SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q/A

(Amendment No. 1)

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

For the quarterly period ended March 31, 2022

Commission File No. 0-25969

URBAN ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**52-1166660**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1010 Wayne Avenue,
14th Floor
Silver Spring, Maryland 20910
(Address of principal executive offices)

(301) 429-3200
Registrant's telephone number, including area code

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Class A Common Stock	UONE	NASDAQ Stock Market
Class D Common Stock	UONEK	NASDAQ Stock 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 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	Outstanding at April 29, 2022
Class A Common Stock, $.001 Par Value	9,104,916
Class B Common Stock, $.001 Par Value	2,861,843
Class C Common Stock, $.001 Par Value	2,045,016
Class D Common Stock, $.001 Par Value	37,360,666

EXPLANATORY NOTE

Overview

This Amendment No. 1 on Form 10-Q/A (the “Amended 10-Q") amends and restates certain items noted below in the Quarterly Report on Form 10-Q of Urban One, Inc. ("Urban One" or the “Company”) for the quarter ended March 31, 2022, as originally filed with the Securities and Exchange Commission on May 09, 2022 (the "Original Filing"). However, this amendment does not change our consolidated financial statements as set forth in the Original Filing.

The purpose of this Amended Filing is to revise (i) Part I, Item 4 to reflect management’s conclusion that our disclosure controls and procedures were not effective at March 31, 2022 due to a material weakness in our internal control over financial reporting identified subsequent to the issuance of our Original Filing; and (ii) Part II, Item 1A, Risk Factors. This material weakness did not result in any change to our consolidated financial statements as set forth in the Original Filing. As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by the Company’s Chief Executive Officer and Chief Financial Officer are being filed herewith as exhibits to this Amended Filing (Exhibit 31.1 and Exhibit 31.2).

Other than the inclusion within this Amended Filing of new certifications required by management (and related amendment to the exhibit index to reflect the addition of such certifications), this Amended Filing speaks only as of the date of the Original Filing and does not modify or update any other disclosures contained in our Original Filing. Also, there are no changes to our consolidated financial statements set forth in the Original Filing. This Amended Filing should be read in conjunction with the Original Filing and reports filed with the SEC subsequent to the Original Filing.

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CERTAIN DEFINITIONS

Unless otherwise noted, throughout this report, the terms “Urban One,” the “Company,” “we,” “our” and “us” refer to Urban One, Inc. together with its subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements do not relay historical facts, but rather reflect our current expectations concerning future operations, results and events. All statements other than statements of historical fact are “forward-looking statements” including any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. You can identify some of these forward-looking statements by our use of words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “likely,” “may,” “estimates” and similar expressions. You can also identify a forward-looking statement in that such statements discuss matters in a way that anticipates operations, results or events that have not already occurred but rather will or may occur in future periods. We cannot guarantee that we will achieve any forward-looking plans, intentions, results, operations or expectations. Because these statements apply to future events, they are subject to risks and uncertainties, some of which are beyond our control that could cause actual results to differ materially from those forecasted or anticipated in the forward-looking statements. These risks, uncertainties and factors include (in no particular order), but are not limited to:

- public health crises, epidemics and pandemics such as the ongoing COVID-19 pandemic and their impact on our business and the businesses of our advertisers, including disruptions and inefficiencies in the supply chain;

- economic volatility, financial market unpredictability and fluctuations in the United States and other world economies that may affect our business and financial condition, and the business and financial conditions of our advertisers, including as a result of the ongoing COVID-19 pandemic, the war in Ukraine, actions taken by the Federal Reserve, and any similar future occurrences;

- our high degree of leverage, certain cash commitments related thereto and potential inability to finance strategic transactions given fluctuations in market conditions;

- fluctuations in the local economies of the markets in which we operate (particularly our largest markets, Atlanta; Baltimore; Houston; and Washington, DC) could negatively impact our ability to meet our cash needs;

- the extent of the impact of the COVID-19 pandemic (particularly in our largest markets, Atlanta; Baltimore; Houston; and Washington, DC), including the duration, spread, severity, and the impact of any variants, the duration and scope of any related government orders and restrictions, the impact on our employees, and the extent of the impact of the COVID-19 pandemic on overall demand for advertising across our various media;

- local, regional, national, and international economic conditions that have fluctuated and/or deteriorated as a result of the COVID-19 pandemic, including the risks of a global recession or a recession in one or more of our key markets, the impact that these economic conditions may have on us and our customers, and our assessment of that impact;

- risks associated with the implementation and execution of our business diversification strategy, including our strategic actions with respect to expansion into gaming;

- risks associated with our investments in gaming business that are managed or operated by persons not affiliated with us and over which we have little or no control;

- regulation by the Federal Communications Commission (“FCC”) relative to maintaining our broadcasting licenses, enacting media ownership rules and enforcing of indecency rules;

- regulation by certain gaming commissions relative to maintaining our interests, or our creditors ability to foreclose on collateral that includes our interests in, in any gaming licenses, joint ventures or other gaming and casino investments;

- changes in our key personnel and on-air talent;

- increases in competition for and in the costs of our programming and content, including on-air talent and content production or acquisitions costs;

- financial losses that may be incurred due to impairment charges against our broadcasting licenses, goodwill, and other intangible assets;

- increased competition for advertising revenues with other radio stations, broadcast and cable television, newspapers and magazines, outdoor advertising, direct mail, internet radio, satellite radio, smart phones, tablets, and other wireless media, the internet, social media, and other forms of advertising;

- the impact of our acquisitions, dispositions and similar transactions, as well as consolidation in industries in which we and our advertisers operate;

- developments and/or changes in laws and regulations, such as the California Consumer Privacy Act or other similar federal or state regulation through legislative action and revised rules and standards;

- disruptions to our technology network including computer systems and software, whether by man-made or other disruptions of our operating systems, structures or equipment as well as natural events such as pandemic, severe weather, fires, floods and earthquakes;

- other factors mentioned in our filings with the Securities and Exchange Commission ("SEC") including the factors discussed in detail in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K/A, for the year ended December 31, 2021.

You should not place undue reliance on these forward-looking statements, which reflect our views as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

URBAN ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,	
	2022	2021
	(Unaudited) (In thousands, except share data)	
NET REVENUE	$ 112,349	$ 91,440
OPERATING EXPENSES:		
Programming and technical including stock-based compensation of $0 and $6, respectively	28,518	25,096
Selling, general and administrative, including stock-based compensation of $0 and $31, respectively	35,428	29,987
Corporate selling, general and administrative, including stock-based compensation of $124 and $216, respectively	9,460	10,336
Depreciation and amortization	2,405	2,264
Total operating expenses	75,811	67,683
Operating income	36,538	23,757
INTEREST INCOME	59	4
INTEREST EXPENSE	15,927	18,045
LOSS ON RETIREMENT OF DEBT	—	6,949
OTHER INCOME, net	(1,986)	(1,684)
Income before provision for (benefit from) income taxes and noncontrolling interests in income of subsidiaries	22,656	451
PROVISION FOR (BENEFIT FROM) INCOME TAXES	5,586	(10)
CONSOLIDATED NET INCOME	17,070	461
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	701	454
CONSOLIDATED NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 16,369	$ 7
BASIC NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS		
Net income attributable to common stockholders	$ 0.32	$ 0.00
DILUTED NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS		
Net income attributable to common stockholders	$ 0.30	$ 0.00
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic	51,182,831	48,463,289
Diluted	55,097,781	49,053,650

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

URBAN ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31,	
	2022	2021
	(Unaudited) (In thousands)	
COMPREHENSIVE INCOME	$ 17,070	$ 461
LESS: COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	701	454
COMPREHENSIVE INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 16,369	$ 7

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

URBAN ONE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of	
	March 31, 2022	December 31, 2021
	(Unaudited)	
	(In thousands, except share data)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 146,393	$ 132,245
Restricted cash	19,973	19,973
Trade accounts receivable, net of allowance for doubtful accounts of $8,747 and $8,743, respectively	113,687	127,446
Prepaid expenses	3,478	2,967
Current portion of content assets	34,215	25,883
Other current assets	8,397	4,760
Total current assets	326,143	313,274
CONTENT ASSETS, net	59,644	60,155
PROPERTY AND EQUIPMENT, net	26,243	26,291
GOODWILL	223,402	223,402
RIGHT OF USE ASSETS	36,302	38,044
RADIO BROADCASTING LICENSES	505,148	505,148
OTHER INTANGIBLE ASSETS, net	63,727	50,159
OTHER ASSETS	44,026	44,635
Total assets	$ 1,284,635	$ 1,261,108
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 11,997	$ 14,588
Accrued interest	10,266	25,458
Accrued compensation and related benefits	6,835	10,960
Current portion of content payables	24,946	18,972
Current portion of lease liabilities	10,033	10,072
Other current liabilities	35,660	26,421
Total current liabilities	99,737	106,471
LONG-TERM DEBT, net of current portion, original issue discount and issuance costs	819,049	818,616
CONTENT PAYABLES, net of current portion	3,952	2,865
LONG-TERM LEASE LIABILITIES	29,276	31,228
OTHER LONG-TERM LIABILITIES	36,243	28,320
DEFERRED TAX LIABILITIES, net	8,059	2,473
Total liabilities	996,316	989,973
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTERESTS	17,755	17,015
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, $.001 par value, 1,000,000 shares authorized; no shares outstanding at March 31, 2022 and December 31, 2021	—	—
Common stock — Class A, $.001 par value, 30,000,000 shares authorized; 9,104,916 and 9,104,916 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	9	9
Common stock — Class B, $.001 par value, 150,000,000 shares authorized; 2,861,843 shares issued and outstanding as of March 31, 2022 and December 31, 2021	3	3
Common stock — Class C, $.001 par value, 150,000,000 shares authorized; 2,045,016 and 2,045,016 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	2	2
Common stock — Class D, $.001 par value, 150,000,000 shares authorized; 37,328,975 and 37,324,737 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	37	37
Additional paid-in capital	1,020,711	1,020,636
Accumulated deficit	(750,198)	(766,567)
Total stockholders' equity	270,564	254,120
Total liabilities, redeemable noncontrolling interests and stockholders' equity	$ 1,284,635	$ 1,261,108

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

URBAN ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2022 (UNAUDITED)

	Convertible Preferred Stock	Common Stock Class A	Common Stock Class B	Common Stock Class C	Common Stock Class D	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	(In thousands, except share data)							
BALANCE, as of December 31, 2021	$ —	$ 9	$ 3	$ 2	$ 37	$ 1,020,636	$ (766,567)	$ 254,120
Consolidated net income	—	—	—	—	—	—	16,369	16,369
Stock-based compensation expense	—	—	—	—	—	124	—	124
Repurchase of 2,649 shares of Class D common stock						(10)		(10)
Adjustment of redeemable noncontrolling interests to estimated redemption value	—	—	—	—	—	(39)	—	(39)
BALANCE, as of March 31, 2022	$ —	$ 9	$ 3	$ 2	$ 37	$ 1,020,711	$ (750,198)	$ 270,564

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

URBAN ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2021 (UNAUDITED)

	Convertible Preferred Stock	Common Stock Class A	Common Stock Class B	Common Stock Class C	Common Stock Class D	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
				(In thousands, except share data)				
BALANCE, as of December 31, 2020	$ —	$ 4	$ 3	$ 3	$ 38	$ 991,769	$ (804,919)	$ 186,898
Consolidated net income	—	—	—	—	—	—	7	7
Repurchase of 495,296 shares of Class D common stock	—	—	—	—	(1)	(871)	—	(872)
Issuance of 1,886,265 shares of Class A common stock	—	2	—	—	—	12,123	—	12,125
Adjustment of redeemable noncontrolling interests to estimated redemption value	—	—	—	—	—	420	—	420
Stock-based compensation expense	—	—	—	—	—	253	—	253
BALANCE, as of March 31, 2021	$ —	$ 6	$ 3	$ 3	$ 37	$ 1,003,694	$ (804,912)	$ 198,831

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

URBAN ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2022	2021
	(Unaudited) (In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	$ 17,070	$ 461
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	2,405	2,264
Amortization of debt financing costs	501	824
Amortization of content assets	10,532	8,298
Amortization of launch assets	652	334
Bad debt expense	311	283
Deferred income taxes	5,586	(10)
Amortization of right of use assets	2,132	1,875
Non-cash lease liability expense	1,043	1,154
Non-cash interest expense	—	158
Stock-based compensation	124	253
Non-cash fair value adjustment of Employment Agreement Award	579	597
Loss on retirement of debt	—	6,949
Effect of change in operating assets and liabilities, net of assets acquired:		
Trade accounts receivable	13,448	11,380
Prepaid expenses and other current assets	(592)	18
Other assets	(216)	(1,100)
Accounts payable	(2,591)	(2,098)
Accrued interest	(15,192)	3,187
Accrued compensation and related benefits	(4,125)	(6,378)
Other liabilities	(4,641)	(2,050)
Payments for content assets	(11,292)	(12,106)
Net cash flows provided by operating activities	15,734	14,293
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,576)	(804)
Net cash flows used in investing activities	(1,576)	(804)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of 2017 credit facility	—	(317,332)
Proceeds from issuance of Class A common stock, net of fees	—	12,125
Repayment of 2018 credit facility	—	(129,935)
Repurchase of common stock	(10)	(872)
Proceeds from 2028 Notes	—	825,000
Debt refinancing costs	—	(11,157)
Repayment of MGM National Harbor Loan	—	(57,889)
Repayment of 7.375% Notes	—	(2,984)
Repayment of 8.75% Notes	—	(347,016)
Net cash flows used in financing activities	(10)	(30,060)
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	14,148	(16,571)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	152,218	73,858
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	$ 166,366	$ 57,287
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	$ 30,619	$ 13,876
Income taxes, net of refunds	$ 2	$ (32)
NON-CASH OPERATING, FINANCING AND INVESTING ACTIVITIES:		
Right of use asset and lease liability additions	$ 435	$ 1,351
Non-cash launch addition	$ 18,750	$ —
Adjustment of redeemable noncontrolling interests to estimated redemption value	$ 39	$ (420)

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

URBAN ONE, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Organization

Urban One, Inc. (a Delaware corporation referred to as "Urban One") and its subsidiaries (collectively, the "Company") is an urban-oriented, multi-media company that primarily targets African-American and urban consumers. Our core business is our radio broadcasting franchise which is the largest radio broadcasting operation that primarily targets African-American and urban listeners. As of March 31, 2022, we owned and/or operated 64 independently formatted, revenue producing broadcast stations (including 54 FM or AM stations, 8 HD stations, and the 2 low power television stations we operate) located in 13 of the most populous African-American markets in the United States. While a core source of our revenue has historically been and remains the sale of local and national advertising for broadcast on our radio stations, our strategy is to operate the premier multi-media entertainment and information content platform targeting African-American and urban consumers. Thus, we have diversified our revenue streams by making acquisitions and investments in other complementary media properties. Our diverse media and entertainment interests include TV One, LLC ("TV One"), which operates two cable television networks targeting African-American and urban viewers, TV One and CLEO TV; our 80.0% ownership interest in Reach Media, Inc. ("Reach Media") which operates the Rickey Smiley Morning Show and our other syndicated programming assets, including the Get Up! Mornings with Erica Campbell Show, Russ Parr Morning Show and the DL Hughley Show; and Interactive One, LLC ("Interactive One"), our wholly owned digital platform serving the African-American community through social content, news, information, and entertainment websites, including its Cassius and Bossip, HipHopWired and MadameNoire digital platforms and brands. We also hold a minority ownership interest in MGM National Harbor, a gaming resort located in Prince George's County, Maryland. Through our national multi-media operations, we provide advertisers with a unique and powerful delivery mechanism to communicate with African-American and urban audiences.

Our core radio broadcasting franchise operates under the brand "Radio One." We also operate other media brands, such as TV One, CLEO TV, Reach Media and Interactive One, while developing additional branding reflective of our diverse media operations and our targeting of African-American and urban audiences.

As part of our consolidated financial statements, consistent with our financial reporting structure and how the Company currently manages its businesses, we have provided selected financial information on the Company's four reportable segments: (i) radio broadcasting; (ii) Reach Media; (iii) digital; and (iv) cable television. (See Note 7 – *Segment Information.)*

(b) Interim Financial Statements

The interim consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted pursuant to such rules and regulations.

Results for interim periods are not necessarily indicative of results to be expected for the full year. This Form 10-Q/A should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2021 Annual Report on Form 10-K/A.

(c) Financial Instruments

Financial instruments as of March 31, 2022 and December 31, 2021, consisted of cash and cash equivalents, restricted cash, trade accounts receivable, asset-backed credit facility, long-term debt and redeemable noncontrolling interests. The carrying amounts approximated fair value for each of these financial instruments as of March 31, 2022 and December 31, 2021, except for the Company's long-term debt. On June 1, 2021, the Company borrowed approximately $7.5 million on a new PPP loan (as defined in Note 4 – *Long-Term Debt*). The PPP Loan had a carrying value of approximately $7.5 million and fair value of approximately $7.5 million as of March 31, 2022 and December 31, 2021. The fair value of the PPP Loan, classified as a Level 2 instrument, was determined based on the fair value of a similar instrument as of the reporting date using updated interest rate information derived from changes in interest rates since inception to the reporting date. On January 25, 2021, the Company borrowed $825 million in aggregate principal amount of senior secured notes due February 2028 (the "2028 Notes"). The 7.375% 2028 Notes had a carrying value of approximately $825.0 million and fair value of approximately $825.0 million as of March 31, 2022 and had a carrying value of approximately $825.0 million and fair value of approximately $851.8 million as of December 31, 2021. The fair values of the 2028 Notes, classified as Level 2 instruments, were determined based on the trading values of these instruments in an inactive market as of the reporting date. There was no balance outstanding on the Company's asset-backed credit facility as of March 31, 2022 and December 31, 2021.

(d) Revenue Recognition

In accordance with Accounting Standards Codification ("ASC") 606, "*Revenue from Contracts with Customers,*" the Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. In general, our spot advertising (both radio and cable television) as well as our digital advertising continues to be recognized when aired and delivered. For our cable television affiliate revenue, the Company grants a license to the affiliate to access its television programming content through the license period, and the Company earns a usage based royalty when the usage occurs, consistent with our previous revenue recognition policy. Finally, for event advertising, the performance obligation is satisfied at a point in time when the activity associated with the event is completed.

Within our radio broadcasting and Reach Media segments, the Company recognizes revenue for broadcast advertising at a point in time when a commercial spot runs. The revenue is reported net of agency and outside sales representative commissions. Agency and outside sales representative commissions are calculated based on a stated percentage applied to gross billing. Generally, clients remit the gross billing amount to the agency or outside sales representative, and the agency or outside sales representative remits the gross billing, less their commission, to the Company. For our radio broadcasting and Reach Media segments, agency and outside sales representative commissions were approximately $3.7 million and $3.5 million for the three months ended March 31, 2022 and 2021, respectively.

Within our digital segment, including Interactive One, which generates the majority of the Company's digital revenue, revenue is principally derived from advertising services on non-radio station branded but Company-owned websites. Advertising services include the sale of banner and sponsorship advertisements. Advertising revenue is recognized at a point in time either as impressions (the number of times advertisements appear in viewed pages) are delivered or when "click through" purchases are made, where applicable. In addition, Interactive One derives revenue from its studio operations, in which it provides third-party clients with publishing services including digital platforms and related expertise. In the case of the studio operations, revenue is recognized primarily through fixed contractual monthly fees and/or as a share of the third party's reported revenue.

Our cable television segment derives advertising revenue from the sale of television air time to advertisers and recognizes revenue when the advertisements are run. Advertising revenue is recognized at a point in time when the individual spots run. To the extent there is a shortfall in contracts where the ratings were guaranteed, a portion of the revenue is deferred until the shortfall is settled, typically by providing additional advertising units generally within one year of the original airing. Our cable television segment also derives revenue from affiliate fees under the terms of various multi-year affiliation agreements based on a per subscriber fee multiplied by the most recent subscriber counts reported by the applicable affiliate. The Company recognizes the affiliate fee revenue at a point in time as its performance obligation to provide the programming is met. The Company has a right of payment each month as the programming services and related obligations have been satisfied. For our cable television segment, agency and outside sales representative commissions were approximately $5.1 million and $3.8 million for the three months ended March 31, 2022 and 2021, respectively.

Revenue by Contract Type

The following chart shows our net revenue (and sources) for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Net Revenue:		
Radio Advertising	$ 39,127	$ 33,340
Political Advertising	532	780
Digital Advertising	15,482	10,353
Cable Television Advertising	30,414	20,702
Cable Television Affiliate Fees	25,970	25,486
Event Revenues & Other	824	779
Net Revenue (as reported)	$ 112,349	$ 91,440

Contract assets and liabilities

Contract assets (unbilled receivables) and contract liabilities (customer advances and unearned income, reserve for audience deficiency and unearned event income) that are not separately stated in our consolidated balance sheets at March 31, 2022, December 31, 2021 and March 31, 2021 were as follows:

	March 31, 2022 (Unaudited)	December 31, 2021	March 31, 2021 (Unaudited)
		(In thousands)	
Contract assets:			
Unbilled receivables	$ 7,212	$ 10,735	$ 4,557
Contract liabilities:			
Customer advances and unearned income	$ 6,934	$ 7,494	$ 5,979
Reserve for audience deficiency	5,505	6,020	4,610
Unearned event income	—	—	5,735

Unbilled receivables consists of earned revenue on behalf of customers that have not yet been billed and are included in accounts receivable on the consolidated balance sheets. Customer advances and unearned income represents advance payments by customers for future services under contract that are generally incurred in the near term and are included in other current liabilities on the consolidated balance sheets. The reserve for audience deficiency represents the portion of revenue that is deferred until the shortfall in contracts where the ratings were guaranteed is settled, typically by providing additional advertising units generally within one year of the original airing. Unearned event income represents payments by customers for upcoming events.

For customer advances and unearned income as of January 1, 2022, approximately $1.5 million was recognized as revenue during the three months ended March 31, 2022. For customer advances and unearned income as of January 1, 2021, approximately $2.0 million was recognized as revenue during the three months ended March 31, 2021. For unearned event income, no revenue was recognized during the three months ended March 31, 2022 and March 31, 2021.

Practical expedients and exemptions

We generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within selling, general and administrative expenses.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less or (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

(e) Launch Support

The cable television segment has entered into certain affiliate agreements requiring various payments for launch support. Launch support assets are used to initiate carriage under affiliation agreements and are amortized over the term of the respective contracts. For the three months ended March 31, 2022, there was non-cash launch support additions of approximately $18.8 million for carriage initiation. The Company did not pay any launch support for carriage initiation during the three months ended March 31, 2021. The weighted-average amortization period for launch support is approximately 8.1 years as of March 31, 2022, and approximately 7.1 years as of December 31, 2021. The remaining weighted-average amortization period for launch support is 4.6 years and 3.3 years as of March 31, 2022 and December 31, 2021, respectively. Amortization is recorded as a reduction to revenue to the extent that revenue is recognized from the vendor, and any excess amortization is recorded as launch support amortization expense. For the three months ended March 31, 2022 and 2021, launch support asset amortization of $434,000 and $105,000, respectively, was recorded as a reduction of revenue, and $218,000 and $229,000, respectively, was recorded as an operating expense in selling, general and administrative expenses. Launch assets are included in other intangible assets on the consolidated balance sheets, except for the portion of the unamortized balance that is expected to be amortized within one year which is included in other current assets.

(f) Barter Transactions

For barter transactions, the Company provides broadcast advertising time in exchange for programming content and certain services. The Company includes the value of such exchanges in both broadcasting net revenue and operating expenses. The valuation of barter time is based upon the fair value of the network advertising time provided for the programming content and services received. For the three months ended March 31, 2022 and 2021, barter transaction revenues were $430,000 and $449,000, respectively. Additionally, for the three months ended March 31, 2022 and 2021, barter transaction costs were reflected in programming and technical expenses of $265,000 and $311,000, respectively, and selling, general and administrative expenses of $165,000 and $138,000, respectively.

(g) Earnings Per Share

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock (Classes A, B, C and D) outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. The Company's potentially dilutive securities include stock options and unvested restricted stock. Diluted earnings per share considers the impact of potentially dilutive securities except in periods in which there is a net loss, as the inclusion of the potentially dilutive common shares would have an anti-dilutive effect. The amount of earnings per share pertains to each of our classes of common stock (Classes A, B, C and D) because the holders of each class are entitled to equal per share dividends or distributions in liquidation in accordance with the Company's Amended and Restated Certificate of Incorporation.

The following table sets forth the calculation of basic and diluted earnings per share from continuing operations (in thousands, except share and per share data):

	Three Months Ended March 31, 2022	2021
	(Unaudited) (In Thousands)	
Numerator:		
Net income attributable to common stockholders	$ 16,369	$ 7
Denominator:		
Denominator for basic net income per share - weighted average outstanding shares	51,182,831	48,463,289
Effect of dilutive securities:		
Stock options and restricted stock	3,914,950	590,361
Denominator for diluted net income per share - weighted-average outstanding shares	55,097,781	49,053,650
Net income attributable to common stockholders per share – basic	$ 0.32	$ (0.00)
Net income attributable to common stockholders per share – diluted	$ 0.30	$ (0.00)

(h) Fair Value Measurements

We report our financial and non-financial assets and liabilities measured at fair value on a recurring and non-recurring basis under the provisions of ASC 820, *"Fair Value Measurements and Disclosures."* ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that can be accessed at the measurement date.

Level 2: Observable inputs other than those included in Level 1 (i.e., quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets).

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value instrument.

As of March 31, 2022, and December 31, 2021, respectively, the fair values of our financial assets and liabilities measured at fair value on a recurring basis are categorized as follows:

	Total	Level 1	Level 2	Level 3
		(Unaudited) (In thousands)		
As of March 31, 2022				
Liabilities subject to fair value measurement:				
Employment agreement award (a)	$ 28,772	—	—	$ 28,772
Total	$ 28,772	$ —	$ —	$ 28,772
Mezzanine equity subject to fair value measurement:				
Redeemable noncontrolling interests (b)	$ 17,755	$ —	$ —	$ 17,755
As of December 31, 2021				
Liabilities subject to fair value measurement:				
Employment agreement award (a)	$ 28,193	—	—	$ 28,193
Total	$ 28,193	$ —	$ —	$ 28,193
Mezzanine equity subject to fair value measurement:				
Redeemable noncontrolling interests (b)	$ 17,015	$ —	$ —	$ 17,015

(a) Each quarter, pursuant to an employment agreement (the "Employment Agreement") executed in April 2008, the Chief Executive Officer ("CEO") is eligible to receive an award (the "Employment Agreement Award") amount equal to approximately 4% of any proceeds from distributions or other liquidity events in excess of the return of the Company's aggregate investment in TV One. The Company reviews the factors underlying this award at the end of each quarter including the valuation of TV One (based on the estimated enterprise fair value of TV One as determined by a discounted cash flow analysis). The Company's obligation to pay the award was triggered after the Company recovered the aggregate amount of capital contributions in TV One, and payment is required only upon actual receipt of distributions of cash or marketable securities or proceeds from a liquidity event with respect to such invested amount. The long-term portion of the award is recorded in other long-term liabilities and the current portion is recorded in other current liabilities in the consolidated balance sheets. The CEO was fully vested in the award upon execution of the Employment Agreement, and the award lapses if the CEO voluntarily leaves the Company or is terminated for cause. A third-party valuation firm assisted the Company in estimating TV One's fair value using a discounted cash flow analysis. Significant inputs to the discounted cash flow analysis include forecasted operating results, discount rate and a terminal value. In September 2014, the Compensation Committee of the Board of Directors of the Company approved terms for a new employment agreement with the CEO, including a renewal of the Employment Agreement Award upon similar terms as in the prior Employment Agreement.

(b) The redeemable noncontrolling interest in Reach Media is measured at fair value using a discounted cash flow methodology. A third-party valuation firm assisted the Company in estimating the fair value. Significant inputs to the discounted cash flow analysis include forecasted operating results, discount rate and a terminal value.

There were no transfers in or out of Level 1, 2, or 3 during the three months ended March 31, 2022. The following table presents the changes in Level 3 liabilities measured at fair value on a recurring basis for the three months ended March 31, 2022:

	Employment Agreement Award	Redeemable Noncontrolling Interests
	(In thousands)	
Balance at December 31, 2021	$ 28,193	$ 17,015
Net income attributable to noncontrolling interests	—	701
Change in fair value	579	39
Balance at March 31, 2022	$ 28,772	$ 17,755
The amount of total (losses)/income for the period included in earnings attributable to the change in unrealized losses/income relating to assets and liabilities still held at the reporting date	$ (579)	$ —

Losses and income included in earnings were recorded in the consolidated statements of operations as corporate selling, general and administrative expenses for the employment agreement award for the three months ended March 31, 2022 and 2021. Losses included in earnings were recorded in the consolidated statements of operations as selling, general and administrative expenses for contingent consideration for the three months ended March 31, 2022 and 2021.

Level 3 liabilities	Valuation Technique	Significant Unobservable Inputs	As of March 31, 2022	As of December 31, 2021
			Significant Unobservable Input Value	
Employment agreement award	Discounted Cash Flow	Discount Rate	9.5 %	9.5 %
Employment agreement award	Discounted Cash Flow	Long-term Growth Rate	0.5 %	0.5 %
Redeemable noncontrolling interest	Discounted Cash Flow	Discount Rate	11.5 %	11.5 %
Redeemable noncontrolling interest	Discounted Cash Flow	Long-term Growth Rate	0.4 %	0.4 %

Any significant increases or decreases in discount rate or long-term growth rate inputs could result in significantly higher or lower fair value measurements.

Certain assets and liabilities are measured at fair value on a non-recurring basis using Level 3 inputs as defined in ASC 820. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. Included in this category are goodwill, radio broadcasting licenses and other intangible assets, net, that are written down to fair value when they are determined to be impaired, as well as content assets that are periodically written down to net realizable value. The Company concluded these assets were not impaired during the three months ended March 31, 2022 and 2021.

(i) Leases

On January 1, 2019, with the adoption of Accounting Standards Codification ("ASC") Topic 842, *Leases* ("ASC 842"), the Company adopted a package of practical expedients as allowed by the transition guidance which permitted the Company to carry forward the historical assessment of whether contracts contain or are leases, classification of leases and the remaining lease terms. The Company has also made an accounting policy election to exclude leases with an initial term of twelve months or less from recognition on the consolidated balance sheet. Short-term leases will be expensed over the lease term. The Company also elected to separate the consideration in the lease contracts between the lease and non-lease components. All variable non-lease components are expensed as incurred.

ASC 842 results in significant changes to the balance sheets of lessees, most significantly by requiring the recognition of right of use ("ROU") assets and lease liabilities by lessees for those leases classified as operating leases. Upon adoption of ASC 842, deferred rent balances, which were historically presented separately, were combined and presented net within the ROU asset.

Many of the Company's leases provide for renewal terms and escalation clauses, which are factored into calculating the lease liabilities when appropriate. The implicit rate within the Company's lease agreements is generally not determinable and as such the Company's collateralized borrowing rate is used.

The following table sets forth the components of lease expense and the weighted average remaining lease term and the weighted average discount rate for the Company's leases:

	Three Months Ended March 31,	
	2022	2021
	(Unaudited) (Dollars In thousands)	
Operating Lease Cost (Cost resulting from lease payments)	$ 3,246	$ 3,274
Variable Lease Cost (Cost excluded from lease payments)	10	34
Total Lease Cost	$ 3,256	$ 3,308
Operating Lease - Operating Cash Flows (Fixed Payments)	$ 3,503	$ 3,366
Operating Lease - Operating Cash Flows (Liability Reduction)	$ 2,449	$ 2,193
Weighted Average Lease Term - Operating Leases	4.80 years	5.16 years
Weighted Average Discount Rate - Operating Leases	11.00 %	11.00 %

As of March 31, 2022, maturities of lease liabilities were as follows:

For the Year Ended December 31,	(Dollars in thousands)
For the remaining nine months ending December 31, 2022	$ 10,331
2023	11,886
2024	10,773
2025	6,033
2026	3,723
Thereafter	8,186
Total future lease payments	50,932
Imputed interest	11,623
Total	$ 39,309

(j) Impact of Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, "*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*" ("ASU 2016-13"). ASU 2016-13 is intended to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. In November 2019, the FASB issued ASU 2019-10, "*Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates.*" ASU 2019-10 defers the effective date of credit loss standard ASU 2016-13 by two years for smaller reporting companies and permits early adoption. ASU 2016-13 is effective for the Company beginning January 1, 2023. The Company is evaluating the impact of the adoption of ASU 2016-13 on its financial statements.

(k) Redeemable noncontrolling interest

Redeemable noncontrolling interests are interests in subsidiaries that are redeemable outside of the Company's control either for cash or other assets. These interests are classified as mezzanine equity and measured at the greater of estimated redemption value at the end of each reporting period or the historical cost basis of the noncontrolling interests adjusted for cumulative earnings allocations. The resulting increases or decreases in the estimated redemption amount are affected by corresponding charges against retained earnings, or in the absence of retained earnings, additional paid-in-capital.

(l) Investments – Cost Method

On April 10, 2015, the Company made a $5 million investment in MGM's world-class casino property, MGM National Harbor, located in Prince George's County, Maryland, which has a predominately African-American demographic profile. On November 30, 2016, the Company contributed an additional $35 million to complete its investment. This investment further diversified our platform in the entertainment industry while still focusing on our core demographic. We account for this investment on a cost basis. Our MGM National Harbor investment entitles us to an annual cash distribution based on net gaming revenue. The value of our MGM investment is included in other assets on the consolidated balance sheets and its distribution income in the amount of approximately $2.0 million and $1.7 million, for the three months ended March 31, 2022 and 2021, respectively, is recorded in other income on the consolidated statements of operations. The cost method investment is subject to a periodic impairment review in the normal course. The Company reviewed the investment and concluded that no impairment to the carrying value was required. There has been no impairment of the investment to date.

(m) Content Assets

Our cable television segment has entered into contracts to acquire entertainment programming rights and programs from distributors and producers. The license periods granted in these contracts generally run from one year to five years. Contract payments are made in installments over terms that are generally shorter than the contract period. Each contract is recorded as an asset and a liability at an amount equal to its gross contractual commitment when the license period begins, and the program is available for its first airing. For programming that is predominantly monetized as part of a content group, which includes our acquired and commissioned programs, capitalized costs are amortized based on an estimate of our usage and benefit from such programming. The estimates require management's judgement and include consideration of factors such as expected revenues to be derived from the programming, the expected number of future airings, and, if applicable, the length of the license period. Acquired content is generally amortized on a straight-line basis over the term of the license which reflects the estimated usage. For certain content for which the pattern of usage is accelerated, amortization is based upon the actual usage. Amortization of content assets is recorded in the consolidated statements of operations as programming and technical expenses.

The Company also has programming for which the Company has engaged third parties to develop and produce, and it owns most or all rights (commissioned programming). In accordance with ASC 926, "*Entertainment – Films*," content amortization expense for each period is recognized based on the revenue forecast model, which approximates the proportion that estimated advertising and affiliate revenues for the current period represent in relation to the estimated remaining total lifetime revenues as of the beginning of the current period. Management regularly reviews, and revises when necessary, its total revenue estimates, which may result in a change in the rate of amortization and/or a write-down of the asset to fair value.

Content that is predominantly monetized within a film group is assessed for impairment at the film group level and is tested for impairment if circumstances indicate that the fair value of the content within the film group is less than its unamortized costs. The Company did not record any impairment or additional amortization expense as a result of evaluating its contracts for impairment for the three months ended March 31, 2022 and 2021. Impairment and amortization of content assets is recorded in the consolidated statements of operations as programming and technical expenses. All produced and licensed content is classified as a long-term asset, except for the portion of the unamortized content balance that is expected to be amortized within one year which is classified as a current asset.

Tax incentives that state and local governments offer that are directly measured based on production activities are recorded as reductions in production costs.

(n) Employment Agreement Award

The Company accounts for the Employment Agreement Award at fair value. The Company estimated the fair value of the award at March 31, 2022, and December 31, 2021, to be approximately $28.8 million and $28.2 million, respectively, and accordingly adjusted its liability to this amount. The long-term portion is recorded in other long-term liabilities and the current portion is recorded in other current liabilities in the consolidated balance sheets. The expense associated with the Employment Agreement Award was recorded in the consolidated statements of operations as corporate selling, general and administrative expenses and was $579,000 and $597,000 for the three months ended March 31, 2022, and 2021, respectively.

The Company's obligation to pay the Employment Agreement Award was triggered after the Company recovered the aggregate amount of its capital contribution in TV One and only upon actual receipt of distributions of cash or marketable securities or proceeds from a liquidity event with respect to the Company's aggregate investment in TV One. The CEO was fully vested in the award upon execution of the employment agreement, and the award lapses if the CEO voluntarily leaves the Company, or is terminated for cause. In September 2014, the Compensation Committee of the Board of Directors of the Company approved terms for a new employment agreement with the CEO, including a renewal of the Employment Agreement Award upon similar terms as in the prior employment agreement.

(o) Related Party Transactions

Reach Media operates the Tom Joyner Foundation's Fantastic Voyage® (the "Fantastic Voyage®"), a fund-raising event, on behalf of the Tom Joyner Foundation, Inc. (the "Foundation"), a 501(c)(3) entity. The agreement under which the Fantastic Voyage® operates provides that Reach Media provide all necessary operations of the cruise and that Reach Media will be reimbursed its expenditures and receive a fee plus a performance bonus. Distributions from operating revenues are in the following order until the funds are depleted: up to $250,000 to the Foundation, reimbursement of Reach's expenditures, up to a $1.0 million fee to Reach, a performance bonus of up to 50% of remaining operating revenues to Reach Media, with the balance remaining to the Foundation. For 2021 and 2023, $250,000 to the Foundation is guaranteed. Reach Media's earnings for the Fantastic Voyage® in any given year may not exceed $1.75 million. The Foundation's remittances to Reach Media under the agreements are limited to its Fantastic Voyage® related cash collections. Reach Media bears the risk should the Fantastic Voyage® sustain a loss and bears all credit risk associated with the related passenger cruise package sales. The agreement between Reach and the Foundation automatically renews annually unless termination is mutually agreed or unless a party's financial requirements are not met, in which case the party not in breach of their obligations has the right, but not the obligation, to terminate unilaterally. As of March 31, 2022 and December 31, 2021, Reach Media owed the Foundation $148,000 and $41,000, respectively, under the agreements for the operation of the cruises.

Reach Media provides office facilities (including office space, telecommunications facilities, and office equipment) to the Foundation. Such services are provided to the Foundation on a pass-through basis at cost. Additionally, from time to time, the Foundation reimburses Reach Media for expenditures paid on its behalf at Reach Media-related events. Under these arrangements, as of March 31, 2022 and December 31, 2021, the Foundation owed $2,000 and $4,000, respectively, to Reach Media.

Alfred C. Liggins, President and Chief Executive Officer of Urban One, Inc., is a compensated member of the Board of Directors of Broadcast Music, Inc. (“BMI”), a performance rights organization. During the three months ended March 31, 2022 and 2021, the Company incurred expense of $940,000 and approximately $1.0 million, respectively. As of March 31, 2022 and December 31, 2021, the Company owed BMI $298,000 and $423,000, respectively.

(p) Going Concern Assessment

As part of its internal control framework, the Company routinely performs a going concern assessment. We have concluded that the Company has sufficient capacity to meet its financing obligations, that cash flows from operations are sufficient to meet the liquidity needs and/or has sufficient capacity to access asset-backed facility funds to finance working capital needs should the need arise.

2. ACQUISITIONS AND DISPOSITIONS:

On October 30, 2020, we entered into a local marketing agreement (“LMA”) with Southeastern Ohio Broadcasting System for the operation of station WWCD-FM in Columbus, Ohio beginning November 2020. Under the terms of the LMA, we will pay a monthly fee as well as certain operating costs, and, in exchange, we will retain all revenues from the sale of the advertising within the programming.

On November 6, 2020, the Company entered into a definitive asset exchange agreement with Audacy, Inc. (formerly Entercom Communications Corp.) whereby the Company would receive Charlotte stations: WLNK-FM (Adult Contemporary); WBT-AM & FM (News Talk Radio); and WFNZ-AM & 102.5 FM Translator (Sports Radio). As part of the transaction, the Company transferred three radio stations to Audacy: St. Louis, WHHL-FM (Urban Contemporary); Philadelphia, WPHI-FM (Urban Contemporary); and Washington, DC, WTEM-AM (Sports); as well as the intellectual property to its St. Louis radio station, WFUN-FM (Adult Urban Contemporary). The Company and Audacy began operation of the exchanged stations on or about November 23, 2020 under LMAs until FCC approval was obtained. The deal was subject to FCC approval and other customary closing conditions and, after obtaining the approvals, closed on April 20, 2021. In addition, the Company entered into an asset purchase agreement with Gateway Creative Broadcasting, Inc. (“Gateway”) for the remaining assets of our WFUN station in a separate transaction which also closed on April 20, 2021. The Company received approximately $8.0 million in exchange for approximately $8.0 million in tangible and intangible assets as part of the transaction with Gateway.

The Company’s purchase accounting to reflect the fair value of assets acquired and liabilities assumed consisted of approximately $21.1 million to radio broadcasting licenses, approximately $1.8 million to land and land improvements, approximately $2.0 million to towers and antennas, $517,000 to buildings, approximately $1.0 million to transmitters, $712,000 to studios, $53,000 to vehicles, $200,000 to furniture and fixtures, $67,000 to computer equipment, $19,000 to other equipment, approximately $1.7 million to right of use assets, $1.9 million advertising credit liability, $921,000 to operating lease liabilities, and $812,000 unfavorable lease liability. The fair value of the assets exchanged with Audacy approximate the carrying value of the assets. The Company recognized a net gain of $404,000 related to the Audacy and Gateway transactions during the year ended December 31, 2021.

3. GOODWILL AND RADIO BROADCASTING LICENSES:

Impairment Testing

In accordance with ASC 350, *“Intangibles - Goodwill and Other,”* we do not amortize our indefinite-lived radio broadcasting licenses and goodwill. Instead, we perform a test for impairment annually across all reporting units, or on an interim basis when events or changes in circumstances or other conditions suggest impairment may have occurred in any given reporting unit. Other intangible assets continue to be amortized on a straight-line basis over their useful lives. We perform our annual impairment test as of October 1 of each year. We evaluate all events and circumstances on an interim basis to determine if an interim indicator is present.

Valuation of Broadcasting Licenses

We did not identify any impairment indicators for the three months ended March 31, 2022 and 2021, and, therefore, no interim impairment testing was performed.

Valuation of Goodwill

We did not identify any impairment indicators at any of our reportable segments for the three months ended March 31, 2022 and 2021, and therefore, no interim impairment testing was performed.

Goodwill Valuation Results

The table below presents the changes in the Company's goodwill carrying values for its four reportable segments.

	Radio Broadcasting Segment	Reach Media Segment	Digital Segment	Cable Television Segment	Total
			(In thousands)		
Gross goodwill	$ 155,000	$ 30,468	$ 27,567	$ 165,044	$ 378,079
Additions	—	—	—	—	—
Impairments	—	—	—	—	—
Accumulated impairment losses	(117,748)	(16,114)	(20,345)	—	(154,207)
Audacy asset exchange	(470)	—	—	—	(470)
Net goodwill at March 31, 2022	$ 36,782	$ 14,354	$ 7,222	$ 165,044	$ 223,402

4. LONG-TERM DEBT:

Long-term debt consists of the following:

	March 31, 2022	December 31, 2021
	(Unaudited)	
	(In thousands)	
7.375% Senior Secured Notes due February 2028	$ 825,000	$ 825,000
PPP Loan	7,505	7,505
Total debt	832,505	832,505
Less: current portion of long-term debt	—	—
Less: original issue discount and issuance costs	13,456	13,889
Long-term debt, net	$ 819,049	$ 818,616

2028 Notes

On January 7, 2021, the Company launched an offering (the "2028 Notes Offering") of $825 million in aggregate principal amount of 7.375% senior secured notes due 2028 (the "2028 Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). On January 8, 2021, the Company entered into a purchase agreement with respect to the 2028 Notes at an issue price of 100% and the 2028 Notes Offering closed on January 25, 2021.The 2028 Notes are general senior secured obligations of the Company and are guaranteed on a senior secured basis by certain of the Company's direct and indirect restricted subsidiaries. The 2028 Notes mature on February 1, 2028 and interest on the Notes accrues and is payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2021 at the rate of 7.375% per annum.

The Company used the net proceeds from the 2028 Notes Offering, together with cash on hand, to repay or redeem: (1) the 2017 Credit Facility; (2) the 2018 Credit Facility; (3) the MGM National Harbor Loan; (4) the remaining amounts of our 7.375% Notes; and (5) our 8.75% Notes that were issued in the November 2020 Exchange Offer (all as defined below). Upon settlement of the 2028 Notes Offering, the 2017 Credit Facility, the 2018 Credit Facility and the MGM National Harbor Loan were terminated and the indentures governing the 7.375% Notes and the 8.75% Notes were satisfied and discharged. There was a net loss on retirement of debt of approximately $6.9 million for the year ended December 31, 2021 associated with the settlement of the 2028 Notes.

The 2028 Notes and the guarantees are secured, subject to permitted liens and except for certain excluded assets (i) on a first priority basis by substantially all of the Company's and the Guarantors' current and future property and assets (other than accounts receivable, cash, deposit accounts, other bank accounts, securities accounts, inventory and related assets that secure our asset-backed revolving credit facility on a first priority basis (the "ABL Priority Collateral")), including the capital stock of each guarantor (collectively, the "Notes Priority Collateral") and (ii) on a second priority basis by the ABL Priority Collateral.

The associated debt issuance costs in the amount of approximately $15.4 million is being reflected as an adjustment to the carrying amount of the debt obligations and amortized to interest expense over the term of the credit facility using the effective interest rate method. The amortization of deferred financing costs was charged to interest expense for all periods presented.

The amount of deferred financing costs included in interest expense for all instruments, for the three months ended March 31, 2022 and 2021, was $501,000 and $824,000, respectively. The Company's effective interest rate for 2022 is 7.72% and for 2021 was 7.96%.

The Company conducts a portion of its business through its subsidiaries. Certain of the Company's subsidiaries have fully and unconditionally guaranteed the Company's 2028 Notes.

PPP Loan

On January 29, 2021, the Company submitted an application for participation in the second round of the Paycheck Protection Program loan program ("PPP"). On June 1, 2021, the Company received proceeds of approximately $7.5 million. The loan bears interest at a fixed rate of 1% per year and will not be changed during the life of the loan. The loan matures June 1, 2026. The Company is in the process of applying for loan forgiveness. While certain of the PPP loans may be forgivable, until they are repaid or forgiven, the loan amount may constitute debt under the 2028 Notes and increase the Company's leverage.

8.75% Notes

In October 2020, the Company announced an offer to eligible holders of its 7.375% Senior Secured Notes due 2022 (the "7.375% Notes") to exchange any and all of their 7.375% Notes for newly issued 8.75% Senior Secured Notes due 2022 (the "8.75 Notes"). The exchange offer closed on November 9, 2020 and, therefore, is referred to as the "November 2020 Exchange Offer". Until their satisfaction and discharge on settlement of the 2028 Notes, the 8.75% Notes were governed by an indenture, dated November 9, 2020 (the "8.75% Notes Indenture"), by and between the Company, the guarantors therein (the "Guarantors") and Wilmington Trust, National Association, as trustee (in such capacity, the "8.75% Notes Trustee") and as notes collateral agent (in such capacity, "the 8.75% Notes Collateral Agent"). Interest on the 8.75% Notes accrued at the rate per annum equal to 8.75% and was payable, in cash, quarterly on January 15, April 15, July 15 and October 15 of each year, commencing on January 15, 2021, to holders of record on the immediately preceding January 1, April 1, July 1 and October 1, respectively.

The 8.75% Notes were general senior obligations and were guaranteed (the "Guarantees") by the Guarantors. The 8.75% Notes and the Guarantees: (i) ranked equal in right of payment to all of the Company's and the Guarantor's existing and future senior indebtedness, (ii) were secured on a first-priority basis by the Notes Priority Collateral (as defined below) and on a second-priority basis by the ABL Priority Collateral (defined below) owned by the Company and the applicable Guarantor, in each case subject to certain liens permitted under the 8.75% Notes Indenture, (iii) were equal in priority to the collateral owned by the Company and the Guarantor with respect to obligations under the credit agreement, dated as of April 18, 2017, by and among the Company, various lenders therein and Guggenheim Securities Credit Partners, LLC, as administrative agent and any other Parity Lien Debt (as described in the 8.75% Notes Indenture), if an, incurred after the date the 8.75% Notes were issued, (iv) ranked senior in right of payment to any existing or future subordinated indebtedness of the Company or Guarantors, (v) were initially guaranteed on a senior basis by each of the Company's wholly-owned domestic subsidiaries (other than certain immaterial subsidiaries, unrestricted subsidiaries, and other certain exceptions), (vi) were effectively senior to all of the Company's and the Guarantor's existing and future unsecured indebtedness to the extent of the value of the collateral owned by the Company or applicable Guarantors and effectively senior to all existing and future ABL Debt Obligations (as defined in the 8.75% Notes Indenture) to the extent of the value of the Notes Priority Collateral (as defined below) owned by the Company or applicable Guarantor, (vii) were effectively subordinated to all of the Company's and the Guarantor's existing and future indebtedness that was secured by liens on assets that do not secure the Notes or the Guarantee to the extent of the value of such assets,

(viii) were structurally subordinated to all of the Company's and the Guarantor's existing and future indebtedness and other claims and liabilities, including preferred stock, of subsidiaries of the Company that are not guarantors, and (ix) were effectively senior to any 7.375% Notes that remain outstanding after the November 2020 Exchange Offer with respect to any collateral proceeds.

The 8.75% Notes and the guarantees were secured, subject to permitted liens and except for certain excluded assets (i) on a first priority basis by substantially all of the Company's and the Guarantors' current and future property and assets (other than accounts receivable, cash, deposit accounts, other bank accounts, securities accounts, inventory and related assets that secure our asset-backed revolving credit facility on a first priority basis (the "ABL Priority Collateral"), including the capital stock of each Guarantor (which, in the case of foreign subsidiaries, is limited to 65% of the voting stock and 100% of the non-voting stock of each first-tier foreign subsidiary) (collectively, the "Notes Priority Collateral") and (ii) on a second priority basis by the ABL Priority Collateral.

In connection with the November 2020 Exchange Offer, the 8.75% Notes were subject to a new intercreditor agreement, pursuant to which proceeds received by the 7.375% Notes Trustee with respect to collateral proceeds received by the 7.375% Notes Trustee for the 7.375% Notes under an existing parity lien intercreditor agreement were to be paid over to the 8.75% Notes Trustee for the 8.75% Notes to the extent of the amounts owed to the holders of the 8.75% Notes then outstanding.

The Company could redeem the 8.75% Notes in whole or in part, at its option, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such 8.75% Notes plus accrued and unpaid interest, if any, to the redemption date.

Within 90 days following the completion of the November 2020 Exchange Offer, the Company was required to repurchase, repay or redeem $15 million aggregate principal amount of the 8.75% Notes. Separately, within five business days after each Excess Cash Flow Calculation Date (as defined in the 8.75% Notes Indenture), the Company was to redeem an aggregate principal amount of 8.75% Notes equal to 50% of the Excess Cash Flow (as defined in the 8.75% Notes Indenture), provided that repurchases, repayments or redemption of 8.75% Notes with internally generated funds during the applicable calculation period would reduce on a dollar-for-dollar basis the amount of such redemption otherwise required on the applicable calculation date. Any such mandatory redemptions were to be at par (plus accrued and unpaid interest).

The premium paid to the bondholders in the amount of approximately $3.5 million is being reflected as an adjustment to the carrying amount of the debt obligation and amortized to interest expense over the term of the obligation using the effective interest rate method. The amortization of deferred financing costs was charged to interest expense for all periods presented.

2018 Credit Facility

On December 4, 2018, the Company and certain of its subsidiaries entered into a credit agreement ("2018 Credit Facility"), among the Company, the lenders party thereto from time to time, Wilmington Trust, National Association, as administrative agent, and TCG Senior Funding L.L.C, as sole lead arranger and sole bookrunner. The 2018 Credit Facility provided $192.0 million in term loan borrowings, which was funded on December 20, 2018. The net proceeds of term loan borrowings under the 2018 Credit Facility were used to refinance, repurchase, redeem or otherwise repay the Company's then outstanding 9.25% Senior Subordinated Notes due 2020.

Until its termination on settlement of the 2028 Notes, borrowings under the 2018 Credit Facility were subject to customary conditions precedent, as well as a requirement under the 2018 Credit Facility that (i) the Company's total gross leverage ratio on a pro forma basis be not greater than 8:00 to 1:00 (this total gross leverage ratio test steps down as described below), (ii) neither of the administrative agents under the Company's existing credit facilities nor the trustee under the Company's existing senior secured notes due 2022 have objected to the terms of the new credit documents and (iii) certification by the Company that the terms and conditions of the 2018 Credit Facility satisfied the requirements of the definition of "Permitted Refinancing" (as defined in the agreements governing the Company's existing credit facilities) and neither of the administrative agents under the Company's existing credit facilities notified the Company within five (5) business days prior to funding the borrowings under the 2018 Credit Facility that it disagreed with such determination (including a reasonable description of the basis upon which it disagrees).

The 2018 Credit Facility was scheduled to mature on December 31, 2022 (the "Maturity Date"). In connection with the November 2020 Exchange Offer, we also entered into an amendment to certain terms of our 2018 Credit Facility including the extension of the maturity date to March 31, 2023. Interest rates on borrowings under the 2018 Credit Facility were either (i) from the Funding Date to the Maturity Date, 12.875% per annum, (ii) 11.875% per annum, once 50% of the term loan borrowings had been repaid or (iii) 10.875%

per annum, once 75% of the term loan borrowings had been repaid. Interest payments began on the last day of the 3-month period commencing on the Funding Date. Within 90 days following the completion of the November 2020 Exchange Offer, the Company was required to repay $10 million of the 2018 Credit Facility. The amendment was accounted for as a modification in accordance with the provisions of ASC 470, "*Debt*".

The Company's obligations under the 2018 Credit Facility were not secured. The 2018 Credit Facility was guaranteed on an unsecured basis by each entity that guarantees the Company's outstanding $350.0 million 2017 Credit Facility (as defined below).

The term loans could be voluntarily prepaid prior to February 15, 2020 subject to payment of a prepayment premium. The Company was required to repay principal to the extent then outstanding on each quarterly interest payment date, commencing on the last business day in March 2019, equal to one quarter of 7.5% of the aggregate initial principal amount of all term loans incurred on the Funding Date to December 2019, commencing on the last business day in March 2020, one quarter of 10.0% of the aggregate initial principal amount of all term loans incurred on the Funding Date to December 2021, and, commencing on the last business day in March 2021, one quarter of 12.5% of the aggregate initial principal amount of all term loans incurred on the Funding Date to December 2022. The Company was also required to use 75% of excess cash flow ("ECF payment") as defined in the 2018 Credit Facility, which excluded any distributions to the Company or its restricted subsidiaries in respect of its interests in the MGM National Harbor, to repay outstanding term loans at par, paid semiannually and to use 100% of all distributions to the Company or its restricted subsidiaries received in respect of its interest in the MGM National Harbor to repay outstanding terms loans at par.

The 2018 Credit Facility contained customary representations and warranties and events of default, affirmative and negative covenants (in each case, subject to materiality exceptions and qualifications). The 2018 Credit Facility, as amended, also contained certain financial covenants, including a maintenance covenant requiring the Company's total gross leverage ratio to be not greater than 8.0 to 1.00 in 2019, 7.5 to 1.00 in 2020, 7.25 to 1.00 in 2021, 6.75 to 1.00 in 2022 and 6.25 to 1.00 in 2023.

The original issue discount in the amount of approximately $3.8 million and associated debt issuance costs in the amount of $875,000 were reflected as an adjustment to the carrying amount of the debt obligation and amortized to interest expense over the term of the credit facility using the effective interest rate method. The amortization of deferred financing costs was charged to interest expense for all periods presented.

MGM National Harbor Loan

Concurrently, on December 4, 2018, Urban One Entertainment SPV, LLC ("UONESPV") and its immediate parent, Radio One Entertainment Holdings, LLC ("ROEH"), each of which is a wholly owned subsidiary of the Company, entered into a credit agreement, providing $50.0 million in term loan borrowings (the "MGM National Harbor Loan") which was funded on December 20, 2018. On June 25, 2020, the Company borrowed an incremental $3.6 million on the MGM National Harbor Loan and used the proceeds to pay down the higher coupon 2018 Credit Facility by the same amount.

Until its termination on settlement of the 2028 Notes, the MGM National Harbor Loan was scheduled to mature on December 31, 2022 and bore interest at 7.0% per annum in cash plus 4.0% per annum paid-in kind. The loan had limited ability to be prepaid in the first two years. The loan was secured on a first priority basis by the assets of UONESPV and ROEH, including all of UONESPV's shares held by ROEH, all of UONESPV's interests in MGM National Harbor, its rights under the joint venture operating agreement governing the MGM National Harbor and UONESPV's obligation to exercise its put right under the joint venture operating agreement in the event of a UONESPV payment default or bankruptcy event, in each case, subject to applicable Maryland gaming laws and approvals. Exercise by UONESPV of its put right under the joint venture operating agreement was subject to required lender consent unless the proceeds are used to retire the MGM National Harbor Loan and any remaining excess is used to repay borrowings, if any, under the 2018 Credit Facility. The MGM National Harbor Loan also contained customary representations and warranties and events of default, affirmative and negative covenants (in each case, subject to materiality exceptions and qualifications).

The original issue discount in the amount of approximately $1.0 million and associated debt issuance costs in the amount of approximately $1.7 million was being reflected as an adjustment to the carrying amount of the debt obligation and amortized to interest expense over the term of the obligation using the effective interest rate method. The amortization of deferred financing costs was charged to interest expense for all periods presented.

2017 Credit Facilities

On April 18, 2017, the Company closed on a senior secured credit facility (the "2017 Credit Facility"). The 2017 Credit Facility was governed by a credit agreement by and among the Company, the lenders party thereto from time to time and Guggenheim Securities Credit Partners, LLC, as administrative agent, The Bank of New York Mellon, as collateral agent, and Guggenheim Securities, LLC as sole lead arranger and sole book running manager. The 2017 Credit Facility provided for $350 million in term loan borrowings, all of which was advanced and outstanding on the date of the closing of the transaction.

Until its termination on settlement of the 2028 Notes, the 2017 Credit Facility matured on the earlier of (i) April 18, 2023, or (ii) in the event such debt is not repaid or refinanced, 91 days prior to the maturity of the Company's 7.375% Notes (as defined below). At the Company's election, the interest rate on borrowings under the 2017 Credit Facility are based on either (i) the then applicable base rate (as defined in the 2017 Credit Facility) as, for any day, a rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the prime rate published in the Wall Street Journal, (b) 1/2 of 1% in excess rate of the overnight Federal Funds Rate at any given time, (c) the one-month LIBOR rate commencing on such day plus 1.00%) and (d) 2%, or (ii) the then applicable LIBOR rate (as defined in the 2017 Credit Facility). The average interest rate was approximately 5.0% for 2021.

The 2017 Credit Facility was (i) guaranteed by each entity that guarantees the Company's 7.375% Notes on a pari passu basis with the guarantees of the 7.375% Notes and (ii) secured on a pari passu basis with the Company's 7.375% Notes. The Company's obligations under the 2017 Credit Facility were secured, subject to permitted liens and except for certain excluded assets (i) on a first priority basis by certain notes priority collateral, and (ii) on a second priority basis by collateral for the Company's asset-backed line of credit.

In addition to any mandatory or optional prepayments, the Company was required to pay interest on the term loans (i) quarterly in arrears for the base rate loans, and (ii) on the last day of each interest period for LIBOR loans. Certain voluntary prepayments of the term loans during the first six months required an additional prepayment premium. Beginning with the interest payment date occurring in June 2017 and ending in March 2023, the Company was required to repay principal, to the extent then outstanding, equal to 1⁄4 of 1% of the aggregate initial principal amount of all term loans incurred on the effective date of the 2017 Credit Facility.

The 2017 Credit Facility contained customary representations and warranties and events of default, affirmative and negative covenants (in each case, subject to materiality exceptions and qualifications) which may be more restrictive than those governing the 7.375% Notes. The 2017 Credit Facility also contained certain financial covenants, including a maintenance covenant requiring the Company's interest expense coverage ratio (defined as the ratio of consolidated EBITDA to consolidated interest expense) to be greater than or equal to 1.25 to 1.00 and its total senior secured leverage ratio (defined as the ratio of consolidated net senior secured indebtedness to consolidated EBITDA) to be less than or equal to 5.85 to 1.00.

The net proceeds from the 2017 Credit Facility were used to prepay in full the Company's previous senior secured credit facility and the agreement governing such credit facility.

The 2017 Credit Facility contained affirmative and negative covenants that the Company was required to comply with, including:

(a) maintaining an interest coverage ratio of no less than:

- 1.25 to 1.00 on June 30, 2017 and the last day of each fiscal quarter thereafter.

(b) maintaining a senior leverage ratio of no greater than:

- 5.85 to 1.00 on June 30, 2017 and the last day of each fiscal quarter thereafter.

(c) limitations on:

- liens;
- sale of assets;
- payment of dividends; and
- mergers.

The original issue discount is being reflected as an adjustment to the carrying amount of the debt obligations and amortized to interest expense over the term of the credit facility using the effective interest rate method. The amortization of deferred financing costs was charged to interest expense for all periods presented.

7.375% Notes

On April 17, 2015, the Company closed a private offering of $350.0 million aggregate principal amount of 7.375% senior secured notes due 2022 (the "7.375% Notes"). The 7.375% Notes were offered at an original issue price of 100.0% plus accrued interest from April 17, 2015 and matured on April 15, 2022. Interest on the 7.375% Notes accrued at the rate of 7.375% per annum and was payable semiannually in arrears on April 15 and October 15, which commenced on October 15, 2015. The 7.375% Notes were guaranteed, jointly and severally, on a senior secured basis by the Company's existing and future domestic subsidiaries, including TV One.

The Company used the net proceeds from the 7.375% Notes, to refinance a previous credit agreement, refinance certain TV One indebtedness, and finance the buyout of membership interests of Comcast in TV One and pay the related accrued interest, premiums, fees and expenses associated therewith.

Until their satisfaction and discharge on settlement of the 2028 Notes, the 7.375% Notes were the Company's senior secured obligations and ranked equal in right of payment with all of the Company's and the guarantors' existing and future senior indebtedness, including obligations under the 2017 Credit Facility and the Company's previously existing senior subordinated notes. The 7.375% Notes and related guarantees were equally and ratably secured by the same collateral securing the 2017 Credit Facility and any other parity lien debt issued after the issue date of the 7.375% Notes, including any additional notes issued under the Indenture, but were effectively subordinated to the Company's and the guarantors' secured indebtedness to the extent of the value of the collateral securing such indebtedness that does not also secure the 7.375% Notes. Collateral included substantially all of the Company's and the guarantors' current and future property and assets for accounts receivable, cash, deposit accounts, other bank accounts, securities accounts, inventory and related assets including the capital stock of each subsidiary guarantor.

On November 9, 2020, we completed the November 2020 Exchange Offer of 99.15% of our outstanding 7.375% Notes for $347 million aggregate principal amount of 8.75% Notes.

Asset-Backed Credit Facilities

On April 21, 2016, the Company entered into a senior credit agreement governing an asset-backed credit facility (the "2016 ABL Facility") among the Company, the lenders party thereto from time to time and Wells Fargo Bank National Association, as administrative agent (the "Administrative Agent"). The 2016 ABL Facility originally provided for $25 million in revolving loan borrowings in order to provide for the working capital needs and general corporate requirements of the Company. On November 13, 2019, the Company entered into an amendment to the 2016 ABL Facility, (the "2016 ABL Amendment"), which increased the borrowing capacity from $25 million in revolving loan borrowings to $37.5 million in order to provide for the working capital needs and general corporate requirements of the Company and provides for a letter of credit facility up to $7.5 million as a part of the overall $37.5 million in capacity. The 2016 ABL Amendment also redefined the "Maturity Date" to be "the earlier to occur of (a) April 21, 2021 and (b) the date that is thirty (30) days prior to the earlier to occur of (i) the Term Loan Maturity Date (as defined in the Term Loan Credit Agreement as in effect on the Effective Date or as the same may be extended in accordance with the terms of the Term Loan Credit Agreement), and (ii) the Stated Maturity (as defined in the Senior Secured Notes Indenture (as defined in the Term Loan Credit Agreement)) of the Notes (as defined in the Senior Secured Notes Indenture as in effect on the Effective Date or as the same may be extended in accordance with the terms of the Senior Secured Notes Indenture)."

At the Company's election, the interest rate on borrowings under the 2016 ABL Facility were based on either (i) the then applicable margin relative to Base Rate Loans (as defined in the 2016 ABL Facility) or (ii) the then applicable margin relative to LIBOR Loans (as defined in the 2016 ABL Facility) corresponding to the average availability of the Company for the most recently completed fiscal quarter.

Advances under the 2016 ABL Facility were limited to (a) eighty-five percent (85%) of the amount of Eligible Accounts (as defined in the 2016 ABL Facility), less the amount, if any, of the Dilution Reserve (as defined in the 2016 ABL Facility), minus (b) the sum of (i) the Bank Product Reserve (as defined in the 2016 ABL Facility), plus (ii) the aggregate amount of all other reserves, if any, established by Administrative Agent.

All obligations under the 2016 ABL Facility were secured by first priority lien on all (i) deposit accounts (related to accounts receivable), (ii) accounts receivable, (iii) all other property which constitutes ABL Priority Collateral (as defined in the 2016 ABL Facility). The obligations were also secured by all material subsidiaries of the Company.

The 2016 ABL Facility was subject to the terms of the Intercreditor Agreement (as defined in the 2016 ABL Facility) by and among the Administrative Agent, the administrative agent for the secured parties under the Company's term loan and the trustee and collateral trustee under the senior secured notes indenture.

In connection with the offering of the 2028 Notes, the Company entered into an amendment of its 2016 ABL Facility to facilitate the issuance of the 2028 Notes. The amendments to the 2016 ABL Facility, include, among other things, a consent to the issuance of the 2028 Notes, revisions to terms and exclusions of collateral and addition of certain subsidiaries as guarantors.

On February 19, 2021, the Company closed on a new asset backed credit facility (the "Current 2021 ABL Facility"). The Current 2021 ABL Facility is governed by a credit agreement by and among the Company, the other borrowers party thereto, the lenders party thereto from time to time and Bank of America, N.A., as administrative agent. The Current 2021 ABL Facility provides for up to $50 million revolving loan borrowings in order to provide for the working capital needs and general corporate requirements of the Company. The Current 2021 ABL Facility also provides for a letter of credit facility up to $5 million as a part of the overall $50 million in capacity. On closing of the Current 2021 ABL Facility, the 2016 ABL Facility was terminated on February 19, 2021. As of March 31, 2022, there was no balance outstanding on the Current 2021 ABL Facility.

At the Company's election, the interest rate on borrowings under the Current 2021 ABL Facility are based on either (i) the then applicable margin relative to Base Rate Loans (as defined in the Current 2021 ABL Facility) or (ii) the then applicable margin relative to LIBOR Loans (as defined in the Current 2021 ABL Facility) corresponding to the average availability of the Company for the most recently completed fiscal quarter.

Advances under the Current 2021 ABL Facility are limited to (a) eighty-five percent (85%) of the amount of Eligible Accounts (as defined in the Current 2021 ABL Facility), less the amount, if any, of the Dilution Reserve (as defined in the Current 2021 ABL Facility), minus (b) the sum of (i) the Bank Product Reserve (as defined in the Current 2021 ABL Facility), plus (ii) the AP and Deferred Revenue Reserve (as defined in the Current 2021 ABL Facility), plus (iii) without duplication, the aggregate amount of all other reserves, if any, established by Administrative Agent.

All obligations under the Current 2021 ABL Facility are secured by first priority lien on all (i) deposit accounts (related to accounts receivable), (ii) accounts receivable, and (iii) all other property which constitutes ABL Priority Collateral (as defined in the Current 2021 ABL Facility). The obligations are also guaranteed by all material restricted subsidiaries of the Company.

The Current 2021 ABL Facility matures on the earlier to occur of: (a) the date that is five (5) years from the effective date of the Current 2021 ABL Facility and (b) 91 days prior to the maturity of the Company's 2028 Notes.

Finally, the Current 2021 ABL Facility is subject to the terms of the Revolver Intercreditor Agreement (as defined in the Current 2021 ABL Facility) by and among the Administrative Agent and Wilmington Trust, National Association.

Letter of Credit Facility

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement providing for letter of credit capacity of up to $1.2 million. On October 8, 2019, the Company entered into an amendment to its letter of credit reimbursement and security agreement and extended the term to October 8, 2024. As of March 31, 2022, the Company had letters of credit totaling $871,000 under the agreement for certain operating leases and certain insurance policies. Letters of credit are issued under the agreement are required to be collateralized with cash. In addition, the Current 2021 ABL Facility provides for letter of credit capacity of up to $5 million subject to certain limitations on availability.

Future Minimum Principal Payments

Future scheduled minimum principal payments of debt as of March 31, 2022, are as follows:

	7.375% Senior Secured Notes due February 2028	PPP Loan	Total
		(In thousands)	
April - December 2022	$ —	$ —	$ —
2023	—	—	—
2024	—	—	—
2025	—	—	—
2026	—	7,505	7,505
2027 and thereafter	825,000	—	825,000
Total Debt	$ 825,000	$ 7,505	$ 832,505

5. INCOME TAXES:

The Company uses the estimated annual effective tax rate method under ASC 740-270, "*Interim Reporting*" to calculate the provision for income taxes. The Company recorded a provision for income taxes of approximately $5.6 million on pre-tax income from continuing operations of approximately $22.7 million for the three months ended March 31, 2022, based on the estimated annual effective tax rate of approximately 24.7%.

In accordance with ASC 740, "*Accounting for Income Taxes*", the Company continues to evaluate the realizability of its net DTAs by assessing the future tax consequences of events that have been recognized in the Company's financial statements or tax returns, tax planning strategies, and future profitability. As of March 31, 2022, the Company believes it is more likely than not that these DTAs will be realized.

The Company is subject to the continuous examination of our income tax returns by the IRS and other domestic tax authorities. We believe that an adequate provision has been made for any adjustments that may result from tax examinations. The Company believes that it is reasonably possible that a decrease of up to $680,000 of unrecognized tax benefits related to state tax exposures may occur within the next twelve months.

6. STOCKHOLDERS' EQUITY:

On June 16, 2020, the Company's Board of Directors authorized an amendment (the "Potential Amendment") of Urban One's certificate of incorporation to effect a reverse stock split across all classes of common stock by a ratio of not less than one-for-two and not more than one-for-fifty at any time prior to December 31, 2021, with the exact ratio to be set at a whole number within this range as determined by our board of directors in its discretion. The Company's shareholders approved the Potential Amendment at the annual meeting of the shareholders June 16, 2020. The Company has not acted on the Potential Amendment but may do so as determined by our board of directors in its discretion. On June 23, 2021, the Company's Board of Directors authorized an amendment of the Urban One 2019 Equity and Performance Incentive Plan to increase the number of shares available for grant and to provide the grant of Class A as well as Class D shares. The amendment was approved by the Company's shareholders and added 5,519,575 shares of Class D Shares and added 2,000,000 Class A Shares.

On August 18, 2020, the Company entered into an Open Market Sales Agreement with Jefferies LLC ("Jefferies") under which the Company sold shares of its Class A common stock, par value $0.001 per share (the "Class A Shares") up to an aggregate offering price of $25 million (the "2020 ATM Program"). Jefferies acted as sales agent for the 2020 ATM Program. During the year ended December 31, 2020, the Company issued 2,859,276 shares of its Class A Shares at a weighted average price of $5.39 for approximately $14.7 million of net proceeds after associated fees and expenses.

On January 19, 2021, the Company completed its 2020 ATM Program, sold an additional 1,465,825 shares for an aggregate of 4,325,102 Class A shares sold through the 2020 ATM Program, receiving gross proceeds of approximately $25.0 million and net proceeds of approximately $24.0 million for the program (inclusive of the $14.7 million sold during the year ended December 31, 2020). On January 27, 2021, the Company entered into a new 2021 Open Market Sale Agreement (the "2021 Sale Agreement") with Jefferies under which the Company could sell up to an additional $25.0 million of Class A Shares, through Jefferies as its sales agent. During the three months ended March 31, 2021, the Company issued and sold an aggregate of 420,439 Class A Shares pursuant to the 2021 Sale Agreement and received gross proceeds of approximately $3.0 million and net proceeds of approximately $2.8 million, after deducting commissions to Jefferies and other offering expenses. During the three months ended June 30, 2021, the Company issued and sold an aggregate of 1,893,126 Class A Shares pursuant to the 2021 Sale Agreement and received gross proceeds of approximately $22.0 million and net proceeds of approximately $21.2 million, after deducting commissions to Jefferies and other offering expenses which completed its 2021 ATM Program.

On May 17, 2021, the Company entered into an Open Market Sale Agreement[SM] (the "Class D Sale Agreement") with Jefferies under which the Company may offer and sell, from time to time at its sole discretion, shares of its Class D common stock, par value $0.001 per share (the "Class D Shares"), through Jefferies as its sales agent. On May 17, 2021, the Company filed a prospectus supplement pursuant to the Class D Sale Agreement for the offer and sale of its Class D Shares having an aggregate offering price of up to $25.0 million. As of March 31, 2022, the Company has not sold any Class D Shares under the Class D Sale Agreement. The Company may from time to time also enter into new additional ATM programs and issue additional common stock from time to time under those programs.

On October 29, 2021, Alfred C. Liggins, President and Chief Executive Officer of Urban One, Inc. and/or Catherine L. Hughes, Founder and Chairperson of Urban One, Inc., and/or their affiliates converted a total of 883,890 shares of Class C Common Stock into 883,890 shares of Class A Common Stock.

Stock Repurchase Program

From time to time, the Company's Board of Directors has authorized repurchases of shares of the Company's Class A and Class D common stock. On March 7, 2022, the Board of the Company authorized and approved a share repurchase program for up to $25 million of the currently outstanding shares of the Company's Class A and/or Class D common stock over a period of 24 months. Under the stock repurchase program, the Company intends to repurchase shares through open market purchases, privately-negotiated transactions, block purchases or otherwise in accordance with applicable federal securities laws, including Rule 10b-18 of the Securities Exchange Act of 1934 (the "Exchange Act"). As of March 31, 2022, the Company had $25 million remaining under its most recent and open authorization with respect to its Class A and Class D common stock.

Under open authorizations, repurchases may be made from time to time in the open market or in privately negotiated transactions in accordance with applicable laws and regulations. Shares are retired when repurchased. The timing and extent of any repurchases will depend upon prevailing market conditions, the trading price of the Company's Class A and/or Class D common stock and other factors, and subject to restrictions under applicable law. When in effect, the Company executes upon stock repurchase programs in a manner consistent with market conditions and the interests of the stockholders, including maximizing stockholder value. During the three months ended March 31, 2022 and 2021, the Company did not repurchase any shares of Class A common stock or Class D common stock.

In addition, the Company has limited but ongoing authority to purchase shares of Class D common stock (in one or more transactions at any time there remain outstanding grants) under the Company's 2009 Stock Plan and 2019 Equity and Performance Incentive Plan (both as defined below). As of May 21, 2019, the 2019 Equity and Performance Incentive Plan will be used to satisfy any employee or other recipient tax obligations in connection with the exercise of an option or a share grant under the 2009 Stock Plan and the 2019 Equity and Performance Incentive Plan, to the extent that the Company has capacity under its financing agreements (i.e., its current credit facilities and indentures) (each a "Stock Vest Tax Repurchase"). During the three months ended March 31, 2022, the Company executed a Stock Vest Tax Repurchase of 2,649 shares of Class D Common Stock in the amount of $10,000 at an average price of $3.63 per share. During the three months ended March 31, 2021, the Company executed a Stock Vest Tax Repurchase of 495,296 shares of Class D Common Stock in the amount of $872,000 at an average price of $1.76 per share.

Stock Option and Restricted Stock Grant Plan

Our 2009 stock option and restricted stock plan (the "2009 Stock Plan") was originally approved by the stockholders at the Company's annual meeting on December 16, 2009. The Company had the authority to issue up to 8,250,000 shares of Class D Common Stock under the 2009 Stock Plan. Since its original approval, from time to time, the Board of Directors adopted and as required, our stockholders approved certain amendments to and restatement of the 2009 Stock Plan (the "Amended and Restated 2009 Stock Plan"). The amendments under the Amended and Restated 2009 Stock Plan primarily affected (i) the number of shares with respect to which options and restricted stock grants may be granted under the 2009 Stock Plan and (ii) the maximum number of shares that can be awarded to any individual in any one calendar year. On April 13, 2015, the Board of Directors adopted, and our stockholders approved on June 2, 2015, an amendment that replenished the authorized plan shares, increasing the number of shares of Class D common stock available for grant back up to 8,250,000 shares. Our new stock option and restricted stock plan ("2019 Equity and Performance Incentive Plan"), currently in effect was approved by the stockholders at the Company's annual meeting on May 21, 2019. The Board of Directors adopted, and on May 21, 2019, our stockholders approved, the 2019 Equity and Performance Incentive Plan which is funded with 5,500,000 shares of Class D Common Stock. The Company uses an average life for all option awards. The Company settles stock options upon exercise by issuing stock. As of March 31, 2022, 5,884,252 shares of Class D common stock and 2,000,000 shares of Class A common stock were available for grant under the 2019 Equity and Performance Incentive Plan.

On June 12, 2019, the Compensation Committee ("Compensation Committee") of the Board of Directors of the Company awarded Catherine Hughes, Chairperson, 427,148 restricted shares of the Company's Class D common stock, and stock options to purchase 189,843 shares of the Company's Class D common stock. The grants were effective June 5, 2020 and vested on January 6, 2021.

On June 12, 2019, the Compensation Committee awarded Alfred Liggins, Chief Executive Officer and President, 711,914 restricted shares of the Company's Class D common stock, and stock options to purchase 316,406 shares of the Company's Class D common stock. The grants were effective June 5, 2020 and vested on January 6, 2021.

On June 12, 2019, the Compensation Committee awarded Peter Thompson, Chief Financial Officer, 243,750 restricted shares of the Company's Class D common stock, and stock options to purchase 108,333 shares of the Company's Class D common stock. The grants were effective June 5, 2020 and vested on January 6, 2021.

On June 12, 2019, the Compensation Committee awarded David Kantor, Chief Executive Officer – Radio Division, 211,838 restricted shares of the Company's Class D common stock, and stock options to purchase 94,150 shares of the Company's Class D common stock. The grants were effective June 5, 2020 and vested on January 6, 2021.

Pursuant to the terms of each of our stock plans and subject to the Company's insider trading policy, a portion of each recipient's vested shares may be sold in the open market for tax purposes on or about the vesting dates.

Stock-based compensation expense for the three months ended March 31, 2022 and 2021, was $124,000 and $253,000, respectively.

The Company granted 6,887 stock options during the three months ended March 31, 2022 and granted 20,000 stock options during the three months ended March 31, 2021.

Transactions and other information relating to stock options for the three months ended March 31, 2022, are summarized below:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2021	3,771,000	$ 2.18	5.68	$ 4,660,000
Grants	7,000	$ 3.63	—	—
Exercised	—	$ —	—	—
Forfeited/cancelled/expired/settled	—	$ —	—	—
Balance as of March 31, 2022	3,778,000	$ 2.18	5.44	$ 11,270,000
Vested and expected to vest at March 31, 2022	3,777,000	$ 2.18	5.44	$ 11,270,000
Unvested at March 31, 2022	11,000	$ 7.26	9.51	$ —
Exercisable at March 31, 2022	3,767,000	$ 2.16	5.43	$ 11,270,000

The aggregate intrinsic value in the table above represents the difference between the Company's stock closing price on the last day of trading during the three months ended March 31, 2022, and the exercise price, multiplied by the number of shares that would have been received by the holders of in-the-money options had all the option holders exercised their options on March 31, 2022. This amount changes based on the fair market value of the Company's stock.

There were no options exercised during the three months ended March 31, 2022 and 2021. There were 16,795 options vested during the three months ended March 31, 2022 and 832,847 options vested during three months ended March 31, 2021.

As of March 31, 2022, $19,000 of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of three months. The weighted-average fair value per share of shares underlying stock options was $1.45 at March 31, 2022.

The Company granted 6,887 shares of restricted stock during the three months ended March 31, 2022 and granted 20,000 shares of restricted stock during the three months ended March 31, 2021.

Transactions and other information relating to restricted stock grants for the three months ended March 31, 2022, are summarized below:

	Shares	Average Fair Value at Grant Date
Unvested at December 31, 2021	76,000	$ 3.90
Grants	7,000	$ 3.63
Vested	(7,000)	$ 3.63
Forfeited/cancelled/expired	—	$ —
Unvested at March 31, 2022	76,000	$ 3.90

Restricted stock grants were and are included in the Company's outstanding share numbers on the effective date of grant. As of March 31, 2022, $378,000 of total unrecognized compensation cost related to restricted stock grants is expected to be recognized over the weighted-average period of six months.

7. SEGMENT INFORMATION:

The Company has four reportable segments: (i) radio broadcasting; (ii) Reach Media; (iii) digital; and (iv) cable television. These segments operate in the United States and are consistently aligned with the Company's management of its businesses and its financial reporting structure.

The radio broadcasting segment consists of all broadcast results of operations. The Reach Media segment consists of the results of operations for the related activities and operations of our syndicated shows. The digital segment includes the results of our online business, including the operations of Interactive One, as well as the digital components of our other reportable segments. The cable television segment consists of the Company's cable TV operation, including TV One's and CLEO TV's results of operations. Corporate/Eliminations represents financial activity associated with our corporate staff and offices and intercompany activity among the four segments.

Operating loss or income represents total revenues less operating expenses, depreciation and amortization, and impairment of long-lived assets. Intercompany revenue earned and expenses charged between segments are recorded at estimated fair value and eliminated in consolidation.

The accounting policies described in the summary of significant accounting policies in Note 1 – *Organization and Summary of Significant Accounting Policies* are applied consistently across the segments.

Detailed segment data for the three months ended March 31, 2022 and 2021, is presented in the following tables:

	Three Months Ended March 31,	
	2022	2021
	(Unaudited) (In thousands)	
Net Revenue:		
Radio Broadcasting	$ 31,493	$ 27,788
Reach Media	10,030	7,816
Digital	15,486	10,355
Cable Television	56,434	46,241
Corporate/Eliminations*	(1,094)	(760)
Consolidated	$ 112,349	$ 91,440
Operating Expenses (including stock-based compensation and excluding depreciation and amortization and impairment of long-lived assets):		
Radio Broadcasting	$ 23,618	$ 23,329
Reach Media	6,196	5,174
Digital	10,864	8,053
Cable Television	26,147	21,521
Corporate/Eliminations	6,581	7,342
Consolidated	$ 73,406	$ 65,419
Depreciation and Amortization:		
Radio Broadcasting	$ 815	$ 729
Reach Media	47	58
Digital	333	324
Cable Television	946	929
Corporate/Eliminations	264	224
Consolidated	$ 2,405	$ 2,264
Operating income (loss):		
Radio Broadcasting	$ 7,060	$ 3,730
Reach Media	3,787	2,584
Digital	4,289	1,978
Cable Television	29,341	23,791
Corporate/Eliminations	(7,939)	(8,326)
Consolidated	$ 36,538	$ 23,757
* Intercompany revenue included in net revenue above is as follows:		
Radio Broadcasting	$ (1,094)	$ (760)
Capital expenditures by segment are as follows:		
Radio Broadcasting	$ 640	$ 261
Reach Media	21	1
Digital	225	326
Cable Television	383	38
Corporate/Eliminations	307	178
Consolidated	$ 1,576	$ 804

	As of	
	March 31, 2022 (Unaudited)	December 31, 2021
	(In thousands)	
Total Assets:		
Radio Broadcasting	$ 621,887	$ 627,948
Reach Media	35,924	33,451
Digital	26,631	32,915
Cable Television	394,468	367,896
Corporate/Eliminations	205,725	198,898
Consolidated	$ 1,284,635	$ 1,261,108

8. COMMITMENTS AND CONTINGENCIES:

Royalty Agreements

Musical works rights holders, generally songwriters and music publishers, have been traditionally represented by performing rights organizations, such as the American Society of Composers, Authors and Publishers ("ASCAP"), Broadcast Music, Inc. ("BMI") and SESAC, Inc. ("SESAC"). The market for rights relating to musical works is changing rapidly. Songwriters and music publishers have withdrawn from the traditional performing rights organizations, particularly ASCAP and BMI, and new entities, such as Global Music Rights, Inc. ("GMR"), have been formed to represent rights holders. These organizations negotiate fees with copyright users, collect royalties and distribute them to the rights holders. We currently have arrangements with ASCAP, SESAC and GMR. On April 22, 2020, the Radio Music License Committee ("RMLC"), an industry group which the Company is a part of, and BMI reached agreement on the terms of a new license agreement that covers the period January 1, 2017, through December 31, 2021. Upon approval of the court of the BMI/RMLC agreement, the Company automatically became a party to the agreement and a license through December 31, 2021. See Note 9 – *Subsequent Events*. On February 7, 2022, the RMLC and GMR reached a settlement and achieved certain conditions which effectuate a four-year license to which the Company is a party for the period April 1, 2022 to March 31, 2026. The license includes an optional three-year extended term that the Company may effectuate prior to the end of the initial term.

Other Contingencies

The Company has been named as a defendant in several legal actions arising in the ordinary course of business. It is management's opinion, after consultation with its legal counsel, that the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

Off-Balance Sheet Arrangements

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement providing for letter of credit capacity of up to $1.2 million. On October 8, 2019, the Company entered into an amendment to its letter of credit reimbursement and security agreement and extended the term to October 8, 2024. As of March 31, 2022, the Company had letters of credit totaling $871,000 under the agreement for certain operating leases and certain insurance policies. Letters of credit are issued under the agreement are required to be collateralized with cash. In addition, the Current 2021 ABL Facility provides for letter of credit capacity of up to $5 million subject to certain limitations on availability.

Noncontrolling Interest Shareholders' Put Rights

Beginning on January 1, 2018, the noncontrolling interest shareholders of Reach Media have had an annual right to require Reach Media to purchase all or a portion of their shares at the then current fair market value for such shares (the "Put Right"). This annual right is exercisable for a 30-day period beginning January 1 of each year. The purchase price for such shares may be paid in cash and/or registered Class D common stock of Urban One, at the discretion of Urban One. The noncontrolling interest shareholders of Reach Media did not exercise their Put Right for the 30-day period ending January 31, 2022. Management, at this time, cannot reasonably determine the period when and if the put right will be exercised by the noncontrolling interest shareholders.

9. SUBSEQUENT EVENTS:

On April 12, 2022, the RMLC announced that it had reached an interim licensing agreement with BMI. The radio industry's previous agreement with BMI covering calendar years 2017 to 2021 expired December 31, 2021 (the "2017 Licensing Terms"), but the interim arrangement will keep the 2017 Licensing Terms in place until a new arrangement is agreed upon. The Company is party to the interim arrangement and, therefore, will continue to operate under the 2017 Licensing Terms.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following information should be read in conjunction with "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto included elsewhere in this report and the audited financial statements and Management's Discussion and Analysis contained in our Annual Report on Form 10-K/A for the year ended December 31, 2021.

Introduction

Revenue

Within our core radio business, we primarily derive revenue from the sale of advertising time and program sponsorships to local and national advertisers on our radio stations. Advertising revenue is affected primarily by the advertising rates our radio stations are able to charge, as well as the overall demand for radio advertising time in a market. These rates are largely based upon a radio station's audience share in the demographic groups targeted by advertisers, the number of radio stations in the related market, and the supply of, and demand for, radio advertising time. Advertising rates are generally highest during morning and afternoon commuting hours.

Net revenue consists of gross revenue, net of local and national agency and outside sales representative commissions. Agency and outside sales representative commissions are calculated based on a stated percentage applied to gross billing.

The following chart shows the percentage of consolidated net revenue generated by each reporting segment.

	For The Three Months Ended March 31,	
	2022	2021
Radio broadcasting segment	28.0 %	30.4 %
Reach Media segment	8.9 %	8.5 %
Digital segment	13.8 %	11.3 %
Cable television segment	50.2 %	50.6 %
Corporate/eliminations	(0.9)%	(0.8)%

The following chart shows the percentages generated from local and national advertising as a subset of net revenue from our core radio business.

	For The Three Months Ended March 31,	
	2022	2021
Percentage of core radio business generated from local advertising	62.3 %	60.5 %
Percentage of core radio business generated from national advertising, including network advertising	35.8 %	37.6 %

National and local advertising also includes advertising revenue generated from our digital segment. The balance of net revenue from our radio segment was generated from tower rental income, ticket sales and revenue related to our sponsored events, management fees and other revenue.

The following chart show our net revenue (and sources) for the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	$ Change	% Change
	(Unaudited) (In thousands)			
Net Revenue:				
Radio Advertising	$ 39,127	$ 33,340	$ 5,787	17.4 %
Political Advertising	532	780	(248)	(31.8)
Digital Advertising	15,482	10,353	5,129	49.5
Cable Television Advertising	30,414	20,702	9,712	46.9
Cable Television Affiliate Fees	25,970	25,486	484	1.9
Event Revenues & Other	824	779	45	5.8
Net Revenue (as reported)	$ 112,349	$ 91,440	$ 20,909	22.9 %

In the broadcasting industry, radio stations and television stations often utilize trade or barter agreements to reduce cash expenses by exchanging advertising time for goods or services. In order to maximize cash revenue for our spot inventory, we closely manage the use of trade and barter agreements.

Within our digital segment, including Interactive One which generates the majority of the Company's digital revenue, revenue is principally derived from advertising services on non-radio station branded, but Company-owned websites. Advertising services include the sale of banner and sponsorship advertisements. Advertising revenue is recognized either as impressions (the number of times advertisements appear in viewed pages) are delivered or when "click through" purchases are made, where applicable. In addition, Interactive One derives revenue from its studio operations, in which it provides third-party clients with publishing services including digital platforms and related expertise. In the case of the studio operations, revenue is recognized primarily through fixed contractual monthly fees and/or as a share of the third party's reported revenue.

Our cable television segment generates the Company's cable television revenue and derives its revenue principally from advertising and affiliate revenue. Advertising revenue is derived from the sale of television air time to advertisers and is recognized when the advertisements are run. Our cable television segment also derives revenue from affiliate fees under the terms of various affiliation agreements based upon a per subscriber fee multiplied by most recent subscriber counts reported by the applicable affiliate.

Reach Media primarily derives its revenue from the sale of advertising in connection with its syndicated radio shows, including the Rickey Smiley Morning Show, the Russ Parr Morning Show and the DL Hughley Show. Reach Media also operates www.BlackAmericaWeb.com, an African-American targeted news and entertainment website. Additionally, Reach Media operates various other event-related activities.

Expenses

Our significant expenses are: (i) employee salaries and commissions; (ii) programming expenses; (iii) marketing and promotional expenses; (iv) rental of premises for office facilities and studios; (v) rental of transmission tower space; (vi) music license royalty fees; and (vii) content amortization. We strive to control these expenses by centralizing certain functions such as finance, accounting, legal, human resources and management information systems and, in certain markets, the programming management function. We also use our multiple stations, market presence and purchasing power to negotiate favorable rates with certain vendors and national representative selling agencies. In addition to salaries and commissions, major expenses for our internet business include membership traffic acquisition costs, software product design, post-application software development and maintenance, database and server support costs, the help desk function, data center expenses connected with internet service provider ("ISP") hosting services and other internet content delivery expenses. Major expenses for our cable television business include content acquisition and amortization, sales and marketing.

We generally incur marketing and promotional expenses to increase and maintain our audiences. However, because Nielsen reports ratings either monthly or quarterly, depending on the particular market, any changed ratings and the effect on advertising revenue tends to lag behind both the reporting of the ratings and the incurrence of advertising and promotional expenditures.

Measurement of Performance

We monitor and evaluate the growth and operational performance of our business using net income and the following key metrics:

(a) *Net revenue*: The performance of an individual radio station or group of radio stations in a particular market is customarily measured by its ability to generate net revenue. Net revenue consists of gross revenue, net of local and national agency and outside sales representative commissions consistent with industry practice. Net revenue is recognized in the period in which advertisements are broadcast. Net revenue also includes advertising aired in exchange for goods and services, which is recorded at fair value, revenue from sponsored events and other revenue. Net revenue is recognized for our online business as impressions are delivered, as “click throughs”, where applicable. Net revenue is recognized for our cable television business as advertisements are run, and during the term of the affiliation agreements at levels appropriate for the most recent subscriber counts reported by the affiliate, net of launch support.

(b) *Broadcast and digital operating income*: Net income (loss) before depreciation and amortization, income taxes, interest expense, interest income, noncontrolling interests in income of subsidiaries, other (income) expense, corporate selling, general and administrative expenses, stock-based compensation, impairment of long-lived assets, (gain) loss on retirement of debt and gain on sale-leaseback, is commonly referred to in the radio broadcasting industry as “station operating income.” However, given the diverse nature of our business, station operating income is not truly reflective of our multi-media operation and, therefore, we now use the term broadcast and digital operating income. Broadcast and digital operating income is not a measure of financial performance under accounting principles generally accepted in the United States of America (“GAAP”). Nevertheless, broadcast and digital operating income is a significant measure used by our management to evaluate the operating performance of our core operating segments. Broadcast and digital operating income provides helpful information about our results of operations, apart from expenses associated with our fixed and long-lived intangible assets, income taxes, investments, impairment charges, debt financings and retirements, corporate overhead and stock-based compensation. Our measure of broadcast and digital operating income is similar to industry use of station operating income; however, it reflects our more diverse business and therefore is not completely analogous to “station operating income” or other similarly titled measures as used by other companies. Broadcast and digital operating income does not represent operating loss or cash flow from operating activities, as those terms are defined under GAAP, and should not be considered as an alternative to those measurements as an indicator of our performance.

(c) *Broadcast and digital operating income margin*: Broadcast and digital operating income margin represents broadcast and digital operating income as a percentage of net revenue. Broadcast and digital operating income margin is not a measure of financial performance under GAAP. Nevertheless, we believe that broadcast and digital operating income margin is a useful measure of our performance because it provides helpful information about our profitability as a percentage of our net revenue. Broadcast and digital operating margin includes results from all four segments (radio broadcasting, Reach Media, digital and cable television).

(d) *Adjusted EBITDA*: Adjusted EBITDA consists of net (loss) income plus (1) depreciation and amortization, income taxes, interest expense, noncontrolling interests in income of subsidiaries, impairment of long-lived assets, stock-based compensation, (gain) loss on retirement of debt, gain on sale-leaseback, employment agreement, incentive plan award expenses and other compensation, contingent consideration from acquisition, casino chase costs, severance-related costs, cost method investment income, less (2) other income and interest income. Net income before interest income, interest expense, income taxes, depreciation and amortization is commonly referred to in our business as "EBITDA." Adjusted EBITDA and EBITDA are not measures of financial performance under GAAP. We believe Adjusted EBITDA is often a useful measure of a company's operating performance and is a significant measure used by our management to evaluate the operating performance of our business because Adjusted EBITDA excludes charges for depreciation, amortization and interest expense that have resulted from our acquisitions and debt financing, our taxes, impairment charges, and gain on retirements of debt. Accordingly, we believe that Adjusted EBITDA provides useful information about the operating performance of our business, apart from the expenses associated with our fixed assets and long-lived intangible assets, capital structure or the results of our affiliated company. Adjusted EBITDA is frequently used as one of the measures for comparing businesses in the broadcasting industry, although our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including, but not limited to the fact that our definition includes the results of all four of our operating segments (radio broadcasting, Reach Media, digital and cable television). Adjusted EBITDA and EBITDA do not purport to represent operating income or cash flow from operating activities, as those terms are defined under GAAP, and should not be considered as alternatives to those measurements as an indicator of our performance.

Summary of Performance

The tables below provide a summary of our performance based on the metrics described above:

	Three Months Ended March 31,	
	2022	2021
Net revenue	$ 112,349	$ 91,440
Broadcast and digital operating income	48,403	36,394
Broadcast and digital operating income margin	43.1 %	39.8 %
Adjusted EBITDA	42,004	30,237
Net income attributable to common stockholders	$ 16,369	$ 7

The reconciliation of net income to broadcast and digital operating income is as follows:

	Three Months Ended March 31,	
	2022	2021
Consolidated net income attributable to common stockholders	$ 16,369	$ 7
Add back non-broadcast and digital operating income items included in consolidated net income:		
Interest income	(59)	(4)
Interest expense	15,927	18,045
Provision for (benefit from) income taxes	5,586	(10)
Corporate selling, general and administrative, excluding stock-based compensation	9,336	10,120
Stock-based compensation	124	253
Loss on retirement of debt	—	6,949
Other income, net	(1,986)	(1,684)
Depreciation and amortization	2,405	2,264
Noncontrolling interests in income of subsidiaries	701	454
Broadcast and digital operating income	$ 48,403	$ 36,394

The reconciliation of net income to adjusted EBITDA is as follows:

	Three Months Ended March 31,	
	2022	2021
Adjusted EBITDA reconciliation:		
Consolidated net income attributable to common stockholders, as reported	$ 16,369	$ 7
Add back non-broadcast and digital operating income items included in consolidated net income:		
Interest income	(59)	(4)
Interest expense	15,927	18,045
Provision for (benefit from) income taxes	5,586	(10)
Depreciation and amortization	2,405	2,264
EBITDA	$ 40,228	$ 20,302
Stock-based compensation	124	253
Loss on retirement of debt	—	6,949
Other income, net	(1,986)	(1,684)
Noncontrolling interests in income of subsidiaries	701	454
Casino chase costs	257	1,392
Employment Agreement Award, incentive plan award expenses and other compensation	579	597
Contingent consideration from acquisition	—	40
Severance-related costs	133	263
Cost method investment income from MGM National Harbor	1,968	1,671
Adjusted EBITDA	$ 42,004	$ 30,237

URBAN ONE, INC. AND SUBSIDIARIES
RESULTS OF OPERATIONS

The following table summarizes our historical consolidated results of operations:

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021 (In thousands)

	Three Months Ended March 31, 2022	2021	Increase/(Decrease)	
Statements of Operations:				
Net revenue	$ 112,349	$ 91,440	$ 20,909	22.9 %
Operating expenses:				
Programming and technical, excluding stock-based compensation	28,518	25,090	3,428	13.7
Selling, general and administrative, excluding stock-based compensation	35,428	29,956	5,472	18.3
Corporate selling, general and administrative, excluding stock-based compensation	9,336	10,120	(784)	(7.7)
Stock-based compensation	124	253	(129)	(51.0)
Depreciation and amortization	2,405	2,264	141	6.2
Total operating expenses	75,811	67,683	8,128	12.0
Operating income	36,538	23,757	12,781	53.8
Interest income	59	4	55	1,375.0
Interest expense	15,927	18,045	(2,118)	(11.7)
Loss on retirement of debt	—	6,949	(6,949)	(100.0)
Other income, net	(1,986)	(1,684)	302	17.9
Income before provision for (benefit from) income taxes and noncontrolling interests in income of subsidiaries	22,656	451	22,205	4,923.5
Provision for (benefit from) income taxes	5,586	(10)	5,596	55,960.0
Consolidated net income	17,070	461	16,609	3,602.8
Noncontrolling interests in income of subsidiaries	701	454	247	54.4
Net income attributable to common stockholders	$ 16,369	$ 7	$ 16,362	233,742.9 %

Net revenue

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 112,349	$ 91,440	$ 20,909	22.9 %

During the three months ended March 31, 2022, we recognized approximately $112.3 million in net revenue compared to approximately $91.4 million during the same period in 2021. These amounts are net of agency and outside sales representative commissions. The increase in net revenue was due primarily to mitigation of the economic impacts of the COVID-19 pandemic which began in March 2020 and to increased demand for minority focused media. Net revenues from our radio broadcasting segment for the three months ended March 31, 2022, increased 13.3% from the same period in 2021. Based on reports prepared by Miller Kaplan, the markets we operate in increased 14.3% in total revenues. We experienced net revenue improvements in all of our existing radio markets, with the exception of Atlanta and Philadelphia. Net revenue excluding political, from our radio broadcasting segment increased 13.9% compared to the same period in 2021. Reach Media's net revenues increased 28.3% for the three months ended March 31, 2022, compared to the same period in 2021, due primarily to increased demand. We recognized approximately $56.4 million and $46.2 million of revenue from our cable television segment during the three months ended March 31, 2022, and 2021, respectively, due primarily to both increased advertising and affiliate sales. Net revenue for our digital segment increased approximately $5.1 million for the three months ended March 31, 2022, compared to the same period in 2021 primarily from higher direct revenues.

Operating Expenses

Programming and technical, excluding stock-based compensation

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 28,518	$ 25,090	$ 3,428	13.7 %

Programming and technical expenses include expenses associated with on-air talent and the management and maintenance of the systems, tower facilities, and studios used in the creation, distribution and broadcast of programming content on our radio stations. Programming and technical expenses for the radio segment also include expenses associated with our programming research activities and music royalties. For our internet segment, programming and technical expenses include software product design, post-application software development and maintenance, database and server support costs, the help desk function, data center expenses connected with ISP hosting services and other internet content delivery expenses. For our cable television segment, programming and technical expenses include expenses associated with technical, programming, production, and content management. The increase in programming and technical expenses for the three months ended March 31, 2022, compared to the same period in 2021 is primarily to higher expenses in our radio broadcasting, digital and cable television segments. Expenses in our cable television segment increased approximately $2.6 million for the three months ended March 31, 2022 compared to the same period in 2021 due primarily to higher content amortization expense.

Selling, general and administrative, excluding stock-based compensation

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 35,428	$ 29,956	$ 5,472	18.3 %

Selling, general and administrative expenses include expenses associated with our sales departments, offices and facilities and personnel (outside of our corporate headquarters), marketing and promotional expenses, special events and sponsorships and back-office expenses. Expenses to secure ratings data for our radio stations and visitors' data for our websites are also included in selling, general and administrative expenses. In addition, selling, general and administrative expenses for the radio broadcasting segment and internet segment include expenses related to the advertising traffic (scheduling and insertion) functions. Selling, general and administrative expenses also include membership traffic acquisition costs for our online business. Expenses in our digital segment increased approximately $2.4 million for the three months ended March 31, 2022, compared to the same period in 2021 due primarily to higher compensation costs, higher traffic acquisition costs and web services fees. Expenses in our Reach Media segment increased $981,000 for the three months ended March 31, 2022, compared to the same period in 2021 due primarily to higher affiliate station costs and higher bad debt expense. Finally, expenses in our cable television segment increased approximately $2.5 million for the three months ended March 31, 2022, compared to the same period in 2021 due primarily to higher compensation costs, research expenses and higher promotional and advertising expenses.

Corporate selling, general and administrative, excluding stock-based compensation

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 9,336	$ 10,120	$ (784)	(7.7)%

Corporate expenses consist of expenses associated with our corporate headquarters and facilities, including personnel as well as other corporate overhead functions. The decrease in expense was primarily due to a decrease in professional fees related to corporate development activities in connection with potential gaming and other similar business activities which was partially offset by an increase in software license fees.

Stock-based compensation

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 124	$ 253	$ (129)	(51.0)%

The decrease in stock-based compensation for the three months ended March 31, 2022, compared to the same period in 2021, is primarily due to fewer grants and vesting of stock awards for certain executive officers and other management personnel.

Depreciation and amortization

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 2,405	$ 2,264	$ 141	6.2 %

Depreciation and amortization expense increased to approximately $2.4 million for the quarter ended March 31, 2022, compared to approximately $2.3 million for the quarter ended March 31, 2021.

Interest expense

Three Months Ended March 31,		Increase/(Decrease)	
2022	2021		
$ 15,927	$ 18,045	$ (2,118)	(11.7)%

Interest expense decreased to approximately $15.9 million for the three months ended March 31, 2022, compared to approximately $18.0 million for the same period in 2021, due to lower overall debt balances outstanding and lower average interest rates. As discussed above, on January 25, 2021, the Company closed on a new financing in the form of the 2028 Notes. The proceeds from the 2028 Notes were used to repay in full each of: (1) the 2017 Credit Facility; (2) the 2018 Credit Facility; (3) the MGM National Harbor Loan; (4) the remaining amounts of our 7.375% Notes; and (5) our 8.75% Notes that were issued in the November 2020 Exchange Offer.

Loss on retirement of debt

Three Months Ended March 31,				Increase/(Decrease)		
2022		2021				
$	—	$	6,949	$	(6,949)	(100.0)%

As discussed above, upon settlement of the 2028 Notes Offering, the 2017 Credit Facility, the 2018 Credit Facility and the MGM National Harbor Loan were terminated and the indentures governing the 7.375% Notes and the 8.75% Notes were satisfied and discharged. There was a net loss on retirement of debt of approximately $6.9 million for the three months ended March 31, 2021 associated with the settlement of the 2028 Notes.

Other income, net

Three Months Ended March 31,				Increase/(Decrease)		
2022		2021				
$	(1,986)	$	(1,684)	$	302	17.9 %

Other income, net increased to approximately $2.0 million for the three months ended March 31, 2022, compared to approximately $1.7 million for the same period in 2021. We recognized other income in the amount of approximately $2.0 million and $1.7 million, for the three months ended March 31, 2022 and 2021, respectively, related to our MGM investment.

Provision for (benefit from) income taxes

Three Months Ended March 31,				Increase/(Decrease)		
2022		2021				
$	5,586	$	(10)	$	5,596	55,960.0 %

For the three months ended March 31, 2022, we recorded a provision for income taxes of approximately $5.6 million on pre-tax income from continuing operations of approximately $22.7 million which results in an effective tax rate of 24.7%. During the three months ended March 31, 2021, we recorded a benefit from income taxes of $10,000 on pre-tax income from continuing operations of $451,000 which results in an effective tax rate of -2.2%. This rate includes (26.8)% of tax related to excess tax benefits from restricted stock units.

Noncontrolling interests in income of subsidiaries

Three Months Ended March 31,				Increase/(Decrease)		
2022		2021				
$	701	$	454	$	247	54.4 %

The increase in noncontrolling interests in income of subsidiaries was due to higher net income recognized by Reach Media during the three months ended March 31, 2022, versus the same period in 2021.

Other Data

Broadcast and digital operating income

Broadcast and digital operating income increased to approximately $48.4 million for the three months ended March 31, 2022, compared to approximately $36.4 million for the comparable period in 2021, an increase of approximately $12.0 million or 33.0%. This increase was primarily due to higher broadcast and digital operating income at each of our segments. Our radio broadcasting segment generated approximately $7.9 million of broadcast and digital operating income during the three months ended March 31, 2022, compared to approximately $4.5 million during the three months ended March 31, 2021, an increase of approximately $3.4 million, primarily from higher net revenue. Reach Media generated approximately $4.5 million of broadcast and digital operating income during the three months ended March 31, 2022, compared to approximately $3.3 million during the three months ended March 31, 2021, with the increase primarily due to higher net revenues. Our digital segment generated approximately $4.6 million of broadcast and digital operating income during the three months ended March 31, 2022, compared to $2.3 million during the three months ended March 31, 2021, with the increase primarily due to higher net revenues, partially offset by higher selling, general and administrative expenses. Finally, TV One generated approximately $31.4 million of broadcast and digital operating income during the three months ended March 31, 2022, compared to approximately $26.3 million during the three months ended March 31, 2021, with the increase primarily due to higher net revenues, partially offset by higher programming and technical expenses and higher selling, general and administrative expenses.

Broadcast and digital operating income margin

Broadcast and digital operating income margin increased to 43.1% for the three months ended March 31, 2022, compared to 39.8% for the comparable period in 2021. The margin increase was primarily attributable to higher broadcast and digital operating income as noted above.

LIQUIDITY AND CAPITAL RESOURCES

Our primary source of liquidity is cash provided by operations and, to the extent necessary, borrowings available under our asset-backed credit facility. The Company's cash, cash equivalents and restricted cash balance is approximately $166.4 million as of March 31, 2022.

Throughout each of 2020 and 2021, the COVID-19 pandemic had a negative impact on certain of our revenue and alternative revenue sources. Most notably, a number of advertisers across a variety of significant advertising categories ceased operations or reduced their advertising spend due to the pandemic. This has been particularly true within our radio segment which derives substantial revenue from local advertisers, including in areas such as Texas, Ohio and Georgia. The economies in these areas were hit particularly hard due to social distancing and government interventions. Further, the COVID-19 pandemic has caused a shift in the way people work and commute, which in some instances has altered demand for our broadcast radio advertising. Finally, the COVID-19 outbreak caused the postponement of or cancellation of our tent pole special events or otherwise impaired or limited ticket sales for such events. We do not carry business interruption insurance to compensate us for losses that occurred as a result of the pandemic and such losses may continue to occur as a result of the ongoing nature of the COVID-19 pandemic. Outbreaks in the markets in which we operate could have material impacts on our liquidity, operations including potential impairment of assets, and our financial results. Likewise, our income from our investment in MGM National Harbor Casino has at times been negatively affected by closures and limitations on occupancy imposed by state and local governmental authorities.

We anticipate continued fluctuations in revenues due to the COVID-19 pandemic. The extent to which our results continue to be affected by the COVID-19 pandemic will largely depend on future developments, which cannot be accurately predicted and are uncertain. These developments include, but are not limited to, the duration, scope and severity of the COVID-19 pandemic, any additional resurgences, variants or new viruses; the ability to effectively and widely manufacture and distribute vaccines/boosters; the public's perception of the safety of the vaccines/boosters and the public's willingness to take the vaccines/boosters; the effect of the COVID-19 pandemic on our customers and the ability of our clients to meet their payment terms; the public's willingness to attend live events; and the pace of recovery when the pandemic subsides.

As of March 31, 2022, no amounts were outstanding on our current asset-backed credit facility. Further, as we refinanced our debt structure in January 2021, we anticipate meeting our debt service requirements and obligations for the foreseeable future, including through one year from the date of issuance of our most recent consolidated financial statements. Our estimates however, remain subject to substantial uncertainty, in particular due to the unpredictable extent and duration of the impact of the COVID-19 pandemic on our business and the economy generally, the possibility of new variants of the coronavirus and the concentration of certain of our revenues in areas that could be deemed "hotspots" for the pandemic.

On August 18, 2020, the Company entered into an Open Market Sales Agreement with Jefferies LLC ("Jefferies") under which the Company sold shares of its Class A common stock, par value $0.001 per share (the "Class A Shares") up to an aggregate offering price of $25 million (the "2020 ATM Program"). Jefferies acted as sales agent for the 2020 ATM Program. During the year ended December 31, 2020, the Company issued 2,859,276 shares of its Class A Shares at a weighted average price of $5.39 for approximately $14.7 million of net proceeds after associated fees and expenses.

On January 19, 2021, the Company completed its 2020 ATM Program, sold an additional 1,465,825 shares for an aggregate of 4,325,102 Class A shares sold through the 2020 ATM Program, receiving aggregate gross proceeds of approximately $25.0 million and net proceeds of approximately $24.0 million for the program (inclusive of the $14.7 million sold during the year ended December 31, 2020). On January 27, 2021, the Company entered into a new 2021 Open Market Sale Agreement (the "2021 Sale Agreement") with Jefferies under which the Company could sell up to an additional $25.0 million of Class A Shares, through Jefferies as its sales agent. During the three months ended March 31, 2021, the Company issued and sold an aggregate of 420,439 Class A Shares pursuant to the 2021 Sale Agreement and received gross proceeds of approximately $3.0 million and net proceeds of approximately $2.8 million, after deducting commissions to Jefferies and other offering expenses. During the three months ended June 30, 2021, the Company issued and sold an aggregate of 1,893,126 Class A Shares pursuant to the 2021 Sale Agreement and received gross proceeds of approximately $22.0 million and net proceeds of approximately $21.2 million, after deducting commissions to Jefferies and other offering expenses which completed its 2021 ATM Program.

On May 17, 2021, the Company entered into an Open Market Sale Agreement℠ (the "Class D Sale Agreement") with Jefferies under which the Company may offer and sell, from time to time at its sole discretion, shares of its Class D common stock, par value $0.001 per share (the "Class D Shares"), through Jefferies as its sales agent. On May 17, 2021, the Company filed a prospectus supplement pursuant to the Class D Sale Agreement for the offer and sale of its Class D Shares having an aggregate offering price of up to $25.0 million. As of March 31, 2022, the Company has not sold any Class D Shares under the Class D Sale Agreement. The Company may from time to time also enter into new additional ATM programs and issue additional common stock from time to time under those programs.

On January 25, 2021, the Company closed on an offering (the "2028 Notes Offering") of $825 million in aggregate principal amount of senior secured notes due 2028 (the "2028 Notes") in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The 2028 Notes are general senior secured obligations of the Company and are guaranteed on a senior secured basis by certain of the Company's direct and indirect restricted subsidiaries. The 2028 Notes mature on February 1, 2028 and interest on the Notes accrues and is payable semi-annually in arrears on February 1 and August 1 of each year, commencing on August 1, 2021 at the rate of 7.375% per annum.

The Company used the net proceeds from the 2028 Notes, together with cash on hand, to repay or redeem: (1) the 2017 Credit Facility; (2) the 2018 Credit Facility; (3) the MGM National Harbor Loan; (4) the remaining amounts of our 7.375% Notes; and (5) our 8.75% Notes that were issued in the November 2020 Exchange Offer. Upon settlement of the 2028 Notes Offering, the 2017 Credit Facility, the 2018 Credit Facility and the MGM National Harbor Loan were terminated and the indentures governing the 7.375% Notes and the 8.75% Notes were satisfied and discharged.

The 2028 Notes and the guarantees are secured, subject to permitted liens and except for certain excluded assets (i) on a first priority basis by substantially all of the Company's and the Guarantors' current and future property and assets (other than accounts receivable, cash, deposit accounts, other bank accounts, securities accounts, inventory and related assets that secure our asset-backed revolving credit facility on a first priority basis (the "ABL Priority Collateral")), including the capital stock of each guarantor (collectively, the "Notes Priority Collateral") and (ii) on a second priority basis by the ABL Priority Collateral.

On February 19, 2021, the Company closed on a new asset backed credit facility (the "Current 2021 ABL Facility"). The Current 2021 ABL Facility is governed by a credit agreement by and among the Company, the other borrowers party thereto, the lenders party thereto from time to time and Bank of America, N.A., as administrative agent. The Current 2021 ABL Facility provides for up to $50 million revolving loan borrowings in order to provide for the working capital needs and general corporate requirements of the Company. The Current 2021 ABL Facility also provides for a letter of credit facility up to $5 million as a part of the overall $50 million in capacity. The Asset Backed Senior Credit Facility entered into on April 21, 2016 among the Company, the lenders party thereto from time to time and Wells Fargo Bank National Association, as administrative agent (the "2016 ABL Facility"), was terminated on February 19, 2021.

At the Company's election, the interest rate on borrowings under the Current 2021 ABL Facility are based on either (i) the then applicable margin relative to Base Rate Loans (as defined in the Current 2021 ABL Facility) or (ii) the then applicable margin relative to LIBOR Loans (as defined in the Current 2021 ABL Facility) corresponding to the average availability of the Company for the most recently completed fiscal quarter.

Advances under the Current 2021 ABL Facility are limited to (a) eighty-five percent (85%) of the amount of Eligible Accounts (as defined in the Current 2021 ABL Facility), less the amount, if any, of the Dilution Reserve (as defined in the Current 2021 ABL Facility), minus (b) the sum of (i) the Bank Product Reserve (as defined in the Current 2021 ABL Facility), plus (ii) the AP and Deferred Revenue Reserve (as defined in the Current 2021 ABL Facility), plus (iii) without duplication, the aggregate amount of all other reserves, if any, established by Administrative Agent.

All obligations under the Current 2021 ABL Facility are secured by first priority lien on all (i) deposit accounts (related to accounts receivable), (ii) accounts receivable, and (iii) all other property which constitutes ABL Priority Collateral (as defined in the Current 2021 ABL Facility). The obligations are also guaranteed by all material restricted subsidiaries of the Company.

The Current 2021 ABL Facility matures on the earlier to occur of: (a) the date that is five (5) years from the effective date of the Current 2021 ABL Facility and (b) 91 days prior to the maturity of the Company's 2028 Notes.

Finally, the Current 2021 ABL Facility is subject to the terms of the Revolver Intercreditor Agreement (as defined in the Current 2021 ABL Facility) by and among the Administrative Agent and Wilmington Trust, National Association.

On January 29, 2021, the Company submitted an application for participation in the second round of the Paycheck Protection Program loan program ("PPP"). On June 1, 2021, the Company received proceeds of approximately $7.5 million. The loan bears interest at a fixed rate of 1% per year and will not be changed during the life of the loan. The loan matures June 1, 2026. The Company is in the process of applying for loan forgiveness. While certain of the PPP loans may be forgivable, until they are repaid or forgiven, the loan amount may constitute debt under the 2028 Notes and increase the Company's leverage.

See Note 4 to our consolidated financial statements – *Long-Term Debt* for further information on liquidity and capital resources in the footnotes to the consolidated financial statements.

The following table summarizes the interest rates in effect with respect to our debt as of March 31, 2022:

Type of Debt		Amount Outstanding	Applicable Interest Rate
		(In millions)	
7.375% Senior Secured Notes, net of issuance costs (fixed rate)	$	811.5	7.375 %
PPP Loan	$	7.5	1.0 %
Asset-backed credit facility (variable rate)(1)	$	—	— %

(1) Subject to variable LIBOR or base rate plus a spread as defined in the agreement.

The following table provides a comparison of our statements of cash flows for the three months ended March 31, 2022 and 2021, respectively:

		2022		2021
		(In thousands)		
Net cash flows provided by operating activities	$	15,734	$	14,293
Net cash flows used in investing activities	$	(1,576)	$	(804)
Net cash flows used in financing activities	$	(10)	$	(30,060)

Net cash flows provided by operating activities were approximately $15.7 million and $14.3 million for the three months ended March 31, 2022 and 2021, respectively. Net cash flow from operating activities for the three months ended March 31, 2022 increased from the prior year. Cash flows from operations, cash and cash equivalents, and other sources of liquidity are expected to be available and sufficient to meet foreseeable cash requirements.

Net cash flows used in investing activities were approximately $1.6 million and $804,000 for the three months ended March 31, 2022 and 2021, respectively. Capital expenditures, including digital tower and transmitter upgrades and deposits for station equipment and purchases were approximately $1.6 million and $804,000 for the three months ended March 31, 2022 and 2021, respectively.

Net cash flows used in financing activities were $10,000 compared to net cash flows used in financing activities of approximately $30.1 million for the three months ended March 31, 2022 and 2021, respectively. During the three months ended March 31, 2021, we repaid approximately $855.2 million in outstanding debt, respectively. During the three months ended March 31, 2021, we borrowed approximately $825.0 million on our 2028 Notes. During the three months ended March 31, 2021, we paid approximately $11.2 million in debt refinancing costs. We repurchased $10,000 and $872,000 of our Class D Common Stock during the three months ended March 31, 2022 and March 31, 2021, respectively. Finally, the Company received proceeds of approximately $12.1 million from the issuance of Class A Common Stock, net of fees paid during the quarter ended March 31, 2021.

Credit Rating Agencies

On a continuing basis, Standard and Poor's, Moody's Investor Services and other rating agencies may evaluate our indebtedness in order to assign a credit rating. Our corporate credit ratings by Standard & Poor's Rating Services and Moody's Investors Service are speculative-grade and have been downgraded and upgraded at various times during the last several years. Any reductions in our credit ratings could increase our borrowing costs, reduce the availability of financing to us or increase our cost of doing business or otherwise negatively impact our business operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 - *Organization and Summary of Significant Accounting Policies* of the consolidated financial statements in our Annual Report on Form 10-K/A. We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. In Management's Discussion and Analysis contained in our Annual Report on Form 10-K/A for the year ended December 31, 2021, we summarized the policies and estimates that we believe to be most critical in understanding the judgments involved in preparing our consolidated financial statements and the uncertainties that could affect our results of operations, financial condition and cash flows. There have been no material changes to our existing accounting policies or estimates since we filed our Annual Report on Form 10-K/A for the year ended December 31, 2021.

Goodwill and Radio Broadcasting Licenses

Impairment Testing

We have made several acquisitions in the past for which a significant portion of the purchase price was allocated to radio broadcasting licenses and goodwill. Goodwill exists whenever the purchase price exceeds the fair value of tangible and identifiable intangible net assets acquired in business combinations. As of March 31, 2022, we had approximately $505.2 million in broadcast licenses and $223.4 million in goodwill, which totaled $728.6 million, and represented approximately 56.7% of our total assets. Therefore, we believe estimating the fair value of goodwill and radio broadcasting licenses is a critical accounting estimate because of the significance of their carrying values in relation to our total assets.

We test for impairment annually across all reporting units, or when events or changes in circumstances or other conditions suggest impairment may have occurred in any given reporting unit. Our annual impairment testing is performed as of October 1 of each year. Impairment exists when the carrying value of these assets exceeds its respective fair value. When the carrying value exceeds fair value, an impairment amount is charged to operations for the excess.

Valuation of Broadcasting Licenses

We did not identify any impairment indicators for the three months ended March 31, 2022 and 2021, and therefore, no interim impairment testing was performed.

Valuation of Goodwill

We did not identify any impairment indicators at any of our reportable segments for the three months ended March 31, 2022 and 2021, and therefore, no interim impairment testing was performed.

As part of our annual testing, when arriving at the estimated fair values for radio broadcasting licenses and goodwill, we also performed an analysis by comparing our overall average implied multiple based on our cash flow projections and fair values to recently completed sales transactions, and by comparing our fair value estimates to the market capitalization of the Company. The results of these comparisons confirmed that the fair value estimates resulting from our annual assessment for 2021 were reasonable.

Several of the licenses in our units of accounting have limited or no excess of fair values over their respective carrying values. Should our estimates, assumptions, or events or circumstances for any upcoming valuations worsen in the units with no or limited fair value cushion, additional license impairments may be needed in the future.

Realizability of Deferred Tax Assets

As of each reporting date, management considers new evidence, both positive and negative, that could affect its conclusions regarding the future realization of the Company's deferred tax assets ("DTAs"). During the quarter ended March 31, 2022, management continues to believe that there is sufficient positive evidence to conclude that it is more likely than not the DTAs are realizable. The assessment to determine the value of the DTAs to be realized under ASC 740 is highly judgmental and requires the consideration of all available positive and negative evidence in evaluating the likelihood of realizing the tax benefit of the DTAs in a future period. Circumstances may change over time such that previous negative evidence no longer exists, and new conditions should be evaluated as positive or negative evidence that could affect the realization of the DTAs. Since the evaluation requires consideration of events that may occur some years into the future, significant judgment is required, and our conclusion could be materially different if certain expectations do not materialize.

In the assessment of all available evidence, an important piece of objectively verifiable evidence is evaluating a cumulative income or loss position over the most recent three-year period. Historically, the Company maintained a full valuation against the net DTAs, principally due to overwhelming objectively verifiable negative evidence in the form of a cumulative loss over the most recent three-year period. However, during the quarter ended December 31, 2018, the Company achieved three years of cumulative income, which removed the most heavily weighted piece of objectively verifiable negative evidence from our evaluation of the realizability of DTAs. Moreover, in combination with the three years of cumulative income and other objectively verifiable positive evidence that existed as of the quarter ended December 31, 2018, management believed that there was sufficient positive evidence to conclude that it was more likely than not that a material portion of its net DTAs were realizable. Consequently, the Company reduced its valuation allowance during the quarter ended December 31, 2018.

As of the quarter ended March 31, 2022, management continues to weigh the objectively verifiable evidence associated with its cumulative income or loss position over the most recent three-year period. The Company continues to have three years of rolling cumulative income. Management also considered the cumulative income includes non-deductible pre-tax expenditures that, while included in pre-tax earnings, are not a component of taxable income and therefore are not expected to negatively impact the Company's ability to realize the tax benefit of the DTAs in current or future years.

As part of the 2017 Tax Act, IRC Section 163(j) limits the timing of the tax deduction for interest expense. In conjunction with evaluating and weighing the aforementioned negative and positive evidence from the Company's historical cumulative income or loss position, management also evaluated the impact that interest expense has had on our cumulative income or loss position over the most recent three-year period. A material component of the Company's expenses is interest and has been the primary driver of historical pre-tax losses. As part of our evaluation of positive evidence, management is adjusting for the IRC Section 163(j) interest expense limitation on projected taxable income as part of developing forecasts of taxable income sufficient to utilize the Company's federal and state net operating losses that are not subject to annual limitation resulting from the 2009 ownership shift as defined under IRC Section 382.

Realization of the Company's DTAs is dependent on generating sufficient taxable income in future periods, and although management believes it is more likely than not future taxable income will be sufficient to realize the DTAs, realization is not assured and future events may cause a change to the judgment of the realizability of the DTAs. If a future event causes management to re-evaluate and conclude that it is not more likely than not, that all or a portion of the DTAs are realizable, the Company would be required to establish a valuation allowance against the assets at that time, which would result in a charge to income tax expense and a decrease to net income in the period which the change of judgment is concluded.

The Company continues to assess potential tax strategies, which if successful, may reduce the impact of the annual limitations and potentially recover NOLs that otherwise would expire before being applied to reduce future income tax liabilities. If successful, the Company may be able to recover additional federal and state NOLs in future periods, which could be material. If we conclude that it is more likely than not that we will be able to realize additional federal and state NOLs, the tax benefit could materially impact future quarterly and annual periods. The federal and state NOLs expire in various years from 2022 to 2039.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 1 of our consolidated financial statements – *Organization and Summary of Significant Accounting Policies* for a summary of recent accounting pronouncements.

CAPITAL AND COMMERCIAL COMMITMENTS:

Radio Broadcasting Licenses

Each of the Company's radio stations operates pursuant to one or more licenses issued by the Federal Communications Commission that have a maximum term of eight years prior to renewal. The Company's radio broadcasting licenses expire at various times beginning in August 2021 through August 1, 2029. Although the Company may apply to renew its radio broadcasting licenses, third parties may challenge the Company's renewal applications. The Company is not aware of any facts or circumstances that would prevent the Company from having its current licenses renewed. A station may continue to operate beyond the expiration date of its license if a timely filed license renewal application was filed and is pending, as is the case with respect to each of our stations with licenses that have expired.

Indebtedness

As of March 31, 2022, we had approximately $825.0 million of our 2028 Notes outstanding and approximately $7.5 million outstanding on our PPP Loan within our corporate structure. The Company used the net proceeds from the 2028 Notes, together with cash on hand, to repay or redeem: (1) the 2017 Credit Facility; (2) the 2018 Credit Facility; (3) the MGM National Harbor Loan; (4) the remaining amounts of our 7.375% Notes; and (5) our 8.75% Notes that were issued in the November 2020 Exchange Offer. Upon settlement of the 2028 Notes, the 2017 Credit Facility, the 2018 Credit Facility and the MGM National Harbor Loan were terminated and the indentures governing the 7.375% Notes and the 8.75% Notes were satisfied and discharged. See "*Liquidity and Capital Resources*."

Royalty Agreements

Musical works rights holders, generally songwriters and music publishers, have been traditionally represented by performing rights organizations, such as the American Society of Composers, Authors and Publishers ("ASCAP"), Broadcast Music, Inc. ("BMI") and SESAC, Inc. ("SESAC"). The market for rights relating to musical works is changing rapidly. Songwriters and music publishers have withdrawn from the traditional performing rights organizations, particularly ASCAP and BMI, and new entities, such as Global Music Rights, Inc. ("GMR"), have been formed to represent rights holders. These organizations negotiate fees with copyright users, collect royalties and distribute them to the rights holders. We currently have arrangements with ASCAP, SESAC and GMR. On April 22, 2020, the Radio Music License Committee ("RMLC"), an industry group which the Company is a part of, and BMI reached agreement on the terms of a new license agreement that covers the period January 1, 2017, through December 31, 2021. Upon approval of the court of the BMI/RMLC agreement, the Company automatically became a party to the agreement and to a license with BMI through December 31, 2021. See Note 9 – *Subsequent Events*. On February 7, 2022, the RMLC and GMR reached a settlement and achieved certain conditions which effectuate a four-year license to which the Company is a party for the period April 1, 2022 to March 31, 2026. The license includes an optional three-year extended term that the Company may effectuate prior to the end of the initial term.

Lease obligations

We have non-cancelable operating leases for office space, studio space, broadcast towers and transmitter facilities that expire over the next nine years.

Operating Contracts and Agreements

We have other operating contracts and agreements including employment contracts, on-air talent contracts, severance obligations, retention bonuses, consulting agreements, equipment rental agreements, programming related agreements, and other general operating agreements that expire over the next five years.

Reach Media Noncontrolling Interest Shareholders' Put Rights

Beginning on January 1, 2018, the noncontrolling interest shareholders of Reach Media have had an annual right to require Reach Media to purchase all or a portion of their shares at the then current fair market value for such shares (the "Put Right"). This annual right is exercisable for a 30-day period beginning January 1 of each year. The purchase price for such shares may be paid in cash and/or registered Class D common stock of Urban One, at the discretion of Urban One. The noncontrolling interest shareholders of Reach Media did not exercise their Put Right for the 30-day period ending January 31, 2022. Management, at this time, cannot reasonably determine the period when and if the put right will be exercised by the noncontrolling interest shareholders.

Contractual Obligations Schedule

The following table represents our scheduled contractual obligations as of March 31, 2022:

	Payments Due by Period						
Contractual Obligations	**Remainder of 2022**	**2023**	**2024**	**2025**	**2026**	**2027 and Beyond**	**Total**
				(In thousands)			
7.375% Subordinated Notes (1)	$ 45,633	$ 60,844	$ 60,844	$ 60,844	$ 60,844	$ 890,914	$ 1,179,923
PPP Loan (2)	56	75	75	75	7,542	—	7,823
Other operating contracts/agreements (3)	74,435	31,247	23,779	20,818	9,927	11,364	171,570
Operating lease obligations	10,028	11,478	10,248	5,530	3,228	5,510	46,022
Total	$ 130,152	$ 103,644	$ 94,946	$ 87,267	$ 81,541	$ 907,788	$ 1,405,338

(1) Includes interest obligations based on interest rates on senior secured notes outstanding as of March 31, 2022.

(2) Includes interest obligations on PPP Loan outstanding as of March 31, 2022.

(3) Includes employment contracts (including the Employment Agreement Award), severance obligations, on-air talent contracts, consulting agreements, equipment rental agreements, programming related agreements, launch liability payments, asset-backed credit facility and other general operating agreements. Also includes contracts that our cable television segment has entered into to acquire entertainment programming rights and programs from distributors and producers. These contracts relate to their content assets as well as prepaid programming related agreements.

Of the total amount of other operating contracts and agreements included in the table above, approximately $95.3 million has not been recorded on the balance sheet as of March 31, 2022, as it does not meet recognition criteria. Approximately $18.5 million relates to certain commitments for content agreements for our cable television segment, approximately $29.1 million relates to employment agreements, and the remainder relates to other agreements.

Other Contingencies

The Company has been named as a defendant in several legal actions arising in the ordinary course of business. It is management's opinion, after consultation with its legal counsel, that the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

Off-Balance Sheet Arrangements

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement providing for letter of credit capacity of up to $1.2 million. On October 8, 2019, the Company entered into an amendment to its letter of credit reimbursement and security agreement and extended the term to October 8, 2024. As of March 31, 2022, the Company had letters of credit totaling $871,000 under the agreement for certain operating leases and certain insurance policies. Letters of credit issued under the agreement are required to be collateralized with cash. In addition, the Current 2021 ABL Facility provides for letter of credit capacity of up to $5 million subject to certain limitations on availability.

Item 3: ***Quantitative and Qualitative Disclosures About Market Risk***

For quantitative and qualitative disclosures about market risk affecting Urban One, see Item 7A: "*Quantitative and Qualitative Disclosures about Market Risk*" in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2021. Our exposure related to market risk has not changed materially since December 31, 2021.

Item 4. ***Controls and Procedures***

Evaluation of disclosure controls and procedures

In connection with the preparation of this Form 10-Q/A, we have carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching our desired disclosure controls objectives. Based on this evaluation, our CEO and CFO concluded that as of such date, our disclosure controls and procedures are ineffective in timely alerting them to material information required to be included in our periodic SEC reports due to a material weakness associated with the review of the Company's radio broadcasting licenses, goodwill, and non-cash impairment charges as discussed below.

Identification of Material Weakness

As part of the preparation of the Company's June 30, 2022 interim financial statements, the Company determined that there was an error in certain third party reports and assumptions used in the valuation of its radio broadcasting licenses. Management determined that it did not design and maintain effective controls over the completeness and accuracy of the balances of its radio broadcasting licenses, goodwill and related accounts. Specifically, the Company's monitoring and control activities related to review of key third party reports and assumptions used in the valuation of its radio broadcasting licenses and goodwill were not operating effectively. This deficiency represents a material weakness in the Company's internal controls over financial reporting at March 31, 2022 and December 31, 2021. See the Form 10-Q for the period ended June 30, 2022 for additional information.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Notwithstanding the material weakness described above, The Company's management has concluded that the consolidated financial statements as originally filed, and as included in this Form 10-Q/A, present fairly, in all material respects, the Company's financial position, results of operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Plans for Remediation

We intend to take the following actions to remediate this material weakness:

- Strengthening the Finance and Accounting functions and engaging additional resources with the appropriate depth of experience for our Finance and Accounting departments;

- Implementing a required senior management, legal and accounting review to specifically address all disclosures and related financial information;

- Strengthening the existing internal controls related to review of key reports and assumptions used in estimating the fair value of the Company's radio broadcasting licenses and goodwill;
- Implementing specific review procedures designed to enhance our valuation monitoring control; and
- Strengthening our current valuation control activities with improved documentation standards, technical oversight and training

These actions listed above have not yet been implemented. Management will test the design and operating effectiveness of the newly implemented controls in future periods.

Changes in internal control over financial reporting

Except for the material weakness described above, there were no changes in our internal control over financial reporting during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Legal Proceedings

Urban One is involved from time to time in various routine legal and administrative proceedings and threatened legal and administrative proceedings incidental to the ordinary course of our business. Urban One believes the resolution of such matters will not have a material adverse effect on its business, financial condition or results of operations.

Item 1A. *Risk Factors*

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, "*Item 1A. Risk Factors*" in our Annual Report on Form 10-K/A for the year ended December 31, 2021 (the "2021 Amended Annual Report"), which could materially affect our business, financial condition or future results. The risks described in our 2021 Amended Annual Report, as updated by our quarterly reports on Form 10-Q, are not the only risks facing our Company. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, may also materially adversely affect our business, financial condition and/or operating results.

We have identified a material weakness in our internal control over financial reporting which could, if not remediated, result in material misstatements in our consolidated financial statements.

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act. As disclosed in Item 4, management identified a material weakness in our internal control over financial reporting. A material weakness is defined as a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a result of this material weakness, our management concluded that our internal control over financial reporting was not effective based on criteria set forth by the Committee of Sponsoring Organization of the Treadway Commission in Internal Control — An Integrated Framework. We are actively engaged in implementing a remediation plan designed to address this material weakness. If our remedial measures are insufficient to address the material weakness, or if additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results.

The material weakness, or a failure to promptly remediate it, may adversely affect our business, our reputation, our results of operations and the market price of our common stock. If we are unable to remediate the material weakness in a timely manner, our investors, customers and other business partners may lose confidence in our business or our financial reports, and our access to capital markets may be adversely affected. In addition, our ability to record, process, and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and regulations of the Securities and Exchange Commission and other regulatory authorities, could be adversely affected, which may result in violations of applicable securities laws, stock exchange listing requirements and the covenants under our debt agreements. We could also be exposed to lawsuits, investigations, or other legal actions. In such actions, a governmental authority may interpret a law, regulation or accounting principle differently than we have, exposing us to different or additional risks. We could incur significant costs in connection with these actions. We have not accrued for any such liabilities.

The control deficiencies resulting in the material weakness, in the aggregate, if not effectively remediated could also result in misstatements of accounts or disclosures related to liabilities that would result in a material misstatement of the annual or interim consolidated financial statements that would not be prevented or detected. In addition, we cannot be certain that we will not identify additional control deficiencies or material weaknesses in the future. If we identify future control deficiencies or material weaknesses, these may lead to adverse effects on our business, our reputation, our results of operations, and the market price of our common stock.

War in the Ukraine

Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for companies, including us, to obtain additional funds, as well as further disrupting the supply chain. Any of the foregoing factors could have a material adverse effect on our business, prospects, financial condition, results of operations, and cash flows as such impacts could affect the demand for advertising. The extent and duration of the military action, sanctions, and resulting market and/or supply disruptions are impossible to predict but could be substantial.

Increases in interest rates and the reduced availability of financing for consumer products may impact the demand for advertising.

In general, demand for certain consumer products may be adversely affected by increases in interest rates and the reduced availability of financing. Also, trends in the financial industry which influence the requirements used by lenders to evaluate potential consumers can result in reduced availability of financing. If interest rates or lending requirements increase and consequently, the ability of prospective consumers to finance purchases of products is adversely affected, the demand for advertising may also be adversely impacted and the impact may be material. In addition, our borrowing costs could be impacted, and such cost changes could reduce the expected returns on certain of our corporate development and other investment opportunities.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

None.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

None.

Item 6. *Exhibits*

Exhibit Number	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Financial information from the Quarterly Report on Form 10-Q/A for the quarter ended March 31, 2022, formatted in Inline XBRL.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

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.

URBAN ONE, INC.

/s/ PETER D. THOMPSON

Peter D. Thompson
Executive Vice President and
Chief Financial Officer
(Principal Accounting Officer)

October 11, 2022

Exhibit 31.1

I, Alfred C. Liggins, III, Chief Executive Officer and President of Urban One, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Urban One, 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 first quarter in the case of this 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.

By:/s/ Alfred C. Liggins, III
Alfred C. Liggins, III
President and Chief Executive Officer

Date: October 11, 2022

Exhibit 31.2

I, Peter D. Thompson, Executive Vice President, Chief Financial Officer and Principal Accounting Officer of Urban One, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Urban One, 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(i) 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 first quarter in the case of this 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 officers 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.

By:/s/ Peter D. Thompson
Peter D. Thompson
Executive Vice President,
Chief Financial Officer and Principal Accounting Officer

Date: October 11, 2022

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Urban One, Inc. (the “Company”) hereby certifies, to such officer’s knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q/A of the Company for the quarter ended March 31, 2022 (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.

By: /s/ Alfred C. Liggins, III
Name: Alfred C. Liggins, III
Title: President and Chief Executive Officer

Date: October 11, 2022

A signed original of this written statement required by Section 906 has been provided to Urban One, Inc. and will be retained by Urban One, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Urban One, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) The accompanying Quarterly Report on Form 10-Q/A of the Company for the quarter ended March 31, 2022 (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.

By: /s/ Peter D. Thompson
Name: Peter D. Thompson
Title: Executive Vice President and Chief Financial Officer

Date: October 11, 2022

A signed original of this written statement required by Section 906 has been provided to Urban One, Inc. and will be retained by Urban One, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.