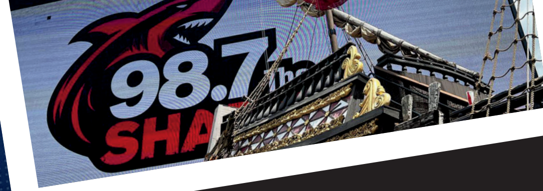
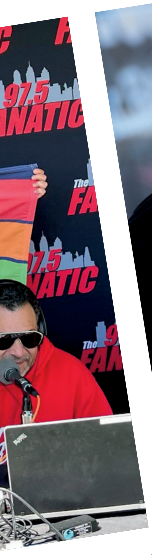


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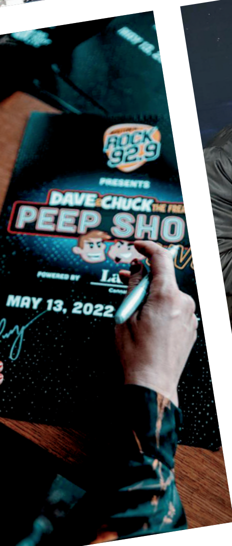


INTEGRITY

INNOVATION

COLLABORATION

PERFORMANCE

BEASLEY
BROADCAST GROUP

2022

2022 ANNUAL REPORT

INTEGRITY | INNOVATION | COLLABORATION | PERFORMANCE

DEAR FELLOW STOCKHOLDERS

Beasley's 2022 financial results highlight the continued success of our digital transformation and revenue diversification strategies, which are becoming more visible as we move beyond the pandemic. Thanks to our team's strong commitment to providing exceptional content and service to our listeners, customers and communities, Beasley largely circumvented ongoing challenges related to the economy and softness in the national spot market throughout the year. As a result, we generated healthy growth across all of our digital, local audio, political and other revenue sources, resulting in a solid operating and financial performance in 2022.

Full year net revenue of $256.4 million grew 6.2% over full year 2021, as we made meaningful progress on our near-term goal of returning all of our revenue sources to pre-pandemic levels. Top-line growth drove a 2.8% year-over-year increase in full year station operating income to $43.1 million. Throughout the year, we retired $10 million of debt, and we ended the year with a solid balance sheet and liquidity position with over $39.5 million in cash and cash equivalents. As a result, Beasley is moving forward in this "new normal" environment with the financial flexibility to support our future growth.

Digital remains a central component of our revenue diversification strategy, and the momentum we experienced in our digital business in 2022 was further elevated by the acquisition of our white label digital agency business, Guarantee Digital. Overall growing consumer and advertiser demand for Beasley's digital audio content, combined with contributions from our digital agency business, drove a 24.5% year-over-year increase in digital revenue, with digital accounting for approximately 16% of 2022 net revenue, compared to 13.6% in 2021. With these results, we are clearly on the path to achieving our goal of digital accounting for 20% of total revenue, while improving our digital margins.

The growth in digital impressions is a fundamental driver of our digital revenue growth. In 2023, we intend to continue to accelerate our digital transformation and take advantage of ongoing shifts in consumer behavior by amplifying our digital business with the goal of further increasing our total audience impressions.

Beasley's innovative programming strategies and ongoing emphasis on high-quality local content remain a key differentiator of our business and again drove best-in-industry ratings performance for our station clusters in 2022. Beasley ended the year with the highest AQH average market share in both 25-54 and 18-49 demos when compared to the largest radio broadcasters in PPM, according to Nielsen. We remain very pleased with our stations' ability to generate strong shares of local and political advertising revenues in our markets as a fundamental cornerstone of our digital and audio growth. The continued success of our new business initiatives, combined with healthy growth in our digital audio business, enabled us to offset the ongoing softness in the national advertising market in 2022.

Given that economic uncertainty remains, Beasley initiated several actions in 2022 to strengthen the long-term position of our business, including further enhancing and accelerating digital and audio content monetization strategies. We also implemented a cost reduction program in the second half of 2022 and expect this initiative to result in $5.0 million of permanent expense reductions in 2023.

Looking ahead to 2023, our strategic priorities remain focused on delivering exceptional content and services to our listeners, advertisers, online users and esports fans, while diversifying our revenue, growing our station operating income and maintaining a solid and flexible balance sheet with liquidity at current or higher levels.

We believe the experience of our team and strong competitive positions and ratings in our markets, combined with the steps we have taken to accelerate the growth of our digital businesses while reducing costs and improving operating efficiencies, position Beasley Broadcast Group for near- and long-term success and the enhancement of stockholder value.

On behalf of executive team and all of Beasley's employees, we thank you for your interest and ongoing support.

Sincerely yours,

Caroline Beasley

Caroline Beasley
Chief Executive Officer
April 18, 2023

Non-GAAP Definitions
Station Operating Income (SOI) consists of net revenue less station operating expenses. We define station operating expenses as cost of services and selling, general and administrative expenses.

SOI is a measure widely used in the radio broadcast industry. The Company recognizes that because SOI is not calculated in accordance with GAAP, it's not necessarily comparable to similarly titled measures employed by other companies. However, management believes that SOI provides meaningful information to investors because it is an important measures of how effectively we operate our business (i.e., operate radio stations) and assist investors in comparing our operating performance with that of other radio companies.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

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: 000-29253

BEASLEY BROADCAST GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**65-0960915** **(I.R.S. Employer Identification No.)**

3033 Riviera Drive, Suite 200
Naples, Florida 34103
(Address of principal executive offices and Zip Code)

(239) 263-5000
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Class A Common Stock, par value $.001 per share	**BBGI**	**Nasdaq Global Market**

Securities Registered pursuant to Section 12(g) of the Act:

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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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. ☐

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

As of June 30, 2022, the aggregate market value of the Class A Common Stock held by non-affiliates of the registrant was $11,873,813 based on the number of shares outstanding as of such date and the closing price of $1.28 on NASDAQ's National Market System on such date, the last business day of our most recently completed second fiscal quarter.

Class A Common Stock, $.001 par value, 13,125,982 Shares Outstanding as of March 17, 2023

Class B Common Stock, $.001 par value, 16,662,743 Shares Outstanding as of March 17, 2023

Documents Incorporated by Reference

Certain information in the registrant's Definitive Proxy Statement on Schedule 14A for its 2023 Annual Meeting of Stockholders, is incorporated by reference in Part III of this report.

BEASLEY BROADCAST GROUP, INC.

ANNUAL REPORT ON FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2022

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CERTAIN DEFINITIONS

Unless the context requires otherwise, all references in this report to the "Company," "we," "us," "our" and similar terms refer to Beasley Broadcast Group, Inc. and its consolidated subsidiaries.

PART I

ITEM 1. BUSINESS

Overview

We are a multi-platform media company whose primary business is operating radio stations throughout the United States. We offer local and national advertisers integrated marketing solutions across audio, digital and event platforms. We own and operate stations in the following markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, NV, Middlesex, NJ, Monmouth, NJ, Morristown, NJ, Philadelphia, PA, Tampa-Saint Petersburg, FL, and Wilmington, DE. We refer to each group of stations in each market as a market cluster. Beasley Broadcast Group, Inc., a Delaware corporation, was formed in 1999. Unless the context otherwise requires, all references in this report to "the Company," "we," "us" or "our" are to Beasley Broadcast Group, Inc. and its subsidiaries.

Strategy

We seek to secure and maintain a leadership position in the markets we serve by developing high quality local content, through our audio, digital and esports platforms, including events and experiences in the communities we serve and, in turn, offer advertisers access to a highly effective marketing platform to reach large and targeted local audiences. We operate our stations in clusters to capture a variety of demographic listener groups, which we believe enhances our stations' appeal to a wide range of advertisers. Current rules and regulations of the Federal Communications Commission ("FCC") do not permit us to add more AM or FM stations to our Augusta, GA and Philadelphia, PA market clusters, or more FM stations to our Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, NV and Tampa-Saint Petersburg, FL market clusters.

The primary source of revenue for our stations is the sale of advertising time to local, regional and national advertisers and national network advertisers who purchase commercials in varying lengths. A growing source of revenue is from station-related digital product suites, which allow for enhanced audience interaction and participation, and integrated digital advertising solutions. A station's local sales staff generates the majority of its local and regional advertising sales through direct solicitations of local advertising agencies and businesses. We retain a national representation firm to sell to advertisers outside of our local markets.

We own the Houston Outlaws, an esports team that competes in the Overwatch League, and an esports team that competes in the Rocket League. Ownership of the Houston Outlaws partners us with Blizzard Entertainment and its parent company, Activision Blizzard, a leading global developer and publisher of interactive entertainment content and services.

Competition

The radio broadcasting industry is highly competitive. Our stations compete for listeners and advertising revenue with other stations within their respective markets. In addition, our stations compete for audiences and advertising revenues with other media, including digital audio streaming, satellite radio, broadcast television, digital, satellite and cable television, video streaming services, newspapers and magazines, outdoor advertising, direct mail, wireless media alternatives, cellular phones and other forms of audio entertainment and advertisement. Competition for advertising revenues also comes directly from competitors such as Amazon, Apple, Facebook and Google.

The following are some of the factors that we believe are important to a station's competitive position: (i) audience ratings; (ii) program content; (iii) management experience; (iv) sales experience; (v) audience characteristics; and (vi) the number and characteristics of other stations and other advertising media in the market area. We attempt to improve our competitive position with promotional campaigns aimed at the demographic groups targeted by our stations and by sales efforts designed to attract advertisers. We conduct extensive market research in an effort to enhance our audience ratings and, in certain circumstances, to identify opportunities to reformat stations to reach underserved demographic groups and increase advertising revenue.

Federal Regulation of Radio Broadcasting

The radio broadcasting industry is subject to extensive and changing federal regulations administered by the FCC. Among other things, the FCC:

- determines the particular frequencies, locations, operating powers and other technical parameters of radio stations;
- issues, renews, revokes, conditions and modifies radio station licenses;
- determines whether to approve changes in ownership or control of radio station licenses;
- regulates equipment used by radio stations; and
- adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, program content and employment practices of radio stations.

The FCC has the power to impose penalties for violations of its rules that are implemented pursuant to the Communications Act of 1934, as amended (the "Communications Act"), including the imposition of monetary forfeitures, the issuance of short-term licenses, the imposition of conditions on the renewal of a license, and, in egregious cases, non-renewal of licenses and the revocation of licenses.

The following is a brief summary of some provisions of the Communications Act and of certain specific FCC rules and policies. The summary is not a comprehensive listing of all of the regulations and policies affecting radio stations. For further information concerning the nature and extent of federal regulation of radio stations, you should refer to the Communications Act, FCC rules and FCC public notices, reports, orders and rulings.

FCC Licenses. Radio stations operate pursuant to licenses that are ordinarily granted by the FCC for renewable terms of eight years. A radio station may continue to operate beyond the expiration date of its license if a timely filed license renewal application is pending. During the period following the filing of renewal applications, petitions to deny license renewals can be filed by interested parties, including members of the public. Generally, the FCC renews a broadcast license upon a finding that (i) the broadcast station has served the public interest, convenience and necessity; (ii) there have been no serious violations by the licensee of the Communications Act or the FCC's rules; and (iii) there have been no other violations by the licensee of the Communications Act or other FCC rules that, when taken together, indicate a pattern of abuse. Historically, FCC licenses have generally been renewed. The most recent renewal cycle started in June 2019 and concluded in April 2022. All of our radio stations' licenses were renewed for full eight-year terms. The next renewal cycle will begin in June 2027. The non-renewal, or renewal with substantial conditions or modification, of one or more of our licenses could have a material adverse effect on our business.

The FCC classifies each AM and FM radio station. An AM radio station operates on either a clear channel, regional channel or local channel. A clear channel is one on which AM radio stations are assigned to serve wide areas, particularly at night. The minimum and maximum facilities requirements for an FM radio station are determined by its class. Possible FM class designations depend upon the geographic zone in which the transmitter of the FM radio station is located. In general, commercial FM radio stations are classified as follows, in order of increasing power and antenna height: Class A, B1, C3, B, C2, C1, C0 or C.

The FCC also permits AM and FM radio stations to operate FM translators and FM stations to operate FM booster stations. These are low power secondary stations that retransmit the programming of a radio station to portions of the station's service area that the primary signal does not reach because of distance or terrain barriers. Boosters operate on the same frequency as the station being retransmitted and translators operate on a different frequency.

An Order adopted by the FCC to revitalize the AM band implemented several rule changes impacting the technical operations of AM stations, including relaxation of the daytime community coverage requirements and elimination of the nighttime community coverage requirements for existing AM stations. In addition, to increase the number of FM translators that are available for AM stations, the FCC authorized two specialized FM translator filing windows for AM stations. AM stations that received an FM translator station license pursuant to one of the windows are required to rebroadcast the paired AM station on the modified FM translator for four years. Several of our AM Stations filed applications during these windows and received licenses for translators. Since translators are secondary to full power stations, it is possible that translators we operate could be displaced by full power stations. In August 2019, new rules setting out specific procedures to be used to resolve complaints of interference between FM translators and full power stations became effective. Under these rules, full power stations may only bring an interference complaint if they experience interference in an area that is inside the station's 45 dBu contour.

Rules to allow AM stations to voluntarily convert to all-digital operations became effective in 2021.

The FCC has adopted rules establishing a low power radio service. Low power FM ("LPFM") stations operate in the existing FM radio band with a maximum operating power of 100 watts. FCC regulations regarding eligibility for and licensing of low power FM radio stations have expanded licensing opportunities for low power FM radio stations. Implementation of a low power radio service provides an additional audio programming service that could compete with our radio stations for listeners. In April 2020, the FCC adopted an Order revising technical rules applicable to LPFM stations to provide LPFM licensees with more flexibility, including allowing the use of FM boosters.

Rules and Regulations Regarding Indecency, Sponsorship ID and EAS Signals. The FCC's rules prohibit the broadcast of obscene material at any time and indecent material between the hours of 6 am and 10 pm. Broadcasters' risk of violating the prohibition on the broadcast of indecent material is increased by the vagueness of the FCC's definition of indecent material, coupled with the spontaneity of live programming. The FCC has expanded the breadth of indecency regulation to include material that could be considered "blasphemy," "personally reviling epithets," "profanity" and vulgar or coarse words, amounting to a nuisance. The maximum permitted fine for an indecency violation is $479,945 per incident and $4,430,255 for any continuing violation arising from a single act or failure to act. Because the FCC may investigate indecency complaints prior to notifying a licensee of the existence of a complaint, a licensee may not have knowledge of a complaint unless and until the complaint results in the issuance of a formal FCC letter of inquiry or notice of apparent liability for forfeiture. The FCC has advised that it will continue to pursue enforcement actions in egregious cases while it conducts its review of its indecency policies generally. In March 2015, the FCC issued a Notice of Apparent Liability for the then maximum forfeiture amount of $325,000 against a television station for violation of its indecency policy. We cannot predict whether Congress will consider or adopt further legislation in this area.

FCC regulations require a radio station to include an on-air announcement that identifies the sponsor of all advertisements and other content broadcast by any radio station for which any money, service or other valuable consideration is received. Fines for such violations can be substantial as they are dependent on the number of times a particular advertisement is broadcast. In April 2021, the FCC adopted rules that require broadcast stations to disclose when foreign governmental entities have paid a station, directly or indirectly, to broadcast programming under a lease time agreement. Radio stations are required to take certain actions to determine if an entity leasing airtime from it is covered by the new rules. The National Association of Broadcasters (the "NAB") filed an appeal of the new rules, and in July 2021, the DC Circuit Court of Appeals struck down one aspect of the new rules that would have required stations to independently check certain government databases to determine if entities leasing programming were listed. In October 2021, the FCC adopted a new rulemaking proceeding that would require broadcasters to follow a revised procedure to determine whether entities leasing airtime are foreign governmental entities and to upload certifications to their online public files. The NAB and others have opposed the revised proposal, which is currently pending.

Transfers or Assignment of License. The Communications Act prohibits the assignment of broadcast licenses or the transfer of control of a broadcast licensee without the prior approval of the FCC. In determining whether to grant such approval, the FCC considers, among other things:

- compliance with the various rules limiting common ownership of media properties in a given market;
- the character of the proposed licensee and those persons holding attributable interests in the licensee; and
- compliance with the Communications Act's limitations on alien ownership as well as compliance with other FCC regulations and policies.

To obtain FCC consent to assign or transfer control of a broadcast license, appropriate applications must be filed with the FCC. Interested parties, including members of the public, have the opportunity to file objections against assignment and transfer of control applications.

Multiple Ownership Rules. The Communications Act and FCC rules impose specific limits on the number of commercial radio stations an entity can own, directly or by attribution, in a single market, and the combination of radio stations, television stations and newspapers that any entity can own, directly or by attribution, in a single market. Digital radio channels authorized for AM and FM stations do not count as separate "stations" for purposes of the ownership limits. The radio multiple-ownership rules may preclude us from acquiring certain radio stations we might otherwise seek to acquire. The ownership rules also effectively prevent us from selling radio stations in a market to a buyer that has reached its ownership limit in the market unless that buyer divests other radio stations. The FCC's ownership rules that are currently in effect and apply to our broadcast holdings are briefly summarized below.

Local Radio Ownership Rule. The local radio ownership rule establishes the following limits:

- in markets with 45 or more radio stations, ownership is limited to eight commercial radio stations, no more than five of which can be either AM or FM;
- in markets with 30 to 44 radio stations, ownership is limited to seven commercial radio stations, no more than four of which can be either AM or FM;
- in markets with 15 to 29 radio stations, ownership is limited to six commercial radio stations, no more than four of which can be either AM or FM; and
- in markets with 14 or fewer radio stations, ownership is limited to five commercial radio stations or no more than 50% of the market's total, whichever is lower, and no more than three of which can be either AM or FM.

For stations located in a market in which the Nielsen Audio ratings service provides ratings, the definition of "radio market" is based on the radio market to which BIA Kelsey reports assign the affected radio stations. For stations that are not in a Nielsen Audio market, the market definition is based on technical service areas. The FCC's rules also provide that parties which own groups of radio stations that comply with the previous (contour-based) multiple ownership rules, but do not comply with the current limits, will be allowed to retain those groups on a "grandfathered" basis, but will not be allowed to transfer or assign those groups intact. Under these rules, our ability to transfer or assign our radio stations as a group to a single buyer in one of our current markets may be limited.

Ownership Attribution. The FCC generally applies its ownership limits to attributable interests held by an individual, corporation, partnership or other entity. An "attributable" interest for purposes of the FCC's broadcast ownership rules generally includes: (i) equity and debt interests which combined exceed 33% of a licensee's total assets, if the interest holder supplies more than 15% of the licensee's total weekly programming, or has an attributable same-market media interest, whether television or radio; (ii) a 5% or greater direct or indirect voting stock interest, including certain interests held in trust, unless the holder is a qualified passive investor in which case the threshold is a 20% or greater voting stock interest; (iii) any equity interest in a limited liability company or a partnership, including a limited partnership, unless properly "insulated" from management activities; and (iv) any position as an officer or director of a licensee or its direct or indirect parent. In addition, the interests of minority shareholders in a corporation generally are not attributable if a single entity or individual controls 50% or more of that corporation's voting stock.

Foreign Ownership Rules. The Communications Act prohibits the issuance or holding of broadcast licenses by persons who are not U.S. citizens, whom the FCC rules refer to as "aliens," including any corporation organized under the laws of a foreign country or of which more than 20% of its capital stock is owned or voted by aliens. In addition, the FCC may prohibit any corporation from holding a broadcast license if the corporation is controlled by any other corporation of which more than 25% of the capital stock is owned of record or voted by aliens. The FCC has interpreted this provision of the Communications Act to require an affirmative public interest finding before a broadcast licensee may be granted or held by such an entity. In November 2013, the FCC confirmed that it would review situations in which foreigners own more than 25% of a holding company of an entity that holds a broadcast license on a case by case basis. In 2016, the FCC adopted streamlined rules and procedures for the filing and review of requests to permit foreigners to own more than 25% of a holding company's equity. In acting upon a request for declaratory ruling, the FCC will coordinate with Executive Branch agencies on national security, law enforcement, foreign policy and other policy issues. The rules also specify how public companies should monitor foreign ownership compliance and provide for remedial provisions in the event a public company determines that it has exceeded its foreign ownership limits. The streamlined rules permit a broadcast licensee to file a petition with the FCC seeking approval for a proposed foreign investor to own up to 100% of the controlling parent entity and for a non-controlling foreign investor identified in the petition to increase its equity and/or voting interest in a parent entity at a future time up to 49.9 percent. In October 2020, the FCC adopted rules to streamline the timeline for the required review of these requests by Executive Branch agencies and to require licensees to respond to a standardized set of national security and law enforcement questions. Our certificate of incorporation prohibits the ownership, voting and transfer of our capital stock in violation of the FCC restrictions, and prohibits the issuance of capital stock or the voting rights such capital stock represents to or for the account of aliens or corporations otherwise subject to domination or control by aliens in excess of the FCC limits. The certificate of incorporation authorizes our board of directors to enforce these prohibitions.

Time Brokerage and Joint Sales Agreements. It is not uncommon for radio stations to enter into agreements under which separately owned and licensed radio stations agree to enter into cooperative arrangements of varying sorts, subject to compliance with the requirements of antitrust laws and with FCC's rules and policies. Under these arrangements, separately owned radio stations could agree to function cooperatively in programming, advertising sales and similar matters, subject to the requirement that the licensee of each radio station maintain independent control over the programming and operations of its own radio station.

The FCC's rules provide that a radio station that brokers more than 15% of the weekly broadcast time on another radio station serving the same market or sells more than 15% of the other station's advertising time per week will be considered to have an attributable ownership interest in the other radio station for purposes of the FCC's local radio ownership limits.

FCC rules that had also prohibited a broadcast station from duplicating more than 25% of its programming on another radio station serving substantially the same area in the same broadcast service, that is AM-AM or FM-FM, either through common ownership of the two radio stations or through a time brokerage agreement, were eliminated in October 2020. A Petition asking the FCC to reconsider the elimination of the rule for simulcasts of two commonly owned or operated FM stations serving substantially the same area is pending.

Quadrennial Review of Ownership Rules. The FCC is required to review quadrennially the media ownership rules and determine if the rules remain necessary in the public interest as a result of competition. In August 2016, the FCC released an Order in a proceeding that combined the 2010 and 2014 quadrennial reviews which retained most of the existing multiple ownership rules. In November 2017, the FCC released an Order on Reconsideration that eliminated the newspaper-broadcast and television-radio cross ownership rules, relaxed the local television ownership rule and eliminated the attribution of JSAs between television stations. The rule changes went into effect on February 7, 2018. However, several public interest organizations filed petitions for review with the Court of Appeals for the Third Circuit, the same court that has considered challenges to prior ownership orders issued by the FCC. In an Order adopted in September 2019, the Third Circuit vacated the FCC's November 2017 Reconsideration Order. The FCC and the intervenors petitioned the Third Circuit for en banc review in November 2019, which the Third Circuit denied. Following the denial, in November 2019, a mandate reinstating the newspaper-broadcast and radio-television cross-ownership rules was issued. In April 2021, the Supreme Court in a unanimous decision reinstated the FCC's 2017 Reconsideration Order, which resulted in the elimination of the newspaper-broadcast and radio television cross-ownership rules and changes to the local television ownership rule. In June 2021, the FCC's Media Bureau issued an Order formally implementing the changes reflected in the November 2017 Reconsideration Order. In December 2018, the FCC released a Notice of Proposed Rulemaking to launch its 2018 quadrennial review of multiple ownership rules. Because of the rule changes implemented as a result of the Supreme Court decision, in 2021, the Media Bureau asked parties to update the record in the currently pending 2018 quadrennial review. Although the 2018 quadrennial review is still pending, in December 2022, the FCC issued a public notice to begin its statutorily mandated 2022 quadrennial review. The FCC has requested comments to address the impact of the local radio multiple ownership rule as well as the local TV ownership rule on competition and whether the rules continue to be in the public interest.

Programming and Operations. The Communications Act requires broadcasters to serve the public interest. The FCC gradually has relaxed or eliminated many of the more formalized procedures it had developed in the past to promote the broadcast of certain types of programming responsive to the needs of a radio station's community of license. Under the currently effective rules, a licensee is required to present programming that is responsive to issues of the radio station's community of license and to maintain records demonstrating this responsiveness. Under changes to the FCC rules implemented in 2017 and 2018, all of our radio stations are required to maintain their public inspection files online on an FCC maintained website rather than in their physical studios. This means that the materials in these stations' public files are more widely accessible. Radio stations also must pay regulatory and application fees and follow various rules promulgated under the Communications Act. Those rules regulate, among other things, political advertising, sponsorship identifications, the advertisement of contests and lotteries, employment practices, broadcast of obscene and indecent content, and technical operations, including limits on human exposure to radio frequency radiation.

The FCC's rules on equal employment opportunities prohibit employment discrimination by radio stations on the basis of race, religion, color, national origin, and gender; and require broadcasters to implement programs to promote equal employment opportunities at their radio stations. The rules generally require broadcasters to widely disseminate information about full-time job openings to all segments of the community to ensure that all qualified applicants have sufficient opportunity to apply for the job, to send job vacancy announcements to recruitment organizations and others in the community indicating an interest in all or some vacancies at the radio station, and to implement a number of specific longer-term recruitment outreach efforts, such as job fairs, internship programs, and interaction with educational and community groups from among a menu of approaches itemized by the FCC. In April 2017, the FCC issued a Declaratory Ruling permitting broadcast stations to use online job postings as their sole means of recruiting, as long as online postings reach all segments of a broadcaster's community.

Content Licenses and Royalties. We must pay royalties to copyright owners of musical compositions (typically, songwriters and publishers) whenever we broadcast or stream musical compositions. Copyright owners of musical compositions most often rely on intermediaries known as performing rights organizations ("PROs") to negotiate licenses with copyright users for the public performance of their compositions, collect royalties under such licenses and distribute them to copyright owners. We have obtained public performance licenses from, and pay license fees to, the four major PROs in the U.S., which are the American Society of

Composers, Authors and Publishers ("ASCAP"), Broadcast Music, Inc. ("BMI"), SESAC LLC ("SESAC") and Global Music Rights LLC ("GMR"). There is no guarantee that additional PROs will not emerge, which could impact, and in some circumstances increase, our royalty rates and negotiation costs.

To secure the rights to stream music content over the Internet, we also must obtain performance rights licenses and pay public performance royalties to copyright owners of sound recordings (typically, performing artists and record companies). Under Federal statutory licenses, we are permitted to stream any lawfully released sound recordings and to make ephemeral reproductions of these recordings on our computer servers without having to separately negotiate and obtain direct licenses with each individual copyright owner as long as we operate in compliance with the rules of those statutory licenses and pay the applicable royalty rates to Sound Exchange, the organization designated by the Copyright Royalty Board ("CRB") to collect and distribute royalties under these statutory licenses. From time to time, Sound Exchange notifies us that certain calendar years are subject to routine audits of our royalty payments. The results of such audits could result in higher royalty payments for the subject years.

The rates at which we pay royalties to copyright owners are privately negotiated or set pursuant to a regulatory process. Increased royalty rates could significantly increase our expenses, which could adversely affect our business. There is no guarantee that the licenses and associated royalty rates that currently are available to us will be available to us in the future. In addition, Congress may consider and adopt legislation that would require us to pay royalties to sound recording copyright owners for broadcasting those recordings on our terrestrial radio stations.

Proposed and Recent Changes. Congress and the FCC are considering, or may in the future consider and adopt new laws, regulations and policies regarding a wide variety of matters that could affect, directly or indirectly, the operation, ownership and profitability of our radio stations, including the loss of audience share and advertising revenues for our radio stations, and an inability to acquire additional radio stations or to finance those acquisitions. Such matters may include:

- changes in the FCC's multiple-ownership rules and attribution policies;
- regulatory fees, spectrum use fees or other fees on FCC licenses;
- changes in laws with respect to foreign ownership of broadcast licenses;
- revisions to the FCC's rules relating to political broadcasting, including proposals to give free airtime to candidates and other changes regarding political advertising rates, sponsorship disclosure and political file recordkeeping obligations;
- technical and frequency allocation matters;
- proposals to restrict or prohibit the advertising of beer, wine and other alcoholic beverages on the radio;
- proposals to restrict or prohibit the advertising of online casinos, online sports betting services and fantasy sports services;
- proposals to require radio broadcasters to pay royalties to musicians and record labels for the performance of music played on the stations;
- proposals to limit the tax deductibility of or impose sales tax on advertising expenses by advertisers;
- proposals to regulate or prohibit payments to stations by independent record promoters, record labels and others for the inclusion of specific content in broadcast programming; and
- proposals in legislation to strengthen protections against online infringement of intellectual property that would impose criminal penalties on content providers, including broadcasters, that fail to comply with legal requirements to file reports regarding internet streaming in a timely manner.

The FCC has also adopted procedures for the auction of broadcast spectrum in circumstances where two or more parties have filed for new or major change applications that are mutually exclusive. Such procedures may limit our efforts to modify or expand the broadcast signals of our radio stations.

We cannot predict what other matters might be considered in the future by the FCC or Congress, nor can we judge in advance what impact, if any, the implementation of any of these proposals or changes might have on our business.

Federal Antitrust Laws. The agencies responsible for enforcing the federal antitrust laws, the Federal Trade Commission ("FTC") or the Department of Justice, may investigate certain acquisitions. In January 2022, they jointly announced an initiative to review and revise federal merger guidelines. The Department of Justice and the FTC have reviewed numerous potential radio acquisitions where an operator proposed to acquire an additional station in its existing markets or multiple stations in new markets, and has challenged a number of such transactions. Some of these challenges have resulted in consent decrees requiring the sale of certain stations. We cannot predict the outcome of any specific FTC or Department of Justice investigation or how any revisions to the merger guidelines will impact radio industry mergers and acquisitions. Any decision by the FTC or the Department of Justice to challenge a proposed acquisition could affect our ability to consummate the acquisition or to consummate it on the proposed terms.

For an acquisition meeting certain size thresholds, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 requires the parties to file Notification and Report Forms concerning antitrust issues with the FTC and the Department of Justice and to observe specified waiting period requirements before consummating the acquisition.

Regulation of the Internet

Our business is subject to privacy and data protection legislation and regulation. We obtain information from users of our technology platforms, including, without limitation, our websites, web pages, applications, social media pages, and mobile applications ("Platforms"), in accordance with the privacy policies and terms of use posted on the applicable Platform. We collect personally identifiable information directly from Platform users in several ways, including when a user registers to use our services, fills out a listener profile, posts comments, uses our social networking features, participates in polls and contests and signs up to receive email newsletters. We use and share this information for a variety of business purposes, including for analytics, attribution and to manage and execute digital advertising campaigns in a variety of ways.

We are subject to several laws and regulations relating to consumer protection, information security, data protection and privacy. Many of these laws and regulations are still evolving and could be interpreted in ways that could harm our business or limit the services we are able to offer. In the areas of information security and data protection, the laws in several states in the United States and most countries require companies to implement specific information security controls and legal protections to protect certain types of personally identifiable information. Likewise, most states in the United States and most countries have laws in place requiring companies to notify users if there is a security breach that compromises certain categories of their personally identifiable information. Any failure on our part to comply with these laws may subject us to significant liabilities. For example, the California Consumer Privacy Act ("CCPA") establishes a new privacy framework that expands the definition of personal information, establishes new data privacy rights for consumers residing in the State of California, imposes special rules on the collection of consumer data from minors, creates new notice obligations and new limits on the sale of personal information, and creates a new and potentially severe statutory damages framework for (i) violations of the CCPA and (ii) businesses that fail to implement reasonable security procedures and practices to prevent data breaches. Our websites are also subject to regulation relating to acquisition of personal information from children under the age of 13, including the federal Child Online Privacy Protection Act ("COPPA") and the federal Controlling the Assault of Non-Solicited Pornography and Marketing Act ("CAN-SPAM"). Additional federal, state, and territorial laws and regulations may be adopted with respect to the Internet or other online services, covering such issues as user privacy, child safety, data security, advertising, pricing, content, copyrights and trademarks, access by persons with disabilities, distribution, taxation and characteristics and quality of products and services.

HD Radio

Several years ago, the FCC selected In-Band On-Channel technology as the exclusive technology for the introduction of terrestrial digital operations by AM and FM radio stations. The technology is also known as "HD Radio." The advantages of digital audio broadcasting over traditional analog broadcasting technology include improved sound quality, the ability to broadcast additional channels, and the ability to offer a greater variety of auxiliary services. We currently utilize HD Radio digital technology on most of our stations. In November 2022, the FCC released a Public Notice seeking public comment on petitions for rulemaking requesting it to adopt rule changes that would improve digital FM signal quality and coverage while minimizing harmful interference to adjacent-channel stations. We filed comments supporting the proposals.

Seasonality

Seasonal revenue fluctuations are common in the radio broadcasting industry and are due primarily to fluctuations in advertising expenditures. Our net revenues are typically lowest in the first quarter and generally higher in the second and fourth quarters of the year. In addition, our revenues tend to fluctuate between years, consistent with, among other things, increased advertising expenditures in even-numbered years by political candidates, political parties and special interest groups. This political spending typically is heaviest during the fourth quarter of such years.

Human Capital Resources

As of March 17, 2023, we had a staff of 738 full-time employees and 355 part-time employees. We are a party to two separate collective bargaining agreements with the American Federation of Television and Radio Artists. Both agreements automatically renew for successive one-year periods unless either party gives a notice of proposed termination at least sixty days prior to a renewal date. We are also a party to a collective bargaining agreement with the United Electrical, Radio and Machine Workers of America Local 262. This agreement applies only to certain of our employees at one station in Boston. The initial term of the collective bargaining agreement expired on July 16, 2021 however, it automatically renews for successive one-year periods unless either party gives a notice of proposed modification or termination at least sixty days prior to the expiration date or a subsequent renewal date. We consider our relations with our employees to be good.

Environmental

As the owner, lessee or operator of various real properties and facilities, we are subject to federal, state and local environmental laws and regulations. Historically, compliance with these laws and regulations has not had a material adverse effect on our business. There can be no assurance, however, that compliance with existing or new environmental laws and regulations will not require us to make significant expenditures in the future.

Available Information

Our internet address is www.bbgi.com. You may obtain through our website, free of charge, copies of our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These reports will be available as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (the "SEC").

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, www.sec.gov.

ITEM 1A. RISK FACTORS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this annual report on Form 10-K concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Exchange Act. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates" and similar expressions are forward-looking statements. Although these statements are based upon assumptions we consider reasonable, they are subject to risks and uncertainties that are described more fully below. Accordingly, we can give no assurance that we will achieve the results anticipated or implied by our forward-looking statements.

We face risks related to health epidemics, natural disasters and other catastrophes, which have materially and adversely affected our results of operations, liquidity and financial condition.

We are subject to social and natural catastrophic events that are beyond our control, such as health epidemics, natural disasters and other catastrophes, which have materially and adversely affected our business and may continue to materially and adversely affect our results of operations, liquidity and financial condition.

The COVID-19 pandemic has resulted in a widespread health crisis that has adversely affected businesses, economies, and financial markets worldwide, and has caused significant volatility in U.S. and international debt and equity markets. In 2020, we were impacted by deteriorating general economic conditions resulting from the COVID-19 pandemic that caused a downturn in the advertising industry. The decreased demand for advertising materially negatively impacted our results of operations, liquidity and financial condition. The extent to which the COVID-19 pandemic will continue to impact our business and financial results going forward will be dependent on future developments such as: the length and severity of the pandemic; any potential resurgence of the pandemic, including from the more transmissible variant strains and the emergence of any new variants of concern; future government regulations and actions in response to the pandemic; the timing, availability, effectiveness and adoption rates of vaccines and treatments; and the overall impact of the COVID-19 pandemic on the global economy and capital markets, among many other factors, all of which remain highly uncertain and unpredictable.

We may be adversely affected by the effects of inflation.

Inflation has the potential to adversely affect our liquidity, business, financial condition and results of operations by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, increased costs of labor, weakening exchange rates and other similar effects. As a result of inflation, we have experienced and may continue to experience, cost increases. Although we may take measures to mitigate the impact of this inflation, if these measures are not effective, our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost of inflation is incurred.

The radio broadcasting industry faces many unpredictable business risks and is sensitive to external economic forces that could have a material adverse effect on our advertising revenues and results of operations.

Our future operations are subject to many business risks, including those risks that specifically influence the radio broadcasting industry, which could have a material adverse effect on our business. These risks include, but are not limited to:

- shifts in population, demographics or audience preferences;
- increased competition for advertising revenues with other radio stations, broadcast television, digital, satellite and cable television, video streaming services, newspapers and magazines, outdoor advertising, direct mail, internet radio, satellite radio, smart phones, tablets, and other wireless media, the internet, social media, smart speakers and other forms of advertising;
- increased competition for advertising revenues from Amazon, Apple, Facebook and Google; and
- changes in government regulations and policies and actions of federal regulatory bodies, including the FCC, Internal Revenue Service, the Department of Justice, and the Federal Trade Commission.

The main source of our revenue is the sale of advertising. Our ability to sell advertising can be affected by, among other things:

- economic conditions in the areas where our stations are located and in the nation as a whole;
- the popularity of the programming offered by our stations;
- changes in population, demographics or audience preferences 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 and new technologies;
- decisions by advertisers to withdraw or delay planned advertising expenditures for any reason; and
- other factors beyond our control.

In addition, we believe that, for most businesses, advertising is a discretionary business expense, meaning that spending on advertising tends to decline disproportionately during an economic recession or downturn, as compared to other types of business spending.

Further, our operations and revenues also tend to be seasonal in nature, with generally lower revenue generated in the first quarter of the year and generally higher revenue generated in the second and fourth quarters of the year. The seasonality of our business reflects the adult orientation of our formats and relationship between advertising purchases on these formats and the retail cycle. This seasonality causes, and will likely continue to cause, a variation in our quarterly operating results. Such variations could have a material effect on the timing of our cash flows. In addition, our revenues tend to fluctuate between years, consistent with, among other things, increased advertising expenditures in even-numbered years by political candidates, political parties, political action committees and special interest groups. This political spending typically is heaviest during the fourth quarter of such years.

Additionally, unfavorable changes in economic conditions as well as declining consumer confidence, recession and other factors could lead to decreased demand for advertising and negatively impact our advertising revenues and our results of operations. We cannot predict with accuracy the timing or duration of any economic downturn generally, or in the markets in which our advertisers operate. If the economic environment does worsen, there can be no assurance that we will not experience a decline in revenues, which may negatively impact our financial condition and results of operations.

Our stations may not be able to compete effectively in their respective markets for advertising revenues, which could adversely affect our revenue and cash flows.

We operate in a highly competitive business. A decline in our audience share or advertising rates in a particular market may cause a decline in the revenue and cash flows of our stations located in that market. Our stations compete for audiences and advertising revenues within their respective markets directly with other stations, as well as with other media platforms and companies selling digital advertising. These other media platforms include broadcast television, digital, satellite and cable television, video streaming services, newspapers and magazines, outdoor advertising, direct mail, internet radio, satellite radio, smart phones, tablets, and other wireless media, the internet, social media, smart speakers, podcasts and other forms of advertising. Our radio stations also compete for audiences and advertising revenues within their respective markets directly with Amazon, Apple, Facebook and Google.

Our stations could suffer a reduction in audience ratings or advertising revenue and could incur increased promotional and other expenses if:

- another station in a market was to convert its programming to a format similar to, and thereby compete more directly with, one of our stations;
- a new station was to adopt a comparable format or if an existing competitor were to improve its audience share; or
- a current or new advertising alternative increased its share of local or national advertising revenue.

Other radio broadcasting companies may enter into markets in which we operate or may operate in the future. These companies may be larger and have more financial resources than we have. As a result, our stations may not be able to maintain or increase their current audience ratings and advertising revenues.

Further, advertising revenue may vary from even- to odd-numbered years based on the volatility and unpredictability of political advertising revenue. Political advertising revenue from elections, which is generally greater in even-numbered years when deferral elections occur, has the potential to create fluctuations in our operating results on a year-to-year basis. In addition, political advertising revenue is dependent on the level of political advertising expenditures and competitiveness of particular races within each local market.

If we are unable to develop compelling and differentiated digital content, products and services, our advertising revenues could be adversely affected.

In order to attract consumers and generate increased activity on our digital properties, we believe that we must offer compelling and differentiated content, products and services. However, acquiring, developing, and offering such content, products and services may require significant costs and time to develop, while consumer tastes may be difficult to predict and are subject to rapid change. If we are unable to provide content, products and services that are sufficiently attractive to our digital users, we may not be able to generate the increases in activity necessary to generate increased advertising revenues. In addition, although we have access to certain content provided by our other businesses, we may be required to make substantial payments to license such content. Many of our content arrangements with third parties are non-exclusive, so competitors may be able to offer similar or identical content. If we are not able to acquire or develop compelling content and do so at reasonable prices, or if other companies offer content that is similar to that provided by our digital department, we may not be able to attract and increase the engagement of digital consumers on our digital properties.

Continued growth in our digital business also depends on our ability to continue offering a competitive and distinctive range of advertising products and services for advertisers and publishers and our ability to maintain or increase prices for our advertising products and services. Continuing to develop and improve these products and services requires significant time and costs. If we cannot continue to develop and improve our advertising products and services, or if prices for our advertising products and services decrease, our digital advertising revenues could be adversely affected.

Our success is dependent upon audience acceptance of our content, particularly our audio programs, which is difficult to predict.

Media and audio content production and distribution are inherently risky businesses because the revenues derived from the production and distribution of media content or a audio program, and the licensing of rights to the intellectual property associated with the content or program, depend primarily upon their acceptance and perceptions by the public, which are difficult to predict. The commercial success of content or a program also depends upon the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, and other tangible and intangible factors, all of which are difficult to predict.

Ratings for broadcast stations and the amount of traffic on a particular website are also factors that are weighed when advertisers determine which outlets to use and in determining the advertising rates that the outlet receives. Poor ratings or traffic levels can lead to a reduction in pricing and advertising revenues. For example, if there is an event causing a change of programming at one of our stations, there could be no assurance that any replacement programming would generate the same level of ratings, revenues, or profitability as the previous programming. In addition, changes in ratings methodology and technology could adversely impact our ratings and negatively affect our advertising revenues.

Finally, the costs of developing and distributing content and programming most popular with the public may change significantly if new performance royalties (such as those that have been proposed by members of Congress from time to time) are imposed upon radio broadcasters or internet operators, and such changes could have a material impact upon our business.

We may not remain competitive if we do not respond to changes in technology, standards and services that affect our industry.

The radio broadcasting industry is subject to technological change, evolving industry standards and the emergence of alternate media platforms, technologies and services. We may not have the resources to acquire and deploy other technologies or to introduce new services that could compete with these other technologies. Competition arising from other technologies or regulatory changes may have an adverse effect on the radio broadcasting industry or on our Company. Various other audio technologies and services that have been developed and introduced include:

- home and personal digital audio devices (e.g., smart phones, tablets, smart speakers);
- satellite delivered digital audio radio services that offer numerous programming channels;
- internet-based audio music services;
- audio programming by internet content providers, internet radio stations, cable systems, direct broadcast satellite systems, personal communications services and other digital audio broadcast formats;
- HD Radio, which provides multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services;
- low power FM radio stations, which are non-commercial FM radio broadcast outlets that serve small, localized areas;
- portable digital devices and systems that permit users to listen to programming on a time-delayed basis and to fast-forward through programming and/or advertisements; and
- vehicles equipped with dashboards that provide internet connectivity that increase the number of audio and video platforms available in vehicles (e.g., ATSC 3.0 technology) or that eliminate certain older technologies such as AM radio.

These and other new technologies have the potential to change the means by which advertisers can reach target audiences most effectively. We cannot predict the effect, if any, that competition arising from other technologies or regulatory change may have on the radio broadcasting industry or on our financial condition and results of operations.

Such new media and technology has resulted in increased fragmentation in the advertising market, and we cannot predict the effect, if any, that additional competition arising from new technologies may have across our business or our financial condition and results of operations, which may be adversely affected if we are not able to adapt successfully to these new media technologies or distribution platforms. The continuing growth and evolution of channels and platforms have increased our challenges in differentiating ourselves from other media platforms. We continually seek to develop and enhance our content offerings and distribution platforms/ methodologies. Failure to effectively execute these efforts, actions by our competitors, or other failures to deliver content effectively could hurt our ability to differentiate ourselves from our competitors and, as a result, have adverse effects across our business.

We are dependent on federally issued licenses to operate our stations and are subject to extensive federal regulation.

The radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act. We are required to obtain licenses from the FCC to operate our stations. Our business depends upon maintaining our broadcast licenses, which are issued by the FCC for a term of eight years and are renewable. Although the vast majority of FCC radio station licenses are routinely renewed, we cannot assure you that the FCC will approve our future renewal applications or that the renewals will be for full eight-year terms or will not include conditions or qualifications that could adversely affect our operations. The non-renewal, or renewal with substantial conditions or modifications, of one or more of our licenses could have a material adverse effect on us. All our station licenses were renewed for full eight-year terms in the most recent renewal cycle, which concluded in August 2022.

We must comply with extensive FCC regulations and policies regarding the ownership and operation of our stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to consummate any future transactions, and in certain circumstances, could require us to divest one or more stations. Online music services such as Amazon Music Unlimited, Apple Music, Pandora and Spotify are not regulated by the FCC; therefore, they are not subject to any ownership restrictions or FCC regulations governing their operations. Our ability to compete with online music services may be impeded because of the extensive FCC regulations to which we are subject. The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. Possible changes in interference protections, creation of additional classes of FM stations, spectrum allocations and other technical rules may negatively affect the operation of our stations. If the FCC relaxes certain technical requirements, it could impair the signals transmitted by our stations and could have a material adverse effect on us. In addition, the FCC has recently increased its enforcement of certain regulations, including regulations requiring a radio station to include an on-air announcement which identifies the sponsor of all advertisements and other content broadcast by any radio station for which any money, service or other valuable consideration is received, requiring all radio stations to maintain online public inspection files hosted on an FCC database that is easily accessible by members of the public and the FCC, and prohibiting the transmission of EAS tones or simulations thereof in the absence of an actual emergency or authorized test. Moreover, these FCC regulations and others may change over time, and we cannot assure you that those changes would not have a material adverse effect on us.

The FCC regulates FM translator stations as a secondary service, and in the event that an FM translator station causes actual interference to the signal of a radio or television station, FCC rules require the FM translator station to eliminate the interference and to suspend operations if the interference cannot be eliminated. If the FCC requires any FM translator station that we operate to modify its facilities to eliminate interference caused to another station or to cease broadcasting, it could materially impair the operations of the station that the FM translator rebroadcasts which could have a material adverse effect on us.

Vigorous enforcement of the FCC's indecency rules could have a material adverse effect on our business.

The FCC's rules prohibit the broadcast of obscene material at any time and indecent material between the hours of 6 a.m. and 10 p.m. The risk of violating the prohibition on the broadcast of indecent material is increased by the vagueness of the FCC's definition of indecent material, coupled with the spontaneity of live programming. The FCC has expanded the breadth of indecency regulation to include material that could be considered "blasphemy," "personally reviling epithets," "profanity" and vulgar or coarse words amounting to a nuisance. As a result, in the event that we broadcast material falling within the expanded breadth of the FCC's regulation, we could be subject to license revocation, or renewal or qualifications proceedings, which would put the licenses that we depend on for our operations in jeopardy. In 2007, the monetary penalties for broadcasting indecent programming increased substantially. The current maximum permitted fines are $479,945 per incident and $4,430,255 for any continuing violation arising from a single act or failure to act. In a decision issued in June 2012, the Supreme Court did not find that the FCC's indecency standards were inconsistent with the First Amendment, which means the FCC may continue to enforce the standards. The FCC has advised that it will continue to pursue enforcement actions in egregious cases while it conducts a review of its indecency policy generally, and in March 2015, the FCC issued a Notice of Apparent Liability for the then maximum forfeiture amount of $325,000 against a television station. Because the FCC may investigate indecency complaints prior to notifying a licensee of the existence of a complaint, a licensee may not have knowledge of a complaint unless and until the complaint results in the issuance of a formal FCC letter of inquiry or notice of apparent liability for forfeiture.

We may in the future become subject to additional inquiries or proceedings related to our stations' broadcast of indecent or obscene material. To the extent that these pending inquiries or other proceedings result in the imposition of fines, revocation of any of our station licenses or denials of license renewal applications, our business and results of operations could be materially adversely affected.

The royalties we pay to copyright owners could increase significantly, and proposed legislation could require radio broadcasters to pay royalties to record labels and recording artists.

We pay royalties to copyright owners of musical compositions (typically song composers and publishers) whenever we broadcast or stream musical compositions. These royalties are paid through ASCAP, BMI, SESAC, GMR, and Sound Exchange. The rates at which we pay royalties to copyright owners are privately negotiated or set pursuant to a regulatory process. Increased royalty rates could significantly increase our expenses, which could adversely affect our business. There is no guarantee that the licenses and associated royalty rates that currently are available to us will be available to us in the future. In addition, legislation has been previously introduced in Congress that would require radio broadcasters to pay a performance royalty to record labels and performing artists for use of their recorded songs. The proposed legislation would add an additional layer of royalties to be paid directly to the record labels and artists. It is currently unknown what proposed legislation, if any, will become law, whether industry groups will enter into an agreement with respect to performance fees, and what significance this royalty would have on our results from operations, cash flows or financial position.

We depend on selected market clusters of stations for a material portion of our net revenue.

The stations located in Boston, MA, Detroit, MI and Philadelphia, PA contributed 58% of our net revenue in 2022. Accordingly, we have greater exposure to adverse events or conditions in any of these markets, such as changes in the economy, shifts in population or demographics, or changes in audience tastes, which could adversely impact our results from operations, cash flows or financial position.

We are exposed to credit risk on our accounts receivable. This risk is heightened during periods of uncertain economic conditions.

Our outstanding accounts receivable are not covered by collateral or credit insurance. Credit risk on our receivables is heightened during periods of uncertain economic conditions, and there can be no assurance that our procedures to monitor and limit exposure to credit risk will be effective and enable us to avoid losses, which could have a material adverse effect on our results from operations, cash flows or financial position. We also maintain reserves to cover the uncollectibility of a portion of our accounts receivable, however, the estimate which is based on current information may differ from actual results.

A future impairment of our FCC licenses and/or goodwill could adversely affect our operating results.

As of December 31, 2022, our FCC licenses and goodwill represented 70% of our total assets. We are required to test our FCC licenses and goodwill for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that our FCC licenses and/or goodwill might be impaired, and we have, from time to time, recorded impairment charges as a result of such tests. We assess qualitative factors to determine whether it is more likely than not that our FCC licenses and/or goodwill might be impaired. If we determine it is more likely than not that our FCC licenses and/or goodwill are impaired, then we are required to perform a quantitative impairment test. The valuation of our FCC licenses and goodwill is based on estimates rather than precise calculations. The fair value measurements for both our FCC licenses and goodwill use significant unobservable inputs which reflect our own assumptions about the estimates that market participants would use in measuring fair value including assumptions about risk. If actual future results are not consistent with the assumptions and estimates used, we may be exposed to impairment charges in the future, which could be material and could adversely affect our results of operations and financial condition. For further discussion, see "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates" of this report.

We have substantial debt that could have important consequences to you.

We have debt that is substantial in relation to our equity. As of December 31, 2022, we had long-term debt of $290.0 million and equity of $223.5 million. Our long-term debt is substantial in amount and could have an impact on you. For example, it could:

- require us to dedicate a substantial portion of our cash flows from operations to debt service, thereby reducing the availability of cash flows for other purposes, including ongoing capital expenditures and future acquisitions;
- impair our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate or other purposes;
- limit our ability to compete, expand and make capital improvements;
- increase our vulnerability to economic downturns, limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions; and
- limit or prohibit our ability to pay dividends and make other distributions.

Any additional borrowings or note offerings would further increase the amount of our debt and the associated risks. In addition, there can be no assurances that additional financing will be available or on terms that will be acceptable to us, or at all.

Our ability to pay regular dividends on our common stock is subject to the discretion of our Board of Directors and may be limited by our structure, statutory restrictions and restrictions imposed by the Indenture governing our Notes as well as any future agreements.

Due to the impact of the COVID-19 pandemic, our board of directors has suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of the Company's stockholders. While we intend to pay a regular quarterly cash dividend, future payments, if any, will be at the discretion of our Board of Directors. Future quarterly dividend payments can also be changed or discontinued at any time and will be subject to limitations under the terms of the Indenture governing our Notes, as well as any future agreements. The payment and timing of any future quarterly dividends will also depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors deemed relevant by our Board of Directors.

Our corporate offices and several of our stations are located in areas that could be affected by hurricanes.

Florida is susceptible to hurricanes, and we have our corporate offices located in Naples, and stations located in Fort Myers and Tampa. These stations contributed 13% of our net revenue in 2022. Although the 2022 hurricane season did not have a material impact on our operations, our corporate offices and our stations located in Florida and other stations located along the east coast of the United States have been materially affected by hurricanes in the past and may be materially affected in the future, which could have an adverse impact on our business, financial condition and results of operations. We carry property damage insurance on all of our properties and business interruption insurance on some of our properties, but there can be no assurance that such insurance would be adequate to cover all of our hurricane-related losses.

The failure or destruction of the internet, satellite systems and transmitter facilities that we depend upon to distribute our programming could adversely affect our operating results.

We use studios, satellite systems, transmitter facilities and the internet to originate and/or distribute our station programs and commercials. We rely on third-party contracts and services to operate our origination and distribution facilities. These third-party contracts and services include, but are not limited to, electrical power, satellite transponders, uplinks and downlinks and telecom circuits. Distribution may be disrupted due to one or more third parties losing their ability to provide particular services to us, which could adversely affect our distribution capabilities. A disruption can be caused as a result of any number of events, such as local disasters (accidental or environmental), various acts of terrorism, power outages, cyber-attacks, major telecom connectivity failures or satellite failures. Our ability to distribute programming to station audiences may be disrupted for an undetermined period of time until alternate facilities are engaged and put online. Furthermore, until third-party services resume, the inability to originate or distribute programming could have a material adverse effect on our business and results of operations.

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.

Any internal technology error or failure impacting systems hosted internally or externally, or any large-scale external interruption in technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our technology network. Any individual, sustained or repeated failure of technology could impact our customer service and result in increased costs or reduced revenues. Our technology systems and related data also may be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, cyber-attacks, computer viruses, hackers and other security issues. Our technology security initiatives, disaster recovery plans and other measures may not be adequate or implemented properly to prevent a business disruption and its adverse financial consequences to our reputation.

In addition, as a part of our ordinary business operations, we may collect and store sensitive data, including the personal information of our clients, listeners and employees. The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to our business operations and strategy. Any compromise of our technology systems resulting from attacks by hackers or breaches due to employee error or malfeasance could result in the loss, disclosure, misappropriation of or access to clients', listeners', employees' or business partners' information. Any such loss, disclosure, misappropriation or access could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption of our operations and damage to our reputation, any or all of which could adversely affect our business.

Our business is dependent upon the proper functioning of our internal business processes and information systems and modification or interruption of such systems may disrupt our business, processes and internal controls.

We increasingly rely on technology to operate our business, including our own information technology systems and the information technology systems and technology of our third-party providers. The proper functioning of our internal business processes and information systems is critical to the efficient operation and management of our business. If these information technology systems fail or are interrupted, our operations may be adversely affected and operating results could be harmed.

Our information technology systems, and those of third-party providers, may also be vulnerable to damage or disruption caused by circumstances beyond our control. These include catastrophic events, power anomalies or outages and natural disasters, and, increasingly, technological risks associated with computer system or network failures, viruses or malware, physical or electronic intrusions, and unauthorized access associated with cyber-attacks. We and certain of our third-party vendors have been the target of cyber-attacks, including phishing attacks, ransomware attacks, and attempted denial of service attacks, and future attacks are likely to occur. While no cyber-attack has had a material impact thus far, if successful, these types of attacks could have a material adverse effect on our financial condition, results of operations and cash flows, due to, among other things, the loss of customer data, interruptions to our operations, and damage to our reputation.

In addition, our business processes and information systems need to be sufficiently scalable to support the future growth of our business and may require modifications or upgrades that expose us to similar risks of damage or disruption. Any material disruption, malfunction or similar challenges with our business processes or information systems, or disruptions or challenges relating to the transition to new processes, systems or providers, could have a material adverse effect on our financial condition, results of operations and cash flows.

We may lose key executives and other key employees, including on-air talent, to competing stations or other types of media competitors.

Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key employees. The unique combination of skills and experience possessed by our key executives would be difficult to replace, and the loss of a key executive could impair our ability to execute our operating and acquisition strategies.

In addition, we compete for creative and performing on-air talent with other stations and radio station groups, radio networks, and other providers of syndicated content and other media such as broadcast television, digital, satellite and cable television, video streaming services, the internet, podcast producers and satellite radio. Our ability to attract and retain key personnel is an important aspect of our competitiveness. Our employees and other on-air talent are subject to change and may be lost to competitors or for other reasons. Any adverse changes in particular programs, formats or on-air talent could have a material adverse effect on our ratings and our ability to attract advertisers, which would negatively impact our business, financial condition or results of operations.

Our success depends on our ability to identify, consummate and integrate acquired stations.

As part of our strategy, we have pursued, and may continue to pursue, acquisitions of additional stations. Radio broadcasting is a rapidly consolidating industry with many companies seeking to consummate acquisitions and increase their market share. In this environment, we compete with many other buyers for the acquisition of stations. Some of those competitors may be able to outbid us for acquisitions because they have greater financial resources. FCC ownership rules limit the number of stations that an entity can own in specific local markets, and in certain markets, we do not have room to acquire additional stations. As a result, our ability to identify and consummate future acquisitions is uncertain.

In addition, our consummation of all future acquisitions is subject to various conditions, including FCC and other regulatory approvals. The FCC must approve any transfer of control or assignment of broadcast licenses. In addition, acquisitions may encounter intense scrutiny under federal and state antitrust laws. Any delays, injunctions, conditions or modifications by any government agencies could have a negative effect on us and result in the abandonment of all or part of attractive acquisition opportunities.

Our success also depends on our ability to integrate acquired businesses and achieve fully the strategic and financial objectives related thereto. The process of integrating acquired stations may involve numerous risks, including:

- integrating two unique business cultures, which may prove to be incompatible;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations;
- the diversion of management's attention from ongoing business concerns;
- unanticipated issues in integrating information technology, communications and other systems;
- costs or inefficiencies associated with integrating the operations of the combined company; and
- unforeseen expenses, liabilities or delays.

We cannot predict whether we will be successful in identifying future acquisition opportunities or what the consequences will be of any acquisitions. The failure to identify, consummate and integrate acquired stations could have a material adverse effect on our financial condition, results of operations and cash flows.

The Beasley family controls Beasley Broadcast Group, Inc. and members of the Beasley family own a substantial equity interest in Beasley Broadcast Group, Inc. Their interests may conflict with yours.

The Beasley family, which includes Caroline Beasley, our Chief Executive Officer and a member of our board of directors, Bruce Beasley, our President and a member of our board of directors, and Brian Beasley, our Chief Operating Officer and a member of our board of directors, is generally able to control the vote on all matters submitted to a vote of stockholders. Without the approval of the Beasley family, we will be unable to consummate transactions involving an actual or potential change in control, including transactions in which you might otherwise receive a premium for your shares over then current market prices. Shares of Class B and Class A common stock that members of the Beasley family beneficially own represent 94% of the total voting power of all classes of our common stock. The Beasley family will be able to direct our management and policies, except with respect to those matters requiring a class vote under the provisions of our amended certificate of incorporation, fourth amended and restated bylaws or applicable law.

Historically, we have entered into certain transactions with members of the Beasley family and affiliated entities that may conflict with the interests of our stockholders now or in the future. See "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operation — Related Party Transactions" and Note 18 to the accompanying financial statements.

Future sales by the Beasley family of our Class A common stock could adversely affect its market price.

Members of the Beasley family beneficially own the majority of all outstanding shares of Class B common stock, which is convertible to Class A common stock on a one-for-one basis. The market for our Class A common stock could change substantially if members of the Beasley family convert their shares of Class B common stock to shares of Class A common stock and then sell large amounts of shares of Class A common stock in the public market.

These sales, or the possibility that these sales may occur, could make it more difficult for us to raise capital by selling equity or equity-related securities in the future.

The difficulties associated with any attempt to gain control of our Company may adversely affect the price of our Class A common stock.

Due to their large beneficial ownership of our Class B and Class A common stock, members of the Beasley family control the decision whether any change of control of the Company will occur. Moreover, some provisions of our amended certificate of incorporation, fourth amended and restated bylaws and Delaware law could make it more difficult for a third party to acquire control of us, even if a change of control could be beneficial to you. In addition, the Communications Act and FCC rules and policies limit the number of stations that one individual or entity can own, directly or by attribution, in a market. The FCC's media ownership rules remain in flux and subject to further agency and court proceedings. The FCC is required to review its media ownership rules quadrennially and determine if the rules remain necessary in the public interest as a result of competition. FCC approval for transfers of control of FCC licensees and assignments of FCC licenses are also required. Because of the limitations and restrictions imposed on us by these provisions and regulations, the trading price of our Class A common stock may be adversely affected.

There may not be an active market for our Class A common stock, making it difficult for you to sell your stock.

Our stock may not be actively traded in the future. An illiquid market for our stock may result in price volatility and poor execution of buy and sell orders for investors. Our stock price and trading volume have fluctuated widely for a number of reasons, including some reasons that may be unrelated to our business or results of operations. This market volatility could depress the price of our Class A common stock without regard to our operating performance. In addition, our operating results may be below expectations of public market analysts and investors. If this were to occur, the market price of our Class A common stock could decrease, perhaps significantly.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of March 17, 2023, we own or lease property in the following locations:

Location	Description	Owned/Leased
Atlanta, GA	Office space for stations	Third-party lease
Augusta, GA	Office space for stations	Owned
	Land for office space	Related party lease
Boston, MA	Office space for stations	Third-party lease
Camden, NJ	Office space for station	Owned
	Land for office space	Related party lease
Charlotte, NC	Office space for stations	Third-party lease
Detroit, MI	Office space for stations	Owned
Estero, FL	Office space for stations	Related party lease
Fayetteville, NC	Office space for stations	Related party lease
Las Vegas, NV	Office space for stations	Related party lease
Middlesex, NJ	Office space for stations	Owned
Monmouth, NJ	Office space for stations	Owned
Morristown, NJ	Office space for stations	Owned
Philadelphia, PA	Office space for stations	Third-party lease
Tampa, FL	Office space for stations	Third-party lease
Wilmington, DE	Office space for station	Third party lease

The land for office space in Augusta, GA is leased from GGB Augusta, LLC, which is held by a trust for the benefit of Caroline Beasley, our Chief Executive Officer and a member of our board of directors, Bruce Beasley, our President and a member of our board of directors, Brian Beasley, our Chief Operating Officer and a member of our board of directors, and other members of the Beasley family.

The land for office space in Camden, NJ and office space in Fayetteville, NC are leased from Beasley Family Towers, LLC, which is partially held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family and partially owned directly by Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family.

The office space in Estero, FL is leased from Beasley Family Properties, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family.

The office space in Las Vegas, NV is leased from GGB Las Vegas, LLC, which is controlled by members of the Beasley family.

In addition, we lease our principal executive offices in Naples, FL from Beasley Broadcasting Management, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other family members of the Beasley family.

No one property is material to us. We believe that our properties are generally in good condition and suitable for our operations. However, we continually look for opportunities to upgrade our properties and may do so in the future.

ITEM 3. LEGAL PROCEEDINGS

We currently and from time to time are involved in ordinary routine litigation incidental to the conduct of our business including indecency claims and related proceedings at the FCC, but we are not a party to any lawsuit or other proceedings that, in the opinion of management, is likely to have a material adverse effect on our financial condition or results of operations.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market Information

We have two authorized and outstanding classes of equity securities: Class A common stock, $.001 par value, and Class B common stock, $.001 par value. The only difference between the Class A and Class B common stock is that Class A is entitled to one vote per share and Class B is entitled to ten votes per share. Class B is convertible into Class A shares on a one-for-one share basis under certain circumstances. Our Class A common stock trades on the NASDAQ Global Market under the symbol "BBGI." There is no established public trading market for our Class B common stock.

Holders

As of March 17, 2023, there were approximately 137 holders of record of our Class A common stock and 21 holders of record of our Class B common stock. The number of holders of Class A common stock does not count separately the number of beneficial holders whose shares are held of record by a broker or clearing agency.

Dividends

In response to the COVID-19 pandemic, our board of directors has suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of the Company's stockholders. In addition, the Indenture governing our Notes limits our ability to pay dividends.

Repurchases of Equity Securities

The following table presents information with respect to purchases we made of our Class A common stock during the three months ended December 31, 2022.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value That May Yet Be Purchased Under the Program
October 1 – 31, 2022	—	—	—	$—
November 1 – 30, 2022	—	—	—	—
December 1 – 31, 2022	24,336	$1.06	—	—
Total	24,336			

On March 27, 2007, our board of directors approved the Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (the "2007 Plan"). The original ten-year term of the 2007 Plan ended on March 27, 2017. Our stockholders approved an amendment to the 2007 Plan at the Annual Meeting of Stockholders on June 8, 2017 to, among other things, extend the term of the 2007 Plan until March 27, 2027. The 2007 Plan permits us to purchase sufficient shares to fund withholding taxes in connection with the vesting of restricted stock units and shares of restricted stock. All shares purchased during the three months ended December 31, 2022 were purchased to fund withholding taxes in connection with the vesting of restricted stock units.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a multi-platform media company whose primary business is operating radio stations throughout the United States. We offer local and national advertisers integrated marketing solutions across audio, digital and event platforms. We own and operate stations in the following markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, NV, Middlesex, NJ, Monmouth, NJ, Morristown, NJ, Philadelphia, PA, Tampa-Saint Petersburg, FL, and Wilmington, DE. We refer to each group of stations in each market as a market cluster. Unless the context otherwise requires, all references in this report to the "Company," "we," "us" or "our" are to Beasley Broadcast Group, Inc. and its subsidiaries.

COVID-19 Pandemic

Beginning in early 2020, we were impacted by deteriorating general economic conditions resulting from the COVID-19 pandemic that caused a downturn in the advertising industry. The decreased demand for advertising materially negatively impacted our results of operations, liquidity and financial condition in 2020, and to a lesser extent, in 2021 and 2022. In response to the COVID-19 pandemic, beginning in March 2020, we implemented certain expense control initiatives, such as reductions in compensation for management and other employees, reductions in planned capital expenditures, negotiated vendor pricing reductions, furloughs and headcount reductions for certain employees and suspensions of new employee hiring and travel and entertainment expenses. These initiatives reduced our expenses throughout the remainder of 2020, and certain of these expense reductions continued during 2021 and 2022. Our board of directors also suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of our stockholders.

The extent to which the COVID-19 pandemic will continue to impact our business and financial results going forward will be dependent on future developments, which are uncertain and unpredictable. Accordingly, it is reasonably possible that these uncertainties could materially impact the Company's significant accounting estimates related to, but not limited to, allowance for doubtful accounts, impairment of Federal Communications Commission ("FCC") licenses and goodwill, and determination of right-of-use assets.

Cautionary Note Regarding Forward-Looking Statements

This report contains "forward-looking statements" about the Company within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future, not past, events. All statements other than statements of historical fact included in this document are forward-looking statements. These forward-looking statements are based on the current beliefs and expectations of the Company's management and are subject to known and unknown risks and uncertainties. Forward-looking statements, which address the Company's expected business and financial performance and financial condition, among other matters, contain words such as: "expects," "anticipates," "intends," "plans," "believes," "estimates," "may," "will," "plans," "projects," "could," "should," "would," "seek," "forecast," or other similar expressions.

Forward-looking statements, by their nature, address matters that are, to different degrees, uncertain. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements.

Forward-looking statements involve a number of risks and uncertainties, and actual results or events may differ materially from those projected or implied in those statements. Factors that could cause actual results or events to differ materially from these forward-looking statements include, but are not limited to:

- the effects of the COVID-19 pandemic, including its potential effects on the economic environment and the Company’s results of operations, liquidity and financial condition, and the increased risk of impairments of the Company’s FCC licenses and/or goodwill;
- external economic forces that could have a material adverse impact on the Company’s advertising revenues and results of operations;
- the ability of the Company’s stations to compete effectively in their respective markets for advertising revenues;
- the ability of the Company to develop compelling and differentiated digital content, products and services;
- audience acceptance of the Company’s content, particularly its audio programs;
- the ability of the Company to respond to changes in technology, standards and services that affect the audio industry;
- the Company’s dependence on federally issued licenses subject to extensive federal regulation;
- actions by the FCC or new legislation affecting the audio industry;
- increases to royalties the Company pays to copyright owners or the adoption of legislation requiring royalties to be paid to record labels and recording artists;
- the Company’s dependence on selected market clusters of stations for a material portion of its net revenue;
- credit risk on the Company’s accounts receivable;
- the risk that the Company’s FCC licenses and/or goodwill could become impaired;
- the Company’s substantial debt levels and the potential effect of restrictive debt covenants on the Company’s operational flexibility and ability to pay dividends;
- the potential effects of hurricanes on the Company’s corporate offices and stations;
- the failure or destruction of the internet, satellite systems and transmitter facilities that the Company depends upon to distribute its programming;
- disruptions or security breaches of the Company’s information technology infrastructure and information systems;
- the loss of key personnel;
- the Company’s ability to integrate acquired businesses and achieve fully the strategic and financial objectives related thereto and their impact on the Company’s financial condition and results of operations;
- the fact that the Company is controlled by the Beasley family, which creates difficulties for any attempt to gain control of the Company; and
- other economic, business, competitive, and regulatory factors affecting the businesses of the Company, including those set forth in the Company’s filings with the SEC.

Although we believe the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. We do not intend, and undertake no obligation, to update any forward-looking statement.

Financial Statement Presentation

The following discussion provides a brief description of certain key items that appear in our financial statements and general factors that impact these items.

Net Revenue. Our net revenue is primarily derived from the sale of commercial spots to advertisers directly or through national, regional or local advertising agencies. Revenues are reported at the amount we expect to be entitled to receive under the contract. Local revenue generally consists of commercial advertising sales, digital advertising sales and other sales to advertisers in a station's local market, either directly to the advertiser or through the advertiser's agency. National revenue generally consists of commercial advertising sales through advertiser agencies. National advertiser agencies generally purchase advertising for multiple markets. National sales are generally facilitated by our national representation firm, which serves as our agent in these transactions.

Our net revenue is generally determined by the advertising rates that we are able to charge and the number of advertisements that we can broadcast without jeopardizing listener levels. Advertising rates are primarily based on the following factors:

- a station's audience share in the demographic groups targeted by advertisers as measured principally by periodic reports issued by Nielsen Audio;
- the number of stations, as well as other forms of media, in the market competing for the attention of the same demographic groups;
- the supply of, and demand for, radio advertising time; and
- the size of the market.

Our net revenue is affected by general economic conditions, competition and our ability to improve operations at our radio market clusters. Seasonal revenue fluctuations are also common in the radio broadcasting industry and are primarily due to variations in advertising expenditures by local and national advertisers. Our revenues typically are lowest in the first calendar quarter of the year. In addition, our revenues tend to fluctuate between years, consistent with, among other things, increased advertising expenditures in even-numbered years by political candidates, political parties and special interest groups. This political spending typically is heaviest during the fourth quarter of such years.

We use trade sales agreements to reduce cash paid for operating costs and expenses by exchanging advertising airtime for goods or services; however, we endeavor to minimize trade revenue in order to maximize cash revenue from our available airtime.

We also continue to invest in digital support services to develop and promote our station websites, applications, and other distribution platforms. We derive revenue from our websites through the sale of advertiser promotions and advertising on our websites and the sale of advertising airtime during audio streaming of our stations over the internet. We also generate revenue from selling third-party digital products and services.

Operating Expenses. Our operating expenses consist primarily of programming, engineering, sales, advertising and promotion, and general and administrative expenses incurred at our stations. We strive to control our operating expenses by centralizing certain functions at our corporate offices and consolidating certain functions in each of our market clusters.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect reported amounts and related disclosures. We consider an accounting estimate to be critical if:

- it involves a significant level of estimation uncertainty; and

- changes in the estimate or different estimates that could have been selected have had or are reasonably likely to have a material impact on our results of operations or financial condition.

Accounts Receivable. We continually evaluate our ability to collect our accounts receivable. Our ongoing evaluation includes review of specific accounts at our stations, the current financial condition of our customers and our historical write-off experience. This ongoing evaluation requires management judgment, and if we had made different assumptions about these factors, the allowance for doubtful accounts could have been materially different.

Property and Equipment. We are required to assess the recoverability of our property and equipment whenever an event has occurred that may result in an impairment loss. If such an event occurs, we will compare estimates of related future undiscounted cash flows to the carrying amount of the asset. If the future undiscounted cash flow estimates are less than the carrying amount of the asset, we will reduce the carrying amount to the estimated fair value. The determination of when an event has occurred and estimates of future cash flows and fair value all require management judgment. The use of different assumptions or estimates may result in alternative assessments that could be materially different. We did not identify any triggering events that may have resulted in an impairment loss on our property and equipment in 2022. However, there can be no assurance that impairments of our property and equipment will not occur in future periods.

FCC Licenses. As of December 31, 2022, FCC licenses with an aggregate carrying amount of $487.2 million represented 68% of our total assets. We are required to test our FCC licenses for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that our FCC licenses might be impaired. We assess qualitative factors to determine whether it is more likely than not that our FCC licenses might be impaired. If we determine it is more likely than not that our FCC licenses are impaired, then we are required to perform a quantitative impairment test. In 2022, we elected to perform the quantitative impairment test for our FCC licenses in all markets. The quantitative impairment test compares the fair value of our FCC licenses with their carrying amounts. If the carrying amounts of the FCC licenses exceed their fair value, an impairment loss is recognized in an amount equal to that excess. For the purpose of testing our FCC licenses for impairment, we combine our FCC licenses into reporting units based on our market clusters.

Due to an increase in interest rates in the U.S. economy, we tested our FCC licenses for impairment during the second quarter of 2022. As a result of the quantitative impairment test performed as of June 30, 2022, we recorded impairment losses of $2.8 million related to the FCC licenses in our Fort Myers-Naples, FL, Las Vegas, NV, and Wilmington, DE market clusters. The impairment losses were due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of our FCC licenses due to certain risks associated with the U.S. economy. The fair values of our FCC licenses were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected audio market revenues, projected growth rate for audio market revenues, projected audio market revenue shares, projected audio operating income margins, and a discount rate appropriate for the audio industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	(1.9)% - 15.9%
Market revenue shares at maturity	0.6% - 44.0%
Operating income margins at maturity	19.2% - 32.6%
Discount rate	9.5%

Interest rates in the U.S. economy continued to increase during the third quarter of 2022; however, there were no changes to the discount rate or any other items used in the discounted cash flow analyses to estimate the fair value of the FCC licenses. Therefore, we did not record any impairment losses related to FCC licenses during the third quarter of 2022.

We performed the annual quantitative impairment test for our FCC licenses in all markets during the fourth quarter of 2022. As a result of the quantitative impairment test performed as of November 30, 2022, we recorded impairment losses of $19.2 million related to the FCC licenses in our Boston, MA, Charlotte, NC, Fort Myers-Naples, FL, Middlesex-Monmouth-Morristown, NJ, and Wilmington, DE market clusters. The impairment losses were primarily due to a decrease in projected revenue in these markets. The fair values of our FCC licenses were estimated using an income approach. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	0.3% - 2.7%
Market revenue shares at maturity	0.7% - 44.7%
Operating income margins at maturity	19.7% - 30.4%
Discount rate	9.5%

The carrying amount of our FCC licenses for each reporting unit and the percentage by which fair value exceeded the carrying amount are as follows:

Market cluster	FCC licenses	Excess
Atlanta, GA	$ 832,300	54.5%
Augusta, GA	6,113,075	5.5
Boston, MA	125,394,900	—
Charlotte, NC	53,726,600	—
Detroit, MI	29,978,201	6.9
Fayetteville, NC	8,974,679	0.4
Fort Myers-Naples, FL	7,160,900	—
Las Vegas, NV	37,080,600	0.8
Middlesex, Monmouth, Morristown, NJ	21,735,200	—
Philadelphia, PA	119,674,192	6.6
Tampa-Saint Petersburg, FL	61,787,351	4.8
Wilmington, DE	14,791,800	—

Goodwill. As of December 31, 2022, goodwill with an aggregate carrying amount of $13.3 million represented 2% of our total assets. We are required to test our goodwill for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that our goodwill might be impaired. We assess qualitative factors to determine whether it is necessary to perform a quantitative assessment for each reporting unit. If the quantitative assessment is necessary, we will determine the fair value of each reporting unit. If the fair value of any reporting unit is less than the carrying amount, we will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized will not exceed the total amount of goodwill allocated to the reporting unit. For the purpose of testing our goodwill for impairment, we have identified our market clusters and esports segment as our reporting units.

Due to an increase in interest rates in the U.S. economy, we tested our goodwill for impairment during the second quarter of 2022. As a result of the quantitative impairment test performed as of June 30, 2022, we recorded impairment losses of $5.9 million related to the goodwill in our Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, and Tampa-Saint Petersburg, FL market clusters. The impairment losses were due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of our goodwill due to certain risks associated with the U.S. economy. The fair values of our goodwill were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected audio market revenues, projected growth rate for audio market revenues, projected audio market revenue shares, projected audio operating income margins, and a discount rate appropriate for the audio industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	(1.9)% - 11.1%
Operating income margins	5.4% - 29.8%
Discount rate	9.5%

Interest rates in the U.S. economy continued to increase during the third quarter of 2022, however, there were no changes to the discount rate or any other items used in the discounted cash flow analyses to estimate the fair value of goodwill. Therefore, we did not record any impairment losses related to goodwill during the third quarter of 2022.

We performed the annual quantitative impairment test for our goodwill in all markets during the fourth quarter of 2022. As a result of the quantitative impairment test, we recorded an impairment loss of $8.9 million related to the goodwill in our Boston, MA market cluster. The impairment loss was primarily due to a decrease in projected revenue in Boston. The fair value of our goodwill was estimated using an income approach. The key assumptions used in the discounted cash flow analysis are as follows:

Revenue growth rates	0.5% - 11.4%
Operating income margin	13.1%
Discount rate	9.5%

In addition, as a result of a quantitative impairment test in the esports segment, we recorded an impairment loss of $1.5 million related to the goodwill in the esports segment. The impairment loss was primarily due to a decrease in projected revenue in the esports segment.

We believe we have made reasonable estimates and assumptions to calculate the estimated fair value of our FCC licenses and goodwill, however, these estimates and assumptions are highly judgmental in nature. Actual results can be materially different from estimates and assumptions. If actual market conditions are less favorable than those projected by the industry or by us, or if events occur or circumstances change that would reduce the estimated fair value of our indefinite-lived intangible assets below the amounts reflected on our balance sheets, we may recognize future impairment charges, the amount of which may be material. For example, if the discount rate used in our discounted cash flow analyses was increased to 10.0% without any additional changes to the other assumptions used in the discounted cash flow analyses, we would have recorded additional impairment losses of $20.5 million related to the FCC licenses in each of our market clusters except Atlanta, GA.

Other Intangibles. As of December 31, 2022, other intangibles with an aggregate carrying amount of $8.2 million represented 1% of our total assets. Other intangibles include advertiser relationships, franchise rights, trade names, and brands. For the purpose of testing other intangibles for impairment, we have identified our market clusters, and digital and esports segments as our reporting units. We performed a quantitative impairment test for our franchise rights in the esports segment as of December 31, 2022. As a result of the test, we recorded an impairment loss of $12.8 million. The impairment loss was primarily due to a decrease in projected revenue in the esports segment. The fair values of the franchise rights were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected revenue, projected growth rate for revenue, projected operating income margins, and a discount rate appropriate for the esports industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rate(s)	3.0% - 25.0%
Operating income margin(s)	(22.3)% - 43.5%
Discount rate	20.0%

Leases. We are required to determine whether a contract is or contains a lease at inception. Our analysis includes whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This consideration involves judgment with respect to whether we have the right to obtain substantially all of the economic benefits from the use of the identified asset and whether we have the right to direct the use of the identified asset. We calculate the term for each lease agreement to include the noncancellable period specified in the agreement together with: (1) the periods covered by options to extend the lease if we are reasonably certain to exercise that option, (2) the periods covered by an option to terminate if we are reasonably certain not to exercise that option and (3) the period covered by an option to extend (or not terminate) if controlled by the lessor. The assessment of whether we are reasonably certain to exercise an option to extend a lease requires significant judgement surrounding contract-based factors, asset-based factors, entity-based factors and market-based factors. These factors are evaluated based on the facts and circumstances at the time we enter a lease agreement. The lease liabilities and the related right-of-use assets are calculated based on the present value of the lease payments using (1) the rate implicit in the lease or (2) the lessee's incremental borrowing rate ("IBR"). IBR is defined as the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. See Note 11 to the accompanying financial statements.

Supplemental Employee Retirement Plan. The costs and liabilities of the Supplemental Employee Retirement Plan ("SERP") are determined using actuarial valuations. An actuarial valuation involves making various assumptions that include the discount rate and mortality rates. The discount rate is based on matching the cash flows of the SERP to the FTSE Pension Discount Curve. The mortality assumptions are based on the mortality tables and mortality improvement scales which are selected based on the most recent study of the Society of Actuaries. The SERP is frozen so future employment does not change the benefit amounts. Actual results will differ from results which are estimated based on assumptions. See Note 12 to the accompanying financial statements.

Recent Accounting Pronouncements

Recent accounting pronouncements are described in Note 2 to the accompanying financial statements.

Results of Operations

Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

The following summary table presents a comparison of our results of operations for the years ended December 31, 2021 and 2022, with respect to certain of our key financial measures. The changes illustrated in the table are discussed in greater detail below. This section should be read in conjunction with the financial statements and notes to financial statements included in Item 8 of this report.

Results of Operations — Consolidated

	Year Ended December 31,		Change	
	2021	2022	$	%
Net revenue	$241,426,308	$256,381,018	$ 14,954,710	6.2%
Operating expenses	199,470,185	213,236,063	13,765,878	6.9
Corporate expenses	16,578,046	18,001,359	1,423,313	8.6
Impairment losses	—	52,874,470	52,874,470	—
Gain on exchange	—	3,350,539	3,350,539	—
Other operating income, net	400,000	—	(400,000)	(100.0)
Loss on extinguishment of long-term debt	4,996,731	—	(4,996,731)	(100.0)
Gain on forgiveness of long-term debt	10,000,000	—	(10,000,000)	(100.0)
Other income, net	68,437	1,382,322	1,313,885	1919.8
Income tax benefit	5,321,630	17,787,434	12,465,804	234.2
Net loss	1,535,094	42,057,430	40,522,336	2639.7

Results of Operations — Segments

	Year Ended December 31, 2021	Year Ended December 31, 2022	Change $	Change %
Net revenue				
Audio	$206,460,883	$213,036,307	$ 6,575,424	3.2%
Digital	32,743,850	40,755,164	8,011,314	24.5
Other	2,221,575	2,589,547	367,972	16.6
	$241,426,308	$256,381,018	$14,954,710	6.2
Operating expenses				
Audio	$163,639,369	$173,011,492	$ 9,372,123	5.7%
Digital	32,355,572	36,398,687	4,043,115	12.5
Other	3,475,244	3,825,884	350,640	10.1
	$199,470,185	$213,236,063	$13,765,878	6.9

Net Revenue. Net revenue increased $15.0 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021. Audio revenue increased $6.6 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021, primarily due to recovery from the COVID-19 pandemic and political advertising for the 2022 elections. Digital revenue increased $8.0 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021, primarily due to continued growth in the digital segment and the acquisition of Guarantee Digital, LLC ("Guarantee").

Operating Expenses. Operating expenses increased $13.8 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021. Audio operating expenses increased $9.4 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021, primarily due to recovery from the COVID-19 pandemic. Digital operating expenses increased $4.0 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021, primarily due to continued investment in the digital segment and the acquisition of Guarantee.

Corporate Expenses. Corporate expenses increased $1.4 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021, primarily due to a decreased allocation of digital expenses to operating expenses.

Impairment Losses. As a result of our annual quantitative impairment tests performed during the fourth quarter of 2022, we recorded impairment losses of $19.2 million related to the FCC licenses in our Boston, MA, Charlotte, NC, Fort Myers-Naples, FL, Middlesex-Monmouth-Morristown, NJ, and Wilmington, DE market clusters, an impairment loss of $8.9 million related to the goodwill in our Boston, MA market cluster and an impairment loss of $1.5 million related to goodwill in the esports segment. The impairment losses were primarily due to a decrease in projected revenue in these markets and the esports segment. We also performed a quantitative impairment test for our franchise rights in the esports segment during the fourth quarter of 2022. As a result of the test, we recorded an impairment loss of $12.8 million primarily due to a decrease in projected revenue in the esports segment. Due to an increase in interest rates in the U.S. economy, we tested our FCC licenses and goodwill for impairment during the second quarter of 2022. As a result of the quantitative impairment tests, we recorded impairment losses of $2.8 million related to the FCC licenses in our Fort Myers-Naples, FL, Las Vegas, NV, and Wilmington, DE market clusters and impairment losses of $5.9 million related to the goodwill in our Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, and Tampa-Saint Petersburg, FL market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of FCC licenses and goodwill due to certain risks associated with the U.S. economy. On April 1, 2022, we completed the sale of substantially all of the assets used in the operations of WWNN-AM in West Palm Beach-Boca Raton, FL to a third party for $1.25 million in cash. As a result of the sale, we recorded an impairment loss of $1.9 million related to the FCC license during the first quarter of 2022.

Gain on Exchange. On December 22, 2022, we completed an asset exchange with Audacy Nevada, LLC, pursuant to which we agreed to exchange all of the assets used or useful in the operations of KDWN-AM in Las Vegas, NV for all of the assets used or useful in the operations of KXTE-FM in Las Vegas, NV. As a result of the exchange, we recorded a gain on exchange of $3.4 million in 2022.

Other Operating Income, Net. Other operating income, net for the year ended December 31, 2021 includes life insurance proceeds of $3.0 million related to the death of Mr. George Beasley, the Company's former Chairman, in June 2021, partially offset by certain payments totaling $1.5 million that were accrued in accordance with Mr. Beasley's employment contract, payments of $0.6 million for consulting services related to the COVID-19 pandemic and expenses of $0.5 million related to the early termination of a programming contract.

Loss on Extinguishment of Long-Term Debt. We recorded a loss on extinguishment of long-term debt of $5.0 million during the year ended December 31, 2021, resulting from the issuance of the secured notes on February 2, 2021 and the use of proceeds to refinance in full our previously oustanding credit facility.

Gain on Forgiveness of Long-Term Debt. We recorded a gain on forgiveness of long-term debt of $10.0 million during the year ended December 31, 2021, resulting from forgiveness of the PPP loan in November 2021, as described in "Liquidity and Capital Resources — PPP Loan" below.

Other Income, Net. In the third quarter of 2022, we repurchased $5.0 million aggregate principal amount of the Notes for an aggregate price equal to 77% of the principal amount and recorded an aggregate gain of $1.0 million as a result of the repurchases. In the second quarter of 2022, we repurchased $5.0 million aggregate principal amount of the Notes for an aggregate price equal to 96% of the principal amount and recorded an aggregate gain of $0.1 million as a result of the repurchases.

Income Tax Benefit. Our effective tax rate was approximately (79)% and (30)% for the year ended December 31, 2021 and 2022, respectively. These rates differ from the federal statutory rate of 21% due to the effect of state income taxes, certain non-taxable income, and certain expenses that are not deductible for tax purposes.

Net Loss. Net loss for the year ended December 31, 2022 was $42.1 million compared to a net loss of $1.5 million for the year ended December 31, 2021, as a result of the factors described above.

Liquidity and Capital Resources

Overview. Our primary sources of liquidity is internally generated cash flow and cash on hand. Our primary liquidity needs have been, and for the next twelve months and thereafter are expected to continue to be, for working capital, debt service, and other general corporate purposes, including capital expenditures and station acquisitions. Historically, our capital expenditures have not been significant. In addition to property and equipment associated with station acquisitions, our capital expenditures have generally been, and are expected to continue to be, related to the maintenance of our office and studio space, the maintenance of our towers and equipment, and digital products and information technology. We have also purchased or constructed office and studio space in some of our markets to facilitate the consolidation of our operations.

In response to the COVID-19 pandemic, our board of directors has suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of the Company's stockholders. In addition, as discussed in "Secured Notes" below, the Indenture governing our Notes limits our ability to pay dividends.

Secured Notes. On February 2, 2021, we issued $300.0 million aggregate principal amount of 8.625% senior secured notes due on February 1, 2026 (the "Notes") under an indenture dated February 2, 2021 (the "Indenture").

Interest on the Notes accrues at the rate of 8.625% per annum and is payable semiannually in arrears on February 1 and August 1 of each year. The Notes are secured on a first-lien priority basis by substantially all assets of the Company and its majority owned subsidiaries and are guaranteed jointly and severally by the Company and its majority owned subsidiaries. We used the net proceeds from the Notes, to refinance in full our previously outstanding credit facility, to repay a previously outstanding promissory note and loan from George Beasley (see Note 10 to the accompanying financial statements) and to pay related accrued interest, fees and expenses. The Indenture contains restrictive covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, guarantee indebtedness or issue disqualified stock or, in the case of such subsidiaries, preferred stock; pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments; make certain investments or acquisitions; sell, transfer or otherwise convey certain assets; create liens; enter into agreements restricting certain subsidiaries' ability to pay dividends or make other intercompany transfers; consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; enter into transactions with affiliates; prepay certain kinds of indebtedness; and issue or sell stock of our subsidiaries.

In the third quarter of 2022, we repurchased $5.0 million aggregate principal amount of the Notes for an aggregate price equal to 77% of the principal amount and recorded an aggregate gain of $1.0 million as a result of the repurchases. In the second quarter of 2022, we repurchased $5.0 million aggregate principal amount of the Notes for an aggregate price equal to 96% of the principal amount and recorded an aggregate gain of $0.1 million as a result of the repurchases.

From time to time, we repurchase sufficient shares of our common stock to fund withholding taxes in connection with the vesting of restricted stock units and shares of restricted stock. We paid $0.1 million to repurchase 97,113 shares during the year ended December 31, 2022. From time to time, we may seek to repurchase, redeem or otherwise retire our Notes through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions, tender offers or otherwise. Such repurchases, redemptions or other transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material.

We expect to provide for future liquidity needs through one or a combination of the following sources of liquidity:

- internally generated cash flow;
- additional borrowings or notes offerings, to the extent permitted under the Indenture governing our Notes; and
- additional equity offerings.

We believe we will have sufficient liquidity and capital resources to permit us to provide for our liquidity requirements and meet our financial obligations for the next twelve months and thereafter. However, poor financial results or unanticipated expenses could give rise to default under the Notes, additional debt servicing requirements or other additional financing or liquidity requirements sooner than we expect, and we may not secure financing when needed or on acceptable terms.

Off-Balance Sheet Arrangements. We did not have any off-balance sheet arrangements as of December 31, 2022.

Cash Flows. The following summary table presents a comparison of our cash flows for the years ended December 31, 2021 and 2022 with respect to certain of our key measures affecting our liquidity. The changes set forth in the table are discussed in greater detail below. This section should be read in conjunction with the financial statements and notes to financial statements included in Item 8 of this report.

	Year ended December 31,	
	2021	2022
Net cash provided by (used in) operating activities	$ (1,907,227)	$ 11,147,084
Net cash used in investing activities	(1,136,268)	(14,177,688)
Net cash provided by (used in) financing activities	33,662,705	(8,813,385)
Net increase (decrease) in cash and cash equivalents	$30,619,210	$(11,843,989)

Net Cash Provided By (Used In) Operating Activities. Net cash provided by operating activities was $11.1 million during the year ended December 31, 2022, as compared to net cash used in operating activities of $1.9 million during the year ended December 31, 2021. Significant factors affecting the $13.1 million increase in net cash provided by operating activities included a $15.5 million increase in cash receipts from revenue and a $10.5 million decrease in cash paid for operating expenses, partially offset by an $11.1 million increase in interest payments and a $1.6 million increase in cash paid for corporate expenses.

Net Cash Used In Investing Activities. Net cash used in investing activities during the year ended December 31, 2022 included payments of $13.4 million for capital expenditures and a payment of $2.0 million for the acquisition of Guarantee, partially offset by proceeds of $1.2 million from a station disposition. Net cash used in investing activities for the same period in 2021 included payments of $4.5 million for capital expenditures, partially offset by proceeds of $3.0 million from life insurance.

Net Cash Provided By (Used In) Financing Activities. Net cash used in financing activities during the year ended December 31, 2022 included Notes repurchases of $8.7 million. Net cash provided by financing activities for the same period in 2021 included proceeds of $300.0 million from the issuance of the Notes and proceeds from the $10.0 million PPP loan, partially offset by credit facility and promissory note repayments of $263.5 million, repayment of the $5.0 million loan provided by George Beasley, and payments of $7.6 million for debt issuance costs related to the Notes.

Related Party Transactions

Beasley Broadcasting Management, LLC

We lease our principal executive offices in Naples, FL from Beasley Broadcasting Management, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley, and other members of the Beasley family. The lease agreement expires on May 31, 2023. Rental expense was $0.3 million for the year ended December 31, 2022.

Beasley Family Properties, LLC

On September 30, 2021, the office space leased from GGB Estero, LLC for our stations in Fort Myers, FL was transferred to Beasley Family Properties, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley, and other members of the Beasley family. The lease agreement expires on August 31, 2024. Rental expense was $0.2 million for the year ended December 31, 2022.

Beasley Family Towers, LLC

We lease towers for 16 stations in various markets from Beasley Family Towers, LLC (“BFT”), which is partially held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family and partially owned directly by Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family. The lease agreements expire on various dates through December 31, 2038. Rental expense was $0.8 million for the year ended December 31, 2022.

We lease office space for our stations in Fayetteville, NC from BFT. The lease agreement expires on August 31, 2030. Rental expense was $0.1 million for the year ended December 31, 2022.

GGB Augusta, LLC

We lease land for our stations in Augusta, GA from GGB Augusta, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley, and other members of the Beasley family. The lease agreement expires on November 1, 2023. Rental expense was approximately $48,000 for the year ended December 31, 2022.

GGB Las Vegas, LLC

We lease office space for our stations in Las Vegas, NV from GGB Las Vegas, LLC, which is controlled by members of the Beasley family. The lease agreement expires on December 31, 2023. Rental expense was $0.2 million for the year ended December 31, 2022.

Wintersrun Communications, LLC

We sold a tower for one station in Charlotte, NC to Wintersrun Communications, LLC, which is partially held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family and partially owned directly by Bruce G. Beasley and Brian E. Beasley, for $0.4 million then leased back the tower under an agreement which expires on December 31, 2045. The lease met the criteria to be recorded as a finance lease, however based on the terms of the lease agreement the $0.3 million gain on sale was deferred and will be recognized as the finance lease right-of-use asset is depreciated. Rental expense was $0.1 million for the year ended December 31, 2022.

We lease a tower for one station in Augusta, GA from Wintersrun. The lease agreement expires on October 15, 2025. Rental expense was approximately $31,000 for the year ended December 31, 2022.

Loan to Interactive Life, Inc.

In May 2022, we provided a $250,000 loan to Interactive Life, Inc. that accrues interest at 8.625% per annum with no cash payments due until the loan's maturity in May 2024. Interactive Life, Inc. is controlled by Mr. Joseph Harb. We currently hold an investment in Quu, Inc., a company that is controlled by Mr. Harb. Repayment of the loan to Interactive Life, Inc. is guaranteed by Mr. Harb with 3,333,334 shares of Class A common stock of Quu, Inc.

Inflation

For the years ended December 31, 2021 and 2022, inflation has affected our performance in terms of higher costs for operating expenses, however, the exact impact cannot be reasonably determined.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Not required for smaller reporting companies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

BEASLEY BROADCAST GROUP, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Crowe LLP
Independent Member Crowe Global

Report of Independent Registered Public Accounting Firm

Shareholders and the Board of Directors of Beasley Broadcast Group, Inc.
Naples, Florida

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Beasley Broadcast Group, Inc. (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of comprehensive loss, stockholders' equity, and cash flows for the years then ended, and the related notes and consolidated financial statement schedule (collectively referred to as 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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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 Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were 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 critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

FCC Licenses Impairment Assessment — Radio Reporting Units

As disclosed in Note 5 to the consolidated financial statements, the Company's consolidated FCC licenses balance was $487.2 million as of December 31, 2022. During the year ended December 31, 2022, the Company recorded impairment on FCC licenses of $23.8 million. Management performs an annual impairment test during the fourth quarter of each year which includes a qualitative assessment as to whether it is more likely than not that an FCC license is impaired. During 2022, management elected to bypass the qualitative assessment and perform a quantitative assessment for all radio reporting units. FCC licenses are assessed for recoverability at the market cluster level. Potential impairment is identified by comparing the fair value of a market's FCC licenses to its carrying value. Fair value is estimated by management using an income approach. Management's cash flow projections for its FCC licenses included significant judgments and assumptions relating to revenue growth rates, the market share at maturity and operating income margins at maturity of an average station within a market based upon market size and station type and the discount rate.

We considered auditing the impairment of FCC licenses to be a critical audit matter because it involved a high degree of subjectivity in evaluating management's estimates, judgments, and assumptions, as well as significant audit effort due to complexity in the aggregation and evaluation of significant amounts of data and the use of valuation specialists.

Our audit procedures related to impairment of FCC licenses included the following:

a. Evaluated management's judgments in their assessment of changes in market conditions or events, or other changes in circumstances that indicate an impairment of FCC licenses may be present.

b. Tested the reliability, appropriateness of aggregation, and relevance of underlying data used in the valuation model.

c. Evaluated the appropriateness of valuation model used and the application of certain assumptions in the valuation model, and recalculated the discounted cash flow schedules.

d. Evaluated the significant assumptions used by management, including revenue growth rates, the market share at maturity and operating income margins at maturity of an average station within a market based upon market size and station type and the discount rate.. This involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance in the market being evaluated, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

e. Utilized valuation specialists to assist in evaluating certain assumptions applied in the valuation model.

Other Intangibles Impairment Assessment — Franchise Rights

As disclosed in Note 7 to the consolidated financial statements, the Company's franchise rights balance was $4.7 million as of December 31, 2022. During the year ended December 31, 2022, the Company recorded impairment on franchise rights of $12.8 million. The impairment evaluation of long-lived assets is an assessment that begins with the Company's monitoring of indicators of impairment of the asset group which the Company believes is the lowest applicable level for which there are identifiable cash flows. The Company reviews franchise rights for impairment indicators whenever events or changes in circumstances indicate the carrying amount of the assets may not be fully recoverable.

During 2022, management performed a qualitative assessment and identified a triggering event that indicated franchise rights may be impaired; therefore, management performed a quantitative assessment. When performing a quantitative impairment assessment, the Company estimates undiscounted cash flows at the asset group level over the remaining useful life of the franchise rights, being the primary asset within the asset group. If the estimated undiscounted cash flows are not sufficient to recover the carrying value of the asset group, the Company then compares the carrying value of the asset group with its estimated fair value. The Company applies significant judgment in estimating the fair value of the asset group, based on historical and projected operating performance and industry information currently available. When the estimated fair value is determined to be lower than the carrying value of the asset group, the asset group is written down to its estimated fair value. Fair value of the franchise rights is estimated by management using an income approach. Management's cash flow projections included significant judgments and assumptions relating to revenue and operating expenses over the projection period and to the discount rate.

We considered auditing the impairment of franchise rights to be a critical audit matter because of the significant judgment required by management to determine estimated cash flows and the discount rate (including the company-specific risk premium component). This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the reasonableness of management's cash flow analysis.

Our audit procedures related to impairment of franchise rights included the following:

a. Evaluated management's judgments in their assessment of ichanges in market conditions or events, or other changes in circumstances that indicate an impairment of franchise rights may be present.

b. Tested the completeness, accuracy, appropriateness of aggregation, and the relevance and reliability of underlying data used in the valuation model based on the income approach.

c. Evaluated the appropriateness of valuation model used and the application of certain assumptions in the valuation model, and recalculated the discounted cash flow schedules.

d. Evaluated the significant assumptions used by management, including revenue and operating expense projections and the discount rate. This involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the asset group evaluated, (ii) the consistency with external market and industry data, and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Additionally, we performed sensitivity testing on these assumptions

e. Utilized valuation specialists to assist in evaluating the methodology used and certain assumptions applied in the valuation model.

/s/ Crowe LLP

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

Fort Lauderdale, Florida
March 27, 2023

BEASLEY BROADCAST GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2021	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 51,378,642	$ 39,534,653
Accounts receivable, less allowance for doubtful accounts of $1,720,477 in 2021 and $1,876,751 in 2022	53,378,437	56,683,526
Prepaid expenses	4,044,056	5,078,231
Other current assets	3,397,418	4,364,120
Total current assets	112,198,553	105,660,530
Property and equipment, net	49,843,166	55,807,047
Operating lease right-of-use assets	34,155,175	38,478,756
Finance lease right-of-use assets	320,000	306,667
FCC licenses	508,413,913	487,249,798
Goodwill	28,596,547	13,265,460
Other intangibles, net	22,697,207	8,219,939
Other assets	5,863,501	5,955,158
Total assets	$762,088,062	$714,943,355
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,995,081	$ 19,344,621
Operating lease liabilities	7,693,831	8,166,394
Finance lease liabilities	1,945	—
Other current liabilities	29,811,226	29,183,630
Total current liabilities	44,502,083	56,694,645
Due to related parties	372,193	85,731
Long-term debt, net of current installments and unamortized debt issuance costs	293,789,892	285,472,107
Operating lease liabilities	28,747,450	37,485,602
Deferred tax liabilities	115,689,317	98,068,981
Other long-term liabilities	15,904,829	13,647,481
Total liabilities	499,005,764	491,454,547
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; none issued	—	—
Class A common stock, $0.001 par value; 150,000,000 shares authorized; 16,249,312 issued and 12,696,857 outstanding in 2021; 16,763,227 issued and 13,113,659 outstanding in 2022	16,248	16,761
Class B common stock, $0.001 par value; 75,000,000 shares authorized; 16,662,743 issued and outstanding in 2021 and 2022	16,662	16,662
Additional paid-in capital	150,896,611	151,948,310
Treasury stock, Class A common stock; 3,552,455 shares in 2021; 3,649,568 shares in 2022	(29,021,360)	(29,155,300)
Retained earnings	142,220,494	100,163,064
Accumulated other comprehensive (loss) income	(1,046,357)	499,311
Total stockholders' equity	263,082,298	223,488,808
Total liabilities and stockholders' equity	$762,088,062	$714,943,355

See accompanying notes to consolidated financial statements

BEASLEY BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended December 31, 2021	Year Ended December 31, 2022
Net revenue	$241,426,308	$256,381,018
Operating expenses:		
Operating expenses (including stock-based compensation of $317,938 in 2021 and $193,738 in 2022 and excluding depreciation and amortization shown separately below)	199,470,185	213,236,063
Corporate expenses (including stock-based compensation of $1,065,518 in 2021 and $865,165 in 2022)	16,578,046	18,001,359
Depreciation and amortization	11,309,995	9,920,546
FCC licenses impairment losses	—	23,799,383
Goodwill impairment losses	—	16,253,087
Other impairment losses	—	12,822,000
Gain on exchange	—	(3,350,539)
Gain on disposition	(191,988)	—
Other operating income, net	(400,000)	—
Total operating expenses	226,766,238	290,681,899
Operating income (loss)	14,660,070	(34,300,881)
Non-operating income (expense):		
Interest expense	(26,456,236)	(26,914,045)
Loss on extinguishment of long-term debt	(4,996,731)	—
Gain on forgiveness of long-term debt	10,000,000	—
Other income, net	68,437	1,382,322
Loss before income taxes	(6,724,460)	(59,832,604)
Income tax benefit	(5,321,630)	(17,787,434)
Loss before equity in earnings of unconsolidated affiliates	(1,402,830)	(42,045,170)
Equity in earnings of unconsolidated affiliates, net of tax	(132,264)	(12,260)
Net loss	(1,535,094)	(42,057,430)
Earnings attributable to noncontrolling interest	129,249	—
Net loss attributable to BBGI stockholders	(1,405,845)	(42,057,430)
Other comprehensive loss:		
Unrecognized actuarial gain on postretirement plan (net of income tax expense of $140,151 in 2021 and $542,438 in 2022)	380,262	1,545,668
Comprehensive loss	$ (1,025,583)	$ (40,511,762)
Net loss attributable to BBGI stockholders per Class A and B common share:		
Basic and diluted	$ (0.05)	$ (1.43)
Weighted average shares outstanding:		
Basic and diluted	29,263,987	29,473,989

See accompanying notes to consolidated financial statements

BEASLEY BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock										
	Class A		Class B		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interest	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount				
Balances as of January 1, 2021	15,930,765	$15,930	16,662,743	$16,662	$154,004,965	(3,253,691)	$(28,187,857)	$143,304,213	$(1,426,619)	$(625,474)	$267,101,820
Stock-based compensation	318,547	318	—	—	1,383,138	—	—	—	—	—	1,383,456
Acquisition of noncontrolling interest	—	—	—	—	(4,490,130)	—	—	—	—	—	(4,490,130)
Adjustment from related party acquisition	—	—	—	—	(1,362)	—	—	—	—	—	(1,362)
Purchase of treasury stock	—	—	—	—	—	(298,764)	(833,503)	—	—	—	(833,503)
Net loss	—	—	—	—	—	—	—	(1,405,845)	—	(129,249)	(1,535,094)
Other comprehensive gain	—	—	—	—	—	—	—	—	380,262	—	380,262
Elimination of noncontrolling interest	—	—	—	—	—	—	—	322,126	—	754,723	1,076,849
Balances as of December 31, 2021	16,249,312	16,248	16,662,743	16,662	150,896,611	(3,552,455)	(29,021,360)	142,220,494	(1,046,357)	—	263,082,298
Stock-based compensation	513,915	513	—	—	1,058,390	—	—	—	—	—	1,058,903
Adjustment from related party acquisition	—	—	—	—	(6,691)	—	—	—	—	—	(6,691)
Purchase of treasury stock	—	—	—	—	—	(97,113)	(133,940)	—	—	—	(133,940)
Net loss	—	—	—	—	—	—	—	(42,057,430)	—	—	(42,057,430)
Other comprehensive gain	—	—	—	—	—	—	—	—	1,545,668	—	1,545,668
Balances as of December 31, 2022	16,763,227	$16,761	16,662,743	$16,662	$151,948,310	(3,649,568)	$(29,155,300)	$100,163,064	$ 499,311	$ —	$223,488,808

See accompanying notes to consolidated financial statements

BEASLEY BROADCAST GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2021	Year Ended December 31, 2022
Cash flows from operating activities:		
Net loss	$ (1,535,094)	$(42,057,430)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock-based compensation	1,383,456	1,058,903
Provision for bad debts	(1,248,394)	1,108,840
Depreciation and amortization	11,309,995	9,920,546
FCC licenses impairment losses	—	23,799,383
Goodwill impairment losses		16,253,087
Other impairment losses		12,822,000
Gain on exchange	—	(3,350,539)
Gain on disposition	(191,988)	—
Amortization of loan fees	1,551,996	1,491,061
Loss on extinguishment of long-term debt	4,996,731	—
Gain on forgiveness of long-term debt	(10,000,000)	—
Deferred income taxes	(5,321,630)	(18,157,845)
Equity in earnings of unconsolidated affiliates	132,264	12,260
Change in operating assets and liabilities:		
Accounts receivable	(4,734,620)	(4,413,929)
Prepaid expenses	(1,557,196)	(1,034,175)
Other assets	(143,084)	(639,724)
Accounts payable	(5,400,326)	12,349,540
Other liabilities	8,758,921	3,212,130
Other operating activities	91,742	(1,227,024)
Net cash provided by (used in) operating activities	(1,907,227)	11,147,084
Cash flows from investing activities:		
Payment for acquisition	—	(2,000,000)
Capital expenditures	(4,498,768)	(13,363,000)
Proceeds from dispositions	362,500	1,185,312
Proceeds from life insurance	3,000,000	—
Net cash used in investing activities	(1,136,268)	(14,177,688)
Cash flows from financing activities:		
Issuance of debt	310,000,000	—
Payments on debt	(268,500,000)	(8,677,500)
Payment of debt issuance costs	(7,604,215)	—
Reduction of finance lease liabilities	(70,171)	(1,945)
Purchase of treasury stock	(162,909)	(133,940)
Net cash provided by (used in) financing activities	33,662,705	(8,813,385)
Net increase (decrease) in cash and cash equivalents	30,619,210	(11,843,989)
Cash and cash equivalents at beginning of period	20,759,432	51,378,642
Cash and cash equivalents at end of period	$ 51,378,642	$ 39,534,653
Cash paid for interest	$ 14,704,713	$ 25,564,611
Cash paid for income taxes	$ 1,526,303	$ 1,550,250
Supplemental disclosure of non-cash investing and financing activities:		
Acquisition of noncontrolling interest	$ 4,490,130	$ —
Extinguishment of trade sales payable	$ 934,500	$ —
Class A common stock returned to treasury stock	$ 670,594	$ —

See accompanying notes to consolidated financial statements

BEASLEY BROADCAST GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Nature of Business

Beasley Broadcast Group, Inc. (the “Company” or “BBGI”) is a multi-platform media company, operating two reportable business segments, whose primary business is operating radio stations throughout the United States. The Company offers local and national advertisers integrated marketing solutions across audio, digital and event platforms. The Company owns and operates stations in the following markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, NV, Middlesex, NJ, Monmouth, NJ, Morristown, NJ, Philadelphia, PA, Tampa-Saint Petersburg, FL, and Wilmington, DE. The Company also operates an esports segment, however, it does not exceed the thresholds for separate disclosure.

COVID-19

Beginning in early 2020, the Company was impacted by deteriorating general economic conditions resulting from the COVID-19 pandemic that caused a downturn in the advertising industry. The decreased demand for advertising materially negatively impacted the Company’s results of operations, liquidity and financial condition in 2020, and to a lesser extent, in 2021 and 2022. In response to the COVID-19 pandemic, beginning in March 2020, the Company implemented certain expense control initiatives, such as reductions in compensation for management and other employees, reductions in planned capital expenditures, negotiated vendor pricing reductions, furloughs and headcount reductions for certain employees and suspensions of new employee hiring and travel and entertainment expenses. These initiatives reduced the Company’s expenses throughout the remainder of 2020, and certain of these expense reductions continued during 2021 and 2022. The Company’s board of directors also suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of the Company’s stockholders.

The extent to which the COVID-19 pandemic will continue to impact the Company’s business and financial results going forward will be dependent on future developments which are uncertain and unpredictable. Accordingly, it is reasonably possible that these uncertainties could materially impact the Company’s significant accounting estimates related to, but not limited to, allowance for doubtful accounts, impairment of Federal Communications Commission (“FCC”) licenses and goodwill, and determination of right-of-use assets. As a result, many of the Company’s estimates and assumptions require increased judgment and carry a higher degree of variability and volatility. The Company’s estimates may change as new events occur and additional information emerges, and such changes are recognized or disclosed in its consolidated financial statements.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Company and its wholly owned subsidiaries, including OutlawsXP, Inc. (“Outlaws”). As of January 1, 2021, the Company held an approximately 90% economic interest in Outlaws and an approximately 51% economic interest in Renegades Holdings, Inc. (“Renegades”). On March 12, 2021, the Company entered into an agreement to exchange its ownership interest in Renegades for the interest held by Renegades in Outlaws. As a result of the exchange, Outlaws became a wholly owned subsidiary of the Company, and the Company no longer holds an economic interest in Renegades. Renegades was included in the financial statements of the Company up to the date of the exchange transaction. Net assets and results of operations for Outlaws and Renegades as of and for the years ended December 31, 2021 and 2022 were not significant. All significant inter-company transactions and balances have been eliminated.

Use of Estimates

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates include: (i) the amount of allowance for doubtful accounts; (ii) future cash flows used for testing recoverability of property and equipment; (iii) fair values used for testing FCC licenses, goodwill and other intangibles for impairment; (iv) estimates used to determine the incremental borrowing rate to record lease liabilities and related right-of-use assets (v) the realization of deferred tax assets; and (vi) actuarial assumptions related to the SERP. Actual results and outcomes may differ from management's estimates and assumptions.

Cash and Cash Equivalents

All short-term investments with an original maturity of three months or less are considered to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of uncollected amounts due from advertisers for the sale of advertising airtime. The amounts are net of advertising agency commissions and an allowance for doubtful accounts. The allowance for doubtful accounts reflects management's estimate of probable losses in accounts receivable. Management determines the allowance based on historical information, relative improvements or deteriorations in the age of the accounts receivable and changes in current economic conditions. Interest is not accrued on accounts receivable.

Property and Equipment

Property and equipment is recorded at fair value in a business combination or otherwise at cost and depreciated using the straight-line method over the estimated useful life of the asset. If an event or change in circumstances were to indicate that the carrying amount of property and equipment is not recoverable, the carrying amount will be reduced to the estimated fair value. Repairs and maintenance are charged to expense as incurred.

FCC Licenses

FCC licenses, including translator licenses, are generally granted for renewable terms of eight years. Renewal costs are generally minor and expensed as incurred. Licenses are tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the Company's licenses might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that its licenses are impaired. If the Company determines it is more likely than not that its licenses are impaired, then the Company is required to perform the quantitative impairment test. The quantitative impairment test compares the fair value of the Company's licenses with their carrying amounts. If the carrying amounts of the licenses exceed their fair value, an impairment loss is recognized in an amount equal to that excess. For the purpose of testing its licenses for impairment, the Company combines its licenses into reporting units based on its market clusters. See Note 5 for changes in the carrying amount of FCC licenses for the years ended December 31, 2021 and 2022. The weighted-average period before the next renewal of the Company's FCC licenses is 6.0 years.

Goodwill

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the Company's goodwill might be impaired. The Company assesses qualitative factors to determine whether it is necessary to perform a quantitative assessment for each reporting unit. If the quantitative assessment is necessary, the Company will determine the fair value of each reporting unit. If the fair value of any reporting unit is less than the carrying amount, the Company will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized will not exceed the total amount of goodwill allocated to the reporting unit. For the purpose of testing its goodwill for impairment, the Company has identified its market clusters and esports as its reporting units. See Note 6 for changes in the carrying amount of goodwill for the year ended December 31, 2022. There were no changes in the carrying of goodwill for the year ended December 31, 2021.

Other Intangibles

Other intangibles include advertiser relationships, franchise rights and a trade name, which are amortized over their respective estimated useful lives and brands and other intangibles with indefinite lives which are not amortized. If an event or change in circumstances were to indicate that the carrying amount of any other intangibles is not recoverable, the carrying amount will be reduced to the estimated fair value. For the purpose of testing its other intangibles for impairment, the Company has identified its market clusters, digital, and esports as its reporting units. See Note 7 for changes in the carrying amount of other intangibles for the years ended December 31, 2021 and 2022.

Investments

Other assets include an investment in Quu, Inc. ("Quu"). The Company is considered to have the ability to exercise significant influence over the operating and financial policies of Quu. Therefore, the investment in Quu is accounted for using the equity method. The Company will recognize its share of the earnings of Quu in the periods for which it is reported. Any loss in value of the investment that is other than a temporary decline will be recognized. Other assets also include a noncontrolling interest in AUDIOis, which does not have a readily determinable fair value, and therefore, is recorded at cost less impairment. The Company evaluates the investments on a quarterly basis to identify impairment. When the evaluation indicates that an impairment exists, the Company will estimate the fair value of the investment and recognize an impairment loss equal to the difference between the fair value and the carrying amount of the investment. The carrying amount of the investment in QUU was $2.0 million as of December 31, 2021 and 2022.

Debt Issuance Costs

Debt issuance costs are capitalized and amortized over the life of the related debt as interest expense on a straight-line basis which approximates the effective interest method. Unamortized debt issuance costs are reported as a direct deduction from the carrying amount of the related debt.

Leases

The Company determines whether a contract is or contains a lease at inception. The term for each lease agreement begins on the commencement date and includes the noncancelable period specified in the agreement together with: (1) the periods covered by options to extend the lease if the Company is reasonably certain to exercise that option, (2) the periods covered by an option to terminate if the Company is reasonably certain not to exercise that option and (3) the period covered by an option to extend (or not terminate) if controlled by the lessor. The lease liabilities and the related right-of use assets are calculated based on the present value of the lease payments using (1) the rate implicit in the lease or (2) the lessee's incremental borrowing rate ("IBR"). IBR is defined as the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Supplemental Employee Retirement Plan

The costs and liabilities of the Supplemental Employee Retirement Plan ("SERP") are determined using actuarial valuations. An actuarial valuation involves making various assumptions that include the discount rate and mortality rates. The discount rate is based on matching the cash flows of the SERP to the FTSE Pension Discount Curve. The mortality assumptions are based on the mortality tables and mortality improvement scales that are selected based on the most recent study of the Society of Actuaries. The SERP is frozen so future employment does not change the benefit amounts. Actual results will differ from results which are estimated based on assumptions.

Treasury Stock

Treasury stock is accounted for using the cost method whereby the entire cost of the acquired stock is recorded as treasury stock.

Stock-Based Compensation

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost is recognized in earnings over the period during which an employee is required to provide service. No compensation cost is recognized for equity instruments for which employees do not render the requisite services.

Income Taxes

The Company recorded income taxes under the liability method. Deferred tax assets and liabilities are recognized for all temporary differences between tax and financial reporting bases of the Company's assets and liabilities using enacted tax rates applicable to the periods in which the differences are expected to affect taxable income. Tax benefits from an uncertain tax position are only recognized if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. Interest and penalties related to unrecognized tax benefits are recorded as incurred as a component of income tax expense.

Comprehensive Loss

Comprehensive loss consists of net loss and other gains and losses affecting equity that, under accounting principles generally accepted in the United States of America, are excluded from net loss, including unrecognized net actuarial gains and losses related to the SERP.

Loss per Share

Basic net loss per share is computed by dividing net loss attributable to common stockholders of the Company by the weighted average number of common shares outstanding for the period. Common shares outstanding include shares of both Class A and Class B common stock, which have equal rights and privileges except with respect to voting. Diluted net loss per share reflects the potential dilution that could occur if stock options, restricted stock or other contracts to issue common stock were exercised or converted into common stock and were not anti-dilutive. When reporting a net loss, the effect of restrictive stock units and restricted stock is excluded under the treasury stock method as the addition of shares would be anti-dilutive.

Concentrations of Risk

Certain cash deposits with financial institutions may, at times, exceed FDIC insurance limits.

The stations located in Boston, MA, Detroit, MI, and Philadelphia, PA collectively contributed 58% of the Company's net revenue in 2022. The stations located in Boston, MA, Detroit, MI, and Philadelphia, PA collectively contributed 59% of the Company's net revenue in 2021.

Fair Value Measurements

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. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's own assumptions based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs used to measure fair value into three broad levels. The three levels of the fair value hierarchy are defined as follows:

Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities as of the reporting date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, as of the reporting date.

Level 3 — Unobservable inputs for the asset or liability that reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability as of the reporting date.

Sports Programming Costs

Sports programming rights for a specified season are amortized on a straight-line basis over the season. Other payments are expensed when the additional contract elements, such as post-season games, are broadcast.

Segments

The Company currently operates three operating segments (Audio, Digital, esports) and two reportable segments (Audio, Digital). The identification of segments is consistent with how the segments report to and are managed by the Company's Chief Executive Officer (the Company's Chief Operating Decision Maker). Operating results are reported to the Chief Operating Decision Maker on a statement of operations, which includes net revenue, operating expenses, impairment losses, gains and losses on dispositions and depreciation and amortization. Corporate expenses include general and administrative expenses and certain other income and expense items not allocated to the operating segments.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance that will require the measurement of all expected credit losses for financial assets, including accounts receivable, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The guidance was initially effective for the Company for annual reporting periods beginning after December 15, 2019, and interim periods within those fiscal years. In November 2019, the FASB issued additional guidance that included a deferral of the effective date for smaller reporting companies as defined by the Securities and Exchange Commission to fiscal years beginning after December 15, 2022, and interim periods within those years. The Company adopted the guidance on January 1, 2023 however it does not expect the new guidance to have a material impact on the Company's consolidated financial statements.

(3) Acquisitions and Dispositions

On December 22, 2022, the Company completed an asset exchange with Audacy Nevada, LLC and Beasley Media Group, LLC under which the Company agreed to exchange all of the assets used or useful in the operations of KDWN-AM in Las Vegas, NV for all of the assets used or useful in the operations of KXTE-FM in Las Vegas, NV. On September 29, 2022, the Company also entered into a local marketing agreement ("LMA") with Audacy Nevada, LLC and began operating KXTE-FM on November 14, 2022. The LMA ended on December 22, 2022. The assets received from the exchange did not meet the definition of a business under ASC 805. The exchange was accounted for in accordance with ASC 610-20 which resulted in the Company recognizing a gain for the difference between the fair value of the assets received and the carrying amount of the assets given.

The fair value of the assets received in the asset exchange was $5.8 million. The Company recorded a gain on exchange of $3.4 million.

The asset allocation is summarized as follows:

Property and equipment	$ 302,336
FCC license	5,451,000
Fair value of assets received	5,753,336
Carrying amount of assets of exchanged station	(2,402,797)
Gain on exchange	$ 3,350,539

The fair value of the property and equipment was estimated using cost and market approaches. Property and equipment for which there are comparable current replacements available were valued on the basis of a cost approach. The cost approach allowed for factors such as physical depreciation as well as functional and economic obsolescence. Property and equipment for which an active used market exists, including property for which there is no longer comparable current replacements available but for which there remains an active used market, were valued using a market approach. The market approach is based on the selling prices of similar assets on the used market. As few sales reflect identical assets, the selling prices of similar assets was utilized with adjustments made for any differences such as age, condition, and options. If different assumptions or estimates had been used in the cost and market approaches, the fair value of the property and equipment could have been materially different.

The fair value of the FCC license was estimated using an income approach. The income approach measures the expected economic benefits the licenses provide and discounts these future benefits using discounted cash flow analyses. The discounted cash flow analyses assume that each license is held by a hypothetical start-up station and the value yielded by the discounted cash flow analyses represents the portion of the station's value attributable solely to its license. The discounted cash flow model incorporates variables such as market revenues; the projected growth rate for market revenues; projected market revenue share; projected station operating income margins; and a discount rate appropriate for the radio broadcasting industry. The variables used in the analyses reflect historical station and market growth trends, as well as anticipated station performance, industry standards, and market conditions. The discounted cash flow projection period of ten years was determined to be an appropriate time horizon for the analyses. Stable market revenue share and operating margins are expected at the end of year three (maturity). If different assumptions or estimates had been used in the income approach, the fair value of the FCC licenses could have been materially different. If actual results are different from assumptions or estimates used in the discounted cash flow analyses, the Company may incur impairment losses in the future and they may be material.

The key assumptions used in the valuation of the FCC license are as follows:

Revenue growth rates	0.3% - 1.5%
Market revenue shares at maturity	5.2%
Operating income margins at maturity	23.3%
Discount rate	9.5%

On June 22, 2022, the Company completed the acquisition of Guarantee Digital, LLC ("Guarantee"), a digital marketing agency, for $2.0 million in cash. The acquisition broadened the Company's digital revenue base across the U.S. The acquisition was accounted for as a business combination. The final purchase price allocation was completed during the third quarter of 2022. The final purchase price allocation is summarized as follows:

Property and equipment	$ 3,000
Goodwill	922,000
Other intangibles	1,075,000
	$2,000,000

Goodwill was equal to the amount the purchase price exceeded the values allocated to the tangible and identifiable intangible assets and includes the value of the assembled workforce. The goodwill was allocated to the Digital segment. The $0.9 million allocated to goodwill is deductible for tax purposes. Revenue and earnings for Guarantee are not material for all reporting periods presented in the accompanying financial statements.

On April 1, 2022, the Company completed the sale of substantially all of the assets used in the operations of WWNN-AM in West Palm Beach-Boca Raton, FL to a third party for $1.25 million in cash. As a result of the sale, the Company recorded an impairment loss of $1.9 million related to the FCC license during the first quarter of 2022.

(4) Property and Equipment

Property and equipment is comprised of the following:

	December 31, 2021	December 31, 2022	Estimated useful lives (years)
Land	$ 13,342,547	$ 13,342,547	—
Buildings and improvements	31,716,052	39,350,594	15-30
Broadcast equipment	33,053,234	32,663,190	5-15
Transportation equipment	2,294,487	2,304,018	5
Office equipment	7,735,270	9,871,341	5-10
Construction in progress	2,878,319	649,321	—
	91,019,909	98,181,011	
Less accumulated depreciation and amortization	(41,176,743)	(42,373,964)	
	$ 49,843,166	$ 55,807,047	

The Company recorded depreciation expense of $8.0 million and $6.9 million for the years ended December 31, 2021 and 2022, respectively.

(5) FCC Licenses

Changes in the carrying amount of FCC licenses for the years ended December 31, 2021 and 2022 are as follows:

Balance as of January 1, 2021	$508,558,355
Disposition	(144,442)
Balance as of December 31, 2021	508,413,913
Asset exchange acquisition (see Note 3)	5,451,000
Asset exchange disposition (see Note 3)	(2,025,500)
Disposition (see Note 3)	(790,232)
Impairment losses (see below and also Note 3)	(23,799,383)
Balance as of December 31, 2022	$487,249,798

FCC licenses are tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the FCC licenses might be impaired. The Company assesses qualitative factors to determine whether it is more likely than not that its FCC licenses are impaired. If the Company determines it is more likely than not that its FCC licenses are impaired, then the Company is required to perform the quantitative impairment test. The quantitative impairment test compares the fair value of the FCC licenses with the carrying amounts of such licenses. If the carrying amounts of the FCC licenses exceed the fair value, an impairment loss is recognized in an amount equal to that excess. For the purpose of testing FCC licenses for impairment, the Company combines its licenses into reporting units based on its market clusters.

Due to an increase in interest rates in the U.S. economy, the Company tested its FCC licenses for impairment during the second quarter of 2022. As a result of the quantitative impairment test performed as of June 30, 2022, the Company recorded impairment losses of $2.8 million related to the FCC licenses in its Fort Myers-Naples, FL, Las Vegas, NV, and Wilmington, DE market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of the FCC licenses due to certain risks associated with the U.S. economy. The fair values of the FCC licenses were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected audio market revenues, projected growth rate for audio market revenues, projected audio market revenue shares, projected audio operating income margins, and a discount rate appropriate for the audio broadcasting industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	(1.9)% - 15.9%
Market revenue shares at maturity	0.6% - 44.0%
Operating income margins at maturity	19.2% - 32.6%
Discount rate	9.5%

Interest rates in the U.S. economy continued to increase during the third quarter of 2022; however, there were no changes to the discount rate or any other items used in the discounted cash flow analyses to estimate the fair value of the FCC licenses. Therefore, the Company did not record any impairment losses related to FCC licenses during the third quarter of 2022.

The Company performed the annual quantitative impairment test for its FCC licenses in all markets during the fourth quarter of 2022. As a result of the quantitative impairment test performed as of November 30, 2022, the Company recorded impairment losses of $19.2 million related to the FCC licenses in its Boston, MA, Charlotte, NC, Fort Myers-Naples, FL, Middlesex-Monmouth-Morristown, NJ, and Wilmington, DE market clusters. The impairment losses were primarily due to a decrease in projected revenue in these markets. The fair values of the FCC licenses were estimated using an income approach. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	0.3% - 2.7%
Market revenue shares at maturity	0.7% - 44.7%
Operating income margins at maturity	19.7% - 30.4%
Discount rate	9.5%

On February 3, 2021, the Company completed the sale of WHSR-AM in West Palm Beach-Boca Raton, FL to a third party for $0.4 million. The sale included an FCC translator license with a carrying amount of $0.1 million.

(6) Goodwill

Changes in the carrying amount of goodwill for the year ended December 31, 2022 are as follows:

Balance as of January 1, 2022	$ 28,596,547
Acquisition (see Note 3)	922,000
Impairment losses	(16,253,087)
Balance as of December 31, 2022	$ 13,265,460

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the Company's goodwill might be impaired. The Company assesses qualitative factors to determine whether it is necessary to perform a quantitative assessment for each reporting unit. If the quantitative assessment is necessary, the Company will determine the fair value of each reporting unit. If the fair value of any reporting unit is less than the carrying amount, the Company will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized will not exceed the total amount of goodwill allocated to the reporting unit. For the purpose of testing goodwill for impairment, the Company has identified its audio market clusters and esports as its reporting units.

Due to an increase in interest rates in the U.S. economy, the Company tested its goodwill for impairment during the second quarter of 2022. As a result of the quantitative impairment test performed as of June 30, 2022, the Company recorded impairment losses of $5.9 million related to the goodwill in its Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, and Tampa-Saint Petersburg, FL market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of goodwill due to certain risks associated with the U.S. economy. The fair values of the goodwill was estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected audio market revenues, projected growth rate for audio market revenues, projected audio market revenue shares, projected audio operating income margins, and a discount rate appropriate for the audio broadcasting industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	(1.9)% - 11.1%
Operating income margins	5.4% - 29.8%
Discount rate	9.5%

Interest rates in the U.S. economy continued to increase during the third quarter of 2022; however, there were no changes to the discount rate or any other items used in the discounted cash flow analyses to estimate the fair value of goodwill. Therefore, the Company did not record any impairment losses related to goodwill during the third quarter of 2022.

The Company performed the annual quantitative impairment test for its goodwill in all markets during the fourth quarter of 2022. As a result of the quantitative impairment test, the Company recorded an impairment loss of $8.9 million related to the goodwill in its Boston, MA market cluster. The impairment loss was primarily due to a decrease in projected revenue in Boston. The fair value of its goodwill was estimated using an income approach. The key assumptions used in the discounted cash flow analysis are as follows:

Revenue growth rates	0.5% - 11.4%
Operating income margin	13.1%
Discount rate	9.5%

In addition, as a result of a quantitative impairment test in the esports segment, the Company recorded an impairment loss of $1.5 million related to the goodwill in the esports segment. The impairment loss was primarily due to a decrease in projected revenue in the esports segment.

(7) Other Intangibles

Other intangibles as of December 31, 2022 are comprised of the following:

	Asset	Accumulated amortization	Net asset	Amortization period (years)
Advertiser relationships	$2,029,000	$(636,869)	$1,392,131	6-11
Franchise rights	4,739,523	—	4,739,523	10
Trade name	510,000	(33,202)	476,798	8
	7,278,523	(670,071)	6,608,452	
Brands	1,582,663	—	1,582,663	
Other intangibles with indefinite lives	28,824	—	28,824	
	$8,890,010	$(670,071)	$8,219,939	

Other intangibles as of December 31, 2021 are comprised of the following:

	Asset	Accumulated amortization	Net asset	Amortization period (years)
Advertiser relationships	$ 1,464,000	$ (454,731)	$ 1,009,269	11
Franchise rights	25,149,300	(5,072,849)	20,076,451	10
	26,613,300	(5,527,580)	21,085,720	
Brands	1,582,663	—	1,582,663	
Other intangibles with indefinite lives	28,824	—	28,824	
	$28,224,787	$(5,527,580)	$22,697,207	

If an event or change in circumstances were to indicate that the carrying amount of any other intangibles is not recoverable, the carrying amount will be reduced to the estimated fair value. For the purpose of testing its other intangibles for impairment, the Company has identified its market clusters, digital, and esports as its reporting units.

During the fourth quarter of 2022, the Company received information related to the franchise rights in the esports segment, and based on that information the Company concluded that the carrying amount of the franchise rights was not fully recoverable. Therefore, the Company performed a quantitative impairment test for its franchise rights as of December 31, 2022. As a result of the test, the Company recorded an impairment loss of $12.8 million. The fair values of the franchise rights were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected revenue, projected growth rate for revenue, projected operating income margins, and a discount rate appropriate for the esports industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rate(s)	3.0% - 25.0%
Operating income margin(s)	(22.3)% - 43.5%
Discount rate	20.0%

The Company recorded amortization expense of $3.2 million and $2.7 million for the years ended December 31, 2021 and 2022, respectively. Estimated future amortization expense related to intangible assets subject to amortization for the next five years and thereafter is as follows:

2023	$ 968,083
2024	968,083
2025	968,083
2026	968,083
2027	968,083
Thereafter	1,768,037
Total	$6,608,452

(8) Other Assets

On March 1, 2019, the Company (i) issued 235,296 shares of Class A common stock with a fair value of $1.0 million, (ii) agreed to provide $1.0 million of media advertising over a three year period, and (iii) contributed $2.5 million in cash for an aggregate investment of $4.5 million in Renegades, an esports organization, in exchange for 3,750,000 shares. The Company acquired an additional 416,666 shares in the third quarter of 2019 for $0.5 million in cash. In January 2020, the Company acquired an additional 833,334 shares for an aggregate of $1.0 million in cash. As a result of the additional investment in January 2020, the Company obtained control of Renegades and consolidated the accounts of Renegades in the accompanying financial statements as of and for the year ended December 31, 2020. On March 12, 2021, the Company entered into an agreement to exchange its ownership interest in Renegades for the interest held by Renegades in Outlaws. As a result of the exchange, Outlaws is now a wholly owned subsidiary of the Company, and the Company no longer holds an economic interest in Renegades. Therefore, the accounts of Renegades are no longer consolidated in the Company's financial statements subsequent to the date of the exchange. Also, as a result of the exchange, the Company recorded a loss of approximately $3,000 attributable to the difference between the estimated fair value of the economic interest held by Renegades in Outlaws and the carrying amount of the Company's ownership interest in Renegades in the first quarter of 2021. The Company used a discounted cash flow model with annual revenue growth rates ranging from 5% to 57%, operating margins ranging from (27)% to 67%, and a discount rate of 13.5% to determine the loss.

(9) Other Current Liabilities

Other current liabilities are comprised of the following:

	December 31,	
	2021	2022
Accrued interest	$10,781,250	$10,448,469
Accrued payroll expenses	7,066,169	5,121,950
Deferred revenue	3,085,370	4,696,989
Accrued digital expenses	3,946,288	3,028,440
Other accrued expenses	4,932,149	5,887,782
	$29,811,226	$29,183,630

(10) Long-Term Debt

Long-term debt is comprised of the following:

	December 31, 2021	December 31, 2022
Secured notes	$300,000,000	$290,000,000
Less unamortized debt issuance costs	(6,210,108)	(4,527,893)
	$293,789,892	$285,472,107

On February 2, 2021, the Company issued $300.0 million aggregate principal amount of 8.625% senior secured notes due on February 1, 2026 (the "Notes") under an indenture dated February 2, 2021 (the "Indenture"). Interest on the Notes accrues at the rate of 8.625% per annum and is payable semiannually in arrears on February 1 and August 1 of each year. The Notes are secured on a first-lien priority basis by substantially all assets of the Company and its majority owned subsidiaries and are guaranteed jointly and severally by the Company and its majority owned subsidiaries. The Company used the net proceeds from the Notes, to refinance in full our previously outstanding credit facility, to repay a previously outstanding promissory note and loan from George Beasley (see Note 18) and to pay related accrued interest, fees and expenses. The Indenture contains restrictive covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, guarantee indebtedness or issue disqualified stock or, in the case of such subsidiaries, preferred stock; pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments; make certain investments or acquisitions; sell, transfer or otherwise convey certain assets; create liens; enter into agreements restricting certain subsidiaries' ability to pay dividends or make other intercompany transfers; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into transactions with affiliates; prepay certain kinds of indebtedness; and issue or sell stock of its subsidiaries. Prior to February 1, 2025, the Company will be subject to certain premiums, as defined in the Indenture, for optional or mandatory (upon certain contingent events) redemption of some or all of the Notes. In connection with the issuance of the Notes and the repayment of the previously outstanding credit facility, the Company recorded a loss on extinguishment of long-term debt of $5.0 million during the first quarter of 2021.

In the third quarter of 2022, the Company repurchased $5.0 million aggregate principal amount of the Notes for an aggregate price equal to 77% of the principal amount and recorded an aggregate gain of $1.0 million as a result of the repurchases. In the second quarter of 2022, the Company repurchased $5.0 million aggregate principal amount of the Notes for an aggregate price equal to 96% of the principal amount and recorded an aggregate gain of $0.1 million as a result of the repurchases.

On March 1, 2021, the Company entered into a loan with Synovus Bank for $10.0 million pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The loan bore interest at a rate of 1.0% per annum and was scheduled to mature on March 1, 2026. Principal and interest payments were deferred, with interest accruing, until after the period in which the Company was allowed to apply for loan forgiveness pursuant to the PPP. In September 2021, the Company submitted an application for forgiveness, and, in November 2021, the loan was forgiven in full.

As of December 31, 2020, the previously outstanding credit facility consisted of a term loan facility with a remaining balance of $238.0 million and a revolving credit facility with an outstanding balance of $20.0 million and a maximum commitment of $20.0 million. The revolving credit facility carried interest, based on LIBOR, at 4.4% as of December 31, 2020. The term loan carried interest, based on LIBOR, at 5.25% as of December 31, 2020. As noted above, the credit facility was repaid on February 2, 2021, using a portion of the proceeds from the Notes offering.

On November 14, 2019, the Company acquired a majority interest in an esports team and issued a promissory note for $16.5 million to the seller. On June 30, 2020, the Company entered into an amendment to the promissory note applicable to the remaining balance. As amended, the promissory note bore cash-pay interest at 5% per annum payable quarterly in arrears and additional payment-in-kind interest at 10% per annum. The promissory note had a remaining balance of $5.5 million as of December 31, 2020. As noted above, the amended promissory note was repaid on February 2, 2021, using a portion of the proceeds from the Notes offering.

(11) Leases

The Company leases office space, towers and office equipment. Discount rates are based on the Company's incremental borrowing rate due to the rate implicit in the leases being not readily determinable. The Company used the current borrowing rate on its credit facility, adjusted for the effects of collateralization, to determine the various rates it would pay to finance similar transactions over similar time periods.

The following table summarizes lease information:

	Year ended December 31,	
	2021	**2022**
Lease cost		
Operating lease cost	$11,104,313	$11,974,079
Finance lease cost:		
Amortization of right-of-use asset	13,334	—
Interest on lease liability	2,829	—
Short-term lease cost	29,100	29,880
Total lease cost	$11,149,576	$12,003,959
Other information		
Operating cash flows from operating leases	$11,272,752	$11,665,909
Operating cash flows from finance lease	2,829	—
Financing cash flows from finance lease	70,171	—
Right-of-use assets obtained in exchange for new operating lease liabilities	8,220,577	13,383,043
Right-of-use assets obtained in exchange for new finance lease liabilities	—	—

	December 31, 2022
Weighted-average remaining lease term — operating leases	7.0 years
Weighted-average remaining lease term — finance lease	23.0 years
Weighted-average discount rate — operating leases	8.9%
Weighted-average discount rate — finance lease	3.9%

As of December 31, 2022, future minimum payments for operating and finance leases for the next five years and thereafter are summarized as follows:

2023	$ 11,764,630
2024	10,513,493
2025	9,705,251
2026	7,246,886
2027	5,715,981
Thereafter	20,780,380
Total lease payments	65,726,621
Less imputed interest	(20,074,625)
Present value of lease liabilities	$ 45,651,996

(12) Employee Benefit Plans

Defined Contribution Plan

The Company has a defined contribution plan that conforms to Section 401(k) of the Internal Revenue Code. Under this plan, employees may contribute a minimum of 1% of their compensation (no maximum) to the Plan. However, the Internal Revenue Code limited contributions to $19,500 and $20,500 (or $26,000 and $27,000 if aged 50 years or older) in 2021 and 2022, respectively. No employer matching contributions were made to the defined contribution plan in 2021 and 2022.

Supplemental Employee Retirement Plan

The benefit obligations related to the frozen SERP of $10.2 million and $8.0 million are reported in other long-term liabilities in the consolidated balance sheets as of December 31, 2021 and 2022, respectively. The Company contributed $0.5 million to the SERP in both 2021 and 2022.

The SERP is summarized as follows:

	Year ended December 31,	
	2021	**2022**
Change in Projected Benefit Obligation		
Benefit obligation at beginning of year	$ 10,805,326	$ 10,187,817
Interest cost	222,849	250,240
Actuarial (gain) loss	(348,736)	(1,990,024)
Benefits paid	(491,622)	(489,961)
Benefit obligation at end of year	$ 10,187,817	$ 7,958,072
Change in Plan Assets		
Fair value of plan assets at beginning of year	$ —	$ —
Employer contribution	491,622	489,961
Benefits paid	(491,622)	(489,961)
Fair value of plan assets at end of year	$ —	$ —
Funded status	$ (10,187,817)	$ (7,958,072)
Unrecognized net actuarial loss	1,418,856	(669,250)
Cumulative employer contributions in excess of the net periodic pension cost	$ (8,768,961)	$ (8,627,322)
Amounts Recognized in the Statement of Financial Position		
Current liabilities	$ (545,575)	$ (562,238)
Noncurrent liabilities	(9,642,242)	(7,395,834)
Net amount recognized	$ (10,187,817)	$ (7,958,072)
Amounts Recognized in Accumulated Other Comprehensive Income		
Net actuarial (gain) loss	$ 1,418,856	$ (669,250)
Total (before tax effects)	$ 1,418,856	$ (669,250)
Information for Pension Plans about Benefit Obligation and Plan Assets		
Projected benefit obligation	$ 10,187,817	$ 7,958,072
Accumulated benefit obligation	$ 10,187,817	$ 7,958,072

	Year ended December 31,	
	2021	2022
Weighted-average assumptions for Disclosure		
Discount rate	2.50%	4.90%
Mortality table	Pri-2012 WC	Pri-2012 WC
Mortality improvement scale	MP-2021	MP-2021
Net periodic benefit cost		
Interest cost	$ 222,849	$ 250,240
Recognized net actuarial (gain) loss	171,677	98,082
Net periodic benefit cost	$ 394,526	$ 348,322
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income		
Net actuarial (gain) loss	$ (348,736)	$ (1,990,024)
Recognized net actuarial (gain) loss	(171,677)	(98,082)
Total recognized in other comprehensive income (before tax effects)	$ (520,413)	$ (2,088,106)
Total recognized in net cost and other comprehensive income (before tax effects)	$ (125,887)	$ (1,739,784)
Amounts Expected to be Recognized in Net Periodic Cost in the Coming Year		
(Gain) loss recognition	$ 81,151	$ —
Prior service cost recognition	$ —	$ —
Net initial obligation (asset) recognition	$ —	$ —
Weighted-average assumptions used to determine Net Periodic Benefit Cost		
Discount rate	2.10%	2.50%
Corridor	10.00%	10.00%
Average future working lifetime	5.43	4.99
Mortality table	Pri-2012 WC	Pri-2012 WC
Mortality improvement scale	MP-2020	MP-2021
Estimated Future Benefit Payments		
2023		$ 562,238
2024		$ 595,397
2025		$ 618,116
2026		$ 618,092
2027		$ 610,066
2028-2032		$ 2,976,034
Contributions		
Estimated contributions for 2023		$ 562,238

(13) Stockholders' Equity

The Company has two classes of common stock: Class A common stock and Class B common stock. In the election of directors, the holders of Class A common stock are entitled by class vote, exclusive of other stockholders, to elect two of the Company's directors, with each Class A share being entitled to one vote. In the election of the other six directors and all other matters submitted to the stockholders for a vote, the holders of Class A shares and Class B shares shall vote as a single class, with each Class A share being entitled to one vote and each Class B share entitled to ten votes.

From time to time, the Company repurchases sufficient shares of its common stock to fund withholding taxes in connection with the vesting of restricted stock units and shares of restricted stock. The Company paid $0.1 million to repurchase 97,113 shares in 2022.

In response to the COVID-19 pandemic, the board of directors suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of the Company's stockholders. In addition, the Indenture governing the Notes limits the ability of the Company to pay dividends.

(14) Revenue

Revenue is comprised of the following:

	Year ended December 31,	
	2021	2022
Audio	$206,460,883	$213,036,307
Digital	32,743,850	40,755,164
Other	2,221,575	2,589,547
	$241,426,308	$256,381,018

The Company recognizes revenue when it satisfies a performance obligation under a contract with an advertiser. The transaction price is allocated to performance obligations based on executed contracts which represent relative standalone selling prices. Payment is generally due within 30 days, although certain advertisers are required to pay in advance. Revenues are reported at the amount the Company expects to be entitled to receive under the contract. The Company has elected to use the practical expedient to expense sales commissions as incurred. Payments received from advertisers before the performance obligation is satisfied are recorded as deferred revenue in the balance sheet. Substantially all deferred revenue is recognized within twelve months of the payment date.

	December 31, 2021	December 31, 2022
Deferred revenue	$3,085,370	$4,696,989

	Year ended December 31,	
	2021	2022
Losses on receivables	$2,064,164	$952,566

Audio revenue includes revenue from the sale or trade of aired commercial spots to advertisers directly or through national, regional or local advertising agencies. Each commercial spot is considered a performance obligation. Revenue is recognized when the commercial spots have aired. Trade sales are recorded at the estimated fair value of the goods or services received. If commercial spots are aired before the goods or services are received, then a trade sales receivable is recorded. If goods or services are received before the commercial spots are aired, then a trade sales payable is recorded. Other revenue includes revenue from concerts, promotional events, talent fees and other miscellaneous items. Such revenue is generally recognized when the concert, promotional event, or talent services are completed.

	December 31, 2021	December 31, 2022
Trade sales receivable	$881,885	$1,564,054
Trade sales payable	614,467	806,162

	Year ended December 31,	
	2021	2022
Trade sales revenue	$6,089,517	$5,862,351

Digital revenue includes revenue from the sale of streamed commercial spots, station-owned assets and third-party products. Each streamed commercial spot, station-owned asset and third-party product is considered a performance obligation. Revenue is recognized when the commercial spots have streamed. Station-owned assets are generally scheduled over a period of time and revenue is recognized over time as the digital items are used for advertising content, except for streamed commercial spots. Third-party products are generally scheduled over a period of time with an impression target each month. Revenue from the sale of third-party products is recognized over time as the digital items are used for advertising content and impression targets are met each month. The Company assesses each digital order to determine if the Company is operating as the principal or an agent. In general, the Company operates as the principal, however, after the acquisition of Guarantee, the Company determined that it is operating as an agent for one advertiser.

(15) Stock-Based Compensation

The Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (the "2007 Plan") permits the Company to issue up to 7.5 million shares of Class A common stock. The 2007 Plan allows for eligible employees, directors and certain consultants of the Company to receive restricted stock units, shares of restricted stock, stock options or other stock-based awards. The restricted stock units that have been granted under the 2007 Plan generally vest over one to five years of service.

A summary of restricted stock unit activity is presented below:

	Units	Weighted-Average Grant-Date Fair Value
Unvested as of January 1, 2021	453,501	$4.11
Granted	925,271	2.34
Vested	(318,547)	3.12
Forfeited	(119,391)	2.16
Unvested as of December 31, 2021	940,834	2.77
Granted	778,857	1.35
Vested	(513,915)	2.51
Forfeited	(120,958)	2.32
Unvested as of December 31, 2022	1,084,818	$1.87

A summary of restricted stock activity is presented below:

	Shares	Weighted-Average Grant-Date Fair Value
Unvested as of January 1, 2021	12,500	$4.84
Vested	(12,500)	4.84
Unvested as of December 31, 2021	—	$ —

As of December 31, 2022, there was $1.4 million of total unrecognized compensation cost for restricted stock units granted under the 2007 Plan. That cost is expected to be recognized over a weighted-average period of 2.5 years.

(16) Income Taxes

Income tax benefit is as follows:

	Year ended December 31, 2021	Year ended December 31, 2022
Current:		
Federal	$ —	$ 265,813
State	—	104,598
	—	370,411
Deferred:		
Federal	(3,040,141)	(10,074,570)
State	(2,281,489)	(8,083,275)
	(5,321,630)	(18,157,845)
	$(5,321,630)	$(17,787,434)

Income tax benefit differs from the amounts that would result from applying the federal statutory rate of 21% to the Company's loss before taxes as follows:

	Year ended December 31, 2021	Year ended December 31, 2022
Expected tax benefit	$(1,412,137)	$(12,564,847)
State income taxes, net of federal benefit	(353,270)	(2,618,634)
Tax rate adjustments	(822,982)	(3,687,539)
Change in valuation allowance	(3,097)	(5,121)
Non-deductible items	837,045	884,241
Non-taxable items	(3,412,500)	—
Other	(154,689)	204,466
	$(5,321,630)	$(17,787,434)

Temporary differences that give rise to the components of deferred tax assets and liabilities are as follows:

	December 31, 2021	December 31, 2022
Deferred tax assets:		
Allowance for doubtful accounts	$ 451,685	$ 476,552
Other assets	274,357	327,689
Operating lease liabilities	759,130	919,745
Other long-term liabilities	2,743,597	2,084,645
Stock-based compensation	223,960	156,677
Interest expense limitation	5,097,723	10,006,855
Net operating losses	3,221,884	2,215,118
Subtotal	12,772,336	16,187,281
Valuation allowance	(305,043)	(299,922)
Total	12,467,293	15,887,359
Deferred tax liabilities:		
Prepaid expenses	(465,976)	(143,287)
Property and equipment	(3,308,562)	(5,834,727)
Intangibles	(124,382,072)	(107,978,326)
Total	(128,156,610)	(113,956,340)
Net deferred tax liabilities	$(115,689,317)	$ (98,068,981)

As of December 31, 2022, the Company has federal net operating losses of $3.4 million and state net operating losses of $26.8 million. The valuation allowance relates to net operating losses and unrealized losses on investments which management has determined, more likely than not, that such losses will not be utilized.

As of December 31, 2021 and 2022, the Company does not have any material unrecognized tax benefits and accordingly, has not recorded any interest or penalties related to unrecognized tax benefits. The Company and its subsidiaries file a consolidated federal income tax return and various state returns. These returns remain subject to examination by taxing authorities for all years after 2018.

(17) Loss Per Share

Net loss per share calculation information is as follows:

	Year ended December 31, 2021	Year ended December 31, 2022
Net loss attributable to BBGI stockholders	$ (1,405,845)	$(42,057,430)
Weighted-average shares outstanding:		
Basic	29,263,987	29,473,989
Effect of dilutive restricted stock units and restricted stock	—	—
Diluted	29,263,987	29,473,989
Net loss attributable to BBGI stockholders per Class A and Class B common share — basic and diluted	$ (0.05)	$ (1.43)

The Company excluded the effect of restrictive stock units and restricted stock under the treasury stock method when reporting a net loss as the addition of shares was anti-dilutive. The number of shares excluded was 229,777 and 140,170 for the years ended December 31, 2021 and 2022, respectively.

(18) Related Party Transactions

Beasley Broadcasting Management, LLC

The Company leases its principal executive offices in Naples, FL from Beasley Broadcasting Management, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family. The lease agreement expires on May 31, 2023. Rental expense was $0.2 million and $0.3 million for the years ended December 31, 2021 and 2022, respectively.

Beasley Family Properties, LLC

On September 30, 2021, the office space leased by the Company from GGB Estero, LLC for its stations in Fort Myers, FL was transferred to Beasley Family Properties, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley, and other members of the Beasley family. The lease agreement expires on August 31, 2024. Rental expense was $0.1 million and $0.2 million for the years ended December 31, 2021 and 2022, respectively.

Beasley Family Towers, LLC

The Company leases towers for 16 stations in various markets from Beasley Family Towers, LLC ("BFT"), which is partially held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family and partially owned directly by Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family. The lease agreements expire on various dates through December 31, 2038. Rental expense was $0.8 million for each of the years ended December 31, 2021 and 2022.

The Company leases office space for its stations in Fayetteville, NC from BFT. The lease agreement expires on August 31, 2030. Rental expense was $0.1 million for each of the years ended December 31, 2021 and 2022.

GGB Augusta, LLC

The Company leases land for its stations in Augusta, GA from GGB Augusta, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family. The lease agreement expires on November 1, 2023. Rental expense was approximately $45,000 and $48,000 for the years ended December 31, 2021 and 2022, respectively.

GGB Estero, LLC

The Company leases office space for its stations in Fort Myers, FL from GGB Estero, LLC, which is held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family. The office space was transferred to Beasley Family Properties, LLC on September 30, 2021. Rental expense was $0.2 million for the year ended December 31, 2021.

GGB Las Vegas, LLC

The Company leases office space for its stations in Las Vegas, NV from GGB Las Vegas, LLC, which is controlled by members of the Beasley family. The lease agreement expires on December 31, 2023. Rental expense was $0.2 million for each of the years ended December 31, 2021 and 2022.

Wintersrun Communications, LLC

The Company sold the tower for one station in Charlotte, NC to Wintersrun Communications, LLC, which is partially held by a trust for the benefit of Caroline Beasley, Bruce G. Beasley, Brian E. Beasley and other members of the Beasley family and partially owned directly by Bruce G. Beasley and Brian E. Beasley, for $0.4 million then leased back the tower under an agreement which expires on December 31, 2045. The lease met the criteria to be recorded as a finance lease, however, based on the terms of the lease agreement, the $0.3 million gain on sale was deferred and will be recognized as the finance lease right-of-use asset is depreciated. Rental expense was $0.1 million for each of the years ended December 31, 2021 and 2022.

The Company leases a tower for one station in Augusta, GA from Wintersrun. The lease agreement expires on October 15, 2025. Rental expense was approximately $31,000 for each of the years ended December 31, 2021 and 2022.

Loan from George Beasley

In June 2020, George Beasley, the Company's former Chairman, provided a $5.0 million loan to the Company that accrued payment-in-kind interest at 6% per annum with no cash payments due until the loan's maturity in December 2023. Mr. Beasley and GGB Family Limited Partnership also each entered into standby letters of credit in combined aggregate face amount of $5.0 million in favor of U.S. Bank, National Association for the benefit of the Company as a source of backup liquidity that could have been drawn by U.S. Bank, National Association in the event that the Company failed to maintain a minimum liquidity amount under the then-existing credit facility. The loan was repaid on February 2, 2021, using a portion of the proceeds from the Notes offering (see Note 10).

Loan to Interactive Life, Inc.

In May 2022, the Company provided a $250,000 loan to Interactive Life, Inc. that accrues interest at 8.625% per annum with no cash payments due until the loan's maturity in May 2024. Interactive Life, Inc. is controlled by Mr. Joseph Harb. The Company currently holds an investment in Quu, Inc., a company that is controlled by Mr. Harb. Repayment of the loan to Interactive Life, Inc. is guaranteed by Mr. Harb with 3,333,334 shares of Class A common stock of Quu, Inc.

(19) Commitments and Contingencies

The Company has various commitments for rating services and on-air programming including sports broadcast rights for the Boston Bruins, Boston Celtics, and New England Patriots. As of December 31, 2022, future minimum payments for the next five years and thereafter are summarized as follows:

2023	$ 24,673,403
2024	24,484,535
2025	24,830,681
2026	7,918,073
2027	6,750,000
Thereafter	21,275,000
Total	$109,931,692

In the normal course of business, the Company is party to various legal matters. The ultimate disposition of these matters will not, in management's judgment, have a material adverse effect on the Company's financial position.

(20) Financial Instruments

The carrying amount of the Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable, approximates fair value due to the short-term nature of these financial instruments.

The estimated fair value of the Company's Notes, based on available market information, was $295.9 million and $174.0 million as of December 31, 2021 and 2022, respectively. The Company used Level 2 measurements under the fair value measurement hierarchy to determine the estimated fair value of the Notes.

(21) Segment Information

The Company currently operates three operating segments (Audio, Digital, esports) and two reportable segments (Audio, Digital). The identification of segments is consistent with how the segments report to and are managed by the Company's Chief Executive Officer (the Company's Chief Operating Decision Maker). The Audio segment generates revenue primarily from the sale of commercial advertising to customers of the Company's stations in the following markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, NV, Middlesex, NJ, Monmouth, NJ, Morristown, NJ, Philadelphia, PA, Tampa-Saint Petersburg, FL, and Wilmington, DE. The Digital segment generates revenue primarily from the sale of digital advertising to customers of the Company's stations and other advertisers throughout the United States. Corporate includes general and administrative expenses and certain other income and expense items not allocated to the operating segments. Non-operating corporate items, including interest expense and income taxes, are reported in the accompanying consolidated statements of comprehensive loss.

Reportable segment information for the year ended December 31, 2022 is as follows:

	Audio	Digital	Other	Corporate	Total
Net revenue	$213,036,307	$40,755,164	$ 2,589,547	$ —	$256,381,018
Operating expenses	173,011,492	36,398,687	3,825,884	—	213,236,063
Corporate expenses	—	—	—	18,001,359	18,001,359
Depreciation and amortization	6,277,953	102,402	2,772,489	767,702	9,920,546
Impairment losses	38,594,470	—	14,280,000	—	52,874,470
Gain on exchange	(3,350,539)	—	—	—	(3,350,539)
Operating income (loss)	$ (1,497,069)	$ 4,254,075	$(18,288,826)	$(18,769,061)	$ (34,300,881)

	Audio	Digital	Other	Corporate	Total
Capital expenditures	$13,160,276	$58,300	$59,084	$401,651	$13,679,311

Reportable segment information for the year ended December 31, 2021 is as follows:

	Audio	Digital	Other	Corporate	Total
Net revenue	$206,460,883	$32,743,850	$ 2,221,575	$ —	$241,426,308
Operating expenses	163,639,369	32,355,572	3,475,244	—	199,470,185
Corporate expenses	—	—	—	16,578,046	16,578,046
Depreciation and amortization	7,514,406	12,885	3,148,595	634,109	11,309,995
Gain on disposition	(191,988)	—	—	—	(191,988)
Other operating (income) expense, net	500,000	—	—	(900,000)	(400,000)
Operating income (loss)	$ 34,999,096	$ 375,393	$(4,402,264)	$(16,312,155)	$ 14,660,070

	Audio	Digital	Other	Corporate	Total
Capital expenditures	$4,409,592	$87,432	$2,852	$(1,108)	$4,498,768

Reportable segment information as of December 31, 2022 is as follows:

	Audio	Digital	Other	Corporate	Total
Property and equipment, net	$ 51,941,687	$112,693	$ 67,751	$3,684,916	$ 55,807,047
FCC licenses	487,249,798	—	—	—	487,249,798
Goodwill	10,582,360	922,000	1,761,100	—	13,265,460
Other intangibles, net	1,841,001	992,752	5,206,523	179,663	8,219,939

Reportable segment information as of December 31, 2021 is as follows:

	Audio	Digital	Other	Corporate	Total
Property and equipment, net	$ 45,696,008	$74,547	$ 21,644	$4,050,967	$ 49,843,166
FCC licenses	508,413,913	—	—	—	508,413,913
Goodwill	25,377,447	—	3,219,100	—	28,596,547
Other intangibles, net	1,974,093	—	20,543,451	179,663	22,697,207

BEASLEY BROADCAST GROUP, INC.

CONSOLIDATED FINANCIAL STATEMENT SCHEDULE

VALUATION AND QUALIFYING ACCOUNTS

Years ended December 31, 2021 and 2022

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
Year ended December 31, 2021:				
Allowance for doubtful accounts (deducted from accounts receivable)	5,033,035	(1,248,394)	2,064,164	1,720,477
Valuation allowance for deferred tax assets	308,140	—	3,097	305,043
Year ended December 31, 2022:				
Allowance for doubtful accounts (deducted from accounts receivable)	1,720,477	1,108,840	952,566	1,876,751
Valuation allowance for deferred tax assets	305,043	—	5,121	299,922

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined by Exchange Act Rule 13a-15(e)). Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2022, the end of the period covered by this report.

Management’s Report on Internal Control over Financial Reporting

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, 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, and 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 managements 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.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Management has used the framework set forth in the 2013 report entitled “Internal Control — Integrated Framework” published by the Committee of Sponsoring Organizations (“COSO”) of the Treadway Commission to evaluate the effectiveness of the Company’s internal control over financial reporting. Management has concluded that the Company’s internal control over financial reporting was effective as of the end of the most recent fiscal year.

This annual report does not include an attestation report of the Company’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s registered public accounting firm pursuant to Section 404(c) of the Sarbanes-Oxley Act that permits the Company to provide only management’s report in this annual report.

There has been no change in our internal control over financial reporting during the Company’s fourth fiscal quarter of 2022 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information relating to directors and executive officers required by this Item 10 is incorporated in this report by reference to the information set forth under the captions “Proposal No. 1: Election of Directors,” “The Board of Directors and its Committees” and “Executive Officers” in our Definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, which will be filed with the SEC no later than May 1, 2023 (“2023 Proxy Statement”). If applicable, the information required by this item regarding compliance by our directors and executive officers with Section 16(a) of the Securities and Exchange Act of 1934, as amended, is incorporated in this report by reference to the information set forth under the caption “Delinquent Section 16(a) Reports” in our 2023 Proxy Statement. The information relating to our Code of Business Conduct and Ethics is incorporated in this report by reference to the information set forth under the caption “Code of Business Conduct and Ethics” in our 2023 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated in this report by reference to the information set forth under the caption “Executive Compensation” in our 2023 Proxy Statement.

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

The information required by this Item 12 is incorporated in this report by reference to the information set forth under the caption “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” in our 2023 Proxy Statement.

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

The information required by this Item 13 is incorporated in this report by reference to the information set forth under the captions “Certain Relationships and Related Transactions” and “The Board of Directors and its Committees” in our 2023 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item 14 is incorporated in this report by reference to the information set forth under the caption “Audit Fees, Other Fees and Services of Independent Registered Public Accountants” in our 2023 Proxy Statement.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements. A list of financial statements and schedules included herein is set forth in the Index to Financial Statements appearing in "ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA."

(b) Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated July 19, 2016 (incorporated by reference to Exhibit 2.1 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed July 20, 2016).
3.1	Amended and restated certificate of incorporation of Beasley Broadcast Group, Inc. (incorporated by reference to Exhibit 3.1 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed May 25, 2012).
3.2	Fourth amended and restated bylaws of Beasley Broadcast Group, Inc. (incorporated by reference to Exhibit 3.2 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed January 25, 2018).
4.1	Description of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 to Beasley Broadcast Group, Inc.'s Annual Report on Form 10-K filed February 21, 2020).
4.2	Indenture, dated as of February 2, 2021, by and among the Issuer, the guarantors named therein and Wilmington Trust, National Association, as trustee and collateral agent (including the form of Note) (incorporated by reference to Exhibit 4.1 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed February 2, 2021).
10.1	Promissory Note between Beasley Mezzanine Holdings, LLC and Synovus Bank dated March 1, 2021 (incorporated by reference to Exhibit 10.1 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed March 5, 2021).
10.2	Investor Rights Agreement dated November 1, 2016 between the Company, certain stockholders affiliated with the Beasley family and the former stockholders of Greater Media (incorporated by reference to Exhibit 10.1 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed November 4, 2016).
10.3	Registration Rights Agreement dated November 1, 2016 between the Company, BFTW LLC and the former stockholders of Greater Media (incorporated by reference to Exhibit 10.2 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K dated November 4, 2016).
10.4	The 2000 Equity Plan of Beasley Broadcast Group, Inc. (incorporated by reference to Exhibit 10.13 to Beasley Broadcast Group, Inc.'s Amendment No. 3 to Registration Statement on Form S-1/A filed February 11, 2000. (File No. 333-91683)).
10.5	First amendment to the 2000 Equity Plan of Beasley Broadcast Group, Inc. (incorporated by reference to Exhibit 10.1 to Beasley Broadcast Group, Inc.'s Registration Statement on Form S-8 filed May 27, 2004 (File No. 333-115930)).
10.6	The Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (incorporated by reference to Appendix A to Beasley Broadcast Group, Inc.'s Definitive Proxy Statement on Schedule 14A filed April 27, 2007).
10.7	Executive employment agreement by and between Beasley Broadcast Group, Inc. and Caroline Beasley dated as of September 20, 2021 (incorporated by reference to Exhibit 10.1 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed on September 24, 2021).

10.8	Executive employment agreement by and between Beasley Broadcast Group, Inc. and Bruce Beasley dated as of September 20, 2021 (incorporated by reference to Exhibit 10.2 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed on September 24, 2021).
10.9	Executive employment agreement by and between Beasley Broadcast Group, Inc. and Brian Beasley dated as of September 20, 2021 (incorporated by reference to Exhibit 10.3 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed on September 24, 2021).
10.10	Executive employment agreement by and between Beasley Mezzanine Holdings, LLC and Marie Tedesco dated as of September 20, 2021 (incorporated by reference to Exhibit 10.4 to Beasley Broadcast Group, Inc.'s Current Report on Form 8-K filed on September 24, 2021).
10.11	Performance incentive plan of Beasley Broadcast Group, Inc. (incorporated by reference to Appendix A to Beasley Broadcast Group, Inc.'s Definitive Proxy Statement on Schedule 14A filed April 11, 2012).
21.1	Subsidiaries of the Company.
23.1	Consent of Crowe LLP.
31.1	Certification of Chief Executive Officer pursuant to Rule 15d-14(a) (17 CFR 240.15d-14(a)).
31.2	Certification of Chief Financial Officer pursuant to Rule 15d-14(a) (17 CFR 240.15d-14(a)).
32.1	Certification of Chief Executive Officer pursuant to Rule 15d-14(b) (17 CFR 240.15d-14(b)) and 18 U.S.C. Section 1350.
32.2	Certification of Chief Financial Officer pursuant to Rule 15d-14(b) (17 CFR 240.15d-14(b)) and 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEASLEY BROADCAST GROUP, INC.

By: /s/ CAROLINE BEASLEY
Caroline Beasley
Chief Executive Officer

Date: March 27, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ CAROLINE BEASLEY **Caroline Beasley**	Chairman of the Board and Chief Executive Officer (principal executive officer)	March 27, 2023
/s/ BRUCE G. BEASLEY **Bruce G. Beasley**	President and Director	March 27, 2023
/s/ BRIAN E. BEASLEY **Brian E. Beasley**	Chief Operating Officer and Director	March 27, 2023
/s/ MARIE TEDESCO **Marie Tedesco**	Chief Financial Officer (principal financial and accounting officer)	March 27, 2023
/s/ ALLEN B. SHAW **Allen B. Shaw**	Vice-Chairman of the Board	March 27, 2023
/s/ PETER A. BORDES **Peter A. Bordes**	Director	March 27, 2023
/s/ MICHAEL J. FIORILE **Michael J. Fiorile**	Director	March 27, 2023
/s/ LESLIE V. GODRIDGE **Leslie V. Godridge**	Director	March 27, 2023
/s/ GORDON H. SMITH **Gordon H. Smith**	Director	March 27, 2023
/s/ CHARLES M. WARFIELD **Charles M. Warfield**	Director	March 27, 2023

Calculation of Station Operating Income

	Year ended December 31,	
	2021	2022
Net revenue	$ 241,426,308	$ 256,381,018
Operating expenses	(199,470,185)	(213,236,063)
Station operating income	$ 41,956,123	$ 43,144,955

Reconciliation of Net Loss Attributable to BBGI Stockholders to Station Operating Income

	Year ended December 31,	
	2021	2022
Net loss attributable to BBGI stockholders	(1,405,845)	(42,057,430)
Corporate expenses	16,578,046	18,001,359
Depreciation and amortization	11,309,995	9,920,546
Impairment losses	—	52,874,470
Gain on exchange	—	(3,350,539)
Gain on dispositions	(191,988)	—
Other operating income, net	(400,000)	—
Interest expense	26,456,236	26,914,045
Loss on extinguishment of long-term debt	4,996,731	—
Gain on forgiveness of long term debt	(10,000,000)	—
Other income, net	(68,437)	(1,382,322)
Income tax benefit	(5,321,630)	(17,787,434)
Equity in earnings of unconsolidated affiliates, net of tax	132,264	12,260
Earnings attributable to noncontrolling interest	(129,249)	—
Station operating income	$ 41,956,123	$ 43,144,955

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2022 ANNUAL REPORT

INTEGRITY | INNOVATION | COLLABORATION | PERFORMANCE

BOARD OF DIRECTORS

Caroline Beasley - Chairman
CEO
Beasley Broadcast Group, Inc.

Allen B. Shaw – Vice Chairman
Beasley Broadcast Group, Inc.
President and CEO
Centennial Broadcasting, LLC

Bruce G. Beasley
President
Beasley Broadcast Group, Inc.

Brian E. Beasley
COO
Beasley Broadcast Group, Inc.

Peter A. Bordes, Jr.
CEO
Collective Audience and Managing Partner
Trajectory Ventures

Michael J. Fiorile
Past Chair and CEO
The Dispatch Company

Leslie V. Godridge
Retired Vice Chair
U.S. Bank

Sen. Gordon H. Smith
Past President and CEO
National Association of Broadcasters (NAB)

Charles M. Warfield, Jr.
Past President and COO
ICBC Broadcast Holdings, Inc.

STOCKHOLDER INFORMATION

TRANSFER AGENT
American Stock Transfer & Trust Company
6201 15th Avenue | Brooklyn, NY 11219

AUDITORS
Crowe LLP
401 East Las Olas Boulevard | Suite 1100
Fort Lauderdale, FL 33301

INVESTOR RELATIONS
Beasley Broadcast Group, Inc. welcomes inquiries from stockholders or other interested parties. For additional copies of this report or other information, please contact Corporate Office at: 239-263-5000

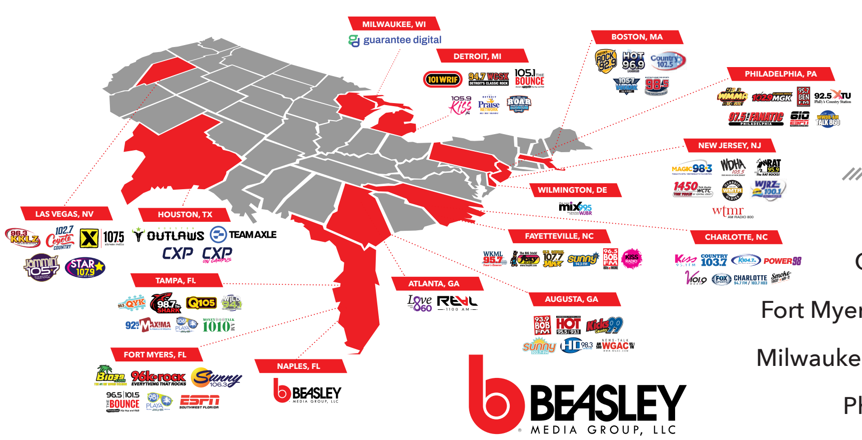
STOCK LISTING
Beasley Broadcast Group, Inc.
Class A common stock is traded on Nasdaq National Market under the symbol BBGI

ANNUAL MEETING

The 2023 Annual Meeting of the stockholders will be held on Wednesday, May 31st, 2023 at 12:00 pm local time at the Corporate Offices of Beasley Broadcast Group, Inc.

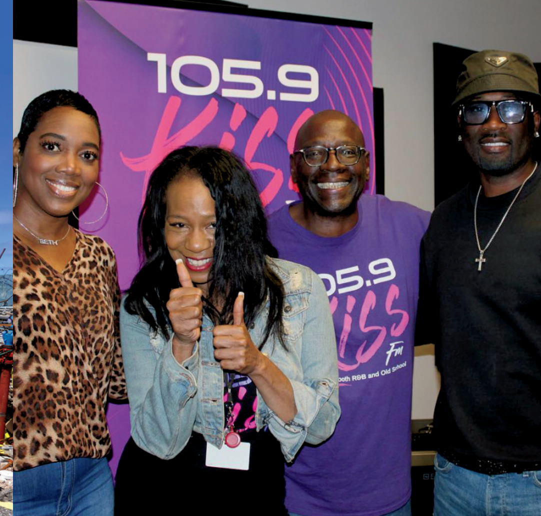
Beasley Broadcast Group, Inc.
3033 Riviera Drive, Suite 200
Naples FL 34103

tel: 239-263-5000 | **fax:** 239-263-8191
web: www.bbgi.com | **email:** email@bbgi.com



OUR MARKETS

Atlanta, GA | Augusta, GA | Boston, MA
Charlotte, NC | Detroit, MI | Fayetteville, NC
Fort Myers, FL | Houston, TX | Las Vegas, NV | Middlesex, NJ
Milwaukee, WI | Monmouth, NJ | Morristown, NJ | Naples, FL
Philadelphia, PA | Tampa, FL | Wilmington, DE



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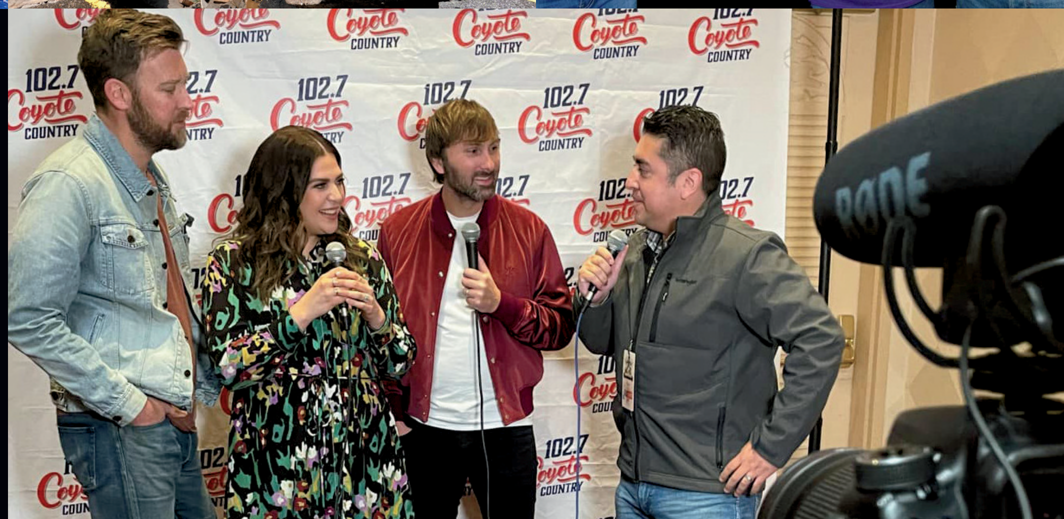

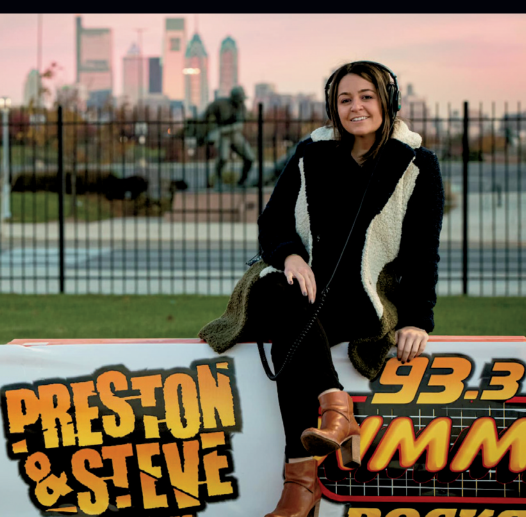

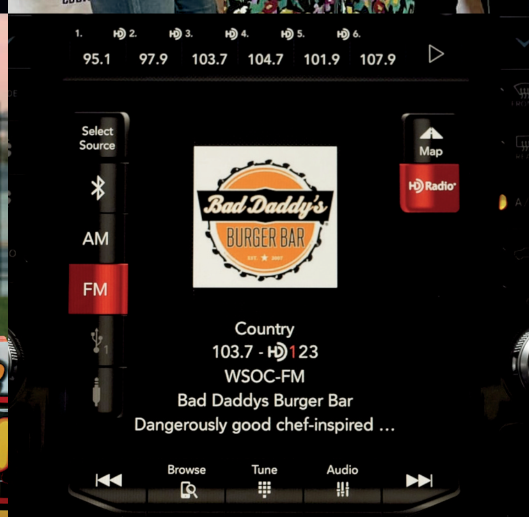

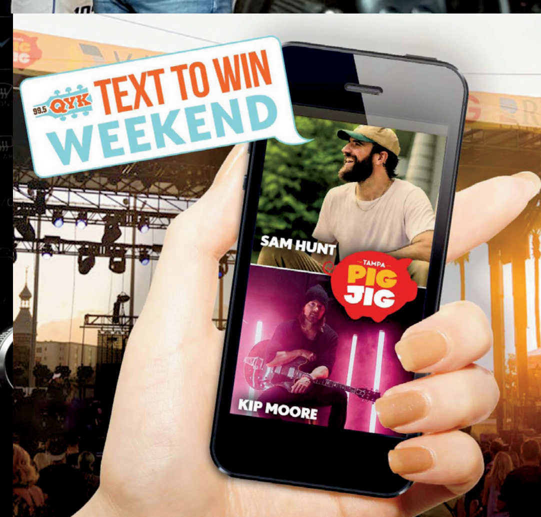

BEASLEY BROADCAST GROUP

3033 Riviera Drive, Suite 200 | Naples, Florida 34103
239.263.5000 | fax: 239.263.8191 | www.bbgi.com