

**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, 2023

☐ **Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Commission File Number 001-39029

MEDIACO HOLDING INC.

(Exact name of registrant as specified in its charter)

Indiana

(State of incorporation or organization)

84-2427771

(I.R.S. Employer Identification No.)

395 Hudson Street, Floor 7

New York, New York 10014

(Address of principal executive offices)

(212) 229-9797

(Registrant's Telephone Number, Including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.01 par value	MDIA	Nasdaq Capital Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

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

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

Indicate by check mark whether the registrant (1) has filed all documents and 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 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	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input checked="" type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
		Emerging Growth Company	<input checked="" type="radio"/>

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 pursuant to Section 13(a) of the Exchange Act. ☐

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

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant, as of June 30, 2023, the last business day of the Registrant's most recently completed second fiscal quarter, was \$23,670,214.

The number of shares outstanding of each of MediaCo Holding Inc.'s classes of common stock, as of March 21, 2024, was:

20,594,481 Class A Common Shares, \$.01 par value
5,413,197 Class B Common Shares, \$.01 par value
— Class C Common Shares, \$.01 par value

DOCUMENTS INCORPORATED BY REFERENCE

Documents

Form 10-K Reference

Proxy Statement for 2024 Annual Meeting of Shareholders expected to be filed by April 29, 2024 (the day that is 120 days after the last day of the registrant's 2023 fiscal year)

Part III

MEDIACO HOLDING INC. AND SUBSIDIARIES

FORM 10-K

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CERTAIN DEFINITIONS

Unless the context requires otherwise, all references in this report to “MediaCo,” “the Company,” “we,” “our,” “us,” and similar terms refer to MediaCo Holding Inc. and its consolidated subsidiaries.

FORWARD-LOOKING STATEMENTS

This report includes or incorporates forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can identify these forward-looking statements by our use of words such as “intend,” “plan,” “may,” “will,” “project,” “estimate,” “anticipate,” “believe,” “expect,” “continue,” “potential,” “opportunity” and similar expressions, whether in the negative or affirmative. Such forward-looking statements, which speak only as of the date hereof, are based on managements’ estimates, assumptions and beliefs regarding our future plans, intentions and expectations. We cannot guarantee that we will achieve these plans, intentions or expectations. All statements regarding our expected financial position, business, results of operations and financing plans are forward-looking statements.

Actual results or events could differ materially from the plans, intentions or expectations disclosed in the forward-looking statements we make. We have included important facts in various cautionary statements in this report that we believe could cause our actual results to differ materially from forward-looking statements that we make. These include, but are not limited to, the factors described in Part I, Item 1A, “Risk Factors.”

The forward-looking statements do not reflect the potential impact of any future acquisitions, mergers or dispositions. We undertake no obligation to update or revise any forward-looking statements because of new information, future events or otherwise.

PART I

ITEM 1. BUSINESS

GENERAL

MediaCo Holding Inc. ("MediaCo" or the "Company") is an owned and operated multi-media company formed in Indiana in 2019, focused on radio and digital advertising, premium programming and events.

Our assets consist of two radio stations, WQHT(FM) and WBLS(FM), which serve the New York City demographic market area that primarily targets Black, Hispanic, and multi-cultural consumers. We derive our revenues primarily from radio and digital advertising sales, but we also generate revenues from events, including sponsorships and ticket sales, licensing, and syndication.

On December 9, 2022, Fairway Outdoor LLC, FMG Kentucky, LLC and FMG Valdosta, LLC (collectively, "Fairway"), all of which are wholly owned direct and indirect subsidiaries of MediaCo, entered into an Asset Purchase Agreement (the "Purchase Agreement"), with The Lamar Company, L.L.C., a Louisiana limited liability company (the "Purchaser"), pursuant to which we sold our Fairway outdoor advertising business to the Purchaser. The transactions contemplated by the Purchase Agreement closed as of the date of the Purchase Agreement.

We have classified the related assets and liabilities associated with our Fairway business as discontinued operations in our consolidated balance sheets and the results of our Fairway business have been presented as discontinued operations in our consolidated statements of operations for all periods presented through December 9, 2022 as the sale represented a strategic shift in our business that had a major effect on our operations and financial results. Unless otherwise noted, discussion herein refers to the Company's continuing operations. See Note 2 — Discontinued Operations in our consolidated financial statements included elsewhere in this report for additional information.

Unless the context otherwise requires, references to "we", "us" and "our" refer to MediaCo and its subsidiaries.

BUSINESS STRATEGY

We are committed to improving the operating results of our core assets while simultaneously seeking future growth opportunities in new radio and other complementary broadcast or other businesses that focus predominately on multi-cultural audiences in the national and digital advertising spaces. Our strategy is focused on the following operating principles:

Develop unique and compelling content and strong brands

Our established nationally recognized media brands have achieved and sustained a leading position in their respective local market segments over many years, with each having a strong brand identity that reaches beyond its local footprint. The knowledge of the New York market and consistently producing unique and compelling content that meets the needs of our target audiences are critical to our success. As such, we make substantial investments in areas such as market research, data analysis and creative talent to ensure that our content remains relevant and fresh, has a meaningful impact on the communities we serve and reinforces the core brand image of each respective property.

Extend the reach and relevance of our local brands through digital platforms

In recent years, we have placed substantial emphasis on enhancing the distribution of our radio content through digital and mobile platforms. We believe these digital platforms offer excellent opportunities to further enhance the relationships we have with our audiences by allowing them to consume and share our content in new ways and providing us with new distribution channels for one-to-one communication with our end user.

Deliver results to advertisers

Competition for advertising revenue is highly competitive and becoming more so as the overall market has declined due to shifts in the way advertising dollars are directed. To remain competitive, we focus on sustaining and growing our radio audiences, optimizing our pricing strategy and developing innovative marketing programs for our clients that allow them to interact with our audiences in more direct and measurable ways. These programs often include elements such as endorsements, events, contests, special promotions, Internet advertising, email marketing, interactive mobile advertising and online video. Our ability to deploy multi-touchpoint marketing programs allows us to deliver a stronger return-on-investment for our clients while simultaneously generating ancillary revenue streams for our media properties.

Extend sales efforts into new market segments

Given the competitive pressures in many of our "traditional" advertising categories, we have been expanding our network of advertiser relationships into not-for-profits, political advertising, corporate philanthropy, environmental initiatives and government agencies. These efforts primarily focus on the health care and education sectors. We believe our capabilities can address these clients' under-served needs.

Enhance the efficiency of our operations

We believe it is essential that we operate our businesses as efficiently as possible. We regularly review our business operations and reduce costs or realign resources as necessary. We have also invested in technology solutions to help further streamline our business processes.

Pursue acquisition and investment opportunities

We may pursue acquisitions or other investment opportunities in a variety of media-related businesses as well as a variety of other industries and market sectors. We believe that consummating such acquisitions and investments can be a valuable tool in our efforts to grow our business.

Leverage the power of the brands

We believe our brands are well integrated within the Hip Hop and R&B marketplace. We will continue to expand our national reach on each of our brands through the digital, streaming, syndication and licensing arenas. Our celebrity talent has broad national and international influence and are integrated into key cultural moments, which help amplify our brands.

RADIO STATIONS

In the following table, "Market Rank by Revenue" is the ranking of the market revenue size of the principal radio market served by our stations among all radio markets in the United States. Market revenue rankings are from BIA's Investing In Radio 2023, fourth edition. "Ranking in Primary Demographic Target" is the ranking of the station within its designated primary demographic target among all radio stations in its market based on the December 2023 Nielsen Audio, Inc. ("Nielsen") Portable People Meter results. "Station Audience Share" represents a percentage generally computed by dividing the average number of persons in the primary demographic listening to a particular station during specified time periods by the average number of such persons in the primary demographic for all stations in the market area as determined by Nielsen.

STATION AND MARKET	MARKET RANK BY REVENUE	FORMAT	PRIMARY DEMOGRAPHIC TARGET AGES	RANKING IN PRIMARY DEMOGRAPHIC TARGET	STATION AUDIENCE SHARE
New York, NY	2				
WQHT(FM)		Hip-Hop	18-34	10	3.9
WBLS(FM)		Urban Adult Contemporary	25-54	8	4.0

RADIO ADVERTISING SALES

Our stations derive their advertising revenue from local and regional spot radio and digital advertising in the marketplaces in which they operate, as well as from the sale of national advertising. Local and most regional sales are made by a station's sales staff. National sales are made by firms specializing in such sales, which are compensated on a commission-only basis. We believe that the volume of national advertising revenue tends to adjust to shifts in a station's audience share position more rapidly than does the volume of local and regional advertising revenue. During the year ended December 31, 2023, approximately 17% of our total spot radio advertising revenues were derived from national sales and 83% were derived from local sales.

NON-TRADITIONAL REVENUES

Our stations are involved with numerous events in the market in which we operate, that support the local community, entertain our audiences, and better connect our listeners with our stations and our advertisers. In most cases, a third party produces the event, which we help promote, and we sell certain sponsorship opportunities to our advertisers. In these situations, we do not bear financial risk on the success of the event. In limited cases, such as Hot 97's Summer Jam, we produce the event, including securing the performing artists and venue, and are primarily responsible for the financial risk and reward, including ticket and sponsorship sales associated with the event.

NEW TECHNOLOGIES

We believe that the growth of new technologies not only presents challenges, but also opportunities for broadcasters. The primary challenge is increased competition for the time and attention of our listeners. The primary opportunity is to further enhance the relationships we already have with our listeners by expanding products and services offered by our radio stations to adjacent areas of entertainment, including streaming, gaming, and sports, and to increase audience reach via connected devices.

COMMUNITY INVOLVEMENT

We believe that to be successful, we must be integrally involved in the communities we serve. We see ourselves as community partners. To that end, our radio stations participate in many community programs, fundraisers and activities that benefit a wide variety of causes. Charitable organizations that have been the beneficiaries of our support include, among others, Hip Hop has Heart, the Harlem Chamber of Commerce, the Sarcoidosis Foundation, New York Cares, American AIDS Foundation and the Queens Police Service Area Community Counsel. We have embarked on a relationship with the Universal Hip Hop Museum, which is currently under construction in New York City.

COMPETITION

Radio broadcasting stations compete with the other broadcasting stations in their respective market areas, as well as with other advertising media such as newspapers, cable, magazines, outdoor advertising, transit advertising, the Internet, satellite radio, streaming services, direct marketing, and mobile and wireless device marketing. Competition within the broadcasting industry occurs primarily in individual market areas, so that a station in one market (e.g., New York) does not generally compete with stations in other markets (e.g., Los Angeles). Our stations face competition from other stations with substantial financial resources, including stations targeting the same demographic groups. In addition to management experience, factors that are material to competitive position include the station's rank in its market in terms of the number of listeners, authorized power, assigned frequency, audience characteristics, local program acceptance and the number and characteristics of other stations in the market area. We attempt to improve our competitive position with programming and promotional campaigns aimed at the demographic groups targeted by our stations. We also seek to improve our position through sales efforts designed to attract advertisers that have done little or no radio advertising by emphasizing the effectiveness of radio advertising in increasing the advertisers' revenues. Although we believe that each of our stations can compete effectively in its market, there can be no assurance that either of our stations will be able to maintain or increase its current audience ratings or advertising revenue market share.

Although the broadcasting industry is highly competitive, barriers to entry exist. The operation of a broadcasting station in the United States requires a license from the FCC. Also, the number of stations that can operate in a given market is limited by the availability of the frequencies that the FCC will license in that market, as well as by the FCC's multiple ownership rules regulating the number and types of stations that may be owned or controlled by the same person or company.

In selecting the form of media through which to advertise, advertisers evaluate their ability to target audiences having a specific demographic profile, lifestyle, brand or media consumption or purchasing behavior, or audiences located in, or traveling through, a particular geography. Advertisers also compare the relative costs of available media, evaluating the number of impressions (potential viewings), exposure (the opportunity for advertising to be seen) and circulation (traffic volume in a market), as well as potential effectiveness, quality of related services (such as advertising copy design and layout) and customer service. In competing with other media, we believe that radio is more cost-efficient than other media, allowing advertisers to reach broader audiences and target specific geographic areas or demographic groups within markets. Additionally, the strength of our digital reach and brand recognition allows us to compete for national digital advertising dollars.

HUMAN CAPITAL RESOURCES

Our mission is to connect brands and consumers by delivering innovative advertising insights and solutions while enhancing our communities. We believe that our success is dependent upon successful execution of this mission, and a critical component in achieving this mission is attracting, motivating and retaining great people who allow us to continue to find new and innovative ways to serve our customers and our communities. We believe our key human capital management objective is to attract, retain and develop the highest quality talent and subject matter experts in the sectors we operate. We believe an alignment between talent and strategy is key to scaling the business.

At December 31, 2023, we had 116 full-time and part-time employees, compared to 141 at December 31, 2022, at which earlier date 49 employees were employed in our disposed outdoor advertising business.

To facilitate talent attraction and retention, we strive to create strong teams and vibrant culture at every level of our organization through our core values of integrity, innovation, excellence and safety. We also strive to offer a fair and competitive compensation and benefits program, foster a community where everyone feels included and empowered to do their best work, provide a safe workplace, and give employees the opportunity to give back to their communities and make a social impact. We believe people can achieve their full potential when they enjoy their work, so it is our priority to provide a workplace where growth, success and fun go hand in hand. We are implementing annual goal-setting and performance management processes to ensure the mission is executed, while ensuring transparency.

Code of Business Conduct

We are deeply committed to promoting a culture of ethical conduct and compliance. Our Code of Business Conduct and Ethics, which applies to all employees as well as officers and all members of the Board, reinforces our core values and helps drive our workplace culture of compliance with ethical standards, integrity and accountability. Training on the Code is mandatory upon employment and is provided on an annual basis. Highlights from our Code include a no retaliation policy for anyone who, acting in good faith, notifies us of a possible violation of the Code, our policies or the law; a commitment to human rights and labor protections in all of our operations; and the expectation that our business partners uphold the same standards; and an anti-corruption policy that prohibits offering, attempting to offer, authorizing or promising any bribe or kickback for the purpose of obtaining or retaining business or an unfair advantage.

Compensation and Benefits Programs

Our compensation and benefits programs are designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals and create long-term value for our stockholders. We provide competitive packages to address the needs of the individuals we employ to ensure we have alignment with culture, expectations and value driven results. Our sales employees are incentivized through sales commission programs. Our executives and certain other employees receive long-term equity awards that vest over time. We believe that a compensation program with both short-term and long-term awards provides fair and competitive compensation and aligns employee and stockholder interests.

We also provide our employees and their families with access to a variety of healthcare and insurance benefits, qualified spending accounts, retirement savings plans and various other benefits.

Diversity and Inclusion

We are an equal opportunity employer and are committed to providing a work environment that is free of discrimination and harassment. We respect and embrace diversity of thought and experience and believe that a diverse workforce produces more innovative insights and solutions, resulting in better products and services for our customers. As we bring brands face-to-face with people, we believe our teams need to be as diverse in their composition and outlook as the audiences we reach every day, and we work together to create an inclusive environment where everyone can bring their true selves to work. We work on building teams that reflect the life experiences of those we serve. Our teams align with our mission and values; of the 116 full-time and part-time employees driving the business, over 84% are Black, Hispanic, or Asian, and 39% are female.

Community Involvement

One of our guiding principles is making a difference in the communities we serve, and our corporate social responsibility initiatives are an important part of our culture. We believe that building connections between our employees, their families and our communities creates a more meaningful, fulfilling and enjoyable workplace. As a company, we endeavor to use our resources and products to drive meaningful societal change and have collaborated with local and national organizations globally to improve health and public safety; to ensure a sustainable environment; to promote arts, education and cultural diversity; and to support market-by-market advertising standards. MediaCo aims to be purposeful and do the right thing and over the years we have worked with our community to educate, understand, guide and amplify their voices to ensure our audience feels heard and appreciated.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Listed below is certain information about the executive officers of MediaCo as of December 31, 2023. All of our executive officers serve at the pleasure of the Board of Directors. There are no family relationships among any of our executive officers or directors.

NAME	POSITION	AGE AT	YEAR FIRST
		DECEMBER 31, 2023	ELECTED OFFICER
Kudjo Sogadzi	Interim President and Chief Operating Officer	41	2023
Ann C. Beemish	Executive Vice President, Chief Financial Officer and Treasurer	51	2021

Mr. Sogadzi was appointed to the position of Chief Operating Officer in July 2023 and interim President in October 2023. Prior to joining MediaCo, Mr. Sogadzi served as an investment analyst at Standard General LP since 2019. He has also held positions as a Principal at OS Global LLC from 2015 to 2019, Hedge Fund Analyst at EnTrust Global, and serves on the board of Gloria Maris LLC.

Ms. Beemish was appointed to the position of Executive Vice President, Chief Financial Officer and Treasurer in November 2021. Ms. Beemish was previously the Senior Vice President of Finance at MediaCo since March 2021. Prior to joining MediaCo, Ms. Beemish served as Knotel's Head of Global Administration and Readiness and Head of Global People Operations. She founded consultancy Huppe Beemish LLC in 2016 and served as Senior Vice President of Operational Finance and Corporate Development at Granite Broadcasting. Ms. Beemish began her career as an investment banker at Donaldson, Lufkin & Jenrette and Merrill Lynch. She holds an MBA from New York University's Leonard N. Stern School of Business and a bachelor's degree from Saint John's University.

AVAILABLE INFORMATION

Our website address is mediacoholding.com. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are filed with the U.S. Securities and Exchange Commission ("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 at www.sec.gov.

FEDERAL REGULATION OF BROADCASTING

Radio broadcasting in the United States is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the "Communications Act"), including as amended in part by the Telecommunications Act of 1996 (the "1996 Act"). Radio broadcasting is prohibited except in accordance with a license issued by the FCC upon a finding that the public interest, convenience and necessity would be served by the grant of such license. The FCC has the power to revoke licenses for, among other things, false statements made in FCC filings or willful or repeated violations of the Communications Act or of FCC rules. In general, the Communications Act provides that the FCC shall allocate broadcast licenses for radio stations so as to provide a fair, efficient and equitable distribution of service throughout the United States. The FCC determines the operating frequency, location and power of stations; regulates the equipment used by stations; and regulates numerous other areas of radio broadcasting pursuant to rules, regulations and policies adopted under authority of the Communications Act. The Communications Act, among other things, prohibits the assignment of a broadcast license or the transfer of control of an entity holding such a license without the prior approval of the FCC. Under the Communications Act, the FCC also regulates certain aspects of media that compete with broadcast stations.

The following is a brief summary of certain provisions of the Communications Act and of specific FCC regulations and policies. Reference should be made to the Communications Act as well as FCC rules, public notices and rulings for further information concerning the nature and extent of federal regulation of radio stations. Legislation has been introduced from time to time which would amend the Communications Act in various respects or otherwise affect the Company, and the FCC from time to time considers new regulations or amendments to its existing regulations. We cannot predict whether any such legislation will be enacted or whether new or amended FCC regulations will be adopted or what their effect would be on the Company.

License Renewal

Radio stations operate pursuant to broadcast licenses that are ordinarily granted by the FCC for maximum terms of eight years and are subject to renewal upon application and approval by the FCC. License renewal applications for both WQHT(FM) and WBLS(FM) were granted in July 2022. The following table sets forth our current FCC license expiration dates in addition to the call letters, license classification, antenna elevation above average terrain, power and frequency of all owned stations as of December 31, 2023:

Radio Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)
New York, NY	WQHT(FM)	New York, NY	97.1	June 2030	B	1,339	6.7
	WBLS(FM)	New York, NY	107.5	June 2030	B	1,362	4.2

Review of Ownership Restrictions

The FCC is required by statute to review its broadcast ownership rules on a quadrennial basis (*i.e.*, every four years) and to repeal or modify rules that are no longer "necessary in the public interest."

Despite several such reviews and appellate remands, the FCC's rules limiting the number of radio stations that may be commonly owned in a local market have remained largely unchanged since their initial adoption following the 1996 Act. The FCC's previous ownership reviews have been subject to litigation. In April 2021, the U.S. Supreme Court reversed a lower court decision blocking a number of FCC rule changes designed to update the FCC's media ownership regulations. As a result, the FCC's Radio/Television Cross-Ownership Rule, which limited the number of radio and television and stations that could be commonly owned in a single market, was eliminated.

The FCC completed its 2018 quadrennial review in December 2023, largely leaving its radio rules unchanged. The 2022 quadrennial review was launched in December 2022 and that proceeding remains pending. We cannot predict whether the 2022 quadrennial review proceedings will result in modifications of the ownership rules or the impact (if any) that such modifications would have on our business.

Attribution of Ownership Interests:

In applying its ownership rules, the FCC has developed specific criteria that it uses to determine whether a certain ownership interest or other relationship with an FCC licensee is significant enough to be “attributable” or “cognizable” under its rules, such that there would be a violation of the FCC’s rules where such person or entity holds attributable interests in more than the permitted number of stations in the same market. The FCC’s regulations generally deem the following relationships and interests to be attributable for purposes of its ownership restrictions:

- all officer and director positions in a licensee or its direct/indirect parent(s);
- voting stock interests of at least 5% (or 20%, if the holder is a passive institutional investor, *i.e.*, a mutual fund, insurance company or bank);
- any equity interest in a limited partnership or limited liability company where the limited partner or member has not been “insulated” from the media-related activities of the LP or LLC pursuant to specific FCC criteria;
- equity and/or debt interests which, in the aggregate, exceed 33% of the total asset value of a station or other media entity (the “equity/debt plus policy”), if the interest holder supplies more than 15% of the station’s total weekly programming (usually pursuant to a time brokerage, local marketing or network affiliation agreement) or is a same-market media entity (*i.e.*, a broadcast station).

To assess whether a voting stock interest in a direct or indirect parent corporation of a broadcast licensee is attributable, the FCC uses a “multiplier” analysis in which non-controlling voting stock interests are deemed proportionally reduced at each non-controlling link in a multi-corporation ownership chain.

Ownership-rule conflicts could require divestitures by either the Company or the affected shareholders, officers or directors. Such conflicts could also result in the Company being unable to obtain FCC consents necessary for future acquisitions. Conversely, the Company’s media interests could operate to restrict other media investments by shareholders having or acquiring an interest in the Company.

Local Radio Ownership:

The local radio ownership rule limits the number of commercial radio stations in a radio market in which a person or entity may hold an attributable interest based on the number of radio stations in that market:

- if the market has 45 or more radio stations, one entity may own up to eight stations, not more than five of which may be in the same service (AM or FM);
- if the market has between 30 and 44 radio stations, one entity may own up to seven stations, not more than four of which may be in the same service;
- if the market has between 15 and 29 radio stations, one entity may own up to six stations, not more than four of which may be in the same service; and
- if the market has 14 or fewer radio stations, one entity may own up to five stations, not more than three of which may be in the same service, however one entity may not own more than 50% of the stations in the market.

The New York radio market has more than 45 radio stations.

For purposes of applying these numerical limits, the FCC has adopted rules with respect to (i) so-called local marketing agreements, or “LMAs,” by which the licensee of one radio station provides programming for another licensee’s radio station in the same market and sells all of the advertising within that programming and (ii) so-called joint sale agreements, or “JSAs,” by which the licensee of one station sells the advertising time on another station in the market. Under these rules, an entity that owns one or more radio stations in a market and programs more than 15% of the broadcast time, or sells more than 15% of the advertising time, on another radio station in the same market pursuant to an LMA or JSA is generally required to count the station toward its media ownership limits even though it does not own the station. As a result, in a market where we own one or more radio stations, we generally cannot provide programming to another station under an LMA or sell advertising on another station pursuant to a JSA, if we could not acquire that station under the local radio ownership rule.

In the 2022 quadrennial review proceeding, the FCC is considering all aspects of the local radio ownership rule, including whether the rule in its current form remains necessary in the public interest.

Alien Ownership:

Alien Ownership: Under the Communications Act, no FCC license may be held by a corporation if more than one-fifth of its capital stock is owned or voted by aliens or their representatives, a foreign government or representative thereof, or an entity organized under the laws of a foreign country (collectively, "Non-U.S. Persons"). Furthermore, the Communications Act provides that no FCC license may be granted to an entity directly or indirectly controlled by another entity of which more than one-fourth of its capital stock is owned or voted by Non-U.S. Persons if the FCC finds that the public interest will be served by the denial of such license. The FCC has adopted rules to simplify and streamline the process for requesting authority to exceed the 25% indirect foreign ownership limit in broadcast licensees and has revised the methodology that publicly traded broadcasters must use to assess their compliance with the foreign ownership restrictions. The foregoing restrictions on alien ownership apply in modified form to other types of business organizations, including partnerships and limited liability companies. Our Amended and Restated Articles of Incorporation and Amended and Restated Code of By-Laws authorize the Board of Directors to prohibit such restricted alien ownership, voting or transfer of capital stock as would cause the Company to violate the Communications Act or FCC regulations.

Assignments and Transfers of Control

The Communications Act prohibits the assignment of a broadcast license 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 a number of factors, including compliance with the various rules limiting common ownership of media properties, the "character" of the assignee or transferee and those persons holding attributable interests therein and compliance with the Communications Act's limitations on alien ownership as well as other statutory and regulatory requirements. When evaluating an assignment or transfer of control application, the FCC is prohibited from considering whether the public interest might be served by an assignment of the broadcast license or transfer of control of the licensee to a party other than the assignee or transferee specified in the application.

Programming and Operations

The Communications Act requires broadcasters to serve the "public interest." Beginning in the late 1970s, the FCC gradually relaxed or eliminated many of the more formalized procedures it had developed to promote the broadcast of certain types of programming responsive to the needs of a station's community of license. However, licensees are still required to present programming that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness.

Federal law prohibits the broadcast of obscene material at any time and the broadcast of indecent material during specified time periods. Federal law also imposes sponsorship identification (or "payola") requirements, which mandate the disclosure of information concerning programming the airing of which is paid for by third parties. The company may receive letters of inquiry or other notifications concerning alleged violations of the FCC's rules at its stations. We cannot predict the outcome of any complaint proceeding or investigation or the extent or nature of any future FCC enforcement action.

Stations also must pay regulatory and application fees and follow various rules promulgated under the Communications Act that regulate, among other things, political advertising, sponsorship identification, equal employment opportunities, contest promotions, and technical operations, including limits on radio frequency radiation.

Failure to observe FCC rules and policies can result in the imposition of various sanctions, including monetary fines, the grant of "short-term" (less than the maximum term) license renewals or, for particularly egregious violations, the denial of a license renewal application or the revocation of a license.

Additional Developments and Proposed Changes

The FCC has adopted rules implementing a low power FM ("LPFM") service, and nearly 2000 such stations are currently licensed. In November 2007, the FCC adopted rules that, among other things, enhance LPFM's interference protection from subsequently-authorized full-service stations. Congress then passed legislation eliminating certain minimum distance separation requirements between full-power and LPFM stations, thereby reducing the interference protection afforded to full-power FM stations. As required by the legislation, the FCC in January 2012 submitted a report to Congress indicating that the results of a statutorily mandated economic study indicated that, on the whole, LPFM stations do not currently have, and in the future are unlikely to have, a demonstrable economic impact on full-service commercial FM radio stations. The FCC has since modified its rules to permit the processing of additional LPFM applications and to implement the legislative requirements regarding interference protection, and has accepted applications seeking authority to construct or make major changes to LPFM facilities. Although to date there have been very few, if any, instances of LPFM stations interfering with full-power radio stations, we cannot predict whether any LPFM stations will actually interfere with the coverage of our radio stations in the future.

The FCC also previously authorized the launch and operation of a satellite digital audio radio service ("SDARS") system. The country's single SDARS operator, Sirius XM, provides nationwide programming service as well as channels that provide local traffic and weather information for major cities.

In addition, the FCC permits terrestrial digital audio broadcasting ("DAB," also known as high definition radio or "HD Radio"®) by FM stations, and in October 2020, adopted rules permitting all-digital operations by AM stations.

In order to broadcast musical compositions or to stream them over the Internet, we must pay royalties to copyright owners of musical compositions (typically, songwriters and publishers). These copyright owners often rely on organizations known as performing rights organizations, which negotiate licenses with copyright users for the public performance of their compositions, collect royalties, and distribute them to copyright owners. The four major performing rights organizations, from which the Company has licenses and to which we pay royalties, are the American Society of Composers, Authors, and Publishers ("ASCAP"), Broadcast Music, Inc. ("BMI"), SESAC, Inc., and Global Music Rights ("GMR"). These rates are set periodically, are often negotiated by organizations acting on behalf of broadcasters, and may increase in the future. It also is possible that songwriters or publishers may disassociate with these performing rights organizations, or that additional such organizations could emerge in the future. If a significant number of musical composition copyright owners withdraw from the established performing rights organizations, if new performing rights organizations form to license compositions that are not already licensed, or if the consent decrees between the DOJ and ASCAP/BMI are materially modified or eliminated, our royalty rates or negotiation costs could increase.

In order to stream music over the Internet, MediaCo must also obtain licenses and pay royalties to the owners of copyrights in sound recordings (typically, artists and record companies). These royalties are in addition to royalties for Internet streaming that must be paid to performing rights organizations.

Legislation also has regularly been introduced in Congress that would require the payment of performance royalties to artists, musicians, or record companies whose music is played on terrestrial radio stations, ending a long-standing copyright law exception. If enacted, such legislation could have an adverse impact on the cost broadcast of music programming.

Congress and the FCC also have under consideration, and may in the future consider and adopt, new laws, regulations and policies regarding a wide variety of additional matters that could, directly or indirectly, affect the operation, ownership and profitability of our broadcast stations, result in the loss of audience share and advertising revenues for our broadcast stations and/or affect our ability to acquire additional broadcast stations or finance such acquisitions. Such matters include, but are not limited to:

- proposals to impose spectrum use or other fees on FCC licensees;
- proposals to modify some or all of the FCC's multiple ownership rules and/or policies;
- proposals to impose requirements intended to promote broadcasters' service to their local communities;
- proposals to change rules relating to political broadcasting;
- technical and frequency allocation matters;
- proposals to restrict or prohibit the advertising of beer, wine and other alcoholic beverages;
- proposals to tighten safety guidelines relating to radio frequency radiation exposure;
- proposals to modify broadcasters' public interest obligations; and
- proposals, including by states, to limit the tax deductibility of advertising expenses by advertisers.

We cannot predict whether any proposed changes will be adopted, what other matters might be considered in the future, or what impact, if any, the implementation of such proposals or changes might have on our business.

The foregoing is only a brief summary of certain provisions of the Communications Act and of specific FCC regulations. Reference should be made to the Communications Act as well as FCC regulations, public notices and rulings for further information concerning the nature and extent of federal regulation of broadcast stations.

ITEM 1A. RISK FACTORS.

The risk factors listed below, in addition to those set forth elsewhere in this report, could affect the business, financial condition and future results of the Company. Additional risks and uncertainties that are not currently known to the Company or that are not currently believed by the Company to be material may also harm the Company's business, financial condition and results of operations.

Risks Related to our Business

Our results of operations could be negatively impacted by weak economic conditions and instability in financial markets.

We believe that advertising is a discretionary business expense. Spending on advertising tends to decline disproportionately during an economic recession or downturn as compared to other types of business spending. Consequently, weakness in the United States economy generally has an adverse effect on our advertising revenue and, therefore, our results of operations. For example, the economic tumult caused by the COVID-19 pandemic had a material adverse effect on our advertising revenues at our New York radio stations, which we believe has continued to impact us even as of the date of this report.

Even in the absence of a general recession or downturn in the economy, an individual business sector (such as the automotive industry) that tends to spend more on advertising than other sectors might be forced to reduce its advertising expenditures if that sector experiences a downturn. If that sector's spending represents a significant portion of our advertising revenues, any reduction in its advertising expenditures may affect our revenue.

Radio revenues in the market in which we operate have been challenged and may remain so.

Radio revenues in the New York market in which we operate are highly correlated to the performance of the economy of United States. New York market revenues, as measured by the accounting firm Miller Kaplan Arase LLP ("Miller Kaplan"), during the years ended December 31, 2023 and 2022, were down 3.3% and up 1.6%, respectively. During these same periods, the U.S. Bureau of Economic Analysis reports that U.S. real gross domestic product grew 2.5% and 1.9%, respectively.

We may lose audience share and advertising revenue to competing radio stations or other types of media.

The radio broadcasting industry is highly competitive. Our radio stations compete for audiences and advertising revenue with other radio stations and station groups, as well as with other media. Shifts in population, demographics, audience tastes, consumer use of technology and forms of media and other factors beyond our control could cause us to lose market share. Any adverse change in our radio stations' market, or adverse change in the relative market positions of our stations, could have a material adverse effect on our revenue or ratings, could require increased promotion or other expenses in that market, and could adversely affect our revenue. Other radio broadcasting companies may enter the market in which we operate or markets in which we may operate in the future. These companies may be larger and have more financial resources than we have. Our radio stations may not be able to maintain or increase their current audience ratings and advertising revenue in the face of such competition.

MediaCo expects to continue to routinely conduct market research to review the competitive position of our stations in the market. If we determine that a station could improve its operating performance by serving a different demographic, we may change the format of that station. Our competitors may respond to our actions by more aggressive promotions of their stations or by replacing the format we vacate, limiting our options if we do not achieve expected results with our new format.

From time to time, other stations may change their format or programming, a new station may adopt a format to compete directly with our stations for audiences and advertisers, or stations might engage in aggressive promotional campaigns. These tactics could result in lower ratings and advertising revenue or increased promotion and other expenses and, consequently, lower earnings and cash flow for us. Any failure by us to respond, or to respond as quickly as our competitors, could also have an adverse effect on our business and financial performance.

Because of the competitive factors we face, we cannot assure investors that we will be able to maintain or increase our current audience ratings and advertising revenue.

Our radio operations are entirely concentrated in the New York market.

Our radio operations are located exclusively in the New York City Metro area. Since our radio stations' revenues are concentrated in this market, an economic downturn, increased competition or another significant negative event in the New York City market could reduce our revenues more dramatically than other companies that do not depend as much on this market, which could have a material and adverse effect on our financial condition and results of operations.

Our radio operations lack the scale of some of our competitors.

MediaCo's only radio stations are two stations in New York. Some of our competitors in this market have larger clusters of radio stations. Our competitors may be able to leverage their market share to extract a greater percentage of available advertising revenues in this market and may be able to realize operating efficiencies by programming multiple stations in the market. Also, given our reliance on urban formats in New York, our financial condition and results of operations could be materially and adversely affected by additional urban format competition by our competitors.

Summer Jam is highly sensitive to public tastes and is dependent on our ability to secure popular artists, and our ticketing revenue can be impacted by changes in consumer preferences.

Our business is highly sensitive to rapidly changing public tastes and is dependent on the availability of popular artists and events. Summer Jam depends in part on our ability to anticipate the tastes of consumers and to offer events that appeal to them. Since we rely on unrelated parties to create and perform at live music events, any unwillingness or lack of availability of popular artists could limit our ability to generate revenue. In particular, there are a limited number of artists that can headline or who can sell out larger venues, which we rent. Accordingly, our ticket sales success depends, in part, upon the ability of these third parties to correctly anticipate public demand for particular events, as well as the availability of popular artists, entertainers and teams.

In addition, artists are booked four to eight months in advance of the beginning of the tour and we often agree to pay an artist a fixed guaranteed amount prior to our receiving any revenue. Therefore, if the public is not receptive, or an artist cancels, we may incur a loss depending on the amount of the fixed guarantee or incurred costs relative to any revenue earned, as well as revenue we could have earned at booked venues. Furthermore, consumer preferences change from time to time, and our failure to anticipate, identify or react to these changes could result in reduced demand for our services, which would adversely affect our business, financial condition and results of operations.

We are a “controlled company” within the meaning of the Nasdaq listing standards and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements. Investors in our Class A common stock will not have the same protections afforded to shareholders of companies that are subject to such requirements.

As of December 31, 2023, SG Broadcasting controlled approximately 72.3% of the outstanding voting interests of MediaCo through its ownership of MediaCo Class B common stock. Because of the voting power of SG Broadcasting, we are considered a “controlled company” for purposes of Nasdaq requirements. As such, we are exempt from certain corporate governance requirements of Nasdaq, including the requirements that:

- a majority of the board of directors consist of independent directors,
- we have a Nominating and Corporate Governance Committee that is composed entirely of independent directors, and
- we have a Compensation Committee that is composed entirely of independent directors.

Currently, MediaCo does have a majority of independent directors and the Compensation Committee does consist entirely of independent directors; however, we do not have a Nominating and Corporate Governance Committee. MediaCo could choose to take advantage of the exemptions relating to the board and the Compensation Committee. Accordingly, investors in our Class A common stock would not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq’s corporate governance requirements.

We must respond to the rapid changes in technology, services and standards that characterize the radio broadcasting industry in order to remain competitive, and changes in technology may increase the risk of material intellectual property infringement claims.

The radio broadcasting industry is subject to rapid technological changes, evolving industry standards and the emergence of competition from new technologies and services. We cannot assure that we will have the resources to acquire new technologies or to introduce new services that could compete with these new technologies. Various media technologies and services that have been developed or introduced include:

- satellite-delivered digital audio radio service, which has resulted in subscriber-based satellite radio services with numerous niche formats;
- audio programming by cable systems, direct-broadcast satellite systems, Internet content providers and other digital audio broadcast formats, including podcasts;
- personal digital audio devices;
- HD Radio®, which provides multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services; and
- low-power FM radio, which could result in additional FM radio broadcast outlets.

New media has resulted in fragmentation in the radio broadcasting advertising market, but we cannot predict the impact that additional competition arising from new technologies may have on the radio broadcasting industry or on our financial condition and results of operations.

A number of automakers are introducing more advanced, interactive dashboard technology including the introduction of technologies like Apple CarPlay and Google Android Auto that enable vehicle entertainment systems to more easily interface with a consumer’s smartphone and include alternative audio entertainment options.

Programmatic buying, which enables an advertiser to purchase advertising inventory through an exchange or other service and bypass the traditional personal sales relationship, has become widely adopted in the purchase of digital advertising and is an emerging trend in the radio industry. We cannot predict the impact programmatic buying may have on the radio industry or our financial condition and results of operations.

Additionally, technological advancements in the operation of radio stations and related businesses have increased the number of patent and other intellectual property infringement claims brought against broadcasters. While MediaCo has not historically been subject to material patent and other intellectual property claims and takes certain steps to limit the likelihood of, and exposure to, such claims, no assurance can be given that material claims will not be asserted in the future.

Our business depends heavily on maintaining our FCC licenses. We could be prevented from operating a radio station if we fail to maintain its licenses.

The radio broadcasting industry is subject to extensive and changing regulation. The Communications Act and FCC rules and policies require FCC approval for transfers of control and assignments of FCC licenses. The filing of petitions or complaints against FCC licensees could result in the FCC delaying the grant of, or refusing to grant, its consent to the assignment of licenses to or from an FCC licensee or the transfer of control of an FCC licensee. In certain circumstances, the Communications Act and FCC rules and policies will operate to impose limitations on alien ownership and voting of our common stock. There can be no assurance that there will not be changes in the current regulatory scheme, imposition of additional regulations, or the creation of new regulatory agencies, which changes could restrict or curtail our ability to acquire, operate and dispose of stations or, in general, to compete profitably with other operators of radio and other media properties.

Each of our radio stations operates pursuant to one or more licenses issued by the FCC. Under FCC rules, radio licenses are granted for a term of eight years. Our licenses were successfully renewed in 2022 through June 2030. While we are not aware of facts or circumstances that would prevent us from having our current licenses renewed in the future, third parties could challenge our renewal applications and there can be no assurance that the licenses will be renewed or that renewals will not include conditions or qualifications that could adversely affect our business and operations. Failure to obtain the renewal of any of our broadcast licenses would likely have a material adverse effect on our business and operations. In addition, if we or any of our officers, directors or significant stockholders materially violates the FCC's rules and regulations or the Communications Act, is convicted of a felony or is found to have engaged in unlawful anticompetitive conduct or fraud upon a government agency, the FCC may, in response to a petition from a third party or on its own initiative, commence a proceeding to impose sanctions upon us which could involve the imposition of monetary fines, the revocation of our broadcast licenses or other sanctions.

We disseminate large amounts of content to the public. An ill-conceived or mistimed on-air statement or social media post could have a material adverse effect on our business.

The FCC's rules prohibit the broadcast of obscene material at any time and prohibit indecent material between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating the prohibition on the broadcast of indecent material because of the FCC's broad definition of such material, coupled with the spontaneity of live programming.

Congress has dramatically increased the penalties for broadcasting obscene, indecent or profane programming and broadcasters can potentially face license revocation, renewal or qualification proceedings in the event that they broadcast such material. In addition, the FCC's heightened focus on indecency, against the broadcast industry generally, may encourage third parties to oppose our license renewal applications or applications for consent to acquire broadcast stations. As a result of these developments, we have implemented certain measures that are designed to reduce the risk of broadcasting indecent material in violation of the FCC's rules. These and other future modifications to our programming in an effort to reduce the risk of indecency violations could have an adverse effect on our competitive position.

Even statements or social media posts that do not violate the FCC's indecency rules could offend our audiences and advertisers or infringe the rights of third parties, resulting in a decline in ratings, a loss in revenues, a challenge to our broadcast licenses, or extended litigation. While we maintain insurance covering some of these risks, others are effectively uninsurable and could have a material adverse effect on our financial condition and results of operations.

Misalignment with public and consumer taste and preferences could negatively impact advertising demand and profitability of our business.

Our business creates content for our target audiences. Our business relies on an alignment between our brands and our audience taste and preferences through the distribution of content over-the-air, digitally and visually. If the alignment between our brands and our audience shifts, then we might experience a shift in advertising revenue and categories.

Changes in current Federal regulations could adversely affect our business operations.

Congress and the FCC have under consideration, and may in the future consider and adopt, new laws, regulations and policies that could, directly or indirectly, affect the profitability of our broadcast stations. In particular, Congress is considering a revocation of radio's exemption from paying royalties to performing artists for use of their recordings (radio already pays a royalty to songwriters). A requirement to pay additional royalties could have a material and adverse effect on our financial condition and results of operations.

Our business strategy and our ability to operate profitably depend on the continued services of our key employees, the loss of whom could have a material adverse effect on our business.

Our success depends in large part upon the leadership and performance of our radio management teams and other key personnel. Operating as an independent public company demands a significant amount of time and effort from our management and other personnel and may give rise to increased turnover. If we lose the services of members of our management team or other key personnel, we may not be able to successfully manage our business or achieve our business objectives.

We need to continue to attract and retain qualified key personnel in a highly competitive environment. Our ability to attract, recruit and retain such talent will depend on a number of factors, including the hiring practices of our competitors, the performance of our developing business programs, our compensation and benefits, and economic conditions affecting our industry generally. Our radio stations' personnel includes several on-air personalities and hosts of syndicated radio programs with large and loyal audiences in their respective broadcast areas. These on-air personalities are sometimes significantly responsible for the ranking of a station and, thus, the ability of the station to sell advertising. Such on-air personalities or other key individuals may not remain with our radio stations and we may not retain their audiences, which could affect our competitive position. If we cannot effectively hire and retain qualified employees, our business, prospects, financial condition and results of operations could suffer.

Impairment losses related to our intangible assets could reduce our earnings in the future.

As of December 31, 2023, our intangible assets comprised 68% of our total assets. We did not record any impairment charges during the years ended December 31, 2023, and 2022. However, if events occur or circumstances change, the fair value of our intangible assets might fall below the amount reflected on our balance sheet, and we may be required to recognize impairment charges in our statement of operations, which may be material, in future periods.

Our operating results have been and may again be adversely affected by acts of war, a global health crisis, terrorism and natural catastrophes.

Acts of war and terrorism against the United States, and the country's response to such acts, may negatively affect the U.S. advertising market, which could cause our advertising revenues to decline due to advertising cancellations, delays or defaults in payment for advertising time, and other factors. In addition, these events may have other negative effects on our business, the nature and duration of which we cannot predict.

For example, after the September 11, 2001 terrorist attacks, we decided that the public interest would be best served by the presentation of continuous commercial-free coverage of the unfolding events on our stations. This temporary policy had a material adverse effect on our advertising revenues and operating results for the month of September 2001. Similarly, the COVID-19 pandemic caused severe trauma to our business during 2020 and the years following, with advertisers pulling advertisements and events like Summer Jam being canceled. Future events like those of September 11, 2001, or the COVID-19 pandemic, may have a material adverse effect on our advertising revenues and operating results.

Additionally, the attacks on the World Trade Center on September 11, 2001 resulted in the destruction of the transmitter facilities that were located there. Although we had no transmitter facilities located at the World Trade Center, broadcasters that had facilities located in the destroyed buildings experienced temporary disruptions in their ability to broadcast. Since we tend to locate transmission facilities for stations serving urban areas on tall buildings or other significant structures, such as the Empire State Building in New York, further terrorist attacks or other disasters could cause similar disruptions in our broadcasts in the areas affected. If these disruptions occur, we may not be able to locate adequate replacement facilities in a cost-effective or timely manner or at all. Failure to remedy disruptions caused by terrorist attacks or other disasters and any resulting degradation in signal coverage could have a material adverse effect on our business and results of operations.

Similarly, hurricanes, floods, tornadoes, earthquakes, wild-fires and other natural disasters can have a material adverse effect on our operations in any given market. While we generally carry insurance covering such catastrophes, we cannot be sure that the proceeds from such insurance will be sufficient to offset the costs of rebuilding or repairing our property or the lost income.

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

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 business processes and information systems need to be sufficiently scalable to adapt to the size of our business and may require modifications or upgrades that expose us to a number of operational risks. 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, natural disasters, computer system or network failures, viruses or malware, physical or electronic intrusions, unauthorized access and cyber-attacks. 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 and results of operations.

We and our business partners maintain significant amounts of data electronically in various locations. This data relates to all aspects of our business, including certain customer, consumer, supplier, partner and employee data. We maintain systems and processes designed to protect this data, but notwithstanding such protective measures, there is a risk of intrusion, cyber-attacks or tampering that could compromise the integrity and privacy of this data. In addition, we provide confidential and proprietary information to our third-party business partners in certain cases where doing so is necessary to conduct our business. While we obtain assurances from those parties that they have systems and processes in place to protect such data, and where applicable, that they will take steps to assure the protections of such data by third parties, nonetheless those partners may also be subject to data intrusion or otherwise compromise the protection of such data. Any compromise of the confidential data of our customers, consumers, suppliers, partners, employees or ourselves, or failure to prevent or mitigate the loss of or damage to this data through breach of our information technology systems or other means could substantially disrupt our operations, harm our customers, consumers, employees and other business partners, damage our reputation, violate applicable laws and regulations, and could have a material adverse effect on our financial condition and results of operations.

We may not be successful in identifying any additional suitable acquisition or investment opportunities.

As part of our business strategy, we may pursue acquisitions or other investment opportunities. However, there is no assurance that we will be successful in identifying or consummating any suitable acquisitions and certain acquisition opportunities may be limited or prohibited by applicable regulatory regimes. Even if we do complete acquisitions or business combinations, there is no assurance that any of them will be of value in enhancing our business or our financial condition. In addition, our ongoing activities could divert a substantial amount of our management time and may be difficult for us to integrate, which could adversely affect management's ability to identify and consummate other investment opportunities. The failure to identify or successfully integrate future acquisitions and investment opportunities could have a material adverse effect on our results of operations and financial condition.

Because we face significant competition for acquisition and investment opportunities, it may be difficult for us to fully execute our business strategy. We expect to encounter intense competition for acquisition and investment opportunities from both strategic investors and other potential competitors, such as private investors (which may be individuals or investment partnerships), blank check companies, and other entities, domestic and international, competing for the type of businesses that we may intend to acquire. Many of these competitors possess greater technical, human and other resources, or more local industry knowledge, or greater access to capital, than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. These factors may place us at a competitive disadvantage in successfully completing future acquisitions and investments.

In addition, while we believe that there are numerous target businesses that we could potentially acquire or invest in, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing acquisition and investment opportunities.

Future acquisitions or investments, or similar strategic transactions, could involve unknown risks that could harm our business and adversely affect our financial condition.

We may make acquisitions, or engage in other similar strategic transactions, in a variety of industries and market sectors including but not limited to the radio industry. Future acquisitions that we consummate will involve unknown risks, some of which will be particular to the industry in which the acquisition target operates. We may be unable to adequately address the financial, legal and operational risks raised by such acquisitions, especially if we are unfamiliar with the industry in which we invest. The realization of any unknown risks could prevent or limit us from realizing the projected benefits of the acquisitions, which could adversely affect our financial condition and liquidity. In addition, our financial condition and results of operations will be subject to the specific risks applicable to any company in which we invest.

Risks Related to Indebtedness:

The terms of any future indebtedness may restrict our current and future operations, particularly our ability to respond to changes in market conditions or to take some actions.

Any future long-term debt instruments may impose significant operating and financial restrictions on us. These restrictions will likely significantly limit or prohibit, among other things, our ability to incur additional indebtedness, pay dividends on securities, incur liens, enter into asset purchase or sale transactions, merge or consolidate with another company, dispose of our assets or make certain other payments or investments.

These restrictions may limit our ability to grow our business through acquisitions and could limit our ability to respond to market conditions or meet extraordinary capital needs. They also could restrict our corporate activities in other ways and could adversely affect our ability to finance our future operations or capital needs.

To service our indebtedness and other obligations, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our November 25, 2019 convertible promissory note payable to Emmis Communications Corporation (the “Emmis Convertible Promissory Note”) is paid in-kind (“PIK”), but any future long-term debt agreements will likely require us to pay periodic interest and principal payments during the term of such indebtedness. Our ability to make payments on indebtedness and to fund capital expenditures will depend on our ability to generate cash in the future. This ability to generate cash, to a certain extent, will be subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our businesses might not generate sufficient cash flow from operations. We might not be able to complete future offerings, and future borrowings might not be available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

We have significant current debt service obligations that cause substantial doubt about our ability to continue as a going concern.

The Company has debt service obligations of approximately \$ 7.1 million due under its Emmis Convertible Promissory Note (as defined in Note 13) from April 1, 2024 (the date of issuance of these financial statements) through April 1, 2025. As a result of this debt service obligation to Emmis, management anticipates the Company will be unable to meet its liquidity needs for the next twelve months with cash and cash equivalents on hand and projected cash flows from operations.

Management is prepared to implement additional cost cutting measures, as necessary, and intends to seek additional borrowings to meet its debt service obligations, if needed. While the Company has been successful in obtaining additional liquidity in the past, no assurances can be made that the Company will receive such liquidity in the future.

As a result of the conditions identified above, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. The Company's independent auditor has included an explanatory paragraph regarding the substantial doubt about the Company's ability to continue as a going concern in its report on these consolidated financial statements.

Risks Related to our Common Stock:

SG Broadcasting possesses significant voting interest with respect to our outstanding common stock, which limits the influence on corporate matters by a holder of MediaCo Class A common stock.

As of December 31, 2023, SG Broadcasting held approximately 96.9% of the voting interests of our outstanding common stock on a fully diluted basis. Accordingly, SG Broadcasting has the ability to significantly influence our management and affairs through the election and removal of our board of directors and all other matters requiring shareholder approval unless a separate vote of the MediaCo Class A common stock is required by our articles of incorporation or Indiana law, including any future merger, consolidation or sale of all or substantially all of our assets. This concentrated voting interest could also discourage others from initiating any potential merger, takeover or other change-of-control transaction that may otherwise be beneficial to our shareholders. Furthermore, this concentrated control limits the practical effect of the influence by holders of MediaCo Class A common stock over our business and affairs, through any shareholder vote or otherwise. Accordingly, the effects of any of the above could depress the price of MediaCo Class A common stock.

Standard General's and Emmis' interests may conflict with those of other shareholders.

SG Broadcasting, a company wholly owned by funds managed by Standard General, beneficially owns shares representing approximately 94.7% of the outstanding combined voting power of all classes of our common stock. Therefore, SG Broadcasting is in a position to exercise substantial influence over the outcome of most matters submitted to a vote of our shareholders, including the election of a majority of our directors, the determination to engage in a merger, acquisition or disposition of a material amount of assets, or otherwise.

Additionally, other than with respect to the Emmis Convertible Promissory Note, which is convertible into MediaCo Class A common stock, Emmis holds 362,099 shares of Class A common stock of MediaCo, and its officers serve as the MediaCo Class A Directors. These officers were initially shareholders of MediaCo, but no assurance can be given that they have or will retain their ownership of MediaCo shares. Further, so long as amounts remain outstanding under the Emmis Convertible Promissory Note, MediaCo's board of directors is obligated to nominate as MediaCo Class A Directors only persons specified by Emmis. Under Indiana law, directors of MediaCo may, in considering the best interests of the Company, consider the effects of any action on shareholders, employees, suppliers, and customers of the Company, and communities in which offices or other facilities of the Company are located, and any other factors the directors consider pertinent.

MediaCo Class A common stock may cease to be listed on Nasdaq.

MediaCo's Class A common stock is listed on Nasdaq under the ticker symbol "MDIA". We may not be able to meet the continued listing requirements of Nasdaq, which require, among other things, a minimum closing price of MediaCo Class A common stock, a minimum market capitalization and minimum shareholders' equity. If we are unable to satisfy the requirements of Nasdaq for continued listing, MediaCo Class A common stock would be subject to delisting from that market, and we might or might not be eligible to list our shares on another market.

On September 15, 2023, we received a notification letter from the Nasdaq Listing Qualifications Department (the "Staff") notifying us that, because the closing bid price for our Class A common stock was below \$1.00 for 30 consecutive business days, we no longer met the minimum bid price requirement for continued listing on The Nasdaq Capital Market under Nasdaq Marketplace Rule 5550(a)(2), requiring a minimum bid price of \$1.00 per share (the "Minimum Bid Price Requirement").

In accordance with Nasdaq Listing Rule 5810(c)(3)(A)(ii), we were given 180 calendar days, or until March 13, 2024, to regain compliance with the Minimum Bid Price Requirement. We did not achieve compliance during that period. On March 14, 2024, we received a notification letter from the Staff notifying us that that we had been granted an additional 180 days, or until September 9, 2024, to regain compliance with the Minimum Bid Price Requirement, based on meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on The Nasdaq Capital Market with the exception of the bid price requirement, and our written notice of our intention to cure the deficiency during the compliance period.

If at any time before September 9, 2024, the bid price of our Class A common stock closes at \$1.00 per share or more for a minimum of 10 consecutive business days, the Staff will provide written confirmation that we have achieved compliance. If we do not regain compliance with the Minimum Bid Price Requirement by the end of the second compliance period, the Class A common stock will become subject to delisting. In the event that we receive notice that the Class A common stock is being delisted, the Nasdaq listing rules permit us to appeal a delisting determination by the Staff to a hearings panel.

We intend to continue to monitor the closing bid price of the Common Stock between now and September 9, 2024, and will consider available options to regain compliance with the Minimum Bid Price Requirement, including initiating a reverse stock split. However, there can be no assurance that we will be able to regain compliance with the Minimum Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

If our Class A common stock were to be delisted from Nasdaq, and we might or might not be eligible to list our shares on another market. Such as delisting could negatively impact us by, among other things, reducing the liquidity and market price of our Class A common stock.

Our By-Laws designate the Circuit or Superior Courts of Marion County, Indiana, or the United States District Court for the Southern District of Indiana in a case of pendant jurisdiction, as the exclusive forum for certain litigation that may be initiated by holders of shares of MediaCo, which would discourage lawsuits against us and our director and officers.

Pursuant to our By-laws, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, the Circuit or any Superior Court of Marion County Indiana, or the United States District Court for the Southern District of Indiana in a case of pendent jurisdiction, shall be the sole and exclusive forum for:

- any derivative action or proceeding brought on behalf of the Company,
- any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee or agent of MediaCo to the Company or the holders of shares of MediaCo,
- any action asserting a claim arising pursuant to any provision of the Indiana Business Corporation Law (the "IBCL"), the Articles of Incorporation or the By-laws, or
- any action asserting a claim governed by the internal affairs doctrine, in each case subject to said court having personal jurisdiction over the indispensable parties named as defendants.

Though Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations under it, the Company intends for this forum selection provision to apply to the fullest extent permitted by law, including to actions or claims arising under the Securities Act. While holders of shares of MediaCo cannot waive compliance with the federal securities laws and the rules and regulations under it, and therefore the forum selection provision does not apply to claims arising under the Exchange Act or the rules and regulations under it, this forum selection provision may limit the ability of holders of shares of MediaCo to bring a claim arising in other instances in a judicial forum that they find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against the Company and/or our directors and officers. Alternatively, if a court outside of the State of Indiana were to find this forum selection provision inapplicable to, or unenforceable in respect of, one or more of the types of actions or claims described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could harm our business, prospects, financial condition and results of operations.

We are an “emerging growth company” and, as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, MediaCo Class A common stock may be less attractive to investors for so long as we remain an emerging growth company.

We are an “emerging growth company,” as defined in the JOBS Act, and we intend to take advantage of some of the exemptions from reporting requirements that are afforded to emerging growth companies, including, but not limited to, exemption from the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find MediaCo Class A common stock less attractive because we intend to rely on these exemptions. If some investors find MediaCo Class A common stock less attractive as a result, there may be a less active trading market for MediaCo Class A common stock and its stock price may be lower or more volatile as a result. We may take advantage of these exemptions until we no longer qualify as an emerging growth company.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 1C. CYBERSECURITY.

As a regular part of our ordinary business operations, we collect and store data, including information necessary for our operations, information from our customers, employees, and our business partners. We recognize these networks and systems may be subject to increasing and continually evolving cybersecurity risks. Our Audit Committee is responsible for overseeing risk management and Cybersecurity is an integral part of the Company's overall risk management program. Our risk management process is designed to identify, prioritize, and monitor risks that could affect our ability to execute our corporate strategy and fulfill our business objectives and to appropriately mitigate such risks.

Our management team is involved in assessing and managing the Company's material risks from cybersecurity threats, including by hiring appropriate personnel, considering cybersecurity risk in our enterprise risk management strategy, helping prepare for cybersecurity incidents, and participating in the cybersecurity incident response and remediation process for incidents escalated to it including determining materiality. Our management that is involved in these processes includes our Chief Technology Officer, Chief Financial Officer and General Counsel. Management also escalates, as appropriate, reports relating to cybersecurity incidents or threats to our Board or to its Audit Committee.

As part of our risk management processes, we are developing risk assessments to identify the probability, immediacy, and potential magnitude of information security risks. Our internal experts regularly conduct audits and tests of our information systems, and our cybersecurity program is periodically assisted by established, independent third-party consultants, who provide assistance through tabletop and other preparedness exercises. Additionally, we review regular publications on cyber awareness and conduct ongoing simulated phishing exercises. We use the findings from these and other processes to improve our information security practices, procedures and technologies.

While we have not yet experienced any material impacts from a cyber-attack, any one or more future cyber-attacks could materially adversely impact the Company, including a loss of trust among our customers, departures of key employees, general diminishment of our reputation and financial losses from remediation actions, loss of business or potential litigation or regulatory liability. Further, evolving market dynamics are increasingly driving heightened cybersecurity protections and mandating cybersecurity standards for our products, and we may incur additional costs to address these increased risks and to comply with such demands.

See the section titled Item 1A. Risk Factors, including “Our business is dependent upon the proper functioning of our internal business processes and information systems. The modification, change of, or interruption of such systems may disrupt our business, processes and internal controls,” for additional information about the risks from cybersecurity threats that may materially affect our business.

ITEM 2. PROPERTIES.

The types of properties required to support our radio stations include offices, studios and transmitter/antenna sites. We lease our studio and office spaces. Our stations' studios and principal executive offices are housed within its offices in Manhattan. We generally consider our facilities to be suitable and of adequate size for our current and intended purposes. We lease primary and backup transmitter/antenna sites for WQHT and WBLS in Manhattan. With regard to WBLS, we lease an additional backup transmitter/antenna site in Lyndhurst, New Jersey from WLIB Tower LLC, an Indiana corporation and subsidiary of Emmis ("WLIB") pursuant to a transmitter/antenna site lease. The transmitter/antenna site lease is for an initial term of 20 years, with two automatic renewal periods of 10 years each, unless MediaCo provides notice to WLIB of its intention to not renew the lease for an additional term. The transmitter/antenna site for each station is generally located so as to provide maximum market coverage, consistent with the station's FCC license. In general, we do not anticipate difficulties in renewing the transmitter/antenna site leases or in leasing additional space or sites if required.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, our stations are parties to various legal proceedings arising in the ordinary course of business. In the opinion of management of the Company, however, there are no legal proceedings pending against the Company that we believe are likely to have a material adverse effect on the Company. From time to time, we may be subject to various legal proceedings and claims, which may have a material adverse effect on our financial position 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 for our Common Stock**

MediaCo's Class A common stock is quoted on the Nasdaq Capital Market under the symbol MDIA. There is no established public trading market for MediaCo's Class B common stock or Series A convertible preferred stock.

Holders

At March 21, 2024, there were 234 stockholders of record of the Class A common stock, and there was one stockholder of record of the Class B common stock. These figures do not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

Dividends

MediaCo currently intends to retain future earnings for use in its business and has no plans to pay any dividends on shares of its common stock in the foreseeable future.

Share Repurchases

The following table provides information relating to the shares we purchased during the quarter ended December 31, 2023:

Period	Total Number of Shares Purchased	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
October 1, 2023 – October 31, 2023	10,166	\$ 0.73	10,166	\$ 1,026,472
November 1, 2023 – November 30, 2023	12,370	\$ 0.61	12,370	\$ 1,018,958
December 1, 2023 – December 31, 2023	22,740	\$ 0.54	22,740	\$ 1,006,775
Total	45,276	\$ 0.60	45,276	

ITEM 6. [RESERVED]

None.

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

The following discussion pertains to MediaCo Holding Inc. and its subsidiaries (collectively, "MediaCo" or the "Company").

On December 9, 2022, Fairway Outdoor LLC, FMG Kentucky, LLC and FMG Valdosta, LLC (collectively, "Fairway"), all of which are wholly owned direct and indirect subsidiaries of MediaCo, entered into an Asset Purchase Agreement (the "Purchase Agreement"), with The Lamar Company, L.L.C., a Louisiana limited liability company (the "Purchaser"), pursuant to which we sold our Fairway outdoor advertising business to the Purchaser. The transactions contemplated by the Purchase Agreement closed as of the date of the Purchase Agreement.

We have classified the related assets and liabilities associated with our Fairway business as discontinued operations in our consolidated balance sheets and the results of our Fairway business have been presented as discontinued operations in our consolidated statements of income for all periods presented as the sale represented a strategic shift in our business that had a major effect on our operations and financial results. Unless otherwise noted, discussion in management's discussion and analysis refers to the Company's continuing operations. See Note 2 — Discontinued Operations in our consolidated financial statements included elsewhere in this report for additional information.

We own and operate two radio stations located in New York City. Our revenues are mostly affected by the advertising rates our entities charge, as advertising sales are the primary component of our consolidated revenues. These rates are in large part based on our radio stations' ability to attract audiences in demographic groups targeted by their advertisers. The Nielsen Company generally measures radio station ratings weekly for markets measured by the Portable People Meter™, which includes both of our radio stations. Because audience ratings in a radio station's local market are critical to the station's financial success, our strategy is to use market research, advertising and promotion to attract and retain audiences in each station's chosen demographic target group.

Our revenues vary throughout the year. Revenue and operating income are usually lowest in the first calendar quarter, partly because retailers cut back their advertising spending immediately following the holiday shopping season.

In addition to the sale of advertising time for cash, stations typically exchange advertising time for goods or services, which can be used by the station in its business operations. These barter transactions are recorded at the estimated fair value of the product or service received. We generally confine the use of such trade transactions to promotional items or services for which we would otherwise have paid cash. In addition, it is our general policy not to preempt advertising spots paid for in cash with advertising spots paid for in trade.

The following table summarizes the sources of our revenues for the years ended December 31, 2023, and 2022. The category "Other" includes barter revenue, network revenue, talent fee revenue and other revenue .

	Year Ended December 31,			
	2023		2022	
Net revenues:				
Spot Radio Advertising	\$	18,650	57.6 %	\$ 25,790 66.8 %
Digital		3,677	11.4 %	4,713 12.2 %
Syndication		2,427	7.5 %	1,891 4.9 %
Events and Sponsorships		5,766	17.8 %	3,380 8.8 %
Other		1,871	5.7 %	2,821 7.3 %
Total net revenues	\$	<u>32,391</u>		\$ <u>38,595</u>

Roughly 20% of our expenses varies in connection with changes in revenue. These variable expenses primarily relate to costs in our sales department, such as salaries, commissions and bad debt. Our costs that do not vary as much in relation to revenue are mostly in our programming and general and administrative departments, such as talent costs, rating fees, rents, utilities and salaries. Lastly, our costs that are highly discretionary are costs in our marketing and promotions department, which we primarily incur to maintain and/or increase our audience and market share.

KNOWN TRENDS AND UNCERTAINTIES

The U.S. radio industry is a mature industry and its growth rate has stalled. Management believes this is principally the result of two factors: (i) new media, such as various media distributed via the Internet, telecommunication companies and cable interconnects, as well as social networks, have gained advertising share against radio and other traditional media and created a proliferation of advertising inventory and (ii) the fragmentation of the radio audience and time spent listening caused by satellite radio, audio streaming services and podcasts has led some investors and advertisers to conclude that the effectiveness of radio advertising has diminished.

Along with the rest of the radio industry, our stations have deployed HD Radio ®. HD Radio offers listeners advantages over standard analog broadcasts, including improved sound quality and additional digital channels. In addition to offering secondary channels, the HD Radio spectrum allows broadcasters to transmit other forms of data. We are participating with other broadcasters to provide the bandwidth that a third party uses to transmit location-based data to hand-held and in-car navigation devices. The number of radio receivers incorporating HD Radio has increased in the past year, particularly in new automobiles. It is unclear what impact HD Radio will have on the markets in which we operate.

Our stations have also aggressively worked to harness the power of broadband and mobile media distribution in the development of emerging business opportunities by developing highly interactive websites with content that engages our listeners, deploying mobile applications and streaming our content, and harnessing the power of digital video on our websites and YouTube channels.

The results of our broadcast radio operations are solely dependent on the results of our stations in the New York market. Some of our competitors that operate larger station clusters in the New York market are able to leverage their market share to extract a greater percentage of available advertising revenue through packaging a variety of advertising inventory at discounted unit rates. Market revenues in New York as measured by Miller Kaplan Arase LLP ("Miller Kaplan"), an independent public accounting firm used by the radio industry to compile revenue information, were down 3.3% for the year ended December 31, 2023, and up 1.6% for the year ended December 31, 2022, as compared to the same periods of the prior year. During these periods, revenues for our New York cluster were down 18.3% and down 8.5%, respectively. The decreases for our New York cluster were largely driven by lower healthcare spend, which our stations benefited from more than those serving the general population in the prior year due to the targeted nature of the awareness campaigns and lower casino/gambling spend as the regulatory environment in New York as made it less attractive in the state.

As part of our business strategy, we continually evaluate potential acquisitions of businesses that we believe hold promise for long-term appreciation in value and leverage our strengths. We also regularly review our portfolio of assets and may opportunistically dispose of or otherwise monetize assets when we believe it is appropriate to do so.

MediaCo has been impacted by the rising interest rate environment in the financial markets. While no longer impacting our current borrowings, which are fixed rate, the cost of any potential future borrowings has been increasing. At this time, we do not anticipate interest rates to decline.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting policies are defined as those that encompass significant judgments and uncertainties, and potentially derive materially different results under different assumptions and conditions. We believe that our critical accounting policies are those described below.

FCC Licenses

As of December 31, 2023, we have recorded approximately \$63.3 million for FCC licenses, which represents approximately 66% of our total assets. We would not be able to operate our radio stations without the related FCC license for each property. FCC broadcast licenses are renewed every eight years; consequently, we continually monitor our stations' compliance with the various regulatory requirements. Historically, each of our FCC licenses has been renewed at the end of its respective period, and we expect that each FCC license will continue to be renewed in the future. We consider our FCC licenses to be indefinite-lived intangibles.

We do not amortize indefinite-lived intangible assets, but rather test for impairment at least annually or more frequently if events or circumstances indicate that an asset may be impaired. When evaluating our radio broadcasting licenses for impairment, the testing is performed at the unit of accounting level as determined by Accounting Standards Codification ("ASC") Topic 350-30-35. In our case, radio stations in a geographic market cluster are considered a single unit of accounting if they are not being operated under a Local Marketing Agreement by another broadcaster. Consequently, our two radio stations in New York are considered a single unit of accounting.

For the years ended December 31, 2023, and 2022, we completed our annual impairment tests on October 1 of each year and will continue to perform our assessments on this date in future years.

Valuation of Indefinite-lived Broadcasting Licenses

Fair value of our FCC licenses is estimated to be the stick value 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. To determine the fair value of our FCC licenses, the Company considers both income and market valuation methods when it performs its impairment tests. Under the income method, the Company projects cash flows that would be generated by its unit of accounting assuming the unit of accounting was commencing operations in its respective market at the beginning of the valuation period. This cash flow stream is discounted to arrive at a value for the FCC license. The Company assumes the competitive situation that exists in the unit of accounting's market remains unchanged, with the exception that the unit of accounting commenced operations at the beginning of the valuation period. In doing so, the Company extracts the value of going concern and any other assets acquired, and strictly values the FCC license. Major assumptions involved in this analysis include market revenue, market revenue growth rates, unit of accounting audience share, unit of accounting revenue share and discount rate. Each of these assumptions may change in the future based upon changes in general economic conditions, audience behavior, consummated transactions, and numerous other variables that may be beyond our control. The projections incorporated into our license valuations take then current economic conditions into consideration. Under the market method, the Company uses recent sales of comparable radio stations for which the sales value appeared to be concentrated entirely in the value of the license, to arrive at an indication of fair value.

Below are some of the key assumptions used in our income method annual impairment assessments. Long-term growth rates in the New York market in which we operate are based on recent industry trends and our expectations for the market going forward.

	October 1, 2023	October 1, 2022
Discount Rate	12.7%	12.7%
Long-term Revenue Growth Rate	0.5%	0.6%
Mature Market Share	10.8%	9.8%
Operating Profit Margin	22.9-29.0%	23.5-29.0%

Deferred Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequence of events that have been recognized in the Company's financial statements or income tax returns. Income taxes are recognized during the year in which the underlying transactions are reflected in the consolidated statements of operations. Deferred taxes are provided for temporary differences between amounts of assets and liabilities recorded for financial reporting purposes as compared to amounts recorded for income tax purposes. After determining the total amount of deferred tax assets, the Company determines whether it is more likely than not that some portion of the deferred tax assets will not be realized.

RESULTS OF OPERATIONS

Year ended December 31, 2023 compared to year ended December 31, 2022

The following discussion refers to the Company's continuing operations. See Note 2 — Discontinued Operations in our consolidated financial statements included elsewhere in this report for additional information.

Net revenues:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Net revenues	\$ 32,391	\$ 38,595	\$ (6,204)	(16.1)%

Net radio revenues decreased due to a substantial declines in healthcare spend as COVID-19 vaccination awareness campaigns slowed as well as online gambling, automotive and wireless advertising spend. These decreases were partially offset by stronger ticket sales and broadcast sponsorships of our annual Summer Jam concert, as well as stronger tourism and live event advertising spend as the restrictions on travel, social gatherings, and business activities have continued to ease.

We typically monitor the performance of our stations against the aggregate performance of the market in which we operate based on reports for the period prepared by Miller Kaplan. Miller Kaplan reports are generally prepared on a gross revenues basis and exclude revenues from barter and syndication arrangements. Miller Kaplan reported gross revenues for the New York radio market decreased 3.3% for the year ended December 31, 2023, as compared to the prior year. Our gross revenues reported to Miller Kaplan were down 18.3% for the year ended December 31, 2023, as compared to the prior year.

Operating expenses excluding depreciation and amortization expense:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Operating expenses excluding depreciation and amortization expenses:	\$ 32,633	\$ 32,847	\$ (214)	(0.7)%

Radio operating expenses excluding depreciation and amortization expense decreased during the year ended December 31, 2023 as lower Summer Jam production costs, ratings costs, and music license fees were partially offset by higher noncash lease expense related to the new office lease that commenced in February 2023 and professional service fees, which were mainly incurred during the first quarter.

Corporate expenses:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Corporate expenses	\$ 5,451	\$ 6,463	\$ (1,012)	(15.7)%

The decrease in corporate expenses for the year ended December 31, 2023 was primarily due lower stock based compensation expense driven by higher stock based bonuses awarded in the prior year, partially offset by higher professional service fees.

Depreciation and amortization:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Depreciation and amortization	\$ 568	\$ 666	\$ (98)	(14.7)%

Radio depreciation and amortization expense decreased compared to the prior year due to certain assets becoming fully depreciated in the prior year, partially offset by intangible software costs related to our updated websites and mobile applications placed in service in the third quarter of 2022.

Loss on disposal of assets:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Loss on disposal of assets	\$ 526	\$ 5	\$ 521	10,420.0 %

Loss on disposal of assets increased compared to the prior year primarily due to the disposal of certain intangible assets related to our websites and a generator at our prior location upon the move to our new location for our radio operations and corporate offices in the current year.

Operating (loss) income:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Operating (loss) income	\$ (6,787)	\$ (1,386)	\$ (5,401)	389.7 %

See "Net revenues," "Operating expenses excluding depreciation and amortization," "Corporate expenses," "Depreciation and amortization," and "Loss on disposal of assets" above.

Interest expense:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Interest expense	\$ (426)	\$ (6,980)	\$ 6,554	(93.9)%

Interest expense decreased due to the pay down in December 2022 of the senior credit facility, the conversion in July 2022 of the outstanding principal and accrued but unpaid interest of the SG Broadcasting promissory notes into the Company's Class A common stock, and the partial conversions in August and December 2022 of \$0.9 million of the outstanding principal of the Emmis convertible promissory notes into shares of the Company's Class A common stock, as well as a lower interest rate on the outstanding balance of the Emmis convertible promissory note after the pay down of the senior credit facility. This was partially offset by accrued interest on the Emmis convertible promissory note being paid in kind in the fourth quarter of 2022, which increased the principal balance for the current year.

Other income:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Other income	\$ 100	\$ 125	\$ (25)	(20.0)%

Other income decreased slightly compared to the prior year as income from the transaction services agreement ("TSA") related to the Fairway sale recorded in the current year were more than offset by additional costs incurred to fulfill the TSA and various other expenses.

Loss on debt extinguishment:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Loss on debt extinguishment	\$ —	\$ (1,218)	\$ 1,218	(100.0)%

Loss on debt extinguishment in the prior year related to the pay down in December 2022 of the senior credit facility. There were no such transactions in the current year.

Provision for income taxes:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Provision for income taxes	\$ 308	\$ 336	\$ (28)	(8.3)%

See Note 12 — Income Taxes in our consolidated financial statements included elsewhere in this report.

Consolidated net (loss) income:

(Dollars in thousands)	Year ended December 31,		Change	
	2023	2022	\$	%
Consolidated net (loss) income	\$ (7,631)	\$ 30,914	\$ (38,545)	(124.7)%

The decrease in consolidated net (loss) income was due to the gain on sale of Fairway in the prior year and increased operating loss from continuing operations. See “Net revenues,” “Operating expenses excluding depreciation and amortization,” “Corporate expenses,” “Interest expense,” “Loss on debt extinguishment,” and “Provision for income taxes” above and Note 2 — Discontinued Operations in our consolidated financial statements included elsewhere in this report.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are cash provided by operations and our At Market Issuance Sales Agreement. Our primary uses of capital have been, and are expected to continue to be, capital expenditures, working capital, and acquisitions.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Pursuant to ASC Topic 205-40, “Going Concern,” the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern within one year of the date of the filing of these financial statements (April 1, 2024). Management considered the Company’s ability to forecast future cash flows, current financial condition, sources of liquidity and debt service obligations due on or before April 1, 2025.

The Company has experienced downturns in revenues and profitability and expects these to continue for an undetermined period of time. Management has considered these circumstances in assessing the Company’s liquidity over the next year. Liquidity is a measure of an entity’s ability to meet potential cash requirements, maintain its assets, fund its operations, and meet the other general cash needs of its business. The Company’s liquidity is impacted by general economic, financial, competitive, and other factors beyond its control. The Company’s liquidity requirements consist primarily of funds necessary to pay its expenses, principally debt service and operational expenses, such as labor costs, and other related expenditures. The Company generally satisfies its liquidity needs through cash provided by operations. In addition, the Company has taken steps to enhance its ability to fund its operational expenses by reducing various costs and is prepared to take additional steps as necessary.

At December 31, 2023, we had \$6.5 million outstanding to Emmis under the Emmis Convertible Promissory Note (as defined in Note 13), all of which is classified as current and has debt service obligations of approximately \$7.1 million due under its Emmis Convertible Promissory Note from April 1, 2024 (the date of issuance of these financial statements) through April 1, 2025. As a result of this debt service obligation to Emmis, management anticipates the Company will be unable to meet its liquidity needs for the next twelve months with cash and cash equivalents on hand and projected cash flows from operations. As a result, there is substantial doubt about the Company’s ability to continue as a going concern within one year after the date the financial statements are issued.

Management is prepared to implement additional cost cutting measures, as necessary, and intends to seek additional borrowings to meet its debt service obligations, if needed. While the Company has been successful in obtaining additional liquidity in the past, no assurances can be made that the Company will receive such liquidity in the future.

At December 31, 2023 we had cash, cash equivalents and restricted cash of \$7.1 million and net working capital of \$2.2 million. At December 31, 2022, we had cash, cash equivalents and restricted cash of \$15.3 million and net working capital of \$13.3 million. The decrease in net working capital was driven by payment of income taxes related to the gain on sale of Fairway and lower accounts receivable as sales declined in the current year.

As part of our business strategy, we continually evaluate potential acquisitions of businesses that we believe hold promise for long-term appreciation in value and leverage our strengths.

Operating Activities

Cash used in continuing operating activities was \$5.6 million for the year ended December 31, 2023 compared to cash provided by continuing operating activities of \$2.3 million for the year ended December 31, 2022. The decrease was mainly attributable to payments of income taxes, lower collections of accounts receivable compared to the prior year, and lower accounts payable in the current year due to timing of payments.

Investing Activities

Cash used in continuing investing activities was \$1.7 million for the year ended December 31, 2023, primarily attributable to capital expenditures related to a new digital platform project and the build out of our new space for radio operations and corporate offices. Cash provided by investing activities of \$77.6 million for the year ended December 31, 2022 was primarily attributable to the proceeds from the sale of Fairway, partially offset by capital expenditures.

Financing Activities

Cash used in continuing financing activities was \$1.2 million for the year ended December 31, 2023, primarily attributable to repurchases of our Class A common stock of \$0.8 million and settlement of tax withholding obligations of \$0.4 million.

Cash used in continuing financing activities was \$70.1 million for the year ended December 31, 2022, primarily attributable to the pay down of outstanding long-term debt of \$68.6 million and settlement of tax withholding obligations of \$1.3 million.

SEASONALITY

Our results of operations are usually subject to seasonal fluctuations, which result in higher second quarter revenues and operating income. For our radio operations, this seasonality is largely due to the timing of our largest concert in June of each year. Results are typically lowest in the first calendar quarter.

INFLATION

The impact of inflation on operations has not been significant to date. However, there can be no assurance that a high rate of inflation in the future would not have an adverse effect on operating results.

OFF-BALANCE SHEET FINANCINGS AND LIABILITIES

Other than legal contingencies incurred in the normal course of business, and contractual commitments to purchase goods and services, all of which are discussed in Note 11 to the consolidated financial statements, which is incorporated by reference herein, the Company does not have any material off-balance sheet financings or liabilities. The Company does not have any majority-owned or controlled subsidiaries that are not included in the consolidated financial statements, nor does the Company have any interests in or relationships with any "special-purpose entities" that are not reflected in the consolidated financial statements or disclosed in the Notes to consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide this information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of MediaCo Holding Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MediaCo Holding Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in retained earnings (deficit), and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

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.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has experienced a downturn in revenue and profitability and does not expect to be able to meet its liquidity needs within one year after the date of issuance of its consolidated financial statements. As a result, the Company has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Indianapolis, IN

April 1, 2024

MEDIACO HOLDING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)	Year ended December 31,	
	2023	2022
NET REVENUES	\$ 32,391	\$ 38,595
OPERATING EXPENSES:		
Operating expenses excluding depreciation and amortization expense	32,633	32,847
Corporate expenses	5,451	6,463
Depreciation and amortization	568	666
Loss on disposal of assets	526	5
Total operating expenses	39,178	39,981
OPERATING LOSS	(6,787)	(1,386)
OTHER INCOME (EXPENSE):		
Interest expense, net	(426)	(6,980)
Other income	100	125
Loss on debt extinguishment	—	(1,218)
Total other expense	(326)	(8,073)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(7,113)	(9,459)
PROVISION FOR INCOME TAXES	308	336
NET LOSS FROM CONTINUING OPERATIONS	(7,421)	(9,795)
DISCONTINUED OPERATIONS:		
Loss from discontinued operations before income taxes	(284)	(3,081)
Gain on sale of discontinued operations	—	46,875
Income tax benefit (expense) from discontinued operations	74	(3,085)
NET (LOSS) INCOME FROM DISCONTINUED OPERATIONS	(210)	40,709
CONSOLIDATED NET (LOSS) INCOME	(7,631)	30,914
PREFERRED STOCK DIVIDENDS	2,415	3,330
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ (10,046)	\$ 27,584
Net (loss) income per share attributable to common shareholders - basic and diluted:		
Continuing operations	\$ (0.39)	\$ (0.98)
Discontinued operations	\$ (0.01)	\$ 3.04
Net (loss) income per share attributable to common shareholders - basic and diluted:	\$ (0.40)	\$ 2.06
Weighted average common shares outstanding:		
Basic	24,876	13,380
Diluted	24,876	13,380

The accompanying notes to consolidated financial statements are an integral part of these statements.

MEDIACO HOLDING INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(in thousands, except share data)</i>	DECEMBER 31, 2023	DECEMBER 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,817	\$ 10,925
Restricted cash	1,337	2,500
Accounts receivable, net of allowance for doubtful accounts of \$ 353 and \$122, respectively	6,675	8,568
Prepaid expenses	891	979
Other	1,188	341
Current assets of discontinued operations	—	1,066
Total current assets	13,908	24,379
PROPERTY AND EQUIPMENT:		
Leasehold improvements	1,102	8,474
Broadcasting equipment	3,516	5,786
Office equipment, computer equipment, software and automobiles	1,027	1,973
Construction in progress	740	31
	6,385	16,264
Less accumulated depreciation and amortization	(5,005)	(15,683)
Total property and equipment, net	1,380	581
INTANGIBLE ASSETS:		
Indefinite lived intangibles	63,266	63,266
Other intangibles	3,737	3,649
	67,003	66,915
Less accumulated amortization	(2,410)	(2,212)
Total intangible assets, net	64,593	64,703
OTHER ASSETS:		
Operating lease right of use assets	13,614	5,088
Deposits and other	1,996	1,954
Total other assets	15,610	7,042
Total assets	\$ 95,491	\$ 96,705

The accompanying notes to consolidated financial statements are an integral part of these statements.

MEDIACO HOLDING INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS – (CONTINUED)

<i>(in thousands, except share data)</i>	DECEMBER 31, 2023	DECEMBER 31, 2022
LIABILITIES AND RETAINED DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,625	\$ 3,880
Current maturities of long-term debt	6,458	—
Accrued salaries and commissions	539	875
Deferred revenue	557	825
Operating lease liabilities	1,444	1,816
Other	65	35
Income taxes payable	29	3,008
Current liabilities of discontinued operations	—	659
Total current liabilities	11,717	11,098
LONG-TERM DEBT, NET OF CURRENT PORTION	—	5,950
OPERATING LEASE LIABILITIES, NET OF CURRENT	14,333	3,808
DEFERRED INCOME TAXES	2,775	2,483
OTHER NONCURRENT LIABILITIES	502	51
Total liabilities	29,327	23,390
COMMITMENTS AND CONTINGENCIES (NOTE 11)		
SERIES A CUMULATIVE CONVERTIBLE PARTICIPATING PREFERRED STOCK, \$ 0.01 PAR VALUE, 10,000,000 SHARES AUTHORIZED; 286,031 AND 260,000 SHARES ISSUED AND OUTSTANDING AT DECEMBER 31, 2023 AND 2022	28,754	26,339
EQUITY:		
Class A common stock, \$0.01 par value; authorized 170,000,000 shares; issued and outstanding 20,741,865 shares and 20,443,138 shares at December 31, 2023 and 2022, respectively	210	207
Class B common stock, \$0.01 par value; authorized 50,000,000 shares; issued and outstanding 5,413,197 shares at December 31, 2023 and 2022	54	54
Class C common stock, \$0.01 par value; authorized 30,000,000 shares; none issued	—	—
Additional paid-in capital	60,294	59,817
Accumulated deficit	(23,148)	(13,102)
Total equity	37,410	46,976
Total liabilities and equity	\$ 95,491	\$ 96,705

The accompanying notes to consolidated financial statements are an integral part of these statements.

MEDIACO HOLDING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN RETAINED EARNINGS (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2023, AND 2022

	Class A Common Stock		Class B Common Stock			Retained Earnings	
(in thousands, except share data)	Shares	Amount	Shares	Amount	APIC	(Deficit)	Total
BALANCE, DECEMBER 31, 2021	3,056,757	\$ 31	5,413,197	\$ 54	\$ 24,030	\$ (40,686)	\$ (16,571)
Net income	—	—	—	—	—	30,914	30,914
Issuance of class A to employees, officers and directors	530,001	6	—	—	1,275	—	1,281
Conversion of convertible promissory notes	13,714,730	138	—	—	30,766	—	30,904
Conversion of preferred shares	3,328,728	34	—	—	3,966	—	4,000
Repurchase of class A common shares	(187,078)	(2)	—	—	(220)	—	(222)
Preferred stock dividends	—	—	—	—	—	(3,330)	(3,330)
BALANCE, DECEMBER 31, 2022	20,443,138	\$ 207	5,413,197	\$ 54	\$ 59,817	\$ (13,102)	\$ 46,976
Net loss	—	—	—	—	—	(7,631)	(7,631)
Issuance of class A to employees, officers and directors	928,607	9	—	—	1,242	—	1,251
Repurchase of class A common shares	(629,880)	(6)	—	—	(765)	—	(771)
Preferred stock dividends	—	—	—	—	—	(2,415)	(2,415)
BALANCE, DECEMBER 31, 2023	20,741,865	\$ 210	5,413,197	\$ 54	\$ 60,294	\$ (23,148)	\$ 37,410

The accompanying notes to consolidated financial statements are an integral part of these statements.

MEDIACO HOLDING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year ended December 31,	
	2023	2022
OPERATING ACTIVITIES:		
Consolidated net (loss) income	\$ (7,631)	\$ 30,914
Less: Loss (income) from discontinued operations, net of tax	210	(40,709)
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities from continuing operations:		
Noncash loss on debt extinguishment	—	1,180
Depreciation and amortization	568	666
Amortization of deferred financing costs, including original issue discount	—	610
Noncash interest expense	508	1,436
Noncash lease expense	1,557	2,162
Provision for bad debts	282	2
Provision for deferred income taxes	272	336
Noncash compensation	1,688	2,514
Loss on sale of property and equipment	565	5
Other noncash items	342	53
Changes in assets and liabilities:		
Accounts receivable	1,611	3,626
Prepaid expenses and other current assets	(162)	576
Other assets	—	—
Accounts payable and accrued liabilities	(1,526)	1,062
Deferred revenue	(268)	(472)
Operating lease liabilities	(238)	(2,319)
Income taxes	(3,129)	—
Other liabilities	(219)	678
Net cash (used in) provided by continuing operating activities	(5,570)	2,320
Net cash provided by (used in) discontinued operating activities	255	(122)
Net cash (used in) provided by operating activities	(5,315)	2,198
INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,069)	(76)
Purchases of internally-created software	(597)	(1,293)
Proceeds from sale of discontinued operations	—	78,982
Net cash (used in) provided by continuing investing activities	(1,666)	77,613
Net cash used in discontinued investing activities	—	(422)
Net cash (used in) provided by investing activities	(1,666)	77,191
FINANCING ACTIVITIES:		
Payments on long-term debt	—	(68,573)
Repurchases of class A common stock	(771)	(222)
Settlement of tax withholding obligations	(440)	(1,343)
Net cash used in continuing financing activities	(1,211)	(70,138)
Net cash used in discontinued financing activities	(38)	(71)
Net cash used in financing activities	(1,249)	(70,209)
(DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(8,230)	9,180
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of period	15,301	6,121
End of period	\$ 7,071	\$ 15,301
SUPPLEMENTAL DISCLOSURES:		
Cash paid for:		
Interest	\$ —	\$ 6,308
Income taxes - Federal	2,290	—
Income taxes - State	752	—

The accompanying notes to consolidated financial statements are an integral part of these statements.

MEDIACO HOLDING INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Thousands Unless Indicated Otherwise)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

MediaCo Holding Inc. ("MediaCo" or the "Company") is an owned and operated multi-media company formed in Indiana in 2019, focused on radio and digital advertising, premium programming and events.

Our assets consist of two radio stations, WQHT(FM) and WBLS(FM) (the "Stations"), which serve the New York City demographic market area that primarily targets Black, Hispanic, and multi-cultural consumers. We derive our revenues primarily from radio and digital advertising sales, but we also generate revenues from events, including sponsorships and ticket sales, licensing, and syndication.

On December 9, 2022, Fairway Outdoor LLC, FMG Kentucky, LLC and FMG Valdosta, LLC (collectively, "Fairway"), all of which are wholly owned direct and indirect subsidiaries of MediaCo, entered into an Asset Purchase Agreement (the "Purchase Agreement"), with The Lamar Company, L.L.C., a Louisiana limited liability company (the "Purchaser"), pursuant to which we sold our Fairway outdoor advertising business to the Purchaser. The transactions contemplated by the Purchase Agreement closed as of the date of the Purchase Agreement.

We have classified the related assets and liabilities associated with our Fairway business as discontinued operations in our consolidated balance sheets and the results of our Fairway business have been presented as discontinued operations in our consolidated statements of income for all periods presented as the sale represented a strategic shift in our business that had a major effect on our operations and financial results. Unless otherwise noted, discussion in the notes to consolidated financial statements refers to the Company's continuing operations. See Note 2 — Discontinued Operations for additional information.

Unless the context otherwise requires, references to "we", "us" and "our" refer to MediaCo and its subsidiaries.

Basis of Presentation and Consolidation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany balances and transactions have been eliminated. In the opinion of management, all adjustments necessary for fair presentation (including normal recurring adjustments) have been included.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Pursuant to ASC Topic 205-40, "Going Concern," the Company is required to evaluate whether there is substantial doubt about its ability to continue as a going concern within one year of the date of the filing of these financial statements (April 1, 2024). Management considered the Company's ability to forecast future cash flows, current financial condition, sources of liquidity and debt service obligations due on or before April 1, 2025.

The Company has experienced downturns in revenues and profitability and expects these to continue for an undetermined period of time. Management has considered these circumstances in assessing the Company's liquidity over the next year. Liquidity is a measure of an entity's ability to meet potential cash requirements, maintain its assets, fund its operations, and meet the other general cash needs of its business. The Company's liquidity is impacted by general economic, financial, competitive, and other factors beyond its control. The Company's liquidity requirements consist primarily of funds necessary to pay its expenses, principally debt service and operational expenses, such as labor costs, and other related expenditures. The Company generally satisfies its liquidity needs through cash provided by operations. In addition, the Company has taken steps to enhance its ability to fund its operational expenses by reducing various costs and is prepared to take additional steps as necessary.

The Company has debt service obligations of approximately \$ 7.1 million due under its Emmis Convertible Promissory Note (as defined in Note 13) from April 1, 2024 (the date of issuance of these financial statements) through April 1, 2025. As a result of this debt service obligation to Emmis, management anticipates the Company will be unable to meet its liquidity needs for the next twelve months with cash and cash equivalents on hand and projected cash flows from operations. As a result, there is substantial doubt about the Company's ability to continue as a going concern within one year after the date the financial statements are issued.

Management is prepared to implement additional cost cutting measures, as necessary, and intends to seek additional borrowings to meet its debt service obligations, if needed. While the Company has been successful in obtaining additional liquidity in the past, no assurances can be made that the Company will receive such liquidity in the future.

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Revenue Recognition

The Company generates revenue from the sale of services including, but not limited to: (i) on-air commercial broadcast time, (ii) non-traditional revenues including event-related revenues and event sponsorship revenues, and (iii) digital advertising. Payments received from advertisers before the performance obligation is satisfied are recorded as deferred revenue. Substantially all deferred revenue is recognized within twelve months of the payment date. We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. Advertising revenues presented in the financial statements are reflected on a net basis, after the deduction of advertising agency fees, usually at a rate of 15% of gross revenues.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is recorded based on management’s judgment of the collectability of receivables. When assessing the collectability of receivables, management considers, among other things, historical loss experience and existing economic conditions. Amounts are written off after all normal collection efforts have been exhausted. The activity in the allowance for doubtful accounts for the years ended December 31, 2023, and 2022, was as follows:

	Balance At Beginning Of Period	Provision	Write-Offs	Balance At End Of Period
Year ended December 31, 2022	\$ 186	2	(66)	\$ 122
Year ended December 31, 2023	\$ 122	282	(51)	\$ 353

Cash and Cash Equivalents

MediaCo considers time deposits, money market fund shares and all highly liquid debt investment instruments with original maturities of three months or less to be cash equivalents. At times, such deposits may be in excess of FDIC insurance limits. Restricted cash at December 31, 2023 and 2022 represents \$1.3 million and \$2.5 million, respectively, held in escrow related to the Company’s disposition of the Fairway business and \$ 1.9 million and \$1.8 million, respectively, held as collateral for a letter of credit entered into in connection with the lease in New York City for our radio operations and corporate offices and included in the line item Deposits and Other in the consolidated balance sheets.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is generally computed using the straight-line method over the estimated useful lives of the related assets, which are 30 to 39 years for buildings, the shorter of economic life or expected lease term for leasehold improvements, five to seven years for broadcasting equipment, five years for automobiles, office equipment and computer equipment, and three to five years for software. Maintenance, repairs and minor renewals are expensed as incurred; improvements are capitalized. On a continuing basis, the Company reviews the carrying value of property and equipment for impairment. If events or changes in circumstances were to indicate that an asset carrying value may not be recoverable, a write-down of the asset would be recorded through a charge to operations. See below for more discussion of impairment policies related to our property and equipment. Depreciation expense for the years ended December 31, 2023, and 2022, was \$ 0.3 million and \$0.6 million, respectively.

Intangible Assets

Indefinite-lived Intangibles

In accordance with ASC Topic 350, "*Intangibles—Goodwill and Other*," radio broadcasting licenses are not amortized, but are tested at least annually for impairment at the reporting unit level and unit of accounting level, respectively. We test for impairment annually, on October 1 of each year, or more frequently when events or changes in circumstances or other conditions suggest impairment may have occurred. Impairment exists when the asset carrying values exceed their respective fair values, and the excess is then recorded to operations as an impairment charge. See Note 10 — Intangible Assets, for more discussion of our annual impairment tests performed during the years ended December 31, 2023, and 2022.

Definite-lived Intangibles

The Company's definite-lived intangible assets consist of software developed internally and programming agreements related to our radio business. These are amortized over the period of time the intangible assets are expected to contribute directly or indirectly to the Company's future cash flows.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expenses were \$0.5 million and \$0.6 million for the years ended December 31, 2023, and 2022, respectively.

Deferred Revenue and Barter Transactions

Deferred revenue includes deferred barter and other transactions in which payments are received prior to the performance of services (e.g., cash-in-advance advertising). Barter transactions are recorded at the estimated fair value of the product or service received. Revenue from barter transactions is recognized when commercials are broadcast. The appropriate expense or asset is recognized when merchandise or services are used or received. Barter revenues were \$0.8 million for the years ended December 31, 2023, and 2022. Barter expenses were \$ 0.8 million for the years ended December 31, 2023, and 2022.

Earnings Per Share

Our basic and diluted net income (loss) per share is computed using the two-class method. The two-class method is an earnings allocation that determines net income (loss) per share for each class of common stock and participating securities according to their participation rights in dividends and undistributed earnings or losses. Shares of Series A preferred stock include rights to participate in dividends and distributions to common stockholders on an if-converted basis, and accordingly are considered participating securities. During periods of undistributed losses however, no effect is given to our participating securities since they are not contractually obligated to share in the losses. We have elected to determine the earnings allocation based on income (loss) from continuing operations. As there is a loss from continuing operations, all potentially dilutive items were anti-dilutive and thus basic and diluted weighted-average shares are the same.

The following is a reconciliation of basic and diluted net income (loss) per share attributable to Class A and Class B common shareholders:

	Year Ended December 31,	
	2023	2022
Numerator:		
Loss from continuing operations	\$ (7,421)	\$ (9,795)
Less: Preferred stock dividends	(2,415)	(3,330)
Loss from continuing operations available to common shareholders	(9,836)	(13,125)
(Loss) income from discontinued operations, net of income taxes	(210)	40,709
Net (loss) income available to common shareholders	(10,046)	27,584
Denominator:		
Weighted-average shares of common stock outstanding — basic and diluted	24,876	13,380
Earnings per share of common stock attributable to common shareholders:		
Net (loss) income per share attributable to common shareholders - basic and diluted:		
Continuing operations	\$ (0.39)	\$ (0.98)
Discontinued operations	(0.01)	3.04
Net (loss) income per share attributable to common shareholders - basic and diluted:	\$ (0.40)	\$ 2.06

The following convertible equity shares and restricted stock awards were excluded from the calculation of diluted net loss per share because their effect would have been anti-dilutive.

(in thousands)	Year Ended December 31,	
	2023	2022
Convertible Emmis promissory note	4,902	1,400
Convertible Standard General promissory notes	—	3,088
Series A convertible preferred stock	21,634	6,105
Restricted stock awards	641	331
Total	27,177	10,924

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequence of events that have been recognized in the Company's financial statements or income tax returns. Income taxes are recognized during the year in which the underlying transactions are reflected in the consolidated statements of operations. Deferred taxes are provided for temporary differences between amounts of assets and liabilities as recorded for financial reporting purposes and amounts recorded for income tax purposes.

After determining the total amount of deferred tax assets, the Company determines whether it is more likely than not that some portion of the deferred tax assets will not be realized. If the Company determines that a deferred tax asset is not likely to be realized, a valuation allowance will be established against that asset to record it at its expected realizable value.

Definite-Lived Long-Lived Tangible Assets

The Company periodically considers whether indicators of impairment of definite-lived long-lived tangible assets are present. If such indicators are present, the Company determines whether the sum of the estimated undiscounted cash flows attributable to the assets in question is less than their carrying value. If less, the Company recognizes an impairment loss based on the excess of the carrying amount of the assets over their respective fair values. Fair value is determined by discounted future cash flows, appraisals and other methods. If the assets determined to be impaired are to be held and used, the Company recognizes an impairment charge to the extent the asset's carrying value is greater than the fair value. The fair value of the asset then becomes the asset's new carrying value, which the Company depreciates or amortizes over the remaining estimated useful life of the asset.

Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. The Company has considered information available to it as of the date of issuance of these financial statements and is not aware of any specific events or circumstances that would require an update to its estimates or judgments, or a revision to the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information becomes available. Actual results could differ materially from these estimates.

Reclassifications

Certain amounts have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements Implemented

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses*, which introduces new guidance for an approach based on using expected losses to estimate credit losses on certain types of financial instruments. It also modifies the impairment model for available-for-sale debt securities and provides a simplified accounting model for purchased financial assets with credit deterioration since their origination. Instruments in scope include loans, held-to-maturity debt securities and net investments in leases as well as reinsurance and trade receivables. We adopted this standard on January 1, 2023. The adoption of the new standard did not have a significant impact on our consolidated financial statements.

Recent Accounting Pronouncements Not Yet Implemented

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to enhance the transparency and decision usefulness of income tax disclosures by enhancing information about how an entity's operations and related tax risks and its tax planning and operation opportunities affect its tax rate and prospects for future cash flows. This guidance is effective for fiscal years beginning after December 31, 2024, with early adoption permitted. Adoption allows for prospective application, with retrospective application permitted. We are currently assessing the impact this standard will have on our consolidated financial statements, including, but not limited to, our income taxes footnote disclosure.

2. DISCONTINUED OPERATIONS

On December 9, 2022, Fairway entered into the Purchase Agreement with the Purchaser. The transactions contemplated by the Purchase Agreement closed as of the date of the Purchase Agreement. The purchase price was \$78.6 million, subject to certain customary adjustments, paid at closing in cash. The sale resulted in a pre-tax gain of \$46.9 million in the fourth quarter of 2022.

In accordance with ASC 205-20-S99-3, *Allocation of Interest to Discontinued Operations*, the Company elected to allocate interest expense to discontinued operations where the debt is not directly attributed to the Fairway business. Interest expense was allocated based on a ratio of net assets discontinued to the sum of consolidated net assets plus consolidated debt.

In addition, upon closing we entered into a transition service agreement with the Purchaser to support the operations after the divestiture for immaterial fees. This agreement commenced with the close of the transaction and was terminated at the end of the initial term in February 2023.

The financial results of Fairway are presented as income from discontinued operations on our consolidated statements of income. The following table presents the financial results of Fairway:

	Year ended December 31,	
	2023	2022 ^(a)
Net revenues	\$ —	\$ 13,484
OPERATING EXPENSES		
Operating expenses excluding depreciation and amortization expense	284	10,368
Depreciation and amortization	—	3,035
Loss on disposal of assets	—	68
Total operating expenses	284	13,471
(Loss) income from operations of discontinued operations	(284)	13
Interest and other, net	—	(3,094)
Loss from discontinued operations before income taxes and gain on sale	(284)	(3,081)
Pre-tax gain on sale	—	46,875
(Loss) income from discontinued operations, before income taxes	(284)	43,794
Income tax benefit (expense)	74	(3,085)
(Loss) income from discontinued operations, net of income taxes	\$ (210)	\$ 40,709

(a) Includes Fairway financial results through the transaction close on December 9, 2022 and the related gain on sale.

The following table presents the aggregate carrying amounts of assets and liabilities of discontinued operations for Fairway in the consolidated balance sheets:

	December 31, 2023	December 31, 2022
Assets:		
Accounts receivable, net	—	1,026
Other	—	40
Total current assets of discontinued operations	—	1,066
Liabilities:		
Accounts payable and accrued expenses	—	659
Total current liabilities of discontinued operations	—	659

3. COMMON STOCK

MediaCo has authorized Class A common stock, Class B common stock, and Class C common stock. The rights of these three classes are essentially identical except that each share of Class A common stock has one vote with respect to substantially all matters, each share of Class B common stock has 10 votes with respect to substantially all matters, and each share of Class C common stock has no voting rights with respect to substantially all matters. All Class B common stock outstanding is owned by SG Broadcasting. At December 31, 2023 and December 31, 2022, no shares of Class C common stock were issued or outstanding.

On December 16, 2022, our Board approved a stock repurchase plan (the "Repurchase Plan"), to repurchase from time to time, in the open market or through privately negotiated transactions, shares, up to \$2.0 million in the aggregate of shares of our Class A common stock. The timing of purchases and the exact number of shares to be purchased depends on market conditions. The Repurchase Plan does not include specific price targets or timetables and may be suspended or terminated at any time. During the years ended December 31, 2023 and 2022, we repurchased under the Repurchase Plan 629,880 and 187,078 shares of Class A common stock for an aggregate of \$ 0.8 million and \$0.2 million, respectively. Subsequent to December 31, 2023 through March 21, 2024 we repurchased under the Repurchase Plan an additional 11,304 shares of Class A common stock for an immaterial amount.

On August 20, 2021, MediaCo Holding Inc. entered into an At Market Issuance Sales Agreement with B. Riley Securities, Inc. ("B. Riley"), pursuant to which the Company may offer and sell, from time to time through or to B. Riley, as agent or principal, shares of the Company's Class A Common Stock, \$0.01 par value per share, having an aggregate offering price of up to \$ 12.5 million. During the years ended December 31, 2023 and 2022, no stock was sold under this agreement.

4. CONVERTIBLE PREFERRED STOCK

The Company issued to SG Broadcasting 220,000 shares of MediaCo Series A Convertible Preferred Stock, par value \$ 0.01 (the "MediaCo Series A Preferred Shares") in exchange for a cash contribution of \$22.0 million (the "SG Broadcasting Contribution"). This issuance of shares was issued in reliance upon an exemption from registration pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended. This issuance was not a "public offering" because no more than 35 non-accredited investors received securities of the Company, the Company did not engage in general solicitation or advertising with regard to the issuance and sale of shares of MediaCo Series A Preferred Shares and the Company did not make a public offering in connection with the sale of shares of MediaCo Series A Preferred Shares.

MediaCo Series A Preferred Shares rank senior in preference to the MediaCo Class A common stock, MediaCo Class B common stock, and the MediaCo Class C common stock. Pursuant to the Articles of Amendment, the ability of the Company to make distributions with respect to, or make a liquidation payment on, any other class of capital stock in the Company designated to be junior to, or on parity with, the MediaCo Series A Preferred Shares, will be subject to certain restrictions, including that (i) the MediaCo Series A Preferred Shares shall be entitled to receive the amount of dividends per share that would be payable on the number of whole common shares of the Company into which each share of MediaCo Series A Preferred Share could be converted, and (ii) the MediaCo Series A Preferred Shares, upon any liquidation, dissolution or winding up of the Company, shall be entitled to a preference on the assets of the Company. Issued and outstanding shares of MediaCo Series A Preferred Shares shall accrue cumulative dividends, payable in kind, at an annual rate equal to the interest rate on any senior debt of the Company (see Note 7), or if no senior debt is outstanding, 6%, plus additional increases of 1% on December 12, 2020 and each anniversary thereof. On December 13, 2023 and 2022, dividends of \$ 2.4 million and \$3.4 million, respectively, were paid in kind. The payment in-kind ("PIK") increased the accrued value of the preferred stock 26,031 and 80,000 additional shares, respectively, were issued as part of these payments.

MediaCo Series A Preferred Shares are redeemable for cash at the option of SG Broadcasting at any time on or after June 12, 2025, and so the shares are classified outside of permanent equity. The Series A Preferred Shares are also convertible into shares of Class A common stock at the option of SG Broadcasting at any time after May 25, 2020, with the number of shares of common stock determined by dividing the original contribution, plus accrued dividends, by the 30-day volume weighted average share price of Class A common shares. On and after May 25, 2020, when the conversion option became effective, the Series A Preferred Shares became participating securities and we began calculating earnings per share using the two-class method.

There were 300,000 shares designated as MediaCo Series A Preferred shares available to be issued as of December 31, 2022. On March 23, 2023, the Company filed Articles of Amendment to its Articles of Amendment of Amended & Restated Articles of Incorporation to increase the number of designated shares of MediaCo Series A Preferred Shares from 300,000 to 500,000. The additional shares will only be issued in payment of the PIK dividends payable on outstanding shares of the Convertible Preferred Stock.

On December 28, 2022, SG Broadcasting exercised its right to partially convert \$ 4.0 million of the outstanding balance on the MediaCo Series A Preferred Shares, for 3.3 million shares of the Company's Class A common stock.

5. SHARE BASED PAYMENTS

The amounts recorded as share based compensation expense consist of restricted stock awards issued to officers and employees that have vesting periods up to three years. Awards are typically made pursuant to employment agreements. Restricted stock awards are granted out of the Company's 2020 and 2021 Equity Compensation Plans.

We determine the fair value of restricted stock awards based on the closing price of our stock on the date of grant. We generally recognize compensation expense related to restricted stock awards on a straight-line basis over the period during which the restriction lapses. Forfeitures are recognized in the period in which they occur. The following table presents a summary of the Company's restricted stock grants outstanding at December 31, 2023, and restricted stock activity during the year ended December 31, 2023 ("Price" reflects the weighted average share price at the date of grant):

	Awards	Price
Grants outstanding, beginning of period	856	\$ 3.10
Granted	1,786	0.98
Vested (restriction lapsed)	(1,031)	2.12
Forfeited	(448)	2.08
Grants outstanding, end of period	1,163	\$ 1.17

Recognized Non-Cash Compensation Expense

The following table summarizes stock-based compensation expense recognized by the Company for the years ended December 31, 2023 and 2022. Tax expense related to stock compensation for the year ended December 31, 2023 was \$0.2 million and was not material for the year ended December 31, 2022.

	Year Ended December 31,	
	2023	2022
Operating expenses excluding depreciation and amortization	\$ 1,008	\$ 565
Corporate expenses	680	1,950
Loss from discontinued operations before income taxes	—	232
Stock-based compensation expense	\$ 1,688	\$ 2,747

As of December 31, 2023, there was \$0.7 million of unrecognized compensation cost related to nonvested stock-based compensation arrangements. The cost is expected to be recognized over a weighted average period of approximately 1.2 years.

6. REVENUE

The Company generates revenue from the sale of services including, but not limited to: (i) on-air commercial broadcast time, (ii) non-traditional revenues including event-related revenues and event sponsorship revenues, and (iii) digital advertising. Payments received from advertisers before the performance obligation is satisfied are recorded as deferred revenue. Substantially all deferred revenue is recognized within twelve months of the payment date. We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. Advertising revenues presented in the consolidated financial statements are reflected on a net basis, after the deduction of advertising agency fees, usually at a rate of 15% of gross revenues.

Spot Radio Advertising

On-air broadcast revenue is recognized when or as performance obligations under the terms of a contract with a customer are satisfied. This typically occurs over the period of time that advertisements are provided, or as an event occurs. Revenues are reported at the amount the Company expects to be entitled to receive under the contract. Payments received from advertisers before the performance obligation is satisfied are recorded as deferred revenue in the consolidated balance sheets. Substantially all deferred revenue is recognized within twelve months of the payment date.

Digital

Digital revenue relates to revenue generated from the sale of digital marketing services (including display advertisements and video pre-roll and sponsorships) to advertisers on Company-owned websites and from revenue generated from content distributed across other digital platforms. Digital revenues are generally recognized as the digital advertising is delivered.

Syndication

Syndication revenue relates to revenue generated from the sale of rights to broadcast shows we produce as well as revenues from syndicated shows we broadcast for a fee. Syndication revenues are generally recognized ratably over the term of the contract.

Events and Sponsorships

Events and Sponsorships revenues principally consist of ticket sales and sponsorship of events our stations conduct in their local market. These revenues are recognized when our performance obligations are fulfilled, which generally coincides with the occurrence of the related event.

Other

Other revenue includes barter revenue, network revenue, talent fee revenue and other revenue. The Company provides advertising broadcast time in exchange for certain products and services, including on-air radio programming. These barter arrangements generally allow the Company to preempt such bartered broadcast time in favor of advertisers who purchase time for cash consideration. These barter arrangements are valued based upon the Company's estimate of the fair value of the products and services received. Revenue is recognized on barter arrangements when we broadcast the advertisements. Advertisements delivered under barter arrangements are typically aired during the same period in which the products and services are consumed. The Company also sells certain remnant advertising inventory to third-parties for cash, and we refer to this as network revenue. The third-parties aggregate our remnant inventory with other broadcasters' remnant inventory for sale to third parties, generally to large national advertisers. This network revenue is recognized as we broadcast the advertisements. Talent fee revenue are fees earned for appearances by our talent, which is recognized when our performance obligations are fulfilled, which generally coincides with the occurrence of the related appearance. Other revenue is comprised of brand integrations, custom on-air shows, or other amounts earned that do not fit in any other category and are recognized when our performance obligations are fulfilled.

Disaggregation of revenue

The following table presents the Company's revenues disaggregated by revenue source:

	Year Ended December 31,			
	2023		2022	
Net revenues:				
Spot Radio Advertising	\$	18,650	57.6 %	\$ 25,790 66.8 %
Digital		3,677	11.4 %	4,713 12.2 %
Syndication		2,427	7.5 %	1,891 4.9 %
Events and Sponsorships		5,766	17.8 %	3,380 8.8 %
Other		1,871	5.7 %	2,821 7.3 %
Total net revenues	\$	<u>32,391</u>		<u>\$ 38,595</u>

7. LONG-TERM DEBT

Long-term debt was comprised of the note payable to Emmis of \$ 6.5 million and \$6.0 million at December 31, 2023 and 2022, respectively, and was classified as current at December 31, 2023 as the note matures within the next 12 months.

Emmis Convertible Promissory Note

The Emmis Convertible Promissory Note (as defined in Note 13) carries interest at a base rate equal to the interest on any senior credit facility, including any applicable paid in kind rate, or if no senior credit facility is outstanding, of 6.0%, plus an additional 1.0% on any payment of interest in kind and, without regard to whether the Company pays such interest in kind, an additional increase of 1.0% following the second anniversary of the date of issuance and additional increases of 1.0% following each successive anniversary thereafter. The Company has been accruing interest since inception using the rate applicable if the interest will be paid in kind. The Emmis Convertible Promissory Note is convertible, in whole or in part, into MediaCo Class A common stock at the option of Emmis and at a strike price equal to the thirty-day volume weighted average price of the MediaCo Class A common stock on the date of conversion. The Emmis Convertible Promissory Note matures on November 25, 2024.

On December 21, 2022, Emmis exercised its right to partially convert the outstanding principal and accrued but unpaid interest on the Emmis Convertible Promissory Note of \$0.9 million and \$0.1 million, respectively, for 0.8 million of the Company's Class A common stock.

For the year ended December 31, 2023, interest of \$0.5 million was paid-in-kind and added to the principal balance outstanding which was \$ 6.5 million at December 31, 2023.

The Company has debt service obligations of approximately \$ 7.1 million due under its Emmis Convertible Promissory Note from April 1, 2024 (the date of issuance of these financial statements) through April 1, 2025. As a result of this debt service obligation to Emmis, management anticipates the Company will be unable to meet its liquidity needs for the next twelve months with cash and cash equivalents on hand and projected cash flows from operations. See Note 1 for additional information.

Senior secured term loan agreement

Until December 9, 2022, the Company had a five-year senior secured term loan agreement (the "Senior Credit Facility") with GACP Finance Co., LLC, ("GACP") a Delaware limited liability company, as administrative agent and collateral agent. On December 9, 2022, following the consummation of the transactions contemplated by the Purchase Agreement, the Company repaid in full, without penalty, all of its obligations under the Senior Credit Facility, which was terminated at that time.

SG Broadcasting Promissory Notes

On July 28, 2022, SG Broadcasting exercised its right to convert the outstanding principal and accrued but unpaid interest on the SG Broadcasting Promissory Notes (as defined in Note 13) of \$28.0 million and \$1.9 million, respectively, for 12.9 million shares of the Company's Class A common stock. The SG Broadcasting Promissory Notes were terminated at that time, except for one such promissory note issued on May 19, 2021 (the "May 2021 SG Broadcasting Promissory Note"), which expired on June 30, 2023, with no amounts outstanding thereunder as of its expiration or as of December 31, 2022.

8. FAIR VALUE MEASUREMENTS

Fair value is the exchange price to sell an asset or transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The Company uses market data or assumptions market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, corroborated by market data, or generally unobservable. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Recurring Fair Value Measurements

The Company has no financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2023 or 2022.

Non-Recurring Fair Value Measurements

The Company has certain assets that are measured at fair value on a non-recurring basis including those described in Note 10 —Intangible Assets, and are adjusted to fair value only when the carrying values are more than the fair values. The categorization of the framework used to price the assets is considered a Level 3 measurement due to the subjective nature of the unobservable inputs used to determine the fair value (see Note 10 for more discussion).

Fair Value of Other Financial Instruments

Certain nonfinancial assets and liabilities are measured at fair value on a non-recurring basis and are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment. The estimated fair value of financial instruments is determined using the best available market information and appropriate valuation methodologies. Considerable judgment is necessary, however, in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Company could realize in a current market exchange, or the value that ultimately will be realized upon maturity or disposition. The use of different market assumptions may have a material effect on the estimated fair value amounts. The following methods and assumptions were used to estimate the fair value of financial instruments:

- Cash and cash equivalents: The carrying amount of these assets approximates fair value because of the short maturity of these instruments.
- Other long-term debt: The Emmis Convertible Promissory Note is not actively traded and is considered a Level 3 instrument. The Company believes the current carrying value of this debt approximates its fair value.

9. LEASES

We determine if an arrangement is a lease at inception. We have operating leases for office space and tower space, expiring at various dates through October 2039. Some leases have options to extend and some have options to terminate. Operating leases are included in operating lease right-of-use assets, current operating lease liabilities, and noncurrent operating lease liabilities in our consolidated balance sheets.

Operating lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate if it is readily determinable. Our lease terms may include options to extend or terminate the lease, which we treat as exercised when it is reasonably certain and there is a significant economic incentive to exercise that option.

Operating lease expense for operating lease assets is recognized on a straight-line basis over the lease term. Variable lease payments, which represent lease payments that vary due to changes in facts or circumstances occurring after the commencement date other than the passage of time, are expensed in the period in which the obligation for these payments was incurred. None of our leases contain variable lease payments.

We elected not to apply the recognition requirements of ASC 842, "Leases", to short-term leases, which are deemed to be leases with a lease term of twelve months or less. Instead, we recognized lease payments in the consolidated statements of operations on a straight-line basis over the lease term and variable payments in the period in which the obligation for these payments was incurred. We elected this policy for all classes of underlying assets. Short-term lease expense for the year ended December 31, 2023 was \$0.1 million and was not material for the year ended December 31, 2022.

On November 18, 2022, the Company entered into a lease agreement in New York City for our radio operations and corporate offices with a lease commencement date of February 1, 2023 and a noncancellable lease term through October 2039. This resulted in a right of use asset of \$10.4 million and an operating lease liability of \$10.4 million when recorded at lease commencement.

The impact of operating leases to our consolidated financial statements was as follows:

	Year Ended December 31,	
	2023	2022
Lease Cost		
Operating lease cost	\$ 3,468	\$ 2,550
Other Information		
Operating cash flows from operating leases	2,061	2,996
Weighted average remaining lease term - operating leases (in years)	14.0	7.0
Weighted average discount rate - operating leases	11.4 %	5.9 %

As of December 31, 2023, the annual minimum lease payments of our operating lease liabilities were as follows:

Year ended December 31,	
2024	\$ 1,663
2025	2,053
2026	2,453
2027	2,477
2028	2,500
After 2028	26,560
Total lease payments	37,706
Less: imputed interest	(21,929)
Total recorded lease liabilities	\$ 15,777

10. INTANGIBLE ASSETS

As of December 31, 2023 and 2022, intangible assets, net consisted of the following:

	December 31, 2023	December 31, 2022
Indefinite-lived intangible assets:		
FCC Licenses	\$ 63,266	\$ 63,266
Definite-lived intangible assets:		
Software	1,327	1,437
Total	\$ 64,593	\$ 64,703

In accordance with ASC Topic 350, *Intangibles—Goodwill and Other*, the Company reviews intangible assets at least annually for impairment. In connection with any such review, if the recorded value of intangible assets is greater than its fair value, they are written down and charged to results of operations. Our FCC licenses were successfully renewed in 2022 through June 2030. FCC licenses are renewed every eight years at a nominal cost, and historically both of our FCC licenses have been renewed at the end of their respective eight-year periods. Since we expect that both of our FCC licenses will continue to be renewed in the future, we believe they have indefinite lives. Given that our radio stations operate in the same geographic market they are considered a single unit of accounting.

Impairment Testing

The Company generally performs its annual impairment review of indefinite-lived intangibles as of October 1 each year. At the time of each impairment review, if the fair value of the indefinite-lived intangible is less than its carrying value, a charge is recorded to results of operations. When indicators of impairment are present, the Company will perform an interim impairment test. We will perform additional interim impairment assessments whenever triggering events suggest such testing for the recoverability of these assets is warranted. During the years ended December 31, 2023, and 2022, the Company did not record any impairment losses.

Valuation of Indefinite-lived Broadcasting Licenses

Fair value of our FCC licenses is estimated to be 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. To determine the fair value of our FCC licenses, the Company considers both income and market valuation methods when it performs its impairment tests. Under the income method, the Company projects cash flows that would be generated by its unit of accounting assuming the unit of accounting was commencing operations in its market at the beginning of the valuation period. This cash flow stream is discounted to arrive at a value for the FCC license. The Company assumes the competitive situation that exists in its market remains unchanged, with the exception that its unit of accounting commenced operations at the beginning of the valuation period. In doing so, the Company extracts the value of going concern and any other assets acquired, and strictly values the FCC license.

Major assumptions involved in this analysis include market revenue, market revenue growth rates, unit of accounting audience share, unit of accounting revenue share and discount rate. Each of these assumptions may change in the future based upon changes in general economic conditions, audience behavior, consummated transactions, and numerous other variables that may be beyond our control. The projections incorporated into our license valuations take into consideration the current economic conditions. Under the market method, the Company uses recent sales of comparable radio stations for which the sales value appeared to be concentrated entirely in the value of the license, to arrive at an indication of fair value. When evaluating our radio broadcasting licenses for impairment, the testing is performed at the unit of accounting level as determined by ASC Topic 350-30-35. In our case, radio stations in a geographic market cluster are considered a single unit of accounting.

Below are some of the key assumptions used in our income method annual impairment assessments. The long-term growth rates in the New York market in which we operate are based on recent industry trends and our expectations for the market going forward.

	October 1, 2023	October 1, 2022
Discount Rate	12.7%	12.7%
Long-term Revenue Growth Rate	0.5%	0.6%
Mature Market Share	10.8%	9.8%
Operating Profit Margin	22.9-29.0%	23.5-29.0%

As of both December 31, 2023 and 2022, the carrying amount of the Company's FCC licenses was \$ 63.3 million.

Definite-lived Intangibles

The following table presents the weighted-average remaining useful life at December 31, 2023 and gross carrying amount and accumulated amortization for each major class of definite-lived intangible assets at December 31, 2023 and 2022:

		December 31, 2023			December 31, 2022		
	Weighted Average Remaining Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Software	4.3	\$ 1,583	\$ 256	\$ 1,327	\$ 1,495	\$ 58	\$ 1,437

The software was developed internally by our radio operations and represents our updated websites and mobile applications, which offer increased functionality and opportunities to grow and interact with our audience. They cost \$1.6 million to develop and useful lives of five years and seven years were assigned to the application and website, respectively. Assets related to our websites placed in service during 2022 were disposed in the current year resulting in a loss of \$0.3 million, included in Loss on disposal of assets in the consolidated statements of operations.

Total amortization expense from definite-lived intangibles for the years ended December 31, 2023, and 2022, was \$ 0.3 million and \$0.1 million, respectively. The Company estimates amortization expense each of the next five years as follows:

Year ended December 31,	Amortization Expense
2024	\$ 317
2025	317
2026	317
2027	274
2028	102
After 2028	—
Total	<u>\$ 1,327</u>

11. OTHER COMMITMENTS AND CONTINGENCIES

Commitments

The Company has various commitments under contracts that include purchase obligations and employment agreements with annual commitments at December 31, 2023 as follows:

Year ended December 31,	Total Payments
2024	\$ 2,044
2025	1,360
2026	479
2027	—
2028	—
Thereafter	—
Total	<u>\$ 3,883</u>

Litigation

From time to time, our stations are parties to various legal proceedings arising in the ordinary course of business. In the opinion of management of the Company, however, there are no legal proceedings pending against the Company that we believe are likely to have a material adverse effect on the Company.

On April 1, 2022, the Company received a deficiency letter (the "Nasdaq Letter") from the Nasdaq Listing Qualifications Department, notifying the Company that the Company is not in compliance with Nasdaq Listing Rule 5550(b)(3), which requires the Company to maintain net income from continuing operations of \$0.5 million in the most recently completed fiscal year, or in two of the three most recently completed fiscal years (the "Minimum Net Income Requirement"), nor is it in compliance with either of the alternative listing standards, market value of listed securities or stockholders' equity. The Company's failure to comply with the Minimum Net Income Requirement was based on the Company's filing of its Annual Report on Form 10-K for the year ended December 31, 2021, reporting net loss from continuing operations of \$6.1 million.

Pursuant to the Nasdaq Letter, the Company had 45 calendar days from the date of the Nasdaq Letter to submit a plan to regain compliance, and submitted such a plan during this period. The plan was accepted and Nasdaq granted an extension of up to 180 calendar days from the date of the Nasdaq Letter to evidence compliance.

On July 28, 2022, the holder exercised its right under the SG Broadcasting Promissory Notes to convert the outstanding principal and accrued but unpaid interest of \$28.0 million and \$1.9 million, respectively, for 12.9 million shares of the Company's Class A common stock. The Note Conversion increased the Company's stockholders' equity by approximately \$29.9 million. As a result, the Company regained compliance with the stockholders' equity requirement based upon the transactions and events described above.

On August 1, 2022, Nasdaq sent the Company a letter confirming conditional compliance with Listing Rule 5550(b)(1), reminding the Company that it must maintain compliance on a go forward basis (the "Nasdaq Compliance Letter").

On November 15, 2022, the Company received a second deficiency letter (the "Second Nasdaq Letter") from the staff of the Nasdaq Listing Qualifications Department (the "Staff") stating that because the Company had reported stockholders' equity of \$2.0 million in its Quarterly Report on Form 10-Q for the period ended September 30, 2022, the Company no longer complies with Nasdaq Listing Rule 5550(b)(1), which requires a minimum \$2.5 million stockholders' equity and thus the Company's Class A common stock (listed on The Nasdaq Capital Market) would be subject to delisting unless the Company requests a hearing before a Nasdaq Hearings Panel (the "Panel") on or before November 22, 2022.

Pursuant to the Nasdaq Letter, the Company promptly requested a hearing before the Panel, with the intention of presenting a plan to regain compliance with the Rule.

On December 14, 2022, the Company received a letter (the "Third Nasdaq Letter") from the Nasdaq Office of General Counsel stating that it had been informed by the Staff that the Company's stockholders' equity deficiency had been cured, and that the Company is now in compliance with all applicable listing standards. Consequently, the Third Nasdaq Letter informed the Company that the scheduled hearing to appeal the delisting proceedings had been cancelled, and the Company's stock will continue to be listed on The Nasdaq Stock Market.

On September 15, 2023, the Company received a notification letter from the Nasdaq Listing Qualifications Department (the "Staff") notifying the Company that, because the closing bid price for the Company's Class A common stock was below \$1.00 for 30 consecutive business days, the Company no longer met the minimum bid price requirement for continued listing on The Nasdaq Capital Market under Nasdaq Marketplace Rule 5550(a) (2), requiring a minimum bid price of \$1.00 per share (the "Minimum Bid Price Requirement").

The Nasdaq deficiency letter has no immediate effect on the listing of the Class A common stock, and the Class A common stock will continue to trade on The Nasdaq Capital Market under the symbol "MDIA" at this time.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A)(ii), the Company was given 180 calendar days, or until March 13, 2024, to regain compliance with the Minimum Bid Price Requirement. The Company did not achieve compliance during that period. On March 14, 2024, the Company received a notification letter from the Staff notifying the Company that it had been granted an additional 180 days, or until September 9, 2024, to regain compliance with the Minimum Bid Price Requirement, based on meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on The Nasdaq Capital Market with the exception of the bid price requirement, and the Company's written notice of its intention to cure the deficiency during the second compliance period.

If at any time before September 9, 2024, the bid price of our Class A common stock closes at \$1.00 per share or more for a minimum of 10 consecutive business days, the Staff will provide written confirmation that we have achieved compliance. If we do not regain compliance with the Minimum Bid Price Requirement by the end of the second compliance period, the Class A common stock will become subject to delisting. In the event that the Company receives notice that the Class A common stock is being delisted, the Nasdaq listing rules permit the Company to appeal a delisting determination by the Staff to a hearings panel.

The Company intends to continue to monitor the closing bid price of the Common Stock between now and September 9, 2024, and will consider available options to regain compliance with the Minimum Bid Price Requirement, including initiating a reverse stock split. However, there can be no assurance that the Company will be able to regain compliance with the Minimum Bid Price Requirement or will otherwise be in compliance with other Nasdaq Listing Rules.

12. INCOME TAXES

The provision for income taxes for continuing operations for the years ended December 31, 2023, and 2022, consisted of the following:

	Year Ended December 31,	
	2023	2022
Current:		
Federal	\$ 36	\$ —
State	—	—
Total current	36	—
Deferred:		
Federal	68	90
State	204	246
Total deferred	272	336
Provision for income taxes	<u>\$ 308</u>	<u>\$ 336</u>

The provision for income taxes for continuing operations for the years ended December 31, 2023, and 2022, differs from that computed at the Federal statutory corporate tax rate as follows:

	Year Ended December 31,	
	2023	2022
Federal statutory income tax rate	21 %	21 %
Computed income tax provision at federal statutory rate	\$ (1,494)	\$ (1,986)
State income tax	(268)	(652)
State tax rate change	—	(278)
Equity based compensation	230	32
Valuation allowance	1,822	3,188
Other	18	32
Provision for income taxes	<u>\$ 308</u>	<u>\$ 336</u>

The final determination of our income tax liability may be materially different from our income tax provision. Significant judgment is required in determining our provision for income taxes. Our calculation of the provision for income taxes is subject to our interpretation of applicable tax laws in the jurisdictions in which we file. In addition, our income tax returns are subject to periodic examination by the Internal Revenue Service and other taxing authorities. As of December 31, 2023, the Company had no open income tax examinations.

The components of deferred tax assets and deferred tax liabilities at December 31, 2023, and 2022, were as follows:

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Intangible assets	\$ 11,148	\$ 12,197
Lease liability	4,891	1,749
Interest deduction carryforward	6,137	5,915
Stock compensation	209	340
Net operating losses	3,912	450
Property and equipment	61	812
Other	383	112
Valuation allowance	(16,599)	(14,718)
Total deferred tax assets	10,142	6,857
Deferred tax liabilities		
Indefinite-lived intangible assets	(8,697)	(7,763)
Right of use asset	(4,220)	(1,577)
Total deferred tax liabilities	(12,917)	(9,340)
Net deferred tax liabilities	\$ (2,775)	\$ (2,483)

A valuation allowance is provided when it is more likely than not that some portion of the deferred tax asset ("DTA") will not be realized. The Company has considered future taxable income and ongoing prudent and feasible tax-planning strategies in assessing the need for the valuation allowance. As of December 31, 2023, and 2022, the Company recorded a valuation allowance against its deferred tax assets, because the Company's management determined that it was more likely than not that certain assets would not be fully realized, as a result of a sharp deterioration of business activity related to the COVID-19 pandemic.

The Company records certain deferred tax liabilities ("DTLs") related to indefinite lived intangibles that are not expected to reverse during the carry-forward period. These DTLs can be considered a source of future taxable income to support realization of net operating losses ("NOLs") that do not expire and DTAs that upon reversal would give rise to NOLs that do not expire. With this consideration, the total valuation allowance recorded at December 31, 2023 and 2022, was \$16.6 million and \$14.7 million, respectively, resulting in a net \$2.8 million and \$2.5 million DTL, respectively.

As of December 31, 2023, the Company has \$ 12.1 million of federal net operating losses ("NOLs") and \$ 19.9 million of state NOLs available to offset future taxable income. The federal NOLs do not expire. Certain state NOL carryforwards begin expiring in the year ending December 2039.

Accounting Standards Codification paragraph 740-10 clarifies the accounting for uncertainty in income taxes by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken within a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest benefit that is greater than 50 percent likely of being realized upon ultimate settlement. As of December 31, 2023, the estimated value of the Company's net uncertain tax positions was approximately \$0.4 million all which is reported as a noncurrent liability. The following is a tabular reconciliation of the total amounts of gross unrecognized tax benefits for the years ended December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Gross unrecognized tax benefit - opening balance	\$ —	\$ —
Gross increases - tax position prior year	(390)	—
Gross increases - tax position current year	—	—
Decreases relating to settlement with taxing authorities	—	—
Gross decreases - lapse of applicable statute of limitation	—	—
Gross unrecognized tax benefit - ending balance	(390)	—

All of the unrecognized tax benefits as of December 31, 2023 and 2022, if recognized, would reduce the Company's provision for income taxes. Due to the uncertain and complex application of tax regulations, it is possible that the ultimate resolution of audits may result in liabilities that could be different from this estimate. In such case, the Company will record additional tax expense or tax benefit in the tax provision, or reclassify amounts on the accompanying consolidated balance sheets in the period in which such matter is effectively settled with the taxing authority.

The Company recognizes interest accrued related to unrecognized tax benefits and penalties as income tax expense. Related to the uncertain tax positions noted above, the Company accrued \$25 thousand of interest and no penalties during the current year.

13. RELATED PARTY TRANSACTIONS

Transaction Agreement with Emmis and SG Broadcasting

On June 28, 2019, MediaCo entered into a Contribution and Distribution Agreement with Emmis Communications Corporation ("Emmis") and SG Broadcasting, pursuant to which (i) Emmis contributed the assets of its radio stations WQHT(FM) and WBLS(FM), in exchange for \$91.5 million in cash, a \$5.0 million note and 23.72% of the common stock of MediaCo, (ii) Standard General purchased 76.28% of the common stock of MediaCo, and (iii) the common stock of MediaCo received by Emmis was distributed pro rata in a taxable dividend to Emmis' shareholders on January 17, 2020. The common stock of MediaCo acquired by Standard General is entitled to ten votes per share and the common stock acquired by Emmis and distributed to Emmis' shareholders is entitled to one vote per share.

Convertible Promissory Notes

As a result of the transaction described above, on November 25, 2019, we issued convertible promissory notes to both Emmis (such note, the "Emmis Convertible Promissory Note") and SG Broadcasting (such note, the "November 2019 SG Broadcasting Promissory Note") in the amounts of \$5.0 million and \$6.3 million, respectively. Through December 31, 2021, there were additional borrowings from SG Broadcasting and annual interest amounts paid in kind on the Emmis Convertible Promissory Note and SG Broadcasting Promissory Notes such that the principal balances outstanding as of December 31, 2021 were \$6.2 million and \$27.6 million, respectively. In addition to the November 2019 SG Broadcasting Promissory Note, we issued additional promissory notes to evidence our indebtedness to SG Broadcasting (collectively with the November 2019 SG Broadcasting Promissory Note, the "SG Broadcasting Promissory Notes").

On May 19, 2022, annual interest of \$0.4 million was paid in kind and added to the principal balance of the SG Broadcasting Promissory Notes.

On July 28, 2022, SG Broadcasting exercised its right under the SG Broadcasting Promissory Notes to fully convert the outstanding principal and accrued but unpaid interest into the Company's Class A common stock. The SG Broadcasting Promissory Notes were terminated at that time, except for the May 2021 SG Broadcasting Promissory Note, which expired on June 30, 2023 with no amounts outstanding thereunder as of December 31, 2023 or 2022.

On August 19, 2022, Emmis exercised its right under the Emmis Convertible Promissory Note to convert \$ 30 thousand of the outstanding principal for 11 thousand shares of the Company's Class A common stock.

On November 25, 2022, annual interest of \$0.8 million was paid in kind and added to the principal balance of the Emmis Convertible Promissory Note.

On December 21, 2022, Emmis exercised its right under the Emmis Convertible Promissory Note to convert \$ 0.9 million of the outstanding principal and \$0.1 million of accrued but unpaid interest for 0.8 million shares of the Company's Class A common stock.

Consequently, the principal amount outstanding as of December 31, 2022 under the Emmis Convertible Promissory Note was \$ 6.0 million.

For the year ended December 31, 2023, interest of \$0.5 million was paid-in-kind and added to the principal balance outstanding which was \$ 6.5 million at December 31, 2023

The Company recognized interest expense of \$ 0.6 million and \$0.8 million related to the Emmis Convertible Promissory Note for the years ended December 31, 2023, and 2022, respectively. The Company recognized no interest expense related to the SG Broadcasting Promissory Notes for the year ended December 31, 2023 and \$1.8 million for the year ended December 31, 2022.

The terms of these notes are described in Note 7.

Convertible Preferred Stock

On December 13, 2019, in connection with the purchase of Fairway, the Company issued to SG Broadcasting 220,000 shares of MediaCo Series A Convertible Preferred Stock.

Dividends on Series A Convertible Preferred Stock held by SG Broadcasting were \$ 2.4 million and \$3.3 million for the years ended December 31, 2023, and 2022. On December 13, 2023 and 2022, \$2.4 million and \$3.4 million, respectively, of dividends were paid in kind. These payments in kind increased the accrued value of the preferred stock and 26,031 and 80,000 additional shares, respectively, were issued as part of this payment. As of December 31, 2023, and 2022, unpaid cumulative dividends were \$0.2 million and \$0.1 million, respectively, and included in the balance of preferred stock in the accompanying consolidated balance sheets. See Note 4 for a description of the Preferred Stock.

On December 28, 2022, SG Broadcasting exercised its right to partially convert \$ 4.0 million of the outstanding balance on the MediaCo Series A Preferred Shares, for 3.3 million shares of the Company's Class A common stock.

Management Agreement for Billboards LLC

On August 11, 2020, the board of directors of the Company unanimously authorized the entry into a certain Management Agreement (the "Billboard Agreement") between Fairway Outdoor LLC (a subsidiary of the Company, "Fairway") and Billboards LLC (an affiliate of Standard General, "Billboards"). Under the Billboard Agreement, Fairway managed the billboard business of Billboards in exchange for payments of \$25,000 per quarter and reimbursement of all out-of-pocket expenses incurred by Fairway in the performance of its duties under the Billboard Agreement. The Billboard Agreement had an effective date of August 1, 2020, a term of three years, and customary provisions on limitation of liability and indemnification. \$ 0.1 million of income was recognized in the year ended December 31, 2022 in relation to the Billboard Agreement, none of which was outstanding as of December 31, 2022. Additionally, Fairway incurred \$0.2 million of out-of-pocket expenses for the period, substantially all of which has been reimbursed as of December 31, 2022. On December 9, 2022, in connection with the sale of the assets held by Fairway, the Billboard Agreement was terminated pursuant to mutual agreement between Fairway and Billboards.

In October 2023, we entered into agreements with five consultants that are currently employed by affiliates of Standard General. Two of the agreements have a term that expired on February 1, 2024 and are billed at hourly rates of \$125 and \$150 per hour. Two of the agreements have a term that expires on April 1, 2024 and are billed at rates of \$6,000 and \$8,400 per month. One agreement may be terminated at any time by either party and is billed at \$18,000 per month, plus expenses. As of December 31, 2023, \$ 49 thousand of fees were incurred related to these agreements.

14. SUBSEQUENT EVENTS

There were no other subsequent events other than share repurchases discussed in Note 3 and the Nasdaq letter received as discussed in Note 11.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this transition report, the Company evaluated the effectiveness of the design and operation of its “disclosure controls and procedures” (“Disclosure Controls”). This evaluation (the “Controls Evaluation”) was performed under the supervision and with the participation of management, including our Interim President and Chief Operating Officer (“President and COO”) and Chief Financial Officer (“CFO”).

Based upon the Controls Evaluation, our President and COO and CFO concluded that as of December 31, 2023, our Disclosure Controls are effective to ensure that information relating to MediaCo Holding Inc. and Subsidiaries that is required to be disclosed by us in the reports that we file or submit is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f)) that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures and Internal Control over Financial Reporting.

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management's Report on Internal Control Over Financial Reporting.

The management of MediaCo Holding Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Pursuant to the rules and regulations of the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of, MediaCo Holding Inc.'s principal executive and principal financial officers and effected by MediaCo Holding Inc.'s 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 MediaCo Holding Inc. are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of MediaCo Holding Inc.'s assets that could have a material effect on the financial statements.

Management has evaluated the effectiveness of its internal control over financial reporting as of December 31, 2023, based on the control criteria established in a report entitled *Internal Control—Integrated Framework* (2013 Framework), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, management has concluded that its internal control over financial reporting is effective as of December 31, 2023.

ITEM 9B. OTHER INFORMATION

None..

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item with respect to directors or nominees to be directors of MediaCo is incorporated by reference from the sections entitled “Proposal 1: Election of Directors,” “Delinquent Section 16(a) Reports,” “Corporate Governance – Certain Committees of the Board of Directors,” and “Corporate Governance – Code of Ethics” in the proxy statement for the Annual Meeting of Shareholders expected to be filed within 120 days after the end of the fiscal year to which this report applies. Information about executive officers of MediaCo or its affiliates who are not directors or nominees to be directors is presented in Part I under the caption “Information about our Executive Officers.”

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the sections entitled “Corporate Governance – Compensation of Directors,” and “Executive Compensation” in the proxy statement for the Annual Meeting of Shareholders expected to be filed within 120 days after the end of the fiscal year to which this report applies.

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

Information required by this item is incorporated by reference from the section entitled “Security Ownership of Beneficial Owners and Management” in the proxy statement for the Annual Meeting of Shareholders expected to be filed within 120 days after the end of the fiscal year to which this report applies.

Equity Compensation Plan Information

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under our 2021 and 2020 Equity Compensation Plans as of December 31, 2023. Our shareholders have approved these plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (A)) (C)
<i>Class A common stock</i>			
Equity Compensation Plans			
Approved by Security Holders	1,162,669	\$ 1.17	209,143
Equity Compensation Plans			
Not Approved by Security Holders	—	—	—
Total	1,162,669	\$ 1.17	209,143

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the sections entitled “Corporate Governance – Independent Directors” and “Corporate Governance – Transactions with Related Persons” in the proxy statement for the Annual Meeting of Shareholders expected to be filed within 120 days after the end of the fiscal year to which this report applies.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Our independent registered public accounting firm is Ernst & Young LLP, Indianapolis, IN, PCAOB ID 42.

The information required by this item is incorporated by reference from the section entitled “Matters Relating to Independent Registered Public Accountants” in the proxy statement for the Annual Meeting of Shareholders expected to be filed within 120 days after the end of the fiscal year to which this report applies.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements

The financial statements filed as a part of this report are set forth under Item 8.

Financial Statement Schedules

No financial statement schedules are required to be filed with this report.

Exhibits

The following exhibits are filed or incorporated by reference as a part of this report:

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			Filing Date
			Form	Period Ending	Exhibit	
3.1	Amended and Restated Articles of Incorporation of MediaCo Holding Inc., as amended.		10-KT	12/31/2019	3.1	3/27/2020
3.2	Articles of Amendment to Articles of Amendment of Amended & Restated Articles of Incorporation		8-K		3.1	3/27/2023
3.3	Amended and Restated Code of Bylaws of MediaCo Holding Inc.		10-K	12/31/2021	3.2	3/24/2022
4.1	Description of Capital Stock		10-KT	12/31/2019	4.1	3/27/2020
10.2†	Employment Agreement between MediaCo Holding Inc. and Ann Beemish, dated February 9, 2022		8-K		99.1	2/11/2022
10.4†	MediaCo Holding Inc. 2021 Equity Compensation Plan		Definitive Proxy		Ex. A	4/2/2021
10.5	Promissory Note, dated as of November 25, 2019, by MediaCo Holding Inc. in favor of Emmis Communications Corporation		8-K		10.8	11/27/2019
10.7†	Form of Restricted Stock Agreement under 2020 Equity Compensation Plan.		10-Q	6/30/2020	10.2	8/14/2020
10.8†	Separation and Release Agreement between the Company and Bradford A. Tobin		8-K		99.1	7/17/2023
10.9†	Separation and Release Agreement between the Company and Rahsan-Rahsan Lindsay		8-K		99.1	10/12/2023
21	Subsidiaries of MediaCo Holding Inc.	X				
23	Consent of Independent Registered Public Accounting Firm	X				
31.1	Certification of Principal Executive Officer of MediaCo Holding Inc. pursuant to Rule 13a-14(a) under the Exchange Act	X				
31.2	Certification of Principal Financial Officer of MediaCo Holding Inc. pursuant to Rule 13a-14(a) under the Exchange Act	X				
32.1	Certification of Principal Executive Officer of MediaCo Holding Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
32.2	Certification of Principal Financial Officer of MediaCo Holding Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
97†	MediaCo Holding Inc. Compensation Recoupment Policy	X				

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			Filing Date
			Form	Period Ending	Exhibit	
101.INS	Inline XBRL Instance Document	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X				
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X				
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	X				

+ The Registrant will furnish supplementally a copy of any omitted schedule to the Securities and Exchange Commission upon request.

† Constitutes a management contract or compensatory plan or arrangement.

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.

MEDIACO HOLDING INC.

Date: April 1, 2024

By: /s/ Kudjo Sogadzi
Kudjo Sogadzi
Interim President and Chief Operating Officer
(Principal Executive Officer)

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: April 1, 2024	<u>/s/ Kudjo Sogadzi</u> Kudjo Sogadzi	Interim President and Chief Operating Officer (Principal Executive Officer)
Date: April 1, 2024	<u>/s/ Ann C. Beemish</u> Ann C. Beemish	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer and Principal Accounting Officer)
Date: April 1, 2024	<u>/s/ Patrick M. Walsh</u> Patrick M. Walsh	Director
Date: April 1, 2024	<u>/s/ J. Scott Enright</u> J. Scott Enright	Director
Date: April 1, 2024	<u>/s/ Andrew Glaze</u> Andrew Glaze	Director
Date: April 1, 2024	<u>/s/ Robert L. Greene</u> Robert L. Greene	Director
Date: April 1, 2024	<u>/s/ Mary Beth McAdaragh</u> Mary Beth McAdaragh	Director
Date: April 1, 2024	<u>/s/ Deborah McDermott</u> Deborah McDermott	Director
Date: April 1, 2024	<u>/s/ Jeffrey H. Smulyan</u> Jeffrey H. Smulyan	Director
Date: April 1, 2024	<u>/s/ Amit Thakrar</u> Amit Thakrar	Director

INFORMATION REGARDING SUBSIDIARIES OF THE REGISTRANT

Name Under Which Subsidiary Does Business	Jurisdiction of Organization
MediaCo Holding Inc.	IN
MediaCo WQHT License LLC	IN
MediaCo WBLS License LLC	IN

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-258593) of MediaCo Holding Inc. and Subsidiaries,
- (2) Registration Statement (Form S-8 No. 333-246338) pertaining to the 2020 Equity Compensation Plan of MediaCo Holding Inc. and Subsidiaries, and
- (3) Registration Statement (Form S-8 No. 333-256430) pertaining to the 2021 Equity Compensation Plan of MediaCo Holding Inc. and Subsidiaries;

of our report dated April 1, 2024, with respect to the consolidated financial statements of MediaCo Holding Inc. and Subsidiaries included in this Annual Report (Form 10-K) for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Indianapolis, Indiana

April 1, 2024

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Kudjo Sogadzi, certify that:

1. I have reviewed this report on Form 10-K of MediaCo Holding Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2024

/s/ Kudjo Sogadzi

Kudjo Sogadzi

Interim President and Chief Operating Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Ann C. Beemish, certify that:

1. I have reviewed this report on Form 10-K of MediaCo Holding Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2024

/s/ Ann C. Beemish

Ann C. Beemish

Executive Vice President, Chief Financial Officer and Treasurer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in their capacity as an officer of MediaCo Holding Inc. (the "Company"), that, to his knowledge:

- (1) the Form 10-K for the period ended December 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2024

/s/ Kudjo Sogadzi

Kudjo Sogadzi

Interim President and Chief Operating Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in their capacity as an officer of MediaCo Holding Inc. (the "Company"), that, to his knowledge:

- (1) the Form 10-K for the period ended December 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2024

/s/ Ann C. Beemish

Ann C. Beemish

Executive Vice President, Chief Financial Officer and Treasurer

MEDIACO HOLDING, INC.**COMPENSATION RECOUPMENT POLICY**

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of MediaCo Holding Inc. (the “Company”) has adopted this Compensation Recoupment Policy (this “Policy”) in order to implement a mandatory clawback policy in the event of a Restatement in compliance with the Applicable Rules (each, as defined below), as well as to provide the Committee with discretion to recoup certain compensation in certain additional circumstances involving misconduct, as set forth in Section VII of this Policy.

I. Defined Terms

- a. “Applicable Rules” means Section 10D of the Exchange Act and Rule 10D-1 promulgated thereunder, Nasdaq Listing Rule 5608, and any other applicable national stock exchange rules that the Company is or may become subject to.
 - b. “Clawback Compensation” means Incentive-Based Compensation or any other recovered compensation, in each case as determined to be subject to repayment pursuant to this Policy.
 - c. “Clawback Event” means either (i) a required recoupment of Incentive-Based Compensation in the event of a Restatement or (ii) a discretionary recoupment of Clawback Compensation pursuant to Section VII of this Policy.
 - d. “Covered Officer” means any person currently or formerly designated by the Board as an “officer” for purposes of Section 16 of the Exchange Act and the related promulgated rules, or as otherwise determined by the Board in accordance with the definition of executive officer as set forth in the Applicable Rules.
 - e. “Discretionary Recovery Event” – a “Discretionary Recovery Event” occurs if (a) the Company is required to prepare a Restatement or (b) the Committee determines that a Covered Officer has engaged in Misconduct.
 - f. “Effective Date” means October 2, 2023.
 - g. “Equity Award” means any equity or equity-based award granted to a Covered Officer, regardless of whether such award is subject to time-vesting or performance-vesting conditions.
 - h. “Exchange Act” means the Securities Exchange Act of 1934, as amended.
 - i. “Financial Reporting Measures” mean (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, (ii) the Company’s stock price, and (iii) total shareholder return in respect of the Company. A “Financial Reporting Measure” need not be presented within the financial statements or included in a filing with the SEC.
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- j. "Incentive-Based Compensation" means any compensation that is granted, earned, or vested, based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation does not include, among other forms of compensation, equity awards that vest exclusively upon completion of a specified employment period, without any performance condition, and bonus awards that are discretionary or based on subjective goals or goals unrelated to Financial Reporting Measures.
- k. "Misconduct" means, with respect to a Covered Officer: (i) the commission of any felony, willful misconduct, or breach of a fiduciary duty, in each case, in connection with such Covered Officer's services to the Company; or (ii) the commission of an act of fraud, embezzlement, or misappropriation with respect to the Company.
- l. "Nasdaq" means The Nasdaq Stock Market LLC.
- m. "Received" – Incentive-Based Compensation is deemed "Received" for the purposes of this Policy in the Company's fiscal period during which the Financial Reporting Measure applicable to the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.
- n. "Recovery Period" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare a Restatement, which date is the earlier of (i) the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement or (ii) a date that a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.
- o. "Regulators" means, as applicable, the SEC and Nasdaq.
- p. "Restatement" means an accounting restatement of the Company's financial statements that the Company is required to prepare due to the Company's material noncompliance with any financial reporting requirement under applicable U.S. federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that (i) is material to the previously issued financial statements, or (ii) would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- q. "SEC" means the U.S. Securities and Exchange Commission.

II. Administration

This Policy shall be administered by the Committee, which shall make all determinations with respect to this Policy, provided that (a) this Policy shall be interpreted in a manner consistent with the requirements of the Applicable Rules and (b) Section VII of this Policy shall be interpreted in the Committee's sole discretion, which may or may not conform with the Applicable Rules.

Notwithstanding the foregoing, the Board may assume any or all powers and authority of the Committee with respect to the administration of Section VII of this Policy, in which case references to the Committee shall be deemed to include the Board, as applicable.

III. Recovery on a Restatement

In the event that the Company is required to prepare a Restatement, the Company shall reasonably promptly recover the amount, as calculated pursuant to this Section III, of any erroneously awarded Incentive-Based Compensation that is Received by a Covered Officer during the Recovery Period. The amount of erroneously Received Incentive-Based Compensation will be the excess of the amount of Incentive-Based Compensation that is Received by the Covered Officer (whether in cash or shares) based on the erroneous data in the original financial statements over the amount of Incentive-Based Compensation (whether in cash or in shares) that would have been Received by the Covered Officer had such Incentive-Based Compensation been based on the restated results, without respect to any tax liabilities incurred or paid by the Covered Officer.

Without limiting the foregoing, for Incentive-Based Compensation based on the Company's stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Restatement, (a) the amount shall be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such estimate to Nasdaq.

IV. Coverage and Application

This Policy covers all persons who are Covered Officers at any time during the Recovery Period for which Incentive-Based Compensation is Received. Incentive-Based Compensation shall not be recovered under this Policy to the extent it is Received by any person before the date the person served as a Covered Officer. Subsequent changes in a Covered Officer's employment status, including retirement or termination of employment, do not affect the Company's right or obligation to recover compensation pursuant to this Policy.

For the avoidance of doubt, and subject to Section VII hereof, this Policy shall apply to Incentive-Based Compensation that is Received by any Covered Officer on or after the Effective Date that resulted from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date.

V. Exceptions to Policy

No recovery of Incentive-Based Compensation shall be required if any of the following conditions are met and the Committee determines that, on such basis, recovery would be impracticable:

- a. the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; provided that prior to making a determination that it would be impracticable to recover any Incentive-Based Compensation based on the expense of enforcement, the Company shall (i) have made a reasonable attempt to recover the Incentive-Based Compensation, (ii) have documented such reasonable attempt(s) to recover, and (iii) provide this documentation to Nasdaq;
 - b. recovery would violate home country law where that law was adopted prior to November 28, 2022; provided that prior to making a determination that it would be impracticable to
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recover any Incentive-Based Compensation based on violation of home country law, the Company shall (i) have obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such violation, and (ii) provide a copy of such opinion to Nasdaq; or

- c. recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder.

VI. Public Disclosure

The Company shall make all required disclosures and filings with the Regulators with respect to this Policy in accordance with the requirements of the Applicable Rules and any other requirements applicable to the Company, including any disclosures required in connection with SEC filings.

VII. Discretionary Recovery

Notwithstanding any other provision for mandatory recovery by the Company of Incentive-Based Compensation described elsewhere in this Policy, the Committee reserves discretion to require repayment or forfeiture of Clawback Compensation from a Covered Officer if a Discretionary Recovery Event has occurred. In any such case, and to the extent such compensation is not otherwise subject to recovery under this Policy, the Committee may, in its discretion and to the extent it deems appropriate, require the repayment or forfeiture of any Incentive-Based Compensation or all or any portion of the following compensation:

- a. any Equity Award that is granted, paid, or vests during the fiscal year in which the Committee determines that such Discretionary Recovery Event occurred or the three preceding fiscal years (and, in the event that the Covered Officer has sold the shares issued pursuant to such equity award, repayment of any gains with respect to such sale); or
- b. any discretionary bonus or cash incentive compensation payment or award that is granted, paid, or vests during the fiscal year in which the Committee determines that such Discretionary Recovery Event occurred or the three preceding fiscal years.

The amount of compensation repaid or forfeited shall be determined by the Committee, in its discretion, taking into account the magnitude and circumstances surrounding the Discretionary Recovery Event.

VIII. Methods of Recovery

In the event of a Clawback Event, subject to applicable law, the Committee may take any such actions as it deems necessary or appropriate to recover Clawback Compensation. These actions may include, without limitation:

- a. the cancellation of any Clawback Compensation in the form of vested or unvested equity or equity-based awards that have not been distributed or otherwise settled prior to the date of determination;
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- b. the recovery of any Clawback Compensation that was previously paid to the Covered Officer;
- c. the recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any Clawback Compensation in the form of equity or equity-based awards;
- d. the offset, withholding, or elimination of any compensation that could be paid or awarded to the Covered Officer after the date of determination;
- e. the recoupment of any amount in respect of Clawback Compensation contributed to a plan that takes into account Clawback Compensation (excluding certain tax-qualified plans, but including long-term disability, life insurance, and supplemental executive retirement plans) and any earnings accrued to date on that notional amount; and
- f. the taking of any other remedial and recovery action permitted by law, as determined by the Committee.

In addition, the Committee may authorize legal action for breach of fiduciary duty or other violation of law and take such other actions to enforce the Covered Officer's obligations to the Company as the Committee deems appropriate.

IX. No Indemnification

The Company shall not indemnify any current or former Covered Officer against the loss of erroneously awarded compensation, and shall not pay or reimburse any Covered Officer for premiums incurred or paid for any insurance policy to fund such Covered Officer's potential recovery obligations.

X. No Substitution of Rights; Non-Exhaustive Rights

Any right of recoupment under this Policy is in addition to, and not in lieu of, (a) any other remedies or rights of recoupment that may be available to the Company pursuant to any incentive plan of the Company or any of its subsidiaries or affiliates or the terms of any similar policy or provision in any employment agreement, compensation agreement or arrangement, or similar agreement or (b) any other legal remedies available to the Company.

In addition to recovery of compensation as provided for in this Policy, the Company may take any and all other actions as it deems necessary, appropriate, and in the Company's best interest in connection with a Clawback Event, including termination of a Covered Officer's employment and initiation of legal action against a Covered Officer, and nothing in this Policy limits the Company's rights to take any such action or other appropriate actions.

XI. Amendment

The Committee, in its discretion, or the Board, in its discretion upon the recommendation of the Committee, may amend this Policy at any time for any reason, subject to any limitations under the Applicable Rules.

XII. Effective Date

This Policy shall be effective as of the Effective Date. For the avoidance of doubt, the terms of this Policy shall apply to any Incentive-Based Compensation Received by any Covered Officer on or after the Effective Date, even if such compensation was approved, awarded, granted, or paid to such Covered Officer prior to the Effective Date. Without limiting the generality of Section VIII hereof, and subject to applicable law, the Committee may effect recovery under this Policy from any amount of compensation approved, awarded, granted, payable, or paid to any Covered Officer prior to, on, or after the Effective Date.

Compensation Recoupment Policy Acknowledgement

I, the undersigned, agree and acknowledge that I am fully bound by, and subject to, all of the terms and conditions of the Compensation Recoupment Policy (as it may be amended, restated, supplemented, or otherwise modified from time to time, the "Policy") of MediaCo Holding Inc. (the "Company"). I further acknowledge that any right of recoupment under the Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any employment agreement, equity award agreement, equity incentive plan, cash incentive plan or similar agreement, plan, or policy and any other legal remedies available to the Company. In the event it is determined by the Company's Board of Directors or its designee that any amounts granted, awarded, earned, or paid to me must be forfeited or reimbursed to the Company, I will promptly take any action necessary to effectuate such forfeiture and/or reimbursement.

By: _____

[Name]

[Title]

Date: _____