

REFINITIV

DELTA REPORT

10-Q

BBGI - BEASLEY BROADCAST GROUP I

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 617

█	CHANGES	104
█	DELETIONS	366
█	ADDITIONS	147

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

FORM 10-Q

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

For the Quarterly Period Ended **September 30, March 31, 2023** **2024**

OR

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

For the transition period from to

Commission File Number: 000-29253

BEASLEY BROADCAST GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

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

3033 Riviera Drive, Suite 200
Naples, Florida 34103
(Address of Principal Executive Offices and Zip Code)

(239) 263-5000
(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Class A Common Stock, par value \$0.001 per share	BBGI	Nasdaq GlobalCapital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

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

Class A Common Stock, \$0.001 par value, **13,303,369** **13,681,533** Shares Outstanding as of **October 27, 2023** **May 2, 2024**

Class B Common Stock, \$0.001 par value, 16,662,743 Shares Outstanding as of **October 27, 2023** **May 2, 2024**

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BEASLEY BROADCAST GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	ASSETS	Dece mber 31, 2022		Septe mber 30, 2023		ASSETS	December 31, 2023		March 31, 2024	
		ASSETS		ASSETS			ASSETS		ASSETS	
Current assets:										
		39,5		29,6						
		34,6		65,4						
Cash and cash equivalents		\$ 53		\$ 64			\$ 26,733,921		\$ 27,763,453	

Accounts receivable, less allowance for credit losses of \$1,876,751 in 2022 and \$1,803,068 in 2023	56,6 83,5 26	47,6 86,7 51		
Accounts receivable, less allowance for credit losses of \$1,752,058 in 2023 and \$1,541,399 in 2024			53,424,196	46,508,958
Prepaid expenses	5,07 8,23 1 4,36 4,12	10,6 36,3 24 3,33 1,19	4,338,503	4,426,652
Other current assets	0	1	2,150,163	1,895,334
Total current assets	105, 660, 530 55,8 07,0	91,3 19,7 30 52,4 79,3	86,646,783	80,594,397
Property and equipment, net	47	86	51,474,754	50,642,084
Operating lease right-of-use assets	38,4 78,7 56	36,6 29,7 32	34,767,126	33,768,736
Finance lease right-of-use assets	306, 667	296, 667		
FCC licenses	487, 249, 798	393, 976, 500	393,006,900	393,006,900
Goodwill	13,2 65,4 60	2,68 3,10 0	922,000	922,000
Other intangibles, net	8,21 9,93 9	7,49 3,87 6	2,722,408	2,649,656
Assets held for sale		4,82 7,86 4		

		5,95	4,67		
		5,15	4,33		
Other assets		8	2	4,727,967	4,696,089
		714,	594,		
		943,	381,		
Total assets		\$ 355	\$ 187	\$ 574,267,938	\$ 566,279,862
		LIABILITIES			
LIABILITIES AND	AND				
STOCKHOLDERS' EQUITY	STOCKHOLDE				
	RS' EQUITY				
Current liabilities:					
		19,3	15,3		
		44,6	79,7		
Accounts payable		\$ 21	\$ 55	\$ 14,299,048	\$ 11,714,223
		8,16	8,34		
		6,39	2,35		
Operating lease liabilities		4	5	8,082,981	8,084,044
		29,1	24,6		
		83,6	24,9		
Other current liabilities		30	51	25,913,827	22,167,156
		56,6	48,3		
		94,6	47,0		
Total current liabilities		45	61	48,295,856	41,965,423
		85,7	62,6		
Due to related parties		31	97	55,019	47,341
		285,	283,		
Long-term debt, net of		472,	612,		
unamortized debt issuance costs		107	363	264,203,010	264,538,649
		37,4	35,1		
		85,6	80,4		
Operating lease liabilities		02	42	33,440,246	32,295,713
		98,0	71,0		
		68,9	90,9		
Deferred tax liabilities		81	89	71,894,915	70,905,149

	13,6	13,6		
	47,4	39,2		
Other long-term liabilities	81	76		
	491,	451,		
	454,	932,		
Total liabilities	547	828		
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; none issued			-	-
Class A common stock, \$0.001 par value; 150,000,000 shares authorized; 16,763,227 issued and 13,113,659 outstanding in 2022; 17,025,209 issued and 13,303,369 outstanding in 2023	16,7	17,0	61	23
Class B common stock, \$0.001 par value; 75,000,000 shares authorized; 16,662,743 issued and outstanding in 2022 and 2023	16,6	16,6	62	62
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; none issued			-	-
Class A common stock, \$0.001 par value; 150,000,000 shares authorized; 17,391,382 issued and 13,653,941 outstanding in 2023; 17,433,632 issued and 13,681,533 outstanding in 2024			17,389	17,431

Class B common stock, \$0.001 par value; 75,000,000 shares authorized; 16,662,743 issued and outstanding in 2023 and 2024	16,662	16,662
	151, 948, 310	152, 481, 469
Additional paid-in capital		152,794,353
Treasury stock, Class A common stock; 3,649,568 shares in 2022; 3,721,840 shares in 2023	(29, 155, 300)	(29, 225, 138)
Treasury stock, Class A common stock; 3,737,441 shares in 2023; 3,752,099 shares in 2024		(29,239,179) (29,251,815)
Retained earnings	100, 163, 064	18,6 59,0 32
Accumulated other comprehensive income	499, 311	499, 311
Total stockholders' equity	223, 488, 808	142, 448, 359
Total liabilities and stockholders' equity	714, 943, \$ 355	594, 381, \$ 187
		148,978,635 \$ 574,267,938
		149,127,330 \$ 566,279,862

See accompanying notes to condensed consolidated financial statements

BEASLEY BROADCAST GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF **COMPREHENSIVE NET** INCOME (LOSS) (UNAUDITED)

	Three Months Ended			
	September 30,		Three Months Ended March 31,	
	2022	2023	2023	2024
Net revenue	63,823,2	60,119,75		
	\$ 88	\$ 7	\$ 57,779,120	\$ 54,380,346
Operating expenses:				
Operating expenses (including stock-based compensation of \$60,892 in 2022 and \$37,041 in 2023 and excluding depreciation and amortization shown separately below)	51,511,6	50,117,04		
	99	4		
Corporate expenses (including stock-based compensation of \$209,202 in 2022 and \$140,773 in 2023)	5,132,36		2	4,493,277
Operating expenses (including stock-based compensation of \$32,804 in 2023 and \$22,238 in 2024 and excluding depreciation and amortization shown separately below)			50,653,655	49,240,998
Corporate expenses (including stock-based compensation of \$141,464 in 2023 and \$131,123 in 2024)			4,483,095	4,407,832
Depreciation and amortization	2,456,64		2,229,325	1,834,602
	6	2,201,664		
FCC licenses impairment losses	78,204,06			
	-	5		
Goodwill impairment loss	10,582,36			
	-	0		
Total operating expenses	59,100,7	145,598,4		
	07	10	57,366,075	55,483,432
Operating income (loss)	4,722,58	(85,478,65		
	1	3)	413,045	(1,103,086)
Non-operating income (expense):				

	(6,621,5			
Interest expense	40)	(6,445,746)	(6,593,852)	(5,587,308)
Gain on sale of investment			-	6,026,776
	1,166,43			
Other income, net	0	1,106,918	540,515	270,005
	(90,817,48			
Loss before income taxes	(732,529)	1)	(5,640,292)	(393,613)
	(1,252,6	(23,299,38		
Income tax benefit	69)	8)	(2,163,983)	(410,230)
Income (loss) before equity in earnings of unconsolidated affiliates		(67,518,09		
	520,140	3)	(3,476,309)	16,617
Equity in earnings of unconsolidated affiliates, net of tax	(22,072)	(18,744)	(60,257)	(8,647)
	(67,536,83			
Net income (loss)	498,068	7)	(3,536,566)	7,970
Net income (loss) per Class A and Class B common share:				
Basic and diluted	\$ 0.02	\$ (2.25)	\$ (0.12)	\$ -
Weighted average shares outstanding:				
	29,546,3	29,962,61		
Basic	24	3	29,785,759	30,325,802
	29,715,3	29,962,61		
Diluted	61	3	29,785,759	30,466,730

See accompanying notes to condensed consolidated financial statements

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BEASLEY BROADCAST GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)

Nine Months Ended September 30,

	2022	2023
Net revenue	\$ 184,354,006	\$ 181,360,600
Operating expenses:		
Operating expenses (including stock-based compensation of \$214,483 in 2022 and \$109,261 in 2023 and excluding depreciation and amortization shown separately below)	155,147,840	152,098,261
Corporate expenses (including stock-based compensation of \$661,691 in 2022 and \$424,160 in 2023)	13,933,292	13,381,403
Depreciation and amortization	7,423,648	6,626,974
FCC licenses impairment losses	4,619,772	88,245,065
Goodwill impairment losses	5,856,551	10,582,360
Total operating expenses	<u>186,981,103</u>	<u>270,934,063</u>
Operating loss	(2,627,097)	(89,573,463)
Non-operating income (expense):		
Interest expense	(20,293,794)	(19,764,067)
Other income, net	<u>1,357,512</u>	<u>1,684,168</u>
Loss before income taxes	(21,563,379)	(107,653,362)
Income tax benefit	(3,874,646)	(26,285,207)
Loss before equity in earnings of unconsolidated affiliates	(17,688,733)	(81,368,155)
Equity in earnings of unconsolidated affiliates, net of tax	<u>141,154</u>	<u>(135,877)</u>
Net loss	<u>(17,547,579)</u>	<u>(81,504,032)</u>
Net loss per Class A and Class B common share:		
Basic and diluted	\$ (0.60)	\$ (2.73)
Weighted average shares outstanding:		
Basic and diluted	29,445,998	29,867,820

BEASLEY BROADCAST GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Nine Months Ended	Three Months Ended March 31,
September 30,	

	2022	2023	2023	2024
Cash flows from operating activities:				
Net loss	\$ (17,547,579)	\$ (81,504,032)		
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Net income (loss)		\$ (3,536,566)	\$ 7,970	
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Stock-based compensation	876,174	533,421	174,268	153,361
Provision for credit losses	1,006,83	0	230,692	217,742
Depreciation and amortization	7,423,64	6,626,97	2,229,325	1,834,602
FCC licenses impairment losses	4,619,77	88,245,0		
Goodwill impairment losses	2	65		
Amortization of loan fees	5,856,55	10,582,3	367,126	335,639
Gain on debt purchases	(1,131,3	46)	(973,208)	
Gain on sale of investment			-	(6,026,776)
Deferred income taxes	(4,232,9	(26,977,	(2,163,983)	(989,766)
Equity in earnings of unconsolidated affiliates	49)	992)		
Change in operating assets and liabilities:	(141,154)	135,877	60,257	8,647
Accounts receivable	5,827,75	7,989,94	8,965,032	6,697,496
Prepaid expenses	(5,925,0	(5,558,0	(266,749)	(88,149)
Other assets	56)	93)		
Accounts payable	(1,890,7	2,572,94	1,049,212	241,709
	63)	6		
	5,822,31	(3,964,8	(3,713,040)	(2,584,825)
	2	66)		

			(4,887,8)	
Other liabilities	808,125	10)	(6,062,782)	(3,884,195)
Other operating activities	(51,972)	70,484	222,043	39,661
Net cash provided by (used in) operating activities	2,291,38	(5,004,8)		
	7	85)		
Net cash used in operating activities			(2,445,165)	(4,036,884)
Cash flows from investing activities:				
	(2,000,0	00)		
Payment for acquisition		-		
	(11,218,	(3,060,7		
Capital expenditures	937)	16)	(1,169,280)	(947,724)
	1,185,31			
Proceeds from dispositions	2	250,000		
	(12,033,	(2,810,7		
Net cash used in investing activities	625)	16)		
Proceeds from sale of investment			-	6,026,776
Net cash provided by (used in) investing activities			(1,169,280)	5,079,052
Cash flows from financing activities:				
	(8,677,5	(1,983,7		
Payments on debt	00)	50)		
Reduction of finance lease liabilities	(1,945)	-		
	(108,091)	(69,838)	(25,545)	(12,636)
Purchase of treasury stock				
	(8,787,5	(2,053,5		
Net cash used in financing activities	36)	88)	(25,545)	(12,636)
	(18,529,	(9,869,1		
Net decrease in cash and cash equivalents	774)	89)		
Net increase (decrease) in cash and cash equivalents			(3,639,990)	1,029,532
	51,378,6	39,534,6		
Cash and cash equivalents at beginning of period	42	53	39,534,653	26,733,921
	32,848,8	29,665,4		
Cash and cash equivalents at end of period	\$ 68	\$ 64	\$ 35,894,663	\$ 27,763,453
	25,564,6	24,946,6		
Cash paid for interest	\$ 11	\$ 55	\$ 12,506,445	\$ 11,514,377

	1,547,50	1,353,05	
Cash paid for income taxes	\$ 0	\$ 7	\$ 21,491 \$ 84,450

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BEASLEY BROADCAST GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(1) Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of Beasley Broadcast Group, Inc. and its subsidiaries (the "Company") included in the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the financial statements reflect all adjustments necessary for a fair statement of the financial position and results of operations for the interim periods presented, and all such adjustments are of a normal and recurring nature. The Company's results are subject to seasonal fluctuations; therefore the results shown on an interim basis are not necessarily indicative of results for the full year.

(2) Summary of Significant Recent Accounting Policies Pronouncements

Use of Estimates

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

related to the Supplemental Employee Retirement Plan. Actual results and outcomes may differ from management's estimates and assumptions.

Accounts Receivable

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

The changes in allowance for credit losses on accounts receivable are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2023	2022	2023
Beginning balance	\$ 1,648,342	\$ 1,848,595	\$ 1,720,477	\$ 1,876,751
Provision for credit losses	265,187	481,016	853,938	1,006,830
Deductions	(274,559)	(526,543)	(935,445)	(1,080,513)
Ending balance	\$ 1,638,970	\$ 1,803,068	\$ 1,638,970	\$ 1,803,068

Recent Accounting Pronouncements

In June 2016, December 2023, the Financial Accounting Standards Board ("FASB") issued guidance that will require which requires additional disclosures primarily related to the measurement of all expected credit losses for financial assets, including accounts receivable, held at the reporting date based on historical experience, current conditions, Company's income tax rate reconciliation and reasonable and supportable forecasts. income taxes paid. The guidance was initially is effective for the Company for annual reporting periods fiscal years beginning after December 15, 2019 December 15, 2024, with early adoption permitted. The amendments should be applied prospectively. The Company is currently in the process of reviewing the new guidance.

In November 2023, the FASB issued guidance which requires additional disclosures for the Company's reportable segments, primarily related to significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. In November 2019, the FASB issued additional guidance that included a deferral of the effective date for smaller reporting companies as defined by the Securities and Exchange Commission to fiscal years beginning after December 15, 2022 December 15, 2024, and interim with early adoption permitted. The amendments should be applied retrospectively to all prior periods within those years, presented in the financial statements. The Company

BEASLEY BROADCAST GROUP, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

adopted is currently in the guidance on January 1, 2023, and process of reviewing the adoption did not have a material impact on the Company's condensed consolidated financial statements. new guidance.

(3) Acquisition and Dispositions Proceeds from BMI Sale

On October 5, 2023 March 8, 2024, the Company completed the sale of substantially all of the assets used in the operations of WJBR-FM in Wilmington, DE to a third party for received \$5.0 million in cash. During the second quarter of 2023, due to the potential sale of these assets, the Company recorded an impairment loss of \$10.0 6.0 million related to the FCC license. The Company no longer has operations in the Wilmington, DE market after completion of the disposition. However, management determined that the disposition did not represent a strategic shift that would have a significant effect on the Company's operation and financial results, therefore the operations in the Wilmington, DE market have not been reported as discontinued operations. A summary of assets held for sale as of September 30, 2023 is as follows:

Property and equipment, net	\$ 77,064
FCC licenses	4,750,800
	<hr/> <hr/> <hr/>
	\$ 4,827,864

On September 11, 2023, the Company completed the sale of substantially all an investment in Broadcast Music, Inc. ("BMI") and recorded a gain of the assets used in the operations \$6.0 million. The gain on sale of WWWE-AM in Atlanta, GA to a third party for \$250,000 in cash.

On June 22, 2022, the Company completed the acquisition of Guarantee Digital, LLC ("Guarantee"), a digital marketing agency, for \$2.0 million in cash. The acquisition was accounted for as a business combination. The purchase price allocation investment is summarized as follows:

Property and equipment	\$ 3,000
Goodwill	922,000
Other intangibles	1,075,000
	<hr/> <hr/> <hr/>
	\$ 2,000,000

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

On April 1, 2022, statement of net income for the Company completed the sale of substantially all of the assets used in the operations of WWNN-AM in West Palm Beach-Boca Raton, FL to a third party for \$1.25 million in cash. As a result of three months ended March 31, 2024. After the sale, the Company recorded no longer holds an impairment loss of \$1.9 million related to the FCC license during the first quarter of 2022. investment in BMI.

(4) FCC Licenses

Changes in the carrying amount of FCC licenses for the nine months ended September 30, 2023 are as follows:

Balance as of January 1, 2023	\$ 487,249,798
Impairment losses (see below and also Note 3)	(88,245,065)
Radio station disposition (see Note 3)	(277,433)
Assets held for sale reclassification	(4,750,800)
Balance as of September 30, 2023	\$ 393,976,500

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

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BEASLEY BROADCAST GROUP, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

licenses into reporting units based on its market clusters. The FCC license valuations are Level 3 non-recurring fair value measurements.

Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, the Company tested its FCC licenses for impairment during the third quarter of 2023. As a result of the quantitative impairment tests performed as of September 30, 2023, the Company recorded impairment losses of \$78.2 million related to the FCC licenses in each of its market clusters. The impairment losses were primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues in each market cluster used in the discounted cash flow analyses to estimate the fair values of the FCC licenses.

The fair values of the FCC licenses in each of the market clusters were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected radio market revenues, projected growth rate for radio market revenues, projected radio market revenue shares, projected radio station operating income margins, and a discount rate appropriate for the radio broadcasting industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	(1.2)% - 1.8%
Market revenue shares at maturity	0.4% - 44.7%
Operating income margins at maturity	19.7% - 30.4%
Discount rate	10.0%

Due to an increase in interest rates in the U.S. economy, the Company tested its FCC licenses for impairment during the second quarter of 2022. As a result of the quantitative impairment tests performed as of June 30, 2022, the Company recorded impairment losses of \$2.8 million related to the FCC licenses in its Fort Myers-Naples, FL, Las Vegas, NV, and Wilmington, DE market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair values of the FCC licenses due to certain risks associated with the U.S. economy.

The fair values of the FCC licenses in the Fort Myers-Naples, FL, Las Vegas, NV, and Wilmington, DE market clusters were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected radio market revenues, projected growth rate for radio market revenues, projected radio market revenue shares, projected radio station operating income margins, and a discount rate appropriate for the radio broadcasting industry. The key assumptions used in the discounted cash flow analyses are as follows:

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

(5) (4) Goodwill

Changes in the carrying amount of goodwill for the nine months ended September 30, 2023 are as follows:

Balance as of January 1, 2023	\$ 13,265,460
Impairment losses (see below)	(10,582,360)
Balance as of September 30, 2023	\$ 2,683,100

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the Company's goodwill might be impaired. The Company assesses qualitative factors to determine whether it is necessary to perform a quantitative assessment for each reporting unit. If the quantitative assessment is necessary, the Company will determine the fair value of each reporting unit. If the fair value of any reporting unit is less than the carrying amount, the Company will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized will not exceed the total amount of goodwill allocated to the reporting unit. For the purpose of testing goodwill for impairment, the Company has identified its radio market clusters and esports as its reporting units. The goodwill valuation is a Level 3 non-recurring fair value measurement.

Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, the Company tested its goodwill for impairment during the third quarter of 2023. As a result of the quantitative impairment test performed as of September 30, 2023, the

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Company recorded an impairment loss of \$10.6 million related to the goodwill in its Philadelphia, PA market cluster. The impairment loss was primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues used in the discounted cash flow analysis to estimate the fair value of the goodwill.

The fair value of the goodwill in the Philadelphia, PA market cluster was estimated using an income approach. The income approach is based upon a discounted cash flow analysis incorporating variables such as projected radio market revenues, projected growth rate for radio market revenues, projected radio market revenue shares, projected radio station operating income margins, and a discount rate appropriate for the radio broadcasting industry. The key assumptions used in the discounted cash flow analysis are as follows:

Revenue growth rates	(9.3)% - 1.4%
Operating income margin	27.9%
Discount rate	10.0%

Due to an increase in interest rates in the U.S. economy, the Company tested its goodwill for impairment during the second quarter of 2022. As a result of the quantitative impairment test performed as of June 30, 2022, the Company recorded impairment losses of \$5.9 million related to the goodwill in its Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL and Tampa-Saint Petersburg, FL market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of goodwill due to certain risks associated with the U.S. economy.

The fair values of goodwill in the Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, and Tampa-Saint Petersburg, FL market clusters were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected radio market revenues, projected growth rate for radio market revenues, projected radio market revenue shares, projected radio station operating income margins, and a discount rate appropriate for the radio broadcasting industry. The key assumptions used in the discounted cash flow analyses are as follows:

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

(6) Long-Term Debt

Long-term debt is comprised of the following:

	December 31,	September 30,	December 31,	March 31,
	2022	2023	2023	2024
Secured notes	\$ 290,000,000	\$ 287,000,000	\$ 267,000,000	\$ 267,000,000

Less unamortized debt issuance costs	(4,527,893)	(3,387,637)	(2,796,990)	(2,461,351)
	\$ 285,472,107	\$ 283,612,363	\$ 264,203,010	\$ 264,538,649

On February 2, 2021, the Company issued \$300.0 million aggregate principal amount of 8.625% senior secured notes due on February 1, 2026 (the "Notes") under an indenture dated February 2, 2021 (the "Indenture"). Interest on the Notes accrues at the rate of 8.625% per annum and is payable semiannually in arrears on February 1 and August 1 of each year. The Notes are secured on a first-lien priority basis by substantially all assets of the Company and its majority-owned subsidiaries and are guaranteed jointly and severally by the Company and its majority-owned subsidiaries. The Indenture contains restrictive covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, guarantee indebtedness or issue disqualified stock or, in the case of such subsidiaries, preferred stock; pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments; make certain investments or acquisitions; sell, transfer or otherwise convey certain assets; create liens; enter into agreements restricting certain subsidiaries' ability to pay dividends or make other intercompany transfers; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into transactions with affiliates; prepay certain kinds of indebtedness; and issue or sell stock of its subsidiaries. Prior to February 1, 2025, the Company will be subject to certain premiums, as defined in the Indenture, for optional or mandatory (upon certain contingent events) redemption of some or all of the Notes.

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In October 2023, the Company purchased \$10.0 million principal amount of the Notes for a price equal to 63% of the principal amount and recorded a gain of \$3.6 million as a result of the purchase. In the second quarter of 2023, the Company purchased \$3.0

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BEASLEY BROADCAST GROUP, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

million principal amount of the Notes for a price equal to 66% of the principal amount and recorded a gain of \$1.0 million as a result of the purchase.

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

for an aggregate price equal to 96% of the principal amount and recorded an aggregate gain of \$0.1 million as a result of the purchases.

(7)(5) Stockholders' Equity

The changes in stockholders' equity are as follows:

	Three months ended		Nine months ended					
	September 30,		September 30,				Three months ended March 31,	
	2022	2023	2022	2023	2023	2024		
Beginning balance	245,5	209,8	263,0	223,4				
	37,02	09,45	82,29	88,80				
	\$ 4	\$ 3	\$ 8	\$ 8	\$ 223,488,808	\$ 148,978,635		
Stock-based compensation	270,0	177,8	876,1	533,4				
	94	14	74	21				
					174,268			153,361
Adjustment from related party transaction	(6,57		(6,57					
	3)	-	3)	-				
Purchase of treasury stock	(2,38		(108,	(69,8				
	4)	(2,071)	091)	38)				
					(25,545)			(12,636)
Net income (loss)	498,0	(67,53	47,57	04,03				
	68	6,837)	9)	2)				
					(3,536,566)			7,970
Other comprehensive loss	(12,4		(12,4					
	42)	-	42)	-				
Ending balance	246,2	142,4	246,2	142,4				
	83,78	48,35	83,78	48,35				
	\$ 7	\$ 9	\$ 7	\$ 9	\$ 220,100,965	\$ 149,127,330		

(8)(6) Net Revenue

Net revenue is comprised of the following:

	Three months ended		Nine months ended					
	September 30,		September 30,				Three months ended March 31,	
	2022	2023	2022	2023	2023	2024		

Au	52,995,6	48,332,7	153,778	146,198,				
dio	\$ 70	\$ 15	\$,711	\$ 774	\$	47,417,966	\$	43,428,127
Dig	10,241,6	11,177,8	28,769,	33,455,9				
ital	71	81	331	35		9,976,785		10,952,219
Ot			1,805,9	1,705,89				
her	585,947	609,161	64	1		384,369		-
	63,823,2	60,119,7	184,354	181,360,				
	\$ 88	\$ 57	\$,006	\$ 600	\$	57,779,120	\$	54,380,346

The Company recognizes revenue when it satisfies a performance obligation under a contract with an advertiser. The transaction price is allocated to performance obligations based on executed contracts, which represent relative standalone selling prices. Payment is generally due within 30 days, although certain advertisers are required to pay in advance. Revenues are reported at the amount the Company expects to be entitled to receive under the contract. The Company has elected to use the practical expedient to expense sales commissions as incurred. Payments received from advertisers before the performance obligation is satisfied are recorded as deferred revenue in the balance sheets. Substantially all deferred revenue is recognized within 12 months of the payment date.

	December 31,		September 30,
	2022	2023	
Deferred revenue	\$ 4,696,989	\$ 5,356,521	

	December 31,		March 31,
	2023	2024	
Deferred revenue	\$ 4,835,984	\$ 4,611,312	

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

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	December 31,	September 30,	December 31,	March 31,
	2022	2023	2023	2024
Trade sales receivable	\$ 1,564,054	\$ 2,032,871	\$ 1,417,692	\$ 1,381,341
Trade sales payable	806,162	823,879	481,471	466,237

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2023	2022	2023
Trade sales revenue	\$ 1,481,948	\$ 1,441,228	\$ 4,358,626	\$ 4,288,722

	Three months ended March 31,	
	2023	2024
Trade sales revenue	\$ 1,380,842	\$ 1,264,463

Digital revenue includes revenue from the sale of streamed commercial spots, station-owned assets and third-party products. Each streamed commercial spot, station-owned asset and third-party product is considered a performance obligation. Revenue is recognized when the commercial spots have streamed. Station-owned assets are generally scheduled over a period of time and revenue is

BEASLEY BROADCAST GROUP, INC.

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recognized over time as the digital items are used for advertising content, except for streamed commercial spots. Third-party products are generally scheduled over a period of time with an impression target each month. Revenue from the sale of third-party products is recognized over time as the digital items are used for advertising content and impression targets are met each month. The Company assesses each digital sales order to determine if the Company is operating as the principal or an agent. The Company currently operates as the principal for digital revenue.

(9)(7)Stock-Based Compensation

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

A summary of restricted stock unit activity is presented below:

	Weighted-Average Grant-Date Fair		Weighted-Average	
	Units	Value	Units	Grant-Date Fair Value
Unvested as of July 1, 2023	878,85			
	0	\$ 1.63		
Unvested as of January 1, 2024			773,334	\$ 1.54
Granted	-	-	-	-
Vested	(8,333)	2.01	(42,250)	2.28
Forfeited	-	-	(5,000)	0.92
Unvested as of September 30, 2023	870,51			
	7	\$ 1.62		
Unvested as of March 31, 2024			726,084	\$ 1.50

As of September 30, 2023 March 31, 2024, there was \$0.90.6 million of total unrecognized compensation cost for restricted stock units granted under the 2007 Plan. That cost is expected to be recognized over a weighted-average period of 2.1 years.

(10)(8) Income Taxes

The Company's effective tax rate was (171.38)% and (26.104)% for the three months ended September 30, 2022 March 31, 2023 and 2023, respectively, and (18)% and (24)% for the nine months ended September 30, 2022 and 2023, 2024, respectively. These rates differ from the federal statutory rate of 21% due to the effect of state income taxes and certain expenses that are not deductible for tax purposes.



(11)(9)Earnings Net Income (Loss) Per Share

Earnings Net income (loss) per share calculation information is as follows:

	Three months ended		Nine months ended			
	September 30,		September 30,		Three months ended March 31,	
	2022	2023	2022	2023	2023	2024
Net income (loss)		(67,5	(17,	(81,		
attributable to BBGI	498,	36,8	547,	504,		
stockholders	\$ 068	\$ 37)	\$ 579)	\$ 032)		
Net income (loss)					\$ (3,536,566)	\$ 7,970
Weighted-average shares outstanding:						
Basic	29,5	29,9	29,4	29,8		
	46,3	62,6	45,9	67,8		
	24	13	98	20	29,785,759	30,325,802
Effect of dilutive restricted stock units and restricted stock	169,					
	037	-	-	-		
Effect of dilutive restricted stock units					-	140,928
Diluted	29,7	29,9	29,4	29,8		
	15,3	62,6	45,9	67,8		
	61	13	98	20	29,785,759	30,466,730
Net income (loss) attributable to BBGI stockholders per						
Class A and Class B common share – basic			(0.6	(2.7		
and diluted	\$ 0.02	\$ (2.25)	\$ 0)	\$ 3)		
Net income (loss) per Class A and Class B common share – basic and diluted					\$ (0.12)	\$ -

The Company excluded the effect of restrictive stock units and restricted stock under the treasury stock method when reporting a net loss as the addition of shares was anti-dilutive. As a result, the Company The number of shares excluded was 76,147 123,738 shares for the three months ended September 30, 2023, and March 31, 2023 219,222.

shares and 9

83,315 BEASLEY BROADCAST GROUP, INC.

shares for the nine months ended September 30, 2022 and 2023, respectively. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(12) (10) Financial Instruments

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

The estimated fair value of the Company's Notes, based on available market information, was \$174.0 173.2 million and \$180.1 160.2 million as of December 31, 2022 December 31, 2023 and September 30, 2023 March 31, 2024, respectively. The Company used Level 2 measurements under the fair value measurement hierarchy to determine the estimated fair value of the Notes.

(13) (11) Segment Information

The Company currently operates three two operating segments (Audio, Digital, esports) and two reportable segments (Audio and Digital). The Company also operated an esports segment until December 13, 2023. The identification of segments is consistent with how the segments report to and are managed by the Company's Chief Executive Officer (the Company's Chief Operating Decision Maker). The Audio segment generates revenue primarily from the sale of commercial advertising to customers of the Company's stations in the following markets: Atlanta, GA, Augusta, GA, Boston, MA, Charlotte, NC, Detroit, MI, Fayetteville, NC, Fort Myers-Naples, FL, Las Vegas, NV, Middlesex, NJ, Monmouth, NJ, Morristown, NJ, Philadelphia, PA, and Tampa-Saint Petersburg, FL. The Digital segment generates revenue primarily from the sale of digital advertising to customers of the Company's stations and other advertisers throughout the United States. Corporate expenses includes general and administrative expenses and certain other income and expense items not allocated to the operating segments. Non-operating corporate items, including interest expense and income taxes, are reported in the accompanying condensed consolidated statements of comprehensive net income (loss).

Reportable segment information for the three months ended September 30, 2023 March 31, 2024 is as follows:

	Corp					Audio	Digital	Corporate	Total
	Audi o	Digit al	Other	Corporat e	Total				
Net revenue	11,48,3	177	60	60,1					
	32,7	,88	9,1	19,7					
	\$ 15	\$ 1	\$ 61	\$ -	\$ 57	\$ 43,428,127	\$ 10,952,219	\$ -	\$ 54,380,346
Operating expenses	10,38,9	110	74,	50,1					
	32,3	,59	11	17,0					
	40	3	1	-	44	38,432,912	10,808,086	-	49,240,998
Corporate expenses			4,4						
			93,	4,49					
			27	3,27					
	-	-	-	7	7	-	-	4,407,832	4,407,832
Depreciation and amortization	1,74		19	21	2,20				
	1,37	47,	9,9	2,9	1,66				
	6	397	79	12	4	1,596,253	52,439	185,910	1,834,602
FCC licenses impairment losses	78,2			78,2					
	04,0			04,0					
	65	-	-	-	65				
	10,5			10,5					
	82,3			82,3					
	60	-	-	-	60				
Operating income (loss)			(4,						
	(81,	1,0	(66	70	(85,				
	127,	19,	4,9	6,1	478,				
	\$ 426)	\$ 891	\$ 29)	\$ 89)	\$ 653)	\$ 3,398,962	\$ 91,694	\$ (4,593,742)	\$ (1,103,086)

	Audio	Digital	Other	Corporate	Total
Capital expenditures	\$ 1,026,120	\$ 1,594	\$ -	\$ 16,817	\$ 1,044,531

	Audio	Digital	Corporate	Total
Capital expenditures	\$ 821,735	\$ -	\$ 125,989	\$ 947,724

13 Reportable segment information for the three months ended March 31, 2023 is as follows:

	Audio	Digital	Other	Corporate	Total
Net revenue	\$ 47,417,966	\$ 9,976,785	\$ 384,369	\$ -	\$ 57,779,120
Operating expenses	39,899,594	9,907,597	846,464	-	50,653,655
Corporate expenses	-	-	-	4,483,095	4,483,095
Depreciation and amortization	1,774,764	46,766	196,477	211,318	2,229,325
Operating income (loss)	\$ 5,743,608	\$ 22,422	\$ (658,572)	\$ (4,694,413)	\$ 413,045
	Audio	Digital	Other	Corporate	Total
Capital expenditures	\$ 1,138,114	\$ 2,813	\$ 20,122	\$ 8,231	\$ 1,169,280

Reportable segment information as of March 31, 2024 is as follows:

	Audio	Digital	Corporate	Total
Property and equipment, net	47,564,82			50,642,08
	\$ 9	\$ 156,124	\$ 2,921,131	\$ 4
FCC licenses	393,006,9			393,006,9
	00	-	-	00
Goodwill	-	922,000	-	922,000
Other intangibles, net	1,674,636	795,357	179,663	2,649,656

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Reportable segment information for the three months ended September 30, 2022 as of December 31, 2023 is as follows:

	Audio	Digital	Other	Corporate	Total
Net revenue	\$ 52,995,670	\$ 10,241,671	\$ 585,947	\$ -	\$ 63,823,288
Operating expenses	42,456,844	8,237,262	817,593	-	51,511,699
Corporate expenses	-	-	-	5,132,362	5,132,362
Depreciation and amortization	1,520,168	47,882	699,969	188,627	2,456,646

Operating income (loss)	\$ 9,018,658	\$ 1,956,527	\$ (931,615)	\$ (5,320,989)	\$ 4,722,581
	Audio	Digital	Other	Corporate	Total
Capital expenditures	\$ 4,517,127	\$ 25,959	\$ -	\$ 191,949	\$ 4,735,035

Reportable segment information for the nine months ended September 30, 2023 is as follows:

	Audio	Digital	Other	Corporate	Total
Net revenue	146,198,77				181,360,60
	\$ 4	\$ 33,455,935	\$ 1,705,891	\$ -	\$ 0
Operating expenses	118,200,96				152,098,26
	7	30,804,774	3,092,520	-	1
Corporate expenses	-	-	-	13,381,403	13,381,403
Depreciation and amortization	5,253,581	141,364	595,746	636,283	6,626,974
FCC licenses impairment losses	88,245,065	-	-	-	88,245,065
Goodwill impairment loss	10,582,360	-	-	-	10,582,360
Operating income (loss)	(76,083,19			(14,017,68	(89,573,46
	\$ 9	\$ 2,509,797	\$ (1,982,375)	\$ 6	\$ 3
	Audio	Digital	Other	Corporate	Total
Capital expenditures	\$ 2,975,897	\$ 13,184	\$ 25,534	\$ 46,101	\$ 3,060,716

Reportable segment information for the nine months ended September 30, 2022 is as follows:

	Audio	Digital	Other	Corporate	Total
Net revenue	153,778,71				184,354,00
	\$ 1	\$ 28,769,331	\$ 1,805,964	\$ -	\$ 6
Operating expenses	126,507,37				155,147,84
	3	25,810,560	2,829,907	-	0
Corporate expenses	-	-	-	13,933,292	13,933,292
Depreciation and amortization	4,706,333	56,959	2,096,270	564,086	7,423,648
FCC licenses impairment losses	4,619,772	-	-	-	4,619,772
Goodwill impairment losses	5,856,551	-	-	-	5,856,551
Operating income (loss)				(14,497,37	
	\$ 12,088,682	\$ 2,901,812	\$ (3,120,213)	\$ 8	\$ (2,627,097)
	Audio	Digital	Other	Corporate	Total
Capital expenditures	\$ 10,738,350	\$ 36,785	\$ 59,084	\$ 398,693	\$ 11,232,912

Reportable segment information as of September 30, 2023 is as follows:

	Audio	Digital	Other	Corporate	Total
Property and equipment, net	\$ 49,202,607	\$ 102,950	\$ 79,095	\$ 3,094,734	\$ 52,479,386

FCC licenses	393,976,50	-	-	-	393,976,50
	0	-	-	-	0
Goodwill		-	922,000	1,761,100	-
Other intangibles, net	1,741,182	874,315	4,698,716	179,663	7,493,876
Assets held for sale	4,827,864	-	-	-	4,827,864

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BEASLEY BROADCAST GROUP, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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

	Corp					Audio	Digital	Other	Corporate	Total
	Audi	Digi	Othe	orat	Total					
	o	tal	r	e	Total					
Property and equipment, net	51,941,6	2,69	67,75	84,91	55,807,0	\$ 48,324,618	\$ 95,003	\$ 74,081	\$ 2,981,052	\$ 51,474,754
FCC licenses	487,249,				487,249,					
	798	-	-	-	798	393,006,900	-	-	-	393,006,900
Goodwill	92,10,5	1,2,61,	1,7		13,2					
	82,3	00	10		65,4					
	60	0	0	-	60		-	922,000	-	922,000
Other intangibles, net	99,1,84	5,2,2,	5,2,06,	17	8,21					
	1,00	75	52	9,6	9,93					
	1	2	3	63	9	1,707,909	834,836	-	179,663	2,722,408

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

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

Cautionary Note Regarding Forward-Looking Statements

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

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

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

- the Company's ability to comply with the continued listing standards of the Nasdaq Capital Market;
- risks from social and natural catastrophic events;

- external economic forces and conditions that could have a material adverse impact on the Company's advertising revenues and results of operations;
- the ability of the Company's stations to compete effectively in their respective markets for advertising revenues;
- the ability of the Company to develop compelling and differentiated digital content, products and services;
- audience acceptance of the Company's content, particularly its audio programs;
- the ability of the Company to respond to changes in technology, standards and services that affect the audio industry;
- the Company's dependence on federally issued licenses subject to extensive federal regulation;
- actions by the FCC or new legislation affecting the audio industry;
- increases to royalties the Company pays to copyright owners or the adoption of legislation requiring royalties to be paid to record labels and recording artists;
- the Company's dependence on selected market clusters of stations for a material portion of its net revenue;
- credit risk on the Company's accounts receivable;

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- the risk that the Company's FCC licenses and/or goodwill could become impaired;

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- the Company's substantial debt levels and the potential effect of restrictive debt covenants on the Company's operational flexibility and ability to pay dividends;
- the potential effects of hurricanes on the Company's corporate offices and stations;
- the failure or destruction of the internet, satellite systems and transmitter facilities that the Company depends upon to distribute its programming;
- disruptions or security breaches of the Company's information technology infrastructure and information systems;
- the loss of key personnel;
- the Company's ability to integrate acquired businesses and achieve fully the strategic and financial objectives related to the acquisitions;

thereto and their impact on the Company's financial condition and results of operations;

- the fact that the Company is controlled by the Beasley family, which creates difficulties for any attempt to gain control of the Company;
- the Company's ability to comply with the continued listing standards of the Nasdaq Global Market; and
- other economic, business, competitive, and regulatory factors affecting the businesses of the Company, including those set forth in the Company's filings with the SEC.

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

Financial Statement Presentation

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

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

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

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

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

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

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

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

Critical Accounting Estimates

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

- it involves a significant level of estimation uncertainty; and
- changes in the estimate or different estimates that could have been selected have had or are reasonably likely to have a material impact on our results of operations or financial condition.

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

Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, we tested our FCC licenses for impairment during the third quarter of 2023. As a result of the quantitative impairment tests performed as of September 30, 2023, we recorded impairment losses of \$78.2 million related to the FCC licenses in each of our markets clusters. The impairment losses were primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues in each market cluster used in the discounted cash flow analyses to estimate the fair values of our FCC licenses.

The fair values of the FCC licenses in each of our market clusters were estimated using an income approach. The income approach is based upon discounted cash flow analyses incorporating variables such as projected radio market revenues, projected growth rate for radio market revenues, projected radio market revenue shares, projected radio station operating income margins, and a discount rate appropriate for the radio broadcasting industry. The key assumptions used in the discounted cash flow analyses are as follows:

Revenue growth rates	(1.2)% - 1.8%
Market revenue shares at maturity	0.4% - 44.7%
Operating income margins at maturity	19.7% - 30.4%
Discount rate	10.0%

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

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Market cluster	FCC licenses	Excess
Atlanta, GA	\$ 440,300	-
Augusta, GA	4,978,000	-
Boston, MA	95,901,400	-
Charlotte, NC	44,495,600	-
Detroit, MI	25,205,800	-
Fayetteville, NC	7,295,100	-
Fort Myers-Naples, FL	5,447,900	-
Las Vegas, NV	30,145,300	-
Middlesex, Monmouth, Morristown, NJ	17,237,700	-
Philadelphia, PA	106,737,400	-
Tampa-Saint Petersburg, FL	56,092,000	-

Goodwill. Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that our goodwill might be impaired. We assess qualitative factors to determine whether it is

necessary to perform a quantitative assessment for each reporting unit. If the quantitative assessment is necessary, we will determine the fair value of each reporting unit. If the fair value of any reporting unit is less than the carrying amount, we will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized will not exceed the total amount of goodwill allocated to the reporting unit. For the purpose of testing our goodwill for impairment, we have identified our radio market clusters and esports as our reporting units.

Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, we tested our goodwill for impairment during the third quarter of 2023. As a result of the quantitative impairment test performed as of September 30, 2023, we recorded an impairment loss of \$10.6 million related to the goodwill in our Philadelphia, PA market cluster. The impairment loss was primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues used in the discounted cash flow analysis to estimate the fair value of our goodwill.

The fair value of the goodwill in our Philadelphia, PA market cluster was estimated using an income approach. The income approach is based upon a discounted cash flow analysis incorporating variables such as projected radio market revenues, projected growth rate for radio market revenues, projected radio market revenue shares, projected radio station operating income margins, and a discount rate appropriate for the radio broadcasting industry. The key assumptions used in the discounted cash flow analysis are as follows:

Revenue growth rates	(9.3)% - 1.4%
Operating income margin	27.9%
Discount rate	10.0%

We believe we have made reasonable estimates and assumptions to calculate the estimated fair value of our FCC licenses and goodwill, however, these estimates and assumptions are highly judgmental in nature. Actual results can be materially different from estimates and assumptions. If actual market conditions are less favorable than those projected by the industry or by us, or if events occur or circumstances change that would reduce the estimated fair values of our indefinite-lived intangible assets below the amounts reflected on our balance sheet, we may recognize future impairment charges, the amount of which may be material. For example, if the discount rate used in our discounted cash flow analyses was increased to 10.5% without any additional changes to the other assumptions used in the discounted cash flow analyses, we would have recorded additional impairment losses of \$25.1 million related to the FCC licenses in each of our market clusters.

Our remaining critical accounting estimates are described in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have been no additional material changes to our critical accounting estimates during the nine three months ended September 30, 2023 March 31, 2024.

Recent Accounting Pronouncements

There were no recent Recent accounting pronouncements that have or will have a material effect on our are described in Note 2 to the accompanying condensed consolidated financial condition or results of operations.

statements.

Three Months Ended September 30, 2023 March 31, 2024 Compared to the Three Months Ended September 30, 2022 March 31, 2023

The following summary table presents a comparison of our results of operations for the three months ended September 30, 2022 March 31, 2023 and 2023, 2024, with respect to certain of our key financial measures. The changes illustrated in the table are discussed in greater detail below. This section should be read in conjunction with the condensed consolidated financial statements and notes to condensed consolidated financial statements included in Item 1 of this report.

Results of Operations - Consolidated

	Three Months Ended September				Three Months Ended March 31,			
	30,		Change		March 31,		Change	
	2022	2023	\$	%	2023	2024	\$	%
Net revenue	63,823,	60,119,	(3,70		\$ 288	\$ 757	\$ 3,531)	(5.8)%
Operating expenses	51,511,	50,117,	(1,39		57,779,120	54,380,346	\$ (3,398,774)	(5.9)%
Corporate expenses	699	044	4,655)	(2.7)%	50,653,655	49,240,998	(1,412,657)	(2.8)%
FCC licenses impairment losses	5,132,3	4,493,2	(639,	(12.				
	62	77	085)	5)%	4,483,095	4,407,832	(75,263)	(1.7)%
Interest expense					6,593,852	5,587,308	(1,006,544)	(15.3)%
Gain on sale of investment					-	6,026,776	6,026,776	-
Income tax benefit	1,252,6	23,299,	22,04	176				
	69	388	6,719	0.0%	2,163,983	410,230	(1,753,753)	(81.0)%
Net income (loss)			(68,0					
	498,06	(67,536,	34,90	(136				
	8	837)	5)	59.8)%	(3,536,566)	7,970	3,544,536	(100.2)%

Results of Operations - Segments

	Three Months Ended				Three Months Ended March			
	September 30,		Change		31,		Change	
	2022	2023	\$	%	2023	2024	\$	%
Net revenue								
Audio	52,995,6	48,332,7	(4,662	(8.				
	\$ 70	\$ 15	\$,955)	8)%	\$ 47,417,966	\$ 43,428,127	\$ (3,989,839)	(8.4)%
Digital	10,241,6	11,177,8	936,21	9.				
	71	81	0	1 %	9,976,785	10,952,219	975,434	9.8 %
Other	585,947	609,161	23,214	0 %	384,369	-	(384,369)	(100.0)%
	63,823,2	60,119,7	(3,703	(5.				
	\$ 88	\$ 57	\$,531)	8)%	\$ 57,779,120	\$ 54,380,346	\$ (3,398,774)	(5.9)%
Operating expenses								
Audio	42,456,8	38,932,3	(3,524	(8.				
	\$ 44	\$ 40	\$,504)	3)%	\$ 39,899,594	\$ 38,432,912	\$ (1,466,682)	(3.7)%
Digital	8,237,26	10,110,5	1,873,	22				
	2	93	331	.7 %	9,907,597	10,808,086	900,489	9.1 %
Other	1,074,11	256,51	31					
	817,593	1	8	.4 %	846,464	-	(846,464)	(100.0)%
	51,511,6	50,117,0	(1,394	(2.				
	\$ 99	\$ 44	\$,655)	7)%	\$ 50,653,655	\$ 49,240,998	\$ (1,412,657)	(2.8)%

Net Revenue. Net revenue decreased \$3.7 million \$3.4 million during the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023. Audio revenue decreased \$4.7 million \$4.0 million during the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily due to a decrease in local agency revenue and direct revenue and the disposition of WJBR-FM in Wilmington, DE in October 2023. Digital revenue increased \$0.9 million \$1.0 million during the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily due to continued growth in the digital segment. Other revenue decreased \$0.4 million during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, due to the termination of our esports operations in December 2023.

Operating Expenses. Operating expenses decreased \$1.4 million during the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023. Audio operating expenses decreased \$3.5 million \$1.5 million during the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily due to continued expense management in the audio segment and the disposition of WJBR-FM in Wilmington, DE in October 2023. Digital operating expenses increased \$1.9 million \$0.9 million during the three months ended September 30, 2023 March 31, 2024 as compared to the three months ended September 30, 2022 March 31, 2023, primarily due to continued investment in the digital segment. Other operating expenses decreased \$0.8 million during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, due to the termination of our esports operations in December 2023.

Corporate Expenses. Corporate expenses decreased \$0.6 million during the three months ended September 30, 2023 March 31, 2024 were comparable to the three months ended March 31, 2023.

Interest Expense. Interest expense decreased \$1.0 million during the three months ended March 31, 2024 as compared to the three months ended September 30, 2022, primarily March 31, 2023 due to an increased allocation repurchases of digital expenses to operating expenses. the secured notes throughout 2023.

FCC Licenses Impairment Losses. Gain on Sale of Investment. Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, On March 8, 2024, we tested our FCC licenses for impairment during the third quarter of 2023. As a result of the quantitative impairment tests, we recorded impairment losses of \$78.2 million received \$6.0 million related to the FCC licenses sale of an investment in each Broadcast Music, Inc. and recorded a gain of our market clusters. The impairment losses were primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues in each market cluster used in the discounted cash flow analyses to estimate the fair value of FCC licenses.

Goodwill Impairment Loss. Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, we tested our goodwill for impairment during the third quarter of 2023. As a result of the quantitative impairment

test we recorded an impairment loss of \$10.6 million related to the goodwill in our Philadelphia, PA market cluster. The impairment loss was primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues used in the discounted cash flow analysis to estimate the fair value of the goodwill. \$6.0 million.

Income Tax Benefit. Our effective tax rate was (171) approximately (38)% and (26) (104)% for the three months ended September 30, 2022 March 31, 2023 and 2023, 2024, respectively. These rates differ from the federal statutory rate of 21% due to the effect of state income taxes and certain expenses that are not deductible for tax purposes.

Net Income (Loss). Net loss income for the three months ended September 30, 2023 March 31, 2024 was \$67.5 million compared to net income of \$0.5 million for the three months ended September 30, 2022, as a result of the factors described above.

Nine months ended September 30, 2023 Compared to the Nine Months Ended September 30, 2022

The following summary table presents a comparison of our results of operations for the nine months ended September 30, 2022 and 2023, with respect to certain of our key financial measures. The changes illustrated in the table are discussed in greater detail below. This section should be read in conjunction with the condensed consolidated financial statements and notes to condensed consolidated financial statements included in Item 1 of this report.

Results of Operations - Consolidated

	Nine Months Ended				Change	
	September 30,					
	2022	2023	\$	%		
Net revenue	184,354,00	181,360,60	\$ 6	\$ (2,993,406)	(1.6)%	
Operating expenses	155,147,84	152,098,26	0	1	(3,049,579) (2.0)%	
Corporate expenses	13,933,292	13,381,403		(551,889)	(4.0)%	
FCC licenses impairment losses	4,619,772	88,245,065		83,625,293	1810.2%	
Goodwill impairment losses	5,856,551	10,582,360		4,725,809	80.7%	
Income tax benefit	3,874,646	26,285,207		22,410,561	578.4%	
Net loss	17,547,579	81,504,032		63,956,453	364.5%	

Results of Operations - Segments

	Nine Months Ended				Change	
	September 30,					
	2022	2023	\$	%		
Net revenue						

Audio	\$ 153,778,71	\$ 146,198,77	\$ (7,579,937)	(4.9)%
	1	4		
Digital	28,769,331	33,455,935	4,686,604	16.3 %
Other	1,805,964	1,705,891	(100,073)	(5.5)%
	184,354,00	181,360,60		
	<u>\$ 6</u>	<u>\$ 0</u>	<u>\$ (2,993,406)</u>	<u>(1.6)%</u>
Operating expenses				
Audio	126,507,37	118,200,96		
	\$ 3	\$ 7	\$ (8,306,406)	(6.6)%
Digital	25,810,560	30,804,774	4,994,214	19.3 %
Other	2,829,907	3,092,520	262,613	9.3 %
	155,147,84	152,098,26		
	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ (3,049,579)</u>	<u>(2.0)%</u>

Net Revenue. Net revenue decreased \$3.0 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. Audio revenue decreased \$7.6 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily due to a decrease in agency revenue. Digital revenue increased \$4.7 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily due to continued growth in the digital segment.

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Operating Expenses. Operating expenses decreased \$3.0 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. Audio operating expenses decreased \$8.3 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily due to continued expense management in the audio segment. Digital operating expenses increased \$5.0 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily due to continued investment in the digital segment.

Corporate Expenses. Corporate expenses decreased \$0.6 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, primarily due to a decrease in compensation.

FCC Licenses Impairment Losses. Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, we tested our FCC licenses for impairment during the third quarter of 2023. As a result of the quantitative impairment tests, we recorded impairment losses of \$78.2 million related to the FCC licenses in each of our market clusters. The impairment losses were primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues in each market cluster used in the discounted cash flow analyses to estimate the fair value of FCC licenses. On August 11, 2023, we entered into an agreement to sell substantially all of the assets used in the operations of WJBR-FM in Wilmington, DE to a third party for

\$5.0 million in cash. As a result of entering the agreement, we recorded an impairment loss of \$10.0 million related to the FCC license during the second quarter of 2023.

Due to an increase in interest rates in the U.S. economy, we tested our FCC licenses for impairment during the second quarter of 2022. As a result of the quantitative impairment tests, we recorded impairment losses of \$2.8 million related to the FCC licenses in our Fort Myers-Naples, FL, Las Vegas, NV, and Wilmington, DE market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of FCC licenses due to certain risks associated with the U.S. economy. On April 1, 2022, we completed the sale of substantially all of the assets used in the operations of WWNN-AM in West Palm Beach-Boca Raton, FL to a third party for \$1.25 million in cash. As a result of the sale, we recorded an impairment loss of \$1.9 million related to the FCC license during the first quarter of 2022.

Goodwill Impairment Losses. Due to an increase in interest rates in the U.S. economy and a decrease in projected revenues, we tested our goodwill for impairment during the third quarter of 2023. As a result of the quantitative impairment test we recorded an impairment loss of \$10.6 million related to the goodwill in our Philadelphia, PA market cluster. The impairment loss was primarily due to an increase in the discount rate due to certain risks associated with the U.S. economy and a decrease in the projected revenues used in the discounted cash flow analysis to estimate the fair value of the goodwill.

Due to an increase in interest rates in the U.S. economy, we tested our goodwill for impairment during the second quarter of 2022. As a result of the quantitative impairment tests, we recorded impairment losses of \$5.9 million related to the goodwill in our Boston, MA, Charlotte, NC, Fayetteville, NC, Fort Myers-Naples, FL, and Tampa-Saint Petersburg, FL market clusters. The impairment losses were primarily due to an increase in the discount rate used in the discounted cash flow analyses to estimate the fair value of the goodwill due to certain risks associated with the U.S. economy.

Income Tax Benefit. Our effective tax rate was (18)% and (24)% for the nine months ended September 30, 2022 and 2023, respectively. These rates differ from the federal statutory rate of 21% due to the effect of state income taxes and certain expenses that are not deductible for tax purposes.

Net Loss. Net loss for the nine months ended September 30, 2023 was \$81.5 million approximately \$8,000 compared to a net loss of \$17.5 million \$3.5 million for the nine three months ended September 30, 2022 March 31, 2023, as a result of the factors described above.

Liquidity and Capital Resources

Overview. Our primary sources of liquidity are internally generated cash flow and cash on hand. Our primary liquidity needs have been, and for the next 12 months and thereafter are expected to continue to be, for working capital, debt service, and other general corporate purposes, including capital expenditures and station acquisitions. Historically, our capital expenditures have not been significant. In addition to property and equipment associated with station acquisitions, our capital expenditures have generally been, and are expected to continue to be, related to the maintenance of our office and studio space, the maintenance of our towers and equipment, and digital products and information technology. We

have also purchased or constructed office and studio space in some of our markets to facilitate the consolidation of our operations.

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

Secured Notes. On February 2, 2021, we issued \$300.0 million aggregate principal amount of 8.625% senior secured notes due on February 1, 2026 (the "Notes") under an indenture dated February 2, 2021 (the "Indenture"). Interest on the Notes accrues at the rate of 8.625% per annum and is payable semiannually in arrears on February 1 and August 1 of each year. The Notes are secured on a first-lien priority basis by substantially all assets of the Company and its majority-owned subsidiaries and are guaranteed jointly and severally by the Company and its majority-owned subsidiaries. The Indenture contains restrictive covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, guarantee indebtedness or issue disqualified stock or, in the case of such subsidiaries, preferred stock; pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments; make certain investments or acquisitions; sell, transfer or otherwise convey certain assets; create liens; enter into agreements restricting certain subsidiaries' ability to pay dividends or make other intercompany transfers; consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; enter into transactions with affiliates; prepay certain kinds of indebtedness; and issue or sell stock of our subsidiaries.

In October 2023, we purchased \$10.0 million principal amount of the Notes for a price equal to 63% of the principal amount and recorded a gain of \$3.6 million as a result of the purchase. In the second quarter of 2023, we purchased \$3.0 million principal amount of the Notes for a price equal to 66% of the principal amount and recorded a gain of \$1.0 million as a result of the purchase.

From time to time, we repurchase sufficient shares of our common stock to fund withholding taxes in connection with the vesting of restricted stock units. We paid approximately \$70,000 \$13,000 to repurchase 72,272 14,658 shares during the nine three months ended September 30, 2023 March 31, 2024. From time to time, we may seek to repurchase, redeem or otherwise retire our Notes through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions, tender offers or otherwise. Such repurchases, redemptions or other

transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, and other factors. The amounts involved may be material.

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

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

We believe we will have sufficient liquidity and capital resources to permit us to provide for our liquidity requirements and meet our financial obligations for the next 12 months and thereafter. However, poor financial results or unanticipated expenses could give rise to default under the Notes, additional debt servicing requirements or other additional financing or liquidity requirements sooner than we expect, and we may not secure financing when needed or on acceptable terms.

Off-Balance Sheet Arrangements. We did not have any off-balance sheet arrangements as of **September 30, 2023** **March 31, 2024**.

Cash Flows. The following summary table presents a comparison of our cash flows for the **nine** **three** months ended **September 30, 2022** **March 31, 2023** and **2023** **2024** with respect to certain of our key measures affecting our liquidity. The changes set forth in the table are discussed in greater detail below. This section should be read in conjunction with the condensed consolidated financial statements and notes to condensed consolidated financial statements included in **Part I, Item 1** of this report.

	Nine Months Ended September 30,	
	2022	2023
Net cash provided by (used in) operating activities	\$ 2,291,387	\$ (5,004,885)
Net cash used in investing activities	(12,033,625)	(2,810,716)
Net cash used in financing activities	(8,787,536)	(2,053,588)
Net decrease in cash and cash equivalents	\$ (18,529,774)	\$ (9,869,189)

	Three Months Ended March 31,	
	2023	2024
Net cash used in operating activities	\$ (2,445,165)	\$ (4,036,884)
Net cash provided by (used in) investing activities	(1,169,280)	5,079,052
Net cash used in financing activities	(25,545)	(12,636)
Net increase (decrease) in cash and cash equivalents	\$ (3,639,990)	\$ 1,029,532

Net Cash *Provided By (Used In) Used In* Operating Activities. Net cash used in operating activities was \$5.0 million approximately \$4.0 million during the nine three months ended September 30, 2023 March 31, 2024, as compared to net cash provided by used in operating activities of \$2.3 million \$2.4 million during the nine three months

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ended September 30, 2022 March 31, 2023. The \$7.3 million change Significant factors affecting the \$1.6 million increase in net cash used in operating activities was primarily due to an \$8.3 million increase in cash paid for operating expenses and an \$0.8 million included a \$5.5 million decrease in cash receipts from revenue, partially offset by a \$0.8 million \$3.2 million decrease in cash paid for operating expenses and a \$1.0 million decrease in interest payments.

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Net Cash *Used In Provided By (Used In) Investing Activities*. Net cash used in provided by investing activities during the nine three months ended September 30, 2023 March 31, 2024 included proceeds of \$6.0 million from the sale of an investment, partially offset by payments of \$3.1 million \$0.9 million for capital expenditures. Net cash used in investing activities for the same period in 2022 three months ended March 31, 2023 included payments of \$11.2 million \$1.2 million for capital expenditures and a payment of \$2.0 million for the acquisition of Guarantee Digital, LLC, partially offset by proceeds of \$1.2 million from a station disposition.

Net Cash Used In Financing Activities. Net cash used in financing activities during the nine months ended September 30, 2023 included Notes purchases of \$2.0 million. Net cash used in financing activities for the same period in 2022 included Notes purchases of \$8.7 million. expenditures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not required for smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive

Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective as of the end of the period covered by this report.

There were no changes in our internal controls control over financial reporting during the quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal controls control over financial reporting.

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PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We currently and from time to time are involved in ordinary routine litigation and are the subject of threats of litigation that are incidental to the conduct of our business. These include indecency claims and related proceedings at the FCC, as well as claims and threatened claims by private third parties. However, we are not a party to any lawsuit or other proceedings, or the subject of any threatened lawsuit or other proceedings, which, in the opinion of management, is likely to have a material adverse effect on our financial condition or results of operations.

ITEM 1A. RISK FACTORS.

There Except for the risk factor discussed below, there have been no material changes to the risks affecting our Company as previously disclosed in Part I, Item 1A, "Risk Factors" of our annual report on Form 10-K for the year ended December 31, 2022, other than the update noted below. December 31, 2023.

There can be no assurance that we will be able to comply with the continued listing standards of the Nasdaq Global Capital Market.

Our Class A common stock, par value \$0.001 per share (the "Common Stock") is currently listed for trading on the Nasdaq Global Capital Market, and we must satisfy certain continued listing requirements to maintain the listing. On April 27, 2023, we received a written notice (the "April Notice") from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") notifying us that, for the last 30 consecutive business days, the bid price for our Class A common stock the Common Stock had closed below the \$1.00 per share minimum bid price requirement for continued inclusion on the Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450(a)(1) (the "Minimum Bid Price Requirement"). On May

19, 2023, we received a notice from Nasdaq notifying us that we had regained compliance with the Minimum Bid Price Requirement and that the matter was closed.

On October 13, 2023, we received a written notice (the "October Notice") from the Listing Qualifications Department of Nasdaq notifying us that, for the last 30 consecutive business days, the bid price for our Class A common stock the Common Stock had closed below the Minimum Bid Price Requirement. In accordance with Nasdaq rules, we have been provided with a period of 180 calendar days, or until April 10, 2024, to regain compliance. The October Notice is only a notification of deficiency, not of imminent delisting, and has no current effect on

On April 16, 2024, we received approval from Nasdaq to transfer the listing of the Common Stock from the Nasdaq Global Market to the Nasdaq Capital Market (the "Approval"). The Common Stock was transferred to the Nasdaq Capital Market at the opening of business on April 18, 2024, and continues to trade under the symbol "BBGI." As a result of the Approval, we were granted an additional 180-day compliance period, or trading of our securities until October 7, 2024, to regain compliance with the Minimum Bid Price Requirement. To regain compliance with the Minimum Bid Price Requirement and qualify for continued listing on the Nasdaq Global Market. Capital Market, the minimum bid price per share of the Company's Common Stock must be at least \$1.00 for at least ten consecutive business days during the additional 180-day compliance period.

We intend to actively monitor the closing bid price of our Class A common stock the Common Stock and will consider all reasonable available options to regain compliance with the Minimum Bid Price Requirement, which may include transferring the listing to the Nasdaq Capital Market and/or seeking stockholder approval to effect a reverse stock split. There can be no assurance that we will regain compliance with the Minimum Bid Price Requirement during the 180-day compliance period, secure a second 180-day period to regain compliance, by October 7, 2024, maintain compliance with the other Nasdaq listing requirements or be successful in appealing any delisting determination.

If we are delisted from Nasdaq but obtain a substitute listing for our Class A common stock, the Common Stock, it will likely be on a market with less liquidity, and therefore experience potentially more price volatility than experienced on Nasdaq. Stockholders may not be able to sell their shares of our Class A common stock the Common Stock on any such substitute market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our Class A common stock the Common Stock is delisted from Nasdaq, the value and liquidity of our Class A common stock the Common Stock would likely be significantly adversely affected.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Repurchases of Equity Securities

The following table presents information with respect to purchases we made of our Class A common stock during the three months ended **September 30, 2023** **March 31, 2024**.

Period	Total			Approximate Dollar Value of Shares That May Be Purchased Under the Program	
	Number of Shares Purchased	Average Price Paid per Share	Publicly Announced Program	Total Number of Shares Purchased as Part of Program	Value of Shares That May Be Purchased Under the Program
				Total Number of Shares Purchased as Part of Program	Value of Shares That May Be Purchased Under the Program
July 1 – 31, 2023	-	\$ -	-	-	-
August 1 – 31, 2023	1,954	\$ 1.06	-	-	-
September 1 – 30, 2023	-	\$ -	-	-	-
Total	1,954				

Period	Total			Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program	
	Number of Shares Purchased	Average Price Paid per Share	Publicly Announced Program	Total Number of Shares Purchased as Part of Program	Dollar Value of Shares That May Yet Be Purchased Under the Program
				Total Number of Shares Purchased as Part of Program	Dollar Value of Shares That May Yet Be Purchased Under the Program
January 1 – 31, 2024	7,633	\$ 0.91	-	-	-
February 1 – 29, 2024	-	\$ -	-	-	-
March 1 – 31, 2024	7,025	\$ 0.81	-	-	-
Total	14,658				

On March 27, 2007, our board of directors approved the Beasley Broadcast Group, Inc. 2007 Equity Incentive Award Plan (the “2007 Plan”). The original ~~10-year~~ten-year term of the 2007 Plan ended on March 27, 2017. Our stockholders approved an amendment to the 2007 Plan at the Annual Meeting of Stockholders on June 8, 2017 to, among other things, extend the term of the 2007 Plan until March 27, 2027. The 2007 Plan permits us to purchase sufficient shares to fund withholding taxes in connection with the vesting of restricted stock units. All shares purchased during the three months ended ~~September 30, 2023~~March 31, 2024 were purchased to fund withholding taxes in connection with the vesting of restricted stock units.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

~~None.~~ During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

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ITEM 6. EXHIBITS.

Exhibit Number	Description
31.1	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) (17 CFR 240.15d-14(a)).</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) (17 CFR 240.15d-14(a)).</u>

32.1 32.1* [Certification of Chief Executive Officer pursuant to Rule 13a-14\(b\)/15d-14\(b\) \(17 CFR 240.15d-14\(b\)\) and 18 U.S.C. Section 1350.](#)

32.2 32.2* [Certification of Chief Financial Officer pursuant to Rule 13a-14\(b\)/15d-14\(b\) \(17 CFR 240.15d-14\(b\)\) and 18 U.S.C. Section 1350.](#)

101.INS XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH XBRL Taxonomy Extension Schema [Document](#).

101.CAL XBRL Taxonomy Extension Calculation [With Embedded Linkbase Document](#).

101.DEF XBRL Taxonomy Extension Definition Linkbase Document.

101.LAB XBRL Taxonomy Extension Label Linkbase Document.

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document. [Documents](#).

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

27* This exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BEASLEY BROADCAST GROUP, INC.

Dated: November 3, 2023 May 9, 2024

/s/ Caroline Beasley

Name: Caroline Beasley

Title: Chief Executive Officer (principal executive officer)

Dated: November 3, 2023 May 9, 2024

/s/ Marie Tedesco

Name: Marie Tedesco

Title: Chief Financial Officer (principal financial and
accounting officer)

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Exhibit 31.1

**Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Caroline Beasley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Beasley Broadcast Group, 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.

Dated: November 3, 2023 May 9, 2024

/s/ Caroline Beasley

Title: Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Marie Tedesco, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Beasley Broadcast Group, 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.

/s/ Marie Tedesco

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Beasley Broadcast Group, Inc. (the "Company") hereby certifies to such officer's knowledge that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2023 March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 3, 2023 May 9, 2024

/s/ Caroline Beasley

Caroline Beasley

Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Beasley Broadcast Group, Inc. (the "Company") hereby certifies to such officer's knowledge that:

- (i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended **September 30, 2023** **March 31, 2024** (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **November 3, 2023** **May 9, 2024**

/s/ Marie Tedesco

Marie Tedesco

Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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