 2033 Notes (1L) mature on August 15, 2033.

The net proceeds from the 2033 Notes (1L) were used to: (i) repay \$630 million of our 2021 Term Loan (1L); (ii) \$80 million of our 2024 Term Loan (1L); (iii) repay all \$50 million then outstanding under our Revolving Credit Facility; and (iv) pay transaction fees and expenses incurred in connection with the offering.

The 2033 Notes (1L) and related guarantees are our senior secured first lien obligations of the Company. The 2033 Notes (1L):

- rank *pari passu* in right of payment to all of our and the guarantors’ existing and future senior, unsubordinated debt (including our Senior Credit Agreement and our existing notes);
- are senior in right of payment to all of our and the guarantors’ future subordinated debt;
- are effectively subordinated to any of our or the guarantors’ existing and future debt that is secured by a lien on any assets not constituting Collateral (as defined in the 2033 Notes (1L) Indenture) to the extent of the value of such assets (including the assets sold to the Receivables SPV pursuant to the Receivables Sale Agreement);
- rank *pari passu* in right of security with all of our existing and future debt that is secured by a first priority lien on the Collateral, including our Senior Credit Agreement and the 2029 Notes (1L); and
- are effectively senior to all existing and future debt that is either unsecured, including our 2031 Notes, 2030 Notes and 2026 Notes, or secured by a lien that is junior to the lien securing the 2033 Notes (1L) and the related guarantees, including the 2032 Notes (2L), in each case to the extent of the value of the Collateral.

As a result of all of these refinancing transactions, we recorded a loss on early extinguishment of debt of \$10 million during 2025.

For all of our interest bearing obligations, we made interest payments of approximately \$393 million, \$394 million and \$419 million during the years ended December 31, 2025, 2024 and 2023, respectively. During the years ended December 31, 2025, 2024 and 2023, we capitalized \$3 million, \$2 million and \$20 million of interest payments, respectively, related to the Assembly Atlanta project.

As of December 31, 2025, the aggregate minimum principal maturities of our long-term debt were as follows (in millions):

Minimum Principal Maturities

Year	2019 Senior Credit Facility (1L)	2026 Notes	2029 Notes (1L)	2030 Notes	2031 Notes	2032 Notes (2L)	2033 Notes (1L)	Total
2026	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
2027	-	-	-	-	-	-	-	-
2028	739	-	-	-	-	-	-	739
2029	10	-	1,125	-	-	-	-	1,135
2030	-	-	-	790	-	-	-	790
Thereafter	-	-	-	-	1,219	1,150	775	3,144
Total	\$ 749	\$ 2	\$ 1,125	\$ 790	\$ 1,219	\$ 1,150	\$ 775	\$ 5,810

Collateral, Covenants and Restrictions of our Credit Agreements. Our obligations under the Senior Credit Agreement, the 2029 Notes (1L), the 2033 Notes (1L) and the 2032 Notes (2L) are secured by substantially all of our consolidated assets, excluding real estate. In addition, substantially all of our subsidiaries (subject to certain limited exceptions) are joint and several guarantors of, and our ownership interests in those subsidiaries are pledged to collateralize, our obligations under the Senior Credit Agreement, the 2029 Notes (1L), the 2033 Notes (1L) and the 2032 Notes (2L). Gray Media, Inc. is a holding company, and has no material independent assets or operations. For all applicable periods, the 2026 Notes, 2029 Notes (1L), 2030 Notes and 2031 Notes, 2032 Notes (2L) and 2033 Notes (1L) have been fully and unconditionally guaranteed, on a joint and several, senior unsecured basis, by substantially all of Gray Media, Inc.'s subsidiaries (subject to certain limited exceptions). Any subsidiaries of Gray Media, Inc. that do not guarantee the 2026 Notes, 2030 Notes, 2031 Notes, the Senior Credit Agreement, the 2029 Notes (1L), the 2033 Notes (1L) and 2032 Notes (2L) are not material or are designated as unrestricted under the Senior Credit Agreement. As of December 31, 2025, there were no significant restrictions on our subsidiaries to distribute cash to us or the guarantor subsidiaries.

The Senior Credit Agreement contains affirmative and restrictive covenants with which we must comply, including: (a) limitations on additional indebtedness, (b) limitations on liens, (c) limitations on the sale of assets, (d) limitations on guarantees, (e) limitations on investments and acquisitions, (f) limitations on the payment of dividends and share repurchases, (g) limitations on mergers and (h) maintenance of the First Lien Leverage Ratio while any amount is outstanding under the Revolving Credit Facility, as well as other customary covenants typical for credit facilities of this type. The 2026 Notes, 2029 Notes (1L), 2030 Notes, 2031 Notes, the 2032 Notes (2L) and 2033 Notes (1L) include covenants with which we must comply which are typical for financing transactions of their nature. As of December 31, 2025 and December 31, 2024, we were in compliance with all required covenants under all of our debt obligations.

In addition to results prepared in accordance with U.S. GAAP, "Leverage Ratio Denominator" is a metric that management uses to calculate our compliance with our financial covenants in our indebtedness agreements. This metric is calculated as specified in our Senior Credit Agreement and is a significant measure that represents the denominator of a formula used to calculate compliance with material financial covenants within the Senior Credit Agreement that govern our ability to incur indebtedness, incur liens, make investments and make restricted payments, among other limitations usual and customary for credit agreements of this type. Accordingly, management believes this metric is a material metric to our debt and equity investors.

Leverage Ratio Denominator gives effect to the revenue and broadcast expenses of all completed acquisitions and divestitures as if they had been acquired or divested, respectively, on January 1, 2024. It also gives effect to certain operating synergies expected from the acquisitions and related financings, and adds back professional fees incurred in completing the acquisitions. Certain of the financial information related to the acquisitions, if applicable, has been derived from, and adjusted based on, unaudited, un-reviewed financial information prepared by other entities, which Gray cannot independently verify. We cannot assure you that such financial information would not be materially different if such information were audited or reviewed, and no assurances can be provided as to the accuracy of such information, or that our actual results would not differ materially from this financial information if the acquisitions had been completed on the stated date. In addition, the presentation of Leverage Ratio Denominator as determined in the Senior Credit Agreement and the adjustments to such information, including expected synergies, if applicable, resulting from such transactions, may not comply with U.S. GAAP or the requirements for pro forma financial information under Regulation S-X under the Securities Act of 1933. Leverage Ratio Denominator, as determined in the Senior Credit Agreement, represents an average amount for the preceding eight quarters then ended.

Our “Adjusted Total Indebtedness”, “First Lien Adjusted Total Indebtedness” and “Secured Adjusted Total Indebtedness”, in each case “Net of All Cash”, represents the amount of outstanding principal of our long-term debt, plus certain other obligations as defined in our Senior Credit Agreement, less all cash (excluding restricted cash) for the applicable amount of indebtedness.

5. Fair Value Measurement

We measure certain assets and liabilities at fair value, which are classified by the FASB Codification within the fair value hierarchy as level 1, 2 or 3, on the basis of whether the measurement employs observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s own assumptions and consider information about readily available market participant assumptions.

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The use of different market assumptions or methodologies could have a material effect on the fair value measurement.

The carrying amounts of accounts receivable, prepaid and other current assets, accounts payable, employee compensation and benefits, accrued interest, other accrued expenses and deferred revenue approximate fair value at both December 31, 2025 and 2024.

The value of all of our investments in broadcasting and technology companies are classified as Level 3.

As of December 31, 2025, the carrying amount of our long-term debt was \$5.7 billion and the fair value was \$5.5 billion. As of December 31, 2024, the carrying amount of our long-term debt was \$5.6 billion and the fair value was \$4.6 billion. Fair value of our long-term debt is based on observable estimates provided by third-party financial service providers and is classified as Level 2.

6. Stockholders' Equity

We are authorized to issue 245 million shares in total of all classes of stock consisting of 25 million shares of Class A common stock, 200 million shares of common stock, and 20 million shares of "blank check" preferred stock for which our Board of Directors has the authority to determine the rights, powers, limitations and restrictions. The rights of our common stock and Class A common stock are identical, except that our Class A common stock has 10 votes per share and our common stock has one vote per share.

Our common stock and Class A common stock are entitled to receive cash dividends, if declared, on an equal per-share basis. During the years ended December 31, 2025, 2024 and 2023, we declared and paid quarterly cash dividends totaling \$0.32 per share of our common stock and Class A common stock.

Under our various employee benefit plans, we may, at our discretion, issue authorized and unissued shares, or previously issued shares held in treasury, of our Class A common stock or common stock. As of December 31, 2025, we had reserved 17.0 million shares and 3.4 million shares of our common stock and Class A common stock, respectively, for future issuance under various employee benefit plans.

7. Preferred Stock

At December 31, 2025 and 2024 there were 650,000 shares of our Series A Perpetual Preferred Stock outstanding with a stated face value and liquidation value of \$1,000 per share (the "Series A Preferred Stock"). Holders of shares of the Series A Preferred Stock are entitled to receive mandatory and cumulative dividends paid quarterly in cash or, at the Company's option, paid quarterly in kind by issuance of additional shares of Series A Preferred Stock. The per-share amount of such quarterly mandatory and cumulative dividends will be calculated by multiplying the face value by 8% per annum if the dividends are to be paid in cash, or 8.5% per annum if such dividends are to be paid in additional shares of Series A Preferred Stock ("PIK Election Dividends"). If the Company elects to pay any portion of accrued dividends with PIK Election Dividends, it will be prohibited from repurchasing, redeeming or paying dividends on any stock that is junior to the Series A Preferred Stock through the end of that quarter and the subsequent two quarters, subject to certain exceptions.

With respect to the payment of dividends, the Series A Preferred Stock will rank senior to all classes and series of our common stock and all other equity securities designated as ranking junior to the Series A Preferred Stock, and no new issuances of common or preferred stock will rank on a parity with, nor senior to, the Series A Preferred Stock.

All or any portion of the outstanding Series A Preferred Stock may be redeemed at the Company's option at any time, upon written notice to the holders of Series A Preferred Stock at least 30 and not more than 60 days prior to the date of such optional redemption. The per-share redemption price for Series A Preferred Stock will be equal to the sum of the liquidation value and the per-share amount of any unpaid dividends for the current quarterly dividend period, up to and including the date of redemption. Holders of shares of Series A Preferred Stock redeemed will be paid in cash.

The Series A Preferred Stock is also subject to mandatory redemption upon the occurrence of certain change of control transactions or upon the sale or other disposition of all or substantially all of our assets. The holders of Series A Preferred Stock do not have any right to exchange or convert the shares into any other securities.

In general, the holders of the Series A Preferred Stock do not have any voting rights except as set forth in the terms of the Series A Preferred Stock or as otherwise required by law, in which case, each share of Series A Preferred Stock will be entitled to one vote.

The approval of the holders of the Series A Preferred Stock, voting separately as a class, is required in order to authorize, create or issue new shares of Series A Perpetual Preferred stock (other than to pay PIK Election Dividends), or alter the rights of any other shares that are or would be equal to or senior to the Series A Preferred Stock, or to amend, alter or repeal the articles of incorporation as amended from time to time if such amendment, alteration or repeal adversely affects the powers, preferences or special rights of the Series A Preferred Stock.

The Series A Preferred Stock does not have preemptive rights as to any of our other securities, or any warrants, rights, or options to acquire any of our securities.

In the event that the Company voluntarily or involuntarily liquidates, dissolves or winds up its affairs, holders of Series A Preferred Stock will be entitled to receive for each share of Series A Preferred Stock, out of the Company's assets or proceeds thereof available for distribution to shareholders, subject to the rights of any creditors, payment in full in an amount equal to the liquidation value and the per-share amount of any unpaid dividends for the current quarterly dividend period. Holders of Series A Preferred Stock would be entitled to receive this amount before any distribution of assets or proceeds to holders of our common stock and any other stock whose rights are junior to the Series A Preferred Stock. If in any distribution described above, our assets are not sufficient to pay in full the amounts payable with respect to the outstanding shares of Series A Preferred Stock or any stock whose rights are equal to the Series A Preferred Stock, holders of the Series A Preferred Stock would share ratably in any such distribution in proportion to the full respective distributions to which they are entitled. Shareholders are not subject to further assessments on their shares of the Series A Preferred Stock.

8. Stock-Based Compensation

We recognize compensation expense for stock-based payment awards made to our employees, consultants and directors under our active stock-based compensation plan, the "2022 EICP". The following table presents our stock-based compensation expense and the related income tax benefits for the years ended December 31, 2025, 2024 and 2023 (in millions):

	Year Ended December 31,		
	2025	2024	2023
Stock-based compensation expense, gross	\$ 22	\$ 22	\$ 20
Income tax benefit at our statutory rate associated with stock-based compensation	-	(6)	(5)
Stock-based compensation expense, net	<u>\$ 22</u>	<u>\$ 16</u>	<u>\$ 15</u>

Currently, the 2022 EICP provides for the grant of incentive stock options, nonqualified stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights and performance awards to acquire shares of our Class A common stock or common stock, or other awards based on our performance. All shares of common stock and Class A common stock underlying outstanding options (if any), restricted stock units and performance awards are counted as issued under the 2022 EICP for purposes of determining the number of shares available for future issuance.

As of December 31, 2025, we had \$12 million of total unrecognized compensation expense related to all non-vested stock-based compensation arrangements. The weighted average recognition period remaining is 1.6 years.

A summary of activity for the years ended December 31, 2025, 2024 and 2023 under our stock based compensation plans is as follows:

	Year Ended December 31,					
	2025		2024		2023	
	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted stock - common:						
Outstanding - beginning of period	2,567,707	\$ 9.03	1,467,936	\$ 12.17	997,745	\$ 20.62
Granted	1,449,847	4.00	1,785,958	7.47	1,007,919	8.15
Vested	(927,178)	10.97	(556,187)	12.51	(537,728)	20.32
Forfeited	-	-	(130,000)	8.10	-	-
Outstanding - end of period	<u>3,090,376</u>	\$ 6.09	<u>2,567,707</u>	\$ 9.03	<u>1,467,936</u>	\$ 12.17
Restricted stock - Class A common:						
Outstanding - beginning of period	1,589,020	\$ 9.78	1,148,233	\$ 12.37	677,238	\$ 19.36
Granted	961,422	6.97	823,393	8.25	738,854	8.34
Vested	(485,902)	13.22	(382,606)	14.24	(267,859)	18.95
Outstanding - end of period	<u>2,064,540</u>	\$ 7.66	<u>1,589,020</u>	\$ 9.78	<u>1,148,233</u>	\$ 12.37
Restricted stock units - common:						
Outstanding - beginning of period	1,229,390	\$ 5.72	587,168	\$ 11.50	274,145	\$ 23.60
Granted	-	-	1,229,390	5.72	587,168	11.50
Vested	(1,163,515)	5.72	(564,793)	11.50	(247,953)	23.64
Forfeited	(65,875)	5.72	(22,375)	11.50	(26,192)	23.15
Outstanding - end of period	<u>-</u>	\$ -	<u>1,229,390</u>	\$ 5.72	<u>587,168</u>	\$ 11.50

9. Leases

Operating Leases. We lease various assets with non-cancellable lease terms that range between one and 99 years. Many of these leases have optional renewal periods ranging between one and 20 years. We define the lease term as the original lease base period plus optional renewal periods that we reasonably expect to exercise. We do not include renewal periods exercisable more than 10 years from the commencement date in the lease term as we cannot reasonably expect to exercise an option that far into the future. Some of our leases have free rent periods, tenant allowances and/or fixed or variable rent escalators. We record operating lease expense on a straight-line basis over the lease term. Operating lease expense is included in operating expenses in our consolidated statements of operations.

We lease land, buildings, transmission towers, right-of-way easements and equipment through operating leases. We generally lease land for the purpose of erecting transmission towers for our broadcast operations. Our building leases consist of office space and broadcast studios. For transmission towers we do not own, we lease space for our transmission equipment on third-party towers. We lease rights-of-way for various purposes, including ingress and egress for tower locations and guyed wire space. Our equipment leases consist of office, transmission and production equipment.

We allocate consideration paid in the contract to lease and non-lease components based upon the contract or associated invoice received if applicable. Lease components include base rent, fixed rate escalators and in-substance fixed payments associated with the leased asset. Non-lease components include common area maintenance and operating expenses associated with the leased asset. We have not elected the practical expedient to combine lease and non-lease components. As such, we only include the lease component in the calculation of right-of-use (“ROU”) asset and lease liability. The incremental borrowing rate we use for the calculation is the rate of interest that we would pay to borrow on a collateralized basis over a similar term based upon our borrower risk profile.

Variable lease payments are not material and are included in operating lease expense as a component of operating expenses in our consolidated statements of operations. Variable lease payments are generally associated with usage-based leases and variable payment escalators, such as consumer price index (“CPI”) increases. Some of our land leases require us to pay a percentage of the revenue earned from leasing space on the towers we erect on the leased land. We included the payment level of CPI and percentage rent amounts in the base rent for calculating the ROU asset and lease liability. CPI adjustments and percentage rent amounts that differ from the amount included in ROU asset and liability calculations are included in variable lease payments.

We recognize leases with an initial term of 12 months or less as short-term leases and generally consist of rentals of production or broadcast equipment for short periods of time. Lease payments associated with short-term leases are expensed as incurred.

As of December 31, 2025, the weighted average remaining term of our operating leases was nine years. The weighted average discount rate used to calculate the values associated with our operating leases was 6.9%. The table below describes the nature of lease expense and classification of operating lease expense recognized in the years ended December 31, 2025, 2024 and 2023, respectively (in millions):

	Year Ended December 31,		
	2025	2024	2023
Operating lease expense:			
Operating lease expense	\$ 17	\$ 16	\$ 18
Short-term lease expense	5	5	5
Total operating lease expense	<u>\$ 22</u>	<u>\$ 21</u>	<u>\$ 23</u>

The following table presents the maturities of operating lease liabilities were as follows (in millions):

Year:		
2026	\$	14
2027		13
2028		10
2029		10
2030		9
Thereafter		<u>38</u>
Total lease payments		94
Less: Imputed interest		<u>(25)</u>
Present value of lease liabilities	\$	<u><u>69</u></u>

As a Lessor. We lease or sublease our owned or leased production facilities, land, towers and office space through operating leases with third parties. Payments received associated with these leases consist of fixed and variable payments. Fixed payments are received for the rental of space including fixed rate rent escalations over the applicable term of the lease agreements. Variable payments are received for short-term rental of space, variable rent escalations and reimbursement of operating costs related to the asset leased or subleased.

We recognize revenue from fixed payments on a straight-line basis over the applicable term of the lease agreements, whose lives range between one and 43 years. The excess of straight-line revenue recognized over the fixed payments received is recorded as deferred rent receivable in other assets on our consolidated balance sheets. The deferred rent receivable balance was \$10 million and \$9 million as of December 31, 2025 and 2024, respectively. We recognize revenue from variable payments each period as earned.

Cash flow activities related to our lease activities for assets we lease to third parties are included in other assets and accounts receivable as presented in net cash provided by operating activities in our consolidated statements of cash flows.

The following table describes the nature of our lease revenue and classification of operating lease revenue recognized in the years ended December 31, 2025, 2024 and 2023, respectively (in millions):

	Year Ended December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating lease revenue:			
Fixed lease revenue	\$ 22	\$ 22	\$ 8
Variable lease revenue	<u>15</u>	<u>15</u>	<u>15</u>
Total operating lease revenue	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 23</u>

The following table presents our future minimum rental receipts for non-cancelable leases and subleases as of December 31, 2025 (in millions):

Year:		
2026	\$	25
2027		24
2028		23
2029		23
2030		23
Thereafter		204
Total lease receipts	<u>\$</u>	<u>322</u>

10. Income Taxes

On July 4, 2025, the United States enacted tax reform legislation through the One Big Beautiful Bill Act, which changed existing U.S. tax laws, including extending or making permanent certain provisions of the Tax Cuts and Jobs Act, and easing the interest expense limitation rules of Section 163(j) of the Internal Revenue Code, in addition to other changes.

We recognize deferred tax assets and liabilities for future tax consequences attributable to differences between our financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We measure deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. We recognize the effect on deferred tax assets and liabilities resulting from a change in tax rates in income in the period that includes the date of the change.

Under certain circumstances, we recognize liabilities in our financial statements for positions taken on uncertain tax issues. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others may be subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, we believe it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits on the balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest and penalties associated with unrecognized tax benefits are classified as income tax expense in the statements of operations.

Federal and state and local income tax expense is summarized as follows (in millions):

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ 27	\$ 106	\$ 73
State and local	1	20	12
Current income tax expense	<u>28</u>	<u>126</u>	<u>85</u>
Deferred:			
Federal	(40)	(6)	(76)
State and local	(16)	(3)	(15)
Deferred income tax benefit	<u>(56)</u>	<u>(9)</u>	<u>(91)</u>
Total income tax (benefit) expense	<u>\$ (28)</u>	<u>\$ 117</u>	<u>\$ (6)</u>

Significant components of our deferred tax liabilities and assets are as follows (in millions):

	December 31,	
	2025	2024
Deferred tax liabilities:		
Net book value of property and equipment	\$ 121	\$ 135
Broadcast licenses, goodwill and other intangible assets	1,336	1,340
ROU assets	17	18
Other	13	6
Total deferred tax liabilities	<u>1,487</u>	<u>1,499</u>
Deferred tax assets:		
Liability for compensated absences	6	6
Liability for accrued bonus	11	12
Liability under self-insured plans	3	2
State and local operating loss carryforwards	12	11
Unearned income	2	4
Restricted stock	-	3
Lease liability	17	18
Investments	12	7
Interest expense limitation	117	76
Other comprehensive income	-	8
Other	14	12
Total deferred tax assets	<u>194</u>	<u>159</u>
Valuation allowance for deferred tax assets	<u>(7)</u>	<u>(7)</u>
Net deferred tax assets	<u>187</u>	<u>152</u>
Net deferred tax liabilities	<u>\$ 1,300</u>	<u>\$ 1,347</u>

As of December 31, 2025, we have an aggregate of approximately \$258 million of various state operating loss carryforwards, of which we expect that a portion of these will not be utilized. We expect that the unutilized portion of these state net operating loss carryforwards will not be utilized due to Internal Revenue Code section 382 limitations and those that will expire prior to utilization. After applying our state effective tax rate, this amount is included in our valuation allowance for deferred tax assets.

A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to the income before income taxes after the adoption of ASU 2023-09 is as follows (in millions, except for percentages):

	Year Ended December 31, 2025	
Statutory federal rate applied to income before income tax expense	\$ (24)	21%
Nondeductible expenses	3	(3)%
Nondeductible compensation	8	(7)%
Investments	(2)	2%
State and local taxes, net of federal tax benefit ⁽¹⁾	(11)	10%
Other items, net	(2)	2%
Income tax benefit as recorded	<u>\$ (28)</u>	<u>25%</u>
Effective income tax rate		25%

(1) The majority (greater than 50%) of the tax effect in this category is attributable to Louisiana.

A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to the income before income taxes for the years prior to the adoption of ASU 2023-09 is as follows (in millions):

	Year Ended December 31,	
	2024	2023
Statutory federal rate applied to income before income tax expense	\$ 103	\$ (17)
Nondeductible expenses	6	11
State and local taxes, net of federal tax benefit	21	(4)
Change in valuation allowance	(1)	(1)
Reserve for uncertain tax positions	(14)	1
Other items, net	2	4
Income tax (benefit) expense as recorded	<u>\$ 117</u>	<u>\$ (6)</u>
Effective income tax rate	24%	7%

Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, as described in Note 1, Recent Accounting Pronouncements, cash paid for income taxes, net of refunds, during the year ended December 31, 2025 was the following (in millions):

	<u>December 31, 2025</u>
U.S. federal income taxes, net	\$ 35
State and local income taxes, net	3
Total cash paid for income taxes	<u>\$ 38</u>

The amount of cash income taxes paid by the Company during the years ended December 31, 2024 and 2023 was \$135 million and \$50 million, respectively.

Each year, we adjust our other comprehensive income on a net of tax basis. During 2025, we recorded a \$4 million adjustment to our pension asset; we recorded an adjustment of the fair value of our interest rate caps of \$31 million that expired on December 31, 2025; and we recorded a \$9 million tax expense. During 2024, we increased our recorded non-current pension asset by \$1 million; we recorded an adjustment of the fair value of our interest rate caps of \$8 million; and together, we recorded a \$2 million tax benefit. During 2023, we increased our recorded non-current pension asset by \$7 million; we recorded an adjustment of the fair value of our interest rate caps of \$23 million; and we recorded a \$5 million tax benefit.

We file a federal consolidated income tax return in the United States and state or local consolidated income tax returns in various state or local jurisdictions. Certain of our subsidiaries file separate tax returns in other various state and local jurisdictions. Generally, we are no longer subject to federal, state and local tax examinations for years before 2021.

The following table summarizes the activity related to our reserve for uncertain tax positions (in millions):

	<u>Year Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance at beginning of period	\$ -	\$ 14	\$ 15
Statute expirations	-	(14)	(1)
Balance at end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>

We recognize accrued interest and penalties related to uncertain tax positions in income tax expense in the accompanying Consolidated Statements of Operations and Consolidated Statements of Comprehensive (Loss) Income. During the years ended December 31, 2025, 2024 and 2023, our penalty and interest expense related to uncertain tax positions was not material. At December 31, 2025, 2024 and 2023, the total accrual for interest and penalties related to uncertain tax positions was not material.

11. Retirement Plans

We sponsor and have historically contributed to defined benefit and defined contribution retirement plans. The *Gray Media, Inc. Retirement Plan* (“the Gray Pension Plan”) is a defined benefit pension plan. Benefits under the Gray Pension Plan are frozen and can no longer increase, and no new participants can be added to the Gray Pension Plan.

The Gray Pension Plan’s funding policy is consistent with the funding requirements of existing federal laws and regulations under the Employee Retirement Income Security Act of 1974. The measurement dates used to determine the benefit information for the Gray Pension Plan were December 31, 2025 and 2024, respectively.

On April 25, 2025, the Gray Pension Plan purchased a non-participating single premium group annuity contract for \$18 million from American United Life Insurance Company, a OneAmerica Financial Company. The contract assumes the obligation to provide monthly annuity payments for a subset of the plan’s retirees beginning July 1, 2025. On September 1, 2025, the Gray Pension Plan paid out \$15 million in lump sum payments to terminated participants with a vested benefit. On November 1, 2025, the Gray Pension Plan converted the Group Annuity Contract with Aetna from participating to non-participating for \$7 million. Following the change in contract, Aetna assumes the obligation to pay all future monthly annuity payments to a subset of current retirees in the plan. The Gray Pension Plan was amended to allow for these transactions. We have no further liability for participants who received lump sum payments or will receive future monthly annuities under the Group Annuity Contract with Aetna. OneAmerica Financial Company and Aetna are not related parties to Gray Media, Inc.

The following summarizes the Gray Pension Plan's funded status and amounts recognized on our consolidated balance sheets at December 31, 2025 and 2024, respectively (in millions):

	As of December 31,	
	2025	2024
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	\$ 96	\$ 104
Interest cost	5	4
Actuarial (gain) loss	1	(7)
Benefits paid	(4)	(5)
Effect of pension settlement	(41)	-
Projected benefit obligation at end of year	<u>\$ 57</u>	<u>\$ 96</u>
Change in plan assets:		
Fair value of pension plan assets at beginning of year	\$ 112	\$ 117
Actual return on plan assets	6	-
Benefits paid	(4)	(5)
Effect of pension settlement	(41)	-
Fair value of pension plan assets at end of year	<u>73</u>	<u>112</u>
Funded status of pension plan	<u>\$ 16</u>	<u>\$ 16</u>
Amounts recognized on our balance sheets consist of:		
Accrued benefit cost	\$ 24	\$ 28
Accumulated other comprehensive loss	(8)	(12)
Net asset recognized	<u>\$ 16</u>	<u>\$ 16</u>

Because the Gray Pension Plan is a frozen plan, the projected benefit obligation and the accumulated benefit obligation are the same. The accumulated benefit obligation was \$57 million and \$96 million at December 31, 2025 and 2024, respectively. The long-term rate of return on assets assumption was chosen from a best estimate range based upon the anticipated long-term returns for asset categories in which the Gray Pension Plan is invested. An estimate of the rate of increase in compensation levels used to calculate the net periodic benefit cost is not required because of the Plan's frozen status:

	Year Ended December 31,	
	2025	2024
Weighted-average assumptions used to determine net periodic benefit cost for the Gray Pension Plan:		
Discount rate	5.48%/5.27%/5.40%	4.79%
Expected long-term rate of return on pension plan assets	5.25%	6.25%
Estimated rate of increase in compensation levels	N/A	N/A

The plan was remeasured to reflect settlement accounting as of September 30, 2025, and as of December 31, 2025. The discount rates used in the remeasurements were 5.27% and 5.40%, respectively, to reflect market conditions at the time of remeasurement. The discount rate of 5.48% was the discount rate prior to the remeasurements.

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Weighted-average assumptions used to determine benefit obligations:		
Discount rate	5.40%	5.48%

Pension expense is computed using the projected unit credit actuarial cost method. The net periodic pension cost for the Gray Pension Plan includes the following components (in millions):

	<u>Year Ended December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Components of net periodic pension cost:			
Interest cost	\$ 5	\$ 4	\$ 5
Expected return on plan assets	(5)	(7)	(7)
Pension settlement fees	4	-	-
Net periodic pension benefit	<u>\$ (4)</u>	<u>\$ (3)</u>	<u>\$ (2)</u>

For the Gray Pension Plan, the estimated future benefit payments are as follows (in millions):

<u>Years</u>	<u>Amount</u>
2026	\$ 3
2027	\$ 3
2028	\$ 3
2029	\$ 3
2030	\$ 4
2031 - 2035	\$ 19

The Gray Pension Plan's weighted-average asset allocations by asset category were as follows:

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Asset category:		
Insurance general account	0%	13%
Cash management accounts	19%	3%
Fixed income accounts	81%	84%
Total	<u>100%</u>	<u>100%</u>

The investment objective is to maintain an adequate degree of liquidity to ensure the payment from existing Gray Pension Plan assets and attempt to match the investment portfolios to the liabilities of the Gray Pension Plan. Investments will be made in liquid fixed income products and investments.

Fair Value of Gray Pension Plan Assets. We calculate the fair value of the Gray Pension Plan's assets based upon the observable and unobservable net asset value of its underlying investments. We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized by the fair value hierarchy proscribed by ASU Topic 820, described in Note 5 "Fair Value Measurement."

The following table presents the fair value of the Gray Pension Plan’s assets and classifies them by level within the fair value hierarchy as of December 31, 2025 and 2024 (in millions):

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash management accounts	\$ 14	\$ -	\$ -	\$ 14
Fixed income accounts	59	-	-	59
Total	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73</u>
	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Insurance general account	\$ -	\$ 14	\$ -	\$ 14
Cash management accounts	4	-	-	4
Fixed income account	94	-	-	94
Total	<u>\$ 98</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 112</u>

Expected Pension Contributions. We do not expect to make a contribution to our frozen defined benefit pension plan during the year ending December 31, 2026.

401(k) Savings Plan. The Gray 401(k) Plan is a defined contribution plan intended to meet the requirements of Section 401(k) of the Internal Revenue Code. In 2025, employer contributions under The Gray 401(k) Plan include matching cash contributions at a rate of 100% of the first 3% of each employee’s salary deferral, and 50% of the next 2% of each employee’s salary deferral. For the years ended December 31, 2025, 2024 and 2023, our matching contributions to The Gray 401(k) Plan were \$25 million, \$28 million and \$26 million, respectively. We estimate that our matching cash contributions to The Gray 401(k) Plan for 2026 will be approximately \$25 million.

In addition, the Company, at its discretion, may make an additional profit-sharing contribution, based on annual Company performance, to those employees who meet certain criteria. For the years ended December 31, 2025 and 2024, we did not record a profit-sharing contribution. For the year ended December 31, 2023, we accrued a contribution of approximately \$10 million, as a discretionary profit-sharing contribution. This discretionary profit-sharing contribution was subsequently made in the form of shares of our common stock. We may also make matching and discretionary contributions of our common stock under The Gray 401(k) Plan. As of December 31, 2025, we had 10 million shares of common stock reserved for issuance under this plan.

Meredith Plan. In connection with the acquisition of the Meredith Corporation (“Meredith”), on December 1, 2021, we assumed a defined benefit pension plan covering certain legacy Meredith bargaining class employees. At December 31, 2025, this plan had combined plan assets of \$25 million and combined projected benefit obligations of \$20 million. The net asset for this plan is recorded in other assets in our consolidated balance sheets as of December 31, 2025 and 2024.

12. Commitments and Contingencies

From time to time we may have various contractual and other commitments requiring future payments. These commitments may include amounts required to be paid for: the purchase of property and equipment; service and other agreements; commitments for various programming, including affiliation agreements with networks; and commitments under our accounts receivable securitization facility. Certain network affiliation agreements include variable fee components such as percentage of revenue or rate per subscriber. Future estimated minimum payments for these commitments, in addition to the liabilities accrued for on our consolidated balance sheets as of December 31, 2025, were as follows (in millions):

Year	Accounts Receivable Securitization	Service and Other Agreements	Assembly Development	Programming Agreements	Total
2026	\$ -	\$ 47	\$ 13	\$ 832	\$ 892
2027	-	30	-	628	658
2028	400	23	-	259	682
2029	-	13	-	5	18
2030	-	6	-	-	6
Total	<u>\$ 400</u>	<u>\$ 119</u>	<u>\$ 13</u>	<u>\$ 1,724</u>	<u>\$ 2,256</u>

Legal Proceedings and Claims. We are and expect to continue to be subject to legal actions, proceedings and claims that arise in the normal course of our business. In the opinion of management, the amount of ultimate liability, if any, with respect to these known actions, proceedings and claims will not materially affect our financial condition, results of operations or cash flows, although legal proceedings are subject to inherent uncertainties, and unfavorable rulings or events could result in materially adverse outcomes.

Local TV Advertising Antitrust Litigation. In 2018, several broadcasting companies, including Raycom Media (“Raycom”) (which the Company subsequently acquired in January 2019) and Meredith (which the Company acquired in December 2021) agreed to enter into substantially identical consent decrees with the Department of Justice (the “DOJ”). This consent decree provided for the settlement of a confidential investigation by the DOJ into the alleged exchange of certain competitively sensitive information relating to advertising sales among certain stations in some local markets. The consent decree and related settlement were finalized on May 22, 2019. The consent decree is not an admission of any wrongdoing by the parties and does not subject the parties to any monetary damages or penalties. The consent decree requires the parties 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 parties’ stations not exchange pricing and certain other information with other stations in their local markets, which aligns with Gray’s current policy. Gray Media, Inc. was not a subject of, or party to, any consent decree or settlement thereof, although certain of the Company’s operations that we later acquired from Raycom and Meredith do remain subject to the terms of such settlement.

Following published reports of the DOJ investigation and settlement, various putative class action lawsuits were filed against a number of owners of television stations. The cases have been consolidated in a single multidistrict litigation in the District Court for the Northern District of Illinois under the caption *In re Local TV Advertising Litigation*, and the plaintiffs’ operative complaint alleges price fixing and unlawful information exchange among the defendants’ advertisement sales teams. Gray is a defendant solely due to its acquisition of Raycom and Meredith, who were named defendants. 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 Company believes the lawsuits are without merit and continues to vigorously defend itself against all such claims.

13. Goodwill and Intangible Assets

During the years ended December 31, 2025 and 2024, we acquired, adjusted and disposed of various television broadcast stations and broadcast licenses. As a result of these transactions, our goodwill and intangible balances changed during each of these years. See Note 3 “Acquisitions and Divestitures” for more information regarding these transactions.

For the year ended December 31, 2025, we recognized impairment charges of \$28 million associated with the network affiliation and intangible assets of one station as it became independent. We also recognized an impairment charge of \$2 million associated with a broadcast license. No impairments were recognized for the year ended December 31, 2024.

The following table presents a summary of changes in our goodwill and other intangible assets, on a net basis (in millions):

	Net Balance at December 31, 2024	Acquisitions, Dispositions, and Adjustments, Net	Impairment	Amortization	Net Balance at December 31, 2025
Goodwill	\$ 2,642	\$ -	\$ -	\$ -	\$ 2,642
Broadcast licenses	5,311	-	(2)	-	5,309
Finite-lived intangible assets	290	(1)	(28)	(104)	157
Total intangible assets net of accumulated amortization	<u>\$ 8,243</u>	<u>\$ (1)</u>	<u>\$ (30)</u>	<u>\$ (104)</u>	<u>\$ 8,108</u>

	Net Balance at December 31, 2023	Acquisitions, Dispositions, and Adjustments	Impairment	Amortization	Net Balance at December 31, 2024
Goodwill	\$ 2,643	\$ (1)	\$ -	\$ -	\$ 2,642
Broadcast licenses	5,320	(9)	-	-	5,311
Finite-lived intangible assets	415	-	-	(125)	290
Total intangible assets net of accumulated amortization	<u>\$ 8,378</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ 8,243</u>

The following table presents a summary of changes in our goodwill, on a gross basis (in millions):

	<u>As of</u> <u>December 31, 2024</u>	<u>Acquisitions</u> <u>and</u> <u>Adjustments</u>	<u>Impairment</u>	<u>As of</u> <u>December 31, 2025</u>
Goodwill, gross	\$ 2,741	\$ -	\$ -	\$ 2,741
Accumulated goodwill impairment	(99)	-	-	(99)
Goodwill, net	<u>\$ 2,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,642</u>

	<u>As of</u> <u>December 31, 2023</u>	<u>Acquisitions</u> <u>and</u> <u>Adjustments</u>	<u>Impairment</u>	<u>As of</u> <u>December 31, 2024</u>
Goodwill, gross	\$ 2,742	\$ (1)	\$ -	\$ 2,741
Accumulated goodwill impairment	(99)	-	-	(99)
Goodwill, net	<u>\$ 2,643</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 2,642</u>

The following table presents a summary of our intangible assets and related accumulated amortization (in millions):

	<u>As of December 31, 2025</u>			<u>As of December 31, 2024</u>		
	<u>Gross</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u>	<u>Gross</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Net</u>
Intangible assets not currently subject to amortization:						
Broadcast licenses	\$ 5,363	\$ (54)	\$ 5,309	\$ 5,365	\$ (54)	\$ 5,311
Goodwill	2,642	-	2,642	2,642	-	2,642
	<u>\$ 8,005</u>	<u>\$ (54)</u>	<u>\$ 7,951</u>	<u>\$ 8,007</u>	<u>\$ (54)</u>	<u>\$ 7,953</u>
Intangible assets subject to amortization:						
Network affiliation agreements	\$ 170	\$ (151)	\$ 19	\$ 216	\$ (160)	\$ 56
Other finite-lived intangible assets	947	(809)	138	992	(758)	234
	<u>\$ 1,117</u>	<u>\$ (960)</u>	<u>\$ 157</u>	<u>\$ 1,208</u>	<u>\$ (918)</u>	<u>\$ 290</u>
Total intangible assets	<u>\$ 9,122</u>	<u>\$ (1,014)</u>	<u>\$ 8,108</u>	<u>\$ 9,215</u>	<u>\$ (972)</u>	<u>\$ 8,243</u>

Based on our intangible assets subject to amortization as of December 31, 2025, we expect that amortization of intangible assets for the succeeding five years will be as follows: 2026, \$81 million; 2027, \$42 million; 2028, \$13 million; 2029, \$3 million; 2030, \$2 million; and thereafter, \$16 million. If and when acquisitions and dispositions occur in the future, actual amounts may vary from these estimates.

Impairment of Goodwill and Broadcast Licenses. We evaluate broadcast licenses and goodwill for impairment on an annual basis, or more often when certain triggering events occur. Goodwill is evaluated at the reporting unit level.

Our broadcasting operating segment is comprised of a single reporting unit. Each of the distinct businesses within our production companies operating segment represent a reporting unit. Therefore, we evaluate our goodwill for impairment for five reporting units. One reporting unit for all of our broadcast television operations and four for each of the distinct businesses within our production companies. The Company has considered the requirements as stipulated within ASC 350. Management has identified the applicable assets and liabilities for each of the reporting units in accordance with ASC 350.

In the performance of our annual broadcast license and reporting unit impairment assessments, we have the option of performing a qualitative assessment to determine if it is more likely than not that the respective asset has been impaired. In 2025, we performed a qualitative assessment for 74 of our broadcast licenses and three of our reporting units. In 2024, we performed a qualitative assessment for 56 of our broadcast licenses and three of our reporting units.

As part of this qualitative assessment we evaluate the relative impact of factors that are specific to the reporting units as well as industry, regulatory and macroeconomic factors that could affect the significant inputs used to determine the fair value of the assets. We also consider the significance of the excess fair value over the carrying value reflected in prior quantitative assessments and the changes to the reporting units' carrying value since the last impairment test.

If we conclude that it is more likely than not that a broadcast license or reporting unit is impaired, or if we elect not to perform the optional qualitative assessment, we perform the quantitative assessment which involves comparing the estimated fair value of the broadcast license or reporting unit to its respective carrying value.

For our annual broadcast licenses impairment test in 2025 and 2024, we concluded that it was more likely than not that all of our broadcast licenses that were evaluated through a qualitative assessment were not impaired. We elected to perform a quantitative assessment for our remaining broadcast licenses. In 2025, we concluded that their fair values exceeded their carrying values for all but one broadcast license. For the one broadcast license whose fair value did not exceed its carrying value, we recorded an impairment charge of \$2 million in 2025. In 2024, we concluded that the fair value of all broadcast licenses exceeded their carrying values. To estimate the fair value of our broadcast licenses, we considered assumptions related to historical market and station growth trends, third party market specific industry data, the anticipated performance of the stations and discount rates. Our valuation technique included theoretical assumptions of the costs that would be incurred to construct a station when the only owned asset is the broadcast license and theoretical assumptions for the associated revenues, operating margins and capital expenditures expected to be incurred in the start-up years. We also consider other relevant factors such as the technical qualities of the broadcast license and the number of competing broadcast licenses within that market.

For our annual goodwill impairment test in 2025 and 2024, we concluded that it was more likely than not that goodwill was not impaired. We elected to perform a quantitative assessment for our broadcasting and remaining production company reporting units and concluded that their fair values exceeded their carrying values. To estimate the fair value of our reporting units, we utilize a discounted cash flow model supported by a market multiple approach. We believe that a discounted cash flow analysis is the most appropriate methodology to test the recorded value of long-term assets with a demonstrated long-lived/enduring franchise value. We believe the results of the discounted cash flow and market multiple approaches provide reasonable estimates of the fair value of our reporting units because these approaches are based on our actual results and reasonable estimates of future performance, and also take into consideration a number of other factors deemed relevant by us including, but not limited to, expected future market revenue growth, market revenue shares and operating profit margins. We have historically used these approaches in determining the value of our reporting units. We also consider a market multiple approach to corroborate our discounted cash flow analysis. We believe that this methodology is consistent with the approach that a strategic market participant would utilize if they were to value our television stations and production companies.

We believe we have made reasonable estimates and utilized appropriate assumptions to evaluate whether the fair values of our broadcast licenses and reporting units were less than their carrying values. If future results are not consistent with our assumptions and estimates, including future events such as a deterioration of market conditions or significant increases in discount rates, we could be exposed to impairment charges in the future. Any resulting impairment loss could have a material adverse impact on our consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows.

See Note 1 “Description of Business and Summary of Significant Accounting Policies” for further discussion of our accounting policies regarding goodwill, broadcast licenses and other intangible assets.

14. Segment Information

The Company’s chief operating decision maker (“CODM”) is the chief executive officer (“CEO”). The CODM assesses segment performance and allocates resources to each segment by using each segment’s operating profit. The CODM uses operating profit for each segment in the annual budgeting and forecasting process as well as reviewing segment operating profit quarterly when making decisions about allocating capital and operating resources to segments. Disaggregated total assets and goodwill by segment are not regularly provided to the CODM. The following tables present our business segment information (in millions):

<u>As of and for the Year ended December 31, 2025:</u>	<u>Broadcasting</u>	<u>Production Companies</u>	<u>Other</u>	<u>Consolidated</u>
Revenue (less agency commissions)	\$ 2,988	\$ 107	\$ -	\$ 3,095
Less: ⁽¹⁾				
Payroll and employee benefits	864	22	60	946
Network affiliation fees	882	-	-	882
Programming	116	17	-	133
Depreciation and amortization	215	20	2	237
Other segment items ⁽²⁾	398	54	53	505
Segment operating income (loss)	<u>\$ 513</u>	<u>\$ (6)</u>	<u>\$ (115)</u>	<u>\$ 392</u>
Other income (expense):				
Miscellaneous income (expense), net				(1)
Impairment of investments				(20)
Interest expense				(474)
Loss on early extinguishment of debt				(10)
Loss before income tax				<u>\$ (113)</u>
Capital expenditures (excluding business combinations)	\$ 74	\$ 34	\$ -	\$ 108
Goodwill	\$ 2,614	\$ 28	\$ -	\$ 2,642
Investments in broadcasting and technology companies	\$ 23	\$ 1	\$ 13	\$ 37
Total assets	\$ 9,326	\$ 647	\$ 467	\$ 10,440

As of and for the Year ended December 31, 2024:	Broadcasting	Production Companies	Other	Consolidated
Revenue (less agency commissions)	\$ 3,539	\$ 105	\$ -	\$ 3,644
Less: ⁽¹⁾				
Payroll and employee benefits	892	24	55	971
Network affiliation fees	932	-	-	932
Programming	108	20	-	128
Depreciation and amortization	248	19	2	269
Other segment items ⁽²⁾	403	41	49	493
Segment operating income (loss)	<u>\$ 956</u>	<u>\$ 1</u>	<u>\$ (106)</u>	<u>\$ 851</u>
Other income (expense):				
Miscellaneous income, net				117
Impairment of investments				(25)
Interest expense				(485)
Gain on early extinguishment of debt				34
Income before income tax				<u>\$ 492</u>
Capital expenditures (excluding business combinations)	\$ 97	\$ 46	\$ -	143
Goodwill	\$ 2,614	\$ 28	\$ -	2,642
Investments in broadcasting and technology companies	\$ 49	\$ 4	\$ 13	66
Total assets	\$ 9,636	\$ 681	\$ 225	10,542
As of and for the Year ended December 31, 2023:	Broadcasting	Production Companies	Other	Consolidated
Revenue (less agency commissions)	\$ 3,195	\$ 86	\$ -	\$ 3,281
Less: ⁽¹⁾				
Payroll and employee benefits	865	21	54	940
Network affiliation fees	937	-	-	937
Programming	98	25	-	123
Depreciation and amortization	322	13	4	339
Impairment of goodwill and other intangible assets	-	43	-	43
Other segment items ⁽²⁾	386	72	58	516
Segment operating income (loss)	<u>\$ 587</u>	<u>\$ (88)</u>	<u>\$ (116)</u>	<u>\$ 383</u>
Other income (expense):				
Miscellaneous income, net				7
Impairment of investments				(29)
Interest expense				(440)
Loss on early extinguishment of debt				(3)
Loss before income tax				<u>\$ (82)</u>
Capital expenditures (excluding business combinations)	\$ 107	\$ 240	\$ 1	348
Goodwill	\$ 2,615	\$ 28	\$ -	2,643
Investments in broadcasting and technology companies	\$ 68	\$ 4	\$ 13	85
Total assets	\$ 9,897	\$ 658	\$ 85	10,640

(1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the chief operating decision maker. Intersegment expenses are included within the amounts shown.

(2) Other segment items for each reportable segment includes; (gain) loss on disposal of assets, impairment of goodwill and intangible assets, professional services expense, repairs and maintenance expense, occupancy expense (including property tax expense), and certain overhead expenses.

15. Subsequent Events

On December 16, 2025, we announced that we reached an agreement with Bahakel Communications, Limited to purchase WBBJ-TV (ABC, CBS) in Jackson, Tennessee. On January 1, 2026, we acquired all of the non-license assets of the station and commenced operating the station pursuant to a standard pre-closing agreement, and, on February 13, 2026, we acquired the license assets of the station for a total consideration of \$25 million. The initial accounting for this acquisition is incomplete as of the date these financial statements are available to be issued, as the information necessary to complete such evaluation is in the process of being obtained and more thoroughly evaluated. We have not yet determined the accounting purchase price allocation, which includes evaluating the fair value of the acquired assets and assumed liabilities.

On January 20, 2026, we received \$10 million in cash proceeds from the closing of the sale of our investment in FreeTV, Inc. We may receive up to \$6 million in additional consideration over the next three years should FreeTV achieve certain financial targets.

On January 20, 2026, we repaid all amounts then outstanding under our 2026 Notes Indenture.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, including our CEO and Chief Financial Officer (“CFO”), regularly perform an evaluation of our disclosure controls and procedures, which have been designed to permit us to record, process, summarize and report, within time periods specified by the SEC's rules and forms, information required to be disclosed.

Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures, which, by their nature, can provide only reasonable assurance regarding management’s control objectives. The Company’s management, including the CEO and the CFO, does not expect that our disclosure controls and procedures can prevent all possible errors or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. Judgments in decision-making can be faulty and breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of one or more persons. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and while our disclosure controls and procedures are designed to be effective under circumstances where they should reasonably be expected to operate effectively, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in any control system, misstatements due to possible errors or fraud may nevertheless occur and not be detected.

Our CEO and CFO, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of December 31, 2025, and, based on their evaluation, have concluded that the disclosure controls and procedures were effective as of such date.

Changes in Internal Control Over Financial Reporting

During the three months ended December 31, 2025, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management’s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies may deteriorate.

In connection with the preparation of our annual consolidated financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on criteria established in “Internal Control – Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO 2013 framework”). Management’s assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls. Based on this evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by RSM US LLP (“RSM”), an independent registered public accounting firm, which also audited our Consolidated Financial Statements for the year ended December 31, 2025. RSM's report on our internal control over financial reporting is set forth in Item 8. of the Annual Report on Form 10-K.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information to be set forth under the headings “Election of Directors,” “Corporate Governance - Board Committees and Membership,” and “Section 16(a) Beneficial Ownership Reporting Compliance” in our definitive Proxy Statement for the 2026 Annual Meeting of Stockholders (to be filed within 120 days after December 31, 2025) is incorporated herein by reference. In addition, the information set forth under "Information about our Executive Officers" in Part I of this Report is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information to be set forth under the headings “Executive Compensation,” “Report of Compensation Committee” and “Compensation Committee Interlocks and Insider Participation” in our definitive Proxy Statement for the 2026 Annual Meeting of Stockholders is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information to be set forth under the heading “Stock Ownership” in our definitive Proxy Statement for the 2026 Annual Meeting of Stockholders is incorporated herein by reference.

Equity Compensation Plan Information

The following table gives information about the common stock and Class A common stock that may be issued upon the exercise of options, warrants and rights under all existing equity compensation plans as of December 31, 2025:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average Exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in 1st column)
Common Stock:			
Equity compensation plans approved by security holders	-	\$ -	6,875,469 (1)
Equity compensation plans not approved by security holders	-	\$ -	-
Total	-	-	6,875,469
Class A Common Stock:			
Equity compensation plans approved by security holders	-	\$ -	3,353,452 (1)
Equity compensation plans not approved by security holders	-	\$ -	-
Total	-	-	3,353,452

(1) Consists of shares of our Class A common stock and common stock that are issuable under our 2022 EICP.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information to be set forth under the headings “Certain Relationships and Related Party Transactions” and “Corporate Governance” in our definitive Proxy Statement for the 2026 Annual Meeting of Shareholders is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm, RSM US, LLP (PCAOB ID: 49), has presented their opinion under Item 8. of this annual report on Form 10-K. No other independent registered public accounting firm has rendered an opinion as part of this annual report.

The information to be set forth under the heading “Ratification of the Company’s Independent Registered Public Accounting Firm for 2026” in our definitive Proxy Statement for the 2026 Annual Meeting of Shareholders concerning principal accountant fees and services is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of Financial Statements and Financial Statement Schedules:

- (1) **Financial Statements.** See Part II, Item 8. for the index to financial statements.
- (2) **Financial statement schedules:** The following financial statement schedule of Gray Media, Inc. is included in Item 15(c): Schedule II – Valuation and qualifying accounts.

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable and therefore have been omitted.

(b) Exhibits:

<u>Exhibit Number</u>	<u>Description of Documents</u>
3.1	Amended and Restated Articles of Incorporation of Gray Media, Inc. (incorporated by reference to Exhibit 3.1 to our Annual Report on Form 10-K filed with the SEC on February 27, 2025)
3.2	Articles of Amendment to Articles of Incorporation, effective January 1, 2025 (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed with the SEC on January 2, 2026)
3.3	Bylaws of Gray Media, Inc. as amended (incorporated by reference to Exhibit 3.2 to our Annual Report on Form 10-K filed with the SEC on February 27, 2025)
4.1	Indenture, dated as of June 14, 2016, by and among Gray Media, Inc., the guarantors signatory thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on June 15, 2016)
4.2	First Supplemental Indenture, dated as of September 14, 2016, by and among Gray Media, Inc., the guarantors signatory thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the SEC on September 14, 2016)
4.3	Second Supplemental Indenture, dated as of January 2, 2019, by and among Gray Media, Inc., the guarantors signatory thereto and U.S. Bank National Association, as Trustee to the Indenture dated as of June 14, 2016 (incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed with the SEC on January 3, 2019)
4.4	Third Supplemental Indenture, dated as of December 1, 2021 by and among Gray Media, Inc., the guarantor signatory thereto and U.S. Bank National Association, as Trustee to the Indenture dated as of June 14, 2016 (incorporated by reference to Exhibit 4.4 to our Current Report on Form 8-K filed with the SEC on December 1, 2021)

<u>Exhibit Number</u>	<u>Description of Documents</u>
4.5	Form of 5.875% Senior Note due 2026 (incorporated by reference to Exhibit A to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on June 15, 2016)
4.6	Indenture, dated as of November 16, 2018, by and among Gray Escrow, Inc., Gray Media, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on November 16, 2018)
4.7	First Supplemental Indenture, dated as of January 2, 2019, by and among Gray Media, Inc., the guarantors signatory thereto and U.S. Bank National Association, as Trustee to the Indenture dated as of November 16, 2018 (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on January 3, 2019)
4.8	Second Supplemental Indenture, dated as of December 1, 2021 by and among Gray Media, Inc., the guarantor signatory thereto and U.S. Bank National Association, as Trustee to the Indenture dated as of November 16, 2018 (incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K filed with the SEC on December 1, 2021)
4.9	Description of securities registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.11 to our Annual Report on Form 10-K filed with the SEC on February 27, 2020)
4.10	Indenture, dated as of October 19, 2020, by and among Gray Media, Inc., the Guarantors signatory thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on October 19, 2020)
4.11	First Supplemental Indenture, dated as of December 1, 2021 by and among Gray Media, Inc., the guarantor signatory thereto and U.S. Bank National Association, as Trustee to the Indenture dated as of October 19, 2020 (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the SEC on December 1, 2021)
4.12	Form of 4.750% Senior Note due 2030 (incorporated by reference to Exhibit A to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the SEC on October 19, 2020)
4.13	Indenture, dated as of November 9, 2021, by and among Gray Escrow II, Inc., Gray Media, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on November 9, 2021)
4.14	Form of 5.375% Senior Note due 2031 (incorporated by reference to Exhibit A to Exhibit 4.1 of our Current Report on Form 8-K filed with the SEC on November 9, 2021)

<u>Exhibit Number</u>	<u>Description of Documents</u>
4.15	First Supplemental Indenture, dated as of December 1, 2021 by and among Gray Media, Inc., the guarantors signatory thereto and U.S. Bank National Association, as Trustee to the Indenture dated as of November 9, 2021 (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on December 1, 2021)
4.16	Indenture, dated as of June 3, 2024, by and among Gray Media, Inc., the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and Notes Collateral Agent (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the SEC on June 4, 2024)
4.17	Form of 10.500% Senior Secured First Lien Note due 2029 (incorporated by reference to Exhibit A to Exhibit 4.1 of our Current Report on Form 8-K filed with the SEC on June 4, 2024)
4.18	Indenture, dated as of July 18, 2025, by and among Gray Media, Inc., the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and Notes Collateral Agent (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on July 18, 2025)
4.19	Form of 9.625% Senior Secured Second Lien Note due 2032 (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the SEC on July 18, 2025)
4.20	Indenture, dated as of July 25, 2025, by and among Gray Media, Inc., the Guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and Notes Collateral Agent (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K filed with the SEC on July 25, 2025)
4.21	Form of 7.25% Senior Secured First Lien Note due 2033 (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K filed with the SEC on July 25, 2025)
10.1	Third Restatement Agreement, dated as of December 1, 2021 by and among Gray Media, Inc., the guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other lenders and agents party thereto. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on November 9, 2021)
10.2	Fifth Amended and Restated Credit Agreement, dated as of December 1, 2021, by and among Gray Media, Inc., the guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent, and the other agents and lenders party thereto (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the SEC on November 9, 2021)
10.3	First Amendment to Fifth Amended and Restated Credit Agreement, dated as of December 1, 2020, among Gray Media, Inc., the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on March 21, 2023)

<u>Exhibit Number</u>	<u>Description of Documents</u>
10.4	Second Amendment to Fifth Amended and Restated Credit Agreement, dated as of February 16, 2024, among Gray Media, Inc., the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on February 20, 2024)
10.5	Third Amendment to Fifth Amended and Restated Credit Agreement, dated as of June 4, 2024, among Gray Media, Inc., the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on June 4, 2024)
10.6	Fourth Amendment to Fifth Amended and Restated Credit Agreement, dated as of March 31, 2025, among Gray Media, Inc., the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the SEC on March 31, 2025)
10.7	Fifth Amendment to Fifth Amended and Restated Credit Agreement, dated as of July 18, 2025, among Gray Media, Inc., the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on July 18, 2025)
10.8*	Director Restricted Stock Plan (incorporated by reference to Exhibit 10.12 to our Annual Report on Form 10-K (File No. 001-13796) for the year ended December 31, 2002)*
10.9*	Form of Nonqualified Stock Option Award Agreement Pursuant to 2007 Long Term Incentive Plan (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012)*
10.10*	Form of Restricted Stock Award Agreement Pursuant to 2007 Long Term Incentive Plan (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012)*
10.11*	Gray Media, Inc. 2022 Equity and Incentive Compensation Plan (as amended and restated) (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on May 7, 2025)
10.12*	Form of Director Restricted Stock Award Agreement pursuant to the Gray Media, Inc. 2017 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017)*
10.13*	Executive and Key Employee Change in Control Severance Plan (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017)*

<u>Exhibit Number</u>	<u>Description of Documents</u>
10.14*	Form of Employee Restricted Stock Award Agreement pursuant to the Gray Media, Inc. 2017 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017)*
10.15*	Form of Employee Restricted Stock Units Award Agreement pursuant to the Gray Media, Inc. 2017 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017)*
10.16	Gray Media, Inc. 2022 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022)
10.17	Form of Cash-Based Unit Award Agreement pursuant to the 2022 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025)
10.18*	Offer letter, dated June 22, 2018 (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K filed with the SEC on January 3, 2019)*
10.19	Receivables Purchase Agreement, dated as of February 23, 2023, by and among Gray AR, LLC, as seller, the persons from time to time party thereto as Purchasers (as defined therein), Wells Fargo Bank, N.A., as administrative agent, and Gray Media, Inc., in its individual capacity and as initial Master Servicer (as defined therein) (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on February 27, 2023)
10.20	First Amendment to the Receivables Purchase Agreement, dated as of June 18, 2024, by and among Gray AR, LLC, as seller, the persons from time to time party thereto as Purchasers (as defined therein), Wells Fargo Bank, N.A., as administrative agent, and Gray Media, Inc., in its individual capacity and as initial Master Servicer (as defined therein) (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on June 21, 2024)
10.21	Second Amendment to the Receivables Purchase Agreement, dated as of July 19, 2024, by and among Gray AR, LLC, as seller, the persons from time to time party thereto as Purchasers (as defined therein), Wells Fargo Bank, N.A., as administrative agent, and Gray Television, Inc., in its individual capacity and as initial Master Servicer (as defined therein) (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q filed with the SEC on August 8, 2024)
10.22	Third Amendment to the Receivables Purchase Agreement, dated as of March 31, 2025, by and among Gray AR, LLC, as seller, and Gray Media, Inc., in its individual capacity and as initial Master Servicer (as defined therein), the purchasers party thereto, PNC Capital Markets LLC, as structuring agent and Wells Fargo Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on March 31, 2025)

<u>Exhibit Number</u>	<u>Description of Documents</u>
10.23	Receivables Sale Agreement, dated as of February 23, 2023, among Gray Media Group, Inc., the various entities listed on schedule I thereto, Gray Media, Inc., and Gray AR, LLC (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K filed with the SEC on February 27, 2023)
10.24	Performance Undertaking, dated as of February 23, 2023, by Gray Media, Inc., in favor of Wells Fargo Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K filed with the SEC on February 27, 2023)
19.1	Insider Trading Policy (incorporated by reference to Exhibit 19.1 to our Annual Report on Form 10-K filed with the SEC on February 27, 2025)
21.1	Subsidiaries of the Registrant
23.1	Consent of RSM US LLP
31.1	Rule 13a-14(a) Certificate of Chief Executive Officer
31.2	Rule 13a-14(a) Certificate of Chief Financial Officer
32.1	Section 1350 Certificate of Chief Executive Officer
32.2	Section 1350 Certificate of Chief Financial Officer
97.1	Compensation Clawback Policy (incorporated by reference to Exhibit 97.1 to our Annual Report on Form 10-K filed with the SEC on February 27, 2025)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from Gray Media, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 has been formatted in Inline XBRL.
*	Management contract or compensatory plan or arrangement.

(c) **Financial Statement Schedules** – The response to this section is submitted as a part of Item 15(a) (1) and (2).

GRAY MEDIA, INC.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

(in millions)

Col. A	Col. B	Col. C		Col. D	Col. E
Description	Balance at Beginning of Period	Additions		Deductions (b)	Balance at End of Period
		(1) Charged to Costs and Expenses	(2) Charged to Other Accounts (a) (b)		
Year Ended December 31, 2025:					
Allowance for credit losses	\$ 15	\$ 8	\$ -	\$ (7)	\$ 16
Valuation allowance for deferred tax assets	\$ 7	\$ -	\$ -	\$ -	\$ 7
Year Ended December 31, 2024:					
Allowance for doubtful accounts	\$ 17	\$ 2	\$ -	\$ (4)	\$ 15
Valuation allowance for deferred tax assets	\$ 9	\$ -	\$ (2)	\$ -	\$ 7
Year Ended December 31, 2023:					
Allowance for doubtful accounts	\$ 16	\$ 21	\$ -	\$ (20)	\$ 17
Valuation allowance for deferred tax assets	\$ 10	\$ -	\$ (1)	\$ -	\$ 9

- (a) The adjustment to the valuation allowance for deferred tax assets represents changes in estimates of our future taxable income and our estimated future usage of certain net operating loss carryforwards, as well as expiration of certain net operating loss carryforwards.
- (b) The adjustments to our allowance for credit losses include net adjustments related to write-offs of receivable balances not considered collectible less recoveries of amounts previously considered to be uncollectable.

Item 16. FORM 10-K SUMMARY

None

