

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

FORM 10-K

- Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2020, or
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.

Commission File Number 001-38987

IHEARTMEDIA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
20880 Stone Oak Parkway
San Antonio, Texas
(Address of principal executive offices)

26-0241222
(I.R.S. Employer Identification No.)

78258
(Zip code)

(210) 822-2828
(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, par value \$0.001 per share	iHRT	The Nasdaq Stock Market LLC
Series A Preferred Stock Purchase Rights	iHRT	The Nasdaq Stock Market LLC

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

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

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

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

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

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

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

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

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

The aggregate market value of the Class A Common Stock held by non-affiliates of the registrant, based on the closing sales price of \$8.35 on June 30, 2020, was approximately \$506.1 million.

On February 22, 2021, there were 110,923,534 outstanding shares of Class A common stock, 29,088,181 outstanding shares of Class B common stock, and 6,201,453 outstanding Special Warrants.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the registrant's 2021 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year ended December 31, 2020 are incorporated herein by reference in Part III of this Annual Report on Form 10-K.

IHEARTMEDIA, INC.
INDEX TO FORM 10-K

	Page Number
<u>PART I</u>	
Item 1.	Business 1
Item 1A.	Risk Factors 15
Item 1B.	Unresolved Staff Comments 26
Item 2.	Properties 26
Item 3.	Legal Proceedings 26
Item 4.	Mine Safety Disclosures 27
<u>PART II</u>	
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities 28
Item 6.	Selected Financial Data 31
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations 33
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk 62
Item 8.	Financial Statements and Supplementary Data 63
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure 138
Item 9A.	Controls and Procedures 138
Item 9B.	Other Information 140
<u>PART III</u>	
Item 10.	Directors, Executive Officers and Corporate Governance 141
Item 11.	Executive Compensation 141
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters 141
Item 13.	Certain Relationships and Related Transactions, and Director Independence 141
Item 14.	Principal Accountant Fees and Services 142
<u>PART IV</u>	
Item 15.	Exhibits and Financial Statements Schedules 143
Item 16.	Form 10-K Summary 150

Basis of Presentation

As used in this Annual Report on Form 10-K (this “Form 10-K”), unless the context otherwise requires, references to: “we,” “us,” “our,” the “Company,” “iHeartMedia” and similar references refer to iHeartMedia, Inc.

On March 14, 2018 (the “Petition Date”), the Company, iHeartCommunications, Inc. (“iHeartCommunications”) and certain of the Company’s direct and indirect domestic subsidiaries (collectively, the “Debtors”) filed voluntary petitions for relief (the “Chapter 11 Cases”) under Chapter 11 of the United States Bankruptcy Code. On May 1, 2019 (the “Effective Date”), the Company emerged from Chapter 11 of the Bankruptcy Code through (a) a series of transactions (the “Separation”) through which our former subsidiary, Clear Channel Outdoor Holdings, Inc. (“CCOH”), its parent Clear Channel Holdings, Inc. (“CCH”) and its subsidiaries (collectively with CCOH and CCH, the “Outdoor Group”) were separated from, and ceased to be controlled by, us and our subsidiaries (the “iHeart Group”), and (b) a series of transactions (the “Reorganization”) through which iHeartCommunications’ debt was reduced from approximately \$16 billion to approximately \$5.8 billion and a global compromise and settlement among holders of claims (“Claimholders”) in connection with the Chapter 11 Cases was effected (collectively, the “Plan of Reorganization”).

Upon the Company’s emergence from the Chapter 11 Cases, the Company adopted fresh start accounting, which resulted in a new basis of accounting and the Company becoming a new entity for financial reporting purposes. As a result of the application of fresh start accounting and the effects of the implementation of the Plan of Reorganization, the consolidated financial statements after the Effective Date, are not comparable with the consolidated financial statements on or before that date. Refer to Note 3, Fresh Start Accounting, for additional information.

References to “Successor” or “Successor Company” relate to the financial position and results of operations of the Company after the Effective Date. References to “Predecessor” or “Predecessor Company” refer to the financial position and results of operations of the Company on or before the Effective Date.

PART I

ITEM 1. BUSINESS

iHeartMedia is the number one audio media company in the U.S. based on consumer reach.

Within the audio industry, companies operate in two primary sectors:

- The 'music collection' sector, which essentially replaced downloads and CDs and
- The 'companionship' sector, in which people regard their radio and podcasting personalities as trusted friends and companions on whom they rely to provide news on everything from entertainment and local content to points of view, storytelling, information about new music and artists, weather, traffic and more.

We operate in the second sector and have used our large scale and national reach in broadcast radio to build additional complementary platforms. We are now the only major multi-platform audio media company, with each platform building on and extending our companionship relationship with the consumer.

Our product strategy is 'be where our listeners are with the products and services they expect from us'. We provide our consumers with the products and services they expect from us regardless of where they are and what platforms they're using. Our reach now extends across more than 250 platforms and over 2,000 different connected devices-and that reach continues to grow.

The platforms we lead in are:

- *Broadcast radio*: We have a strong relationship with our consumers, and our broadcast radio audience has the largest reach of any audio company in the U.S. with an audience that is over twice as large as that of the next largest commercial broadcast radio company, as measured by Nielsen.
- *Digital*: Our iHeartRadio digital platform is the number one streaming broadcast radio platform-with five times the digital listening hours of the next largest commercial broadcast radio company, as measured by Triton.
- *Podcasts*: We are the number one podcast publisher-and we are more than three times the size of the next largest podcaster publisher as measured by audience, according to Podtrac. We are leading advancement of the podcast industry and have the largest growth across all podcast publishers in both global downloads and US audience, which increased 62% and 15%, respectively during 2020.
- *Social media*: Our personalities, stations and brands have a social footprint that includes 228 million fans and followers as measured by Shareablee, which is nine times the size of the next largest commercial broadcast audio media company. This social footprint was at the heart of delivering 20 billion social media impressions for our iHeartRadio Living Room Concert for America and 19.4 billion social media impressions for the virtual 2020 iHeartRadio Music Festival.
- *Events*: Historically, we had over 20,000 local live and virtual events per year and eight major nationally-recognized tentpole events. To respond to the realities of the COVID environment, we reimagined our overall approach to events and successfully built out many virtual events and produced 4 of our major tentpole events virtually. These live and virtual events provide significant opportunities for consumer promotion, advertising and social amplification.

We have been able to unify all of our local brands under a master brand "iHeartRadio". Using that umbrella has allowed us to build our other platforms as well as extend into third-party platforms like Snapchat, YouTube and cable and broadcast television.

Our business model has been to build strong consumer relationships at scale and monetize them by renting those relationships to unaffiliated third parties. We are transforming our sales process to be more competitive with the major digital players that have brought data, targeting and technology into the media buying process. Additionally, we have built out a strong marketing sales function to support the marketing needs of advertisers and agencies in addition to the more traditional media buying transactional relationships.

Our History

iHeartMedia, Inc. was formed as a Delaware corporation in May 2007 for the purpose of acquiring the business of iHeartCommunications, Inc., a Texas corporation (“iHeartCommunications”), which occurred on July 30, 2008. Prior to the consummation of our acquisition of iHeartCommunications, iHeartMedia, Inc. had not conducted any activities, other than activities incident to its formation in connection with the acquisition, and did not have any assets or liabilities, other than those related to the acquisition.

On the Petition Date, we and certain of our subsidiaries filed the Chapter 11 Cases under Chapter 11 of the United States Bankruptcy Code (“Chapter 11”). We emerged from Chapter 11 on the Effective Date. Our Class A common stock began trading on the Nasdaq Global Select Market on July 18, 2019.

Our Business Segments

As part of the Separation and Reorganization, we re-evaluated our segment reporting and have determined that our current business segments are:

- *Audio*, which provides media and entertainment services via broadcast and digital delivery and also includes our events and national syndication businesses; and
- *Audio & Media Services*, which provides other audio and media services, including our media representation business, Katz Media Group (“Katz Media”), and our provider of scheduling and broadcast software, RCS.

Audio Segment

Our Audio segment operations include broadcast radio, digital, mobile, podcasts, social, live and virtual events including mobile platforms and products, program syndication, traffic, weather, news and sports data distribution and on-demand entertainment. Our Audio segment revenue was \$2,681.2 million in 2020, \$3,454.5 million in 2019 and \$3,353.8 million in 2018.

Our radio stations, podcasts and content can be heard on AM/FM stations, HD digital radio stations, satellite radio, on the Internet at iHeartRadio.com and our radio stations’ websites, and through our iHeartRadio mobile application in enhanced automotive dashes, on tablets, wearables and smartphones, on gaming consoles, via in-home entertainment (including smart televisions) and voice-controlled devices. As of December 31, 2020, we owned and operated 858 live broadcast radio stations and had a local sales force servicing approximately 160 U.S. markets, including 48 of the top 50 markets (with four markets embedded in larger markets), and 86 of the top 100 markets, (with six markets embedded in larger markets). We are also the beneficiary of Aloha Station Trust, LLC, which owns and operates 5 radio stations, and Sun and Snow Station Trust, LLC which owns and operates 1 radio station, all of which we were required to divest in order to comply with Federal Communication Commission (“FCC”) media ownership rules.

According to Nielsen's Fall 2020 book, we have the most number one ranked stations across the top 160 markets, and across the largest 50 markets, with 76 and 28 number one ranked stations in these markets, respectively. With our broadcast radio platform alone, we have over twice the broadcast radio audience of our next closest broadcast competitor. We also have five times the digital listening hours of our next closest commercial radio broadcast competitor.

We generate advertising revenue through three primary channels. The first is a transactional media relationship with national agencies where the Company is selling defined advertising units and impressions, primarily of inventory on our broadcast radio stations. The second is through a direct marketing relationship with both local and national clients and agencies where we use our diverse portfolio of assets to help develop a specific marketing solution tailored to the defined needs of the advertising partner. The third channel is the newest and smallest, but fastest growing, channel using data to develop specific targets and often executed over a technology platform. These three channels can all be used in varying degrees of efficiency over our multiple platforms including broadcast radio, digital streaming and display, podcasting, social amplification and events. Our national scale and structure allows us to offer these solutions at a national, regional or local level, or any combination thereof. Our advertisers cover a wide range of categories, including consumer services, retailers, entertainment, health and beauty products, telecommunications, automotive, media and political. Our contracts with our advertisers range from less than one-year to multi-year terms.

Our Audio segment has the following businesses and revenue streams:

Broadcast Radio: Our primary source of revenue is derived from selling local and national advertising time on our domestic radio stations, generating local and national broadcast revenue of \$1,604.9 million in 2020, \$2,233.2 million in 2019 and \$2,264.1 million in 2018. Advertising rates are principally based on the length of the spot and how many people in a targeted audience listen to our stations, as measured by independent ratings services.

Increasingly, across both national and local markets, our advertisers are demanding data rich, analytics-driven advertising solutions. iHeartMedia offers a comprehensive suite of tech-enabled advertising solutions (that provide advanced attribution and analytics capability) through our SmartAudio platform, which includes:

- Our digital-like ad-buying solution that allows clients to view the available broadcast inventory across various cohorts to address their specific needs;
- Our application of data science to aggregate business data from broadcasts and the user insights that come from listeners using our digital platform; and
- Our tools to present the effectiveness of clients' broadcast radio advertising campaigns by providing detailed digital dashboards on the results of the advertising spend

These programmatic, data and analytic and attribution solutions to account for an increasing proportion of ad buying and we expect that it will continue to expand in the future.

Radio Stations

As of December 31, 2020, we owned and operated 858 radio stations, including 244 AM and 614 FM radio stations. All of our radio stations are located in the United States. No one station is material to our overall operations. We believe that our properties are in good condition and suitable for our operations.

Radio broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the “Communications Act”). As described in “Regulation of Our iHeartMedia Business” below, the FCC grants us licenses in order to operate our radio stations. The following table provides the number of owned and operated radio stations in the top 25 Nielsen-ranked markets:

Nielsen Market Rank ⁽¹⁾	Market	Number of Stations ⁽²⁾
1	New York, NY	6
2	Los Angeles, CA	8
3	Chicago, IL	6
4	San Francisco, CA	6
5	Dallas-Ft. Worth, TX	6
6	Houston-Galveston, TX	6
7	Atlanta, GA	7
8	Washington, DC	6
9	Philadelphia, PA	6
10	Boston, MA	8
11	Miami-Ft. Lauderdale-Hollywood, FL	8
12	Seattle-Tacoma, WA	9
13	Phoenix, AZ	8
14	Detroit, MI	6
15	Minneapolis-St. Paul, MN	6
16	San Diego, CA	8
17	Tampa-St. Petersburg-Clearwater, FL	8
19	Denver-Boulder, CO	8
20	Nassau-Suffolk, NY	1
21	Charlotte-Gastonia-Rock Hill, NC-SC	4
22	Portland, OR	7
23	Baltimore, MD	4
24	St. Louis, MO	6
25	San Antonio, TX	7
Total Top 25 Markets		154⁽³⁾

(1) Source: Fall 2020 NielsenAudio Radio Market Rankings.

(2) Excludes stations held in trust for sale.

(3) Our station in the Nassau-Suffolk, NY market is also represented in the New York, NY Nielsen market. Thus, the actual number of stations in the top 25 markets is 154.

Digital: Our Company’s reach now extends across more than 250 platforms, and 2,000 different connected devices. We generated digital revenue of \$474.4 million in 2020, \$376.2 million in 2019 and \$284.6 million in 2018, comprised of streaming, subscription, display advertisements, podcasting and other content that is disseminated over digital platforms. Our leading streaming product, iHeartRadio, is a free downloadable mobile app and web-based service that allows users to listen to their favorite radio stations, as well as digital-only stations, custom artist stations, and podcasts. Monetization on the free streaming application occurs through national and local advertising. We also have two subscription-based offerings-iHeartRadio Plus and iHeartRadio All Access.

- **Podcasting.** Within our digital business, our multi-platform strategy has also enabled us to extend our leadership into the rapidly growing podcasting sector. Overall podcasting industry revenue is expected to exceed \$1.0 billion by 2021, according to Magna Global, from an estimated \$0.9 billion in 2020. Podcasts continue to expand the audio landscape, and the number of users has increased to 104 million in the U.S. in 2020, with 37% of the U.S. population aged 12 and above having listened to a podcast in the last month (compared to 9% in 2008), according to Edison in March 2020. iHeartMedia is the number one podcast publisher, as measured by Podtrac with 254 million global monthly downloads and streams and 29 million U.S. unique monthly users, in January 2021 and has the most shows featured in the Top 10 across all categories. We also have one of the first and only podcasts to pass 1 billion downloads with Stuff You Should Know, as measured by Podtrac. In the fourth quarter 2020, we acquired Voxnest, Inc., the leading consolidated marketplace for podcasts and the best-in-class provider of podcast analytics, enterprise publishing tools, programmatic integration and targeted ad serving. With this acquisition, we are able to provide podcast advertisers with additional targetable inventory at scale by allowing the effective and efficient monetization across an entire range of podcast inventory on this one-of-kind programmatic platform. We generated \$101 million in podcasting revenue in 2020, an increase of 90.6% from the prior year.

Networks: We enable advertisers to engage with consumers through our Premiere Networks and Total Traffic & Weather services. We generate broadcast advertising revenue from selling local and national advertising on our programs featuring top personalities, and also generate revenue through the syndication of our programming to other media companies. Premiere Networks and Total Traffic & Weather generated revenue of \$485.0 million in 2020, \$614.7 million in 2019 and \$582.3 million in 2018.

- **Premiere Networks** is a national radio network that produces, distributes or represents 120 syndicated radio programs and services for more than 6,500 radio station affiliates. Our broad distribution capabilities enable us to attract and retain top programming talent. Some of our more popular syndicated programs featured top talent including Rush Limbaugh, Ryan Seacrest, Sean Hannity, Bobby Bones, Glenn Beck, Elvis Duran, Steve Harvey, the Breakfast Club, Colin Cowherd and Delilah. We believe recruiting and retaining top talent is an important component of the success of our radio networks.
- **Total Traffic & Weather Network** delivers real-time local traffic flow and incident information along with weather updates, sports and news to more than 2,100 radio stations and approximately 170 television affiliates, as well as through Internet and mobile partnerships, reaching over 190 million consumers each month. Total Traffic & Weather Network services more than 230 markets in the U.S. and Canada. It operates the largest broadcast traffic navigation network in North America.

Sponsorship & Events: Prior to the outbreak of the COVID-19 pandemic, we held over 20,000 live, in-person local events annually and eight major nationally-recognized tent pole events. These events which, including endorsement and appearance fees generated by on-air talent, resulted in \$209.5 million of revenue in 2019 and \$200.6 million of revenue in 2018 from sponsorship, endorsement and other advertising revenue, as well as ticket sales and licensing. Our eight major tent pole events include: the iHeartRadio Music Festival, the iHeartRadio Music Awards, the iHeartRadio Wango Tango, the iHeartRadio Jingle Ball Tour, the iHeartCountry Festival, iHeartRadio ALTer Ego, the iHeartRadio Podcast Awards and the iHeartRadio Fiesta Latina. As a result of the COVID-19 pandemic, Wango Tango and the iHeartRadio Music Awards were not held in 2020 and the iHeartRadio Music Festival, the iHeartRadio Jingle Ball Tour, the iHeartCountry Festival and the iHeartRadio Fiesta Latina tent pole events were held virtually. With the outbreak of the COVID-19 pandemic, we identified opportunities to continue to engage with audiences through virtual events, including the iHeart Living Room Concert for America, First Responder Fridays, Wednesday Night Living Room Concerts, Commencement: Speeches For The Class of 2020 and the HBCU Homecoming Celebration and continuing with virtual offerings of four of our tent pole events, the iHeartRadio Music Festival, the iHeartRadio Jingle Ball Tour, the iHeartCountry Festival and the iHeartRadio Fiesta Latina, and over 1,000 local virtual events. In 2020, our live and then virtual local and tent pole events, including endorsement and appearance fees generated by on-air talent, resulted in \$107.7 million of revenue from sponsorship, endorsement and other advertising revenue, as well as ticket sales and licensing. We expect to continue to look for opportunities to supplement our live local and tent pole events with virtual events on a go forward basis, which would provide additional opportunities to engage with consumers and advertisers.

Other: Other revenue streams connected to our core broadcast and digital radio operations include fees earned for miscellaneous services such as on-site promotions, activations, local marketing agreement (“LMA”) fees and tower rental provided to advertisers and other media companies. These services generated revenue of \$9.4 million in 2020, \$20.8 million in 2019 and \$22.2 million in 2018.

Audio & Media Services Segment:

We also provide services to broadcast industry participants through our Katz Media and RCS businesses, which accounted for \$274.7 million of revenue in 2020, \$236.7 million of revenue in 2019 and \$264.1 million of revenue in 2018.

- *Katz Media Group* is a leading media representation firm in the U.S. Katz Media represents more than 3,400 non-iHeartMedia radio stations and over 800 television stations and their respective digital platforms. Katz generates revenue via commissions on media sold.
- *RCS* is a leading provider of broadcast and webcast software. Our software (radio station automation, music scheduling, HD2 solutions, newsroom software, audio logging and archiving, single station automation and contest tracking software) and technology (real-time audio recognition technology) is used by more than 9,000 radio stations, television music channels, cable companies, satellite music networks and Internet stations worldwide.

Ultimately, our superior local, national, and online sales force combined with our leading digital, events, content, and representation business position us to cover a wide range of advertiser categories, including consumer services, retailers, entertainment, health and beauty products, telecommunications, automotive, media and political. Our contracts with our advertisers range from less than one-year to multi-year terms.

Our Growth Strategy

Our strategy is centered on building strong consumer relationships with national reach. Providing this kind of at-scale companionship creates high-value advertising inventory for current audio advertisers as well as new advertisers and delivers superior returns to both. Moreover, we believe that we can leverage our investments in technology and data-informed decision making to capture increasing market share of the long tail of national and local revenue. The key elements of this growth strategy are:

Continued capture of advertising spend from all mediums

We intend to take advantage of our national scale, the brand power of "iHeartRadio," and product innovation to capture additional share of the overall radio advertising pool. We also believe our enhanced audience data and related analytics tools should drive capture of additional revenue from other advertising sectors, including digital and television, as advertisers are able to target audiences and measure the efficacy of their ad spend in a manner that mirrors the capabilities of these other mediums. We believe our advertising partners value the unique reach, engagement and return potential of audio, as well as iHeartMedia's differentiated platforms and marketing expertise, positioning the Company to capitalize on this trend.

We have made, and continue to make, significant investments so we can provide an ad-buying experience similar to that which was once only available from digital-only companies. Our SmartAudio programmatic solution provides improved planning and automated ad-buying by relying on sophisticated planning algorithms and a cloud-based network across all of iHeartMedia's broadcast radio inventory to deliver highly optimized plans to our advertising customers. With SmartAudio, advertisers can do impression-based audience planning and dynamic radio advertising that utilizes real-time triggers such as weather, pollen counts, sports scores, mortgage rates and more to deploy different campaign messages based on what is happening in a specific market at a specific moment. SmartAudio has allowed brands to use broadcast radio advertisements to dynamically serve the most relevant message in each market, at each moment, just as they do with digital campaigns, to ensure increased relevance and impact. Further SmartAudio is the first fully digital measurement and attribution service for broadcast radio that we believe can transform the way advertisers plan, buy and measure much of their audio campaigns to better optimize the extensive reach of radio. We continue to look for ways to further develop our advertising capabilities in order to expand our share of advertising partners' budgets.

Increasing share of national advertising market

Broadcast radio is the number one consumer reach medium, and advertisers have a renewed appreciation for its scale, diverse demographic access and impact. We intend to complement our current local advertising presence in approximately 160 U.S. markets by further growing our stake in national advertising campaigns through our multi-platform portfolio of audio assets, roster of on-air talent, and the amplifying effect of our listeners' social engagement. As a result of our ongoing technology investments, national advertisers can now look to our audio offerings with their extensive reach, efficient pricing and digital-like analytics as powerful alternatives to other national ad mediums.

Broadening the scope of audio engagement

We continue to expand the spectrum of choices for our listeners-both in terms of compelling content and the array of ways in which it can be consumed. During 2020, we launched BIN: Black Information Network, the first and only 24/7 national and local all news audio service dedicated to providing an objective, accurate and trusted source of continual news coverage with a Black voice and perspective, and The Black Effect Podcast Network, a joint venture with Charlamagne Tha God developed to amplify Black voices, celebrate Black creators and invest in the Black community, with culturally relevant content across a variety of genres.

In addition, the proliferation of smart speakers, smart televisions and other connected devices greatly increases the range of options for accessing and interacting with our content, with significant increases to listenership across these devices in 2020. We are also very focused on rapidly growing content categories, such as our leadership position in podcasting. These initiatives not only improve the listener experience-they facilitate further engagement and heightened frequency of advertising impressions.

Notably, iHeartRadio, our all-in-one digital music, podcast and live streaming digital radio service, is available on an expansive range of platforms and devices including smart speakers, digital auto dashes, tablets, wearables, smartphones, virtual assistants, televisions and gaming consoles.

We have continued to extend our leadership position in podcasting, and we are now the largest podcast publisher. We believe that podcasting is to talk what streaming is to music and is the next strategic audio platform. Our podcasting platform allows us to capture incremental revenue as well as extend station brands, personalities and events onto a new platform-ultimately extending and deepening our consumer relationships and our opportunities for additional advertising revenue.

Employing technology to gain greater penetration of the full spectrum of advertising clients and segments

In addition to having sellers in approximately 160 local markets across the U.S., which few media companies can claim, we intend to extend our technology platform to address the clients that we do not currently reach through direct sales operations. As indication of the size of the potential opportunity, we currently have approximately 50,000 total clients compared to millions of clients for some of our largest social and search competitors which utilize technology solutions for advertisers of all sizes. In the third quarter 2020, we acquired Unified Enterprises Corp., which provides customers with a complete advertising solution across all forms of digital media, including the information and intelligence data that they need to make informed decisions about their advertising investments. Additionally, in the fourth quarter of 2020, we acquired Voxnest, Inc., a podcast programmatic technology solutions business that allows for the consolidation of the fragmented podcast marketplace and the best-in-class provider of podcast analytics, enterprise publishing tools, programmatic integration and targeted ad serving. With this acquisition, we are able to provide podcast advertisers with additional targetable inventory at scale by allowing the effective and efficient monetization across an entire range of podcast inventory on this one-of-kind programmatic platform. During the first quarter of 2021, we entered into a Share Purchase Agreement to acquire Triton Digital, a global leader in digital audio and podcast technology and measurement services, from The E.W. Scripps Company for \$230 million in cash, subject to certain adjustments and conditions. These acquisitions, coupled with our leading broadcast footprint, will establish us as the only company able to provide a complete set of advertising technology and measurement solutions for all forms of audio: on-demand, broadcast radio, digital streaming radio, and podcasting..

Utilizing our unique bundle of advertising inventory to drive uplift

By adding other high cost per mille, the cost of every 1,000 advertisement impressions (“CPM”), platforms into our mix, as well as providing unique and differentiated solutions for advertisers, we believe that we have the potential to see a CPM uplift. Although our primary focus is revenue, we also aim to maximize the value of our inventory. Moreover, we are continuing to develop platforms (including podcasts) that independently garner superior CPMs.

Leveraging the iHeartRadio master brand to expand our high-profile events platform

Audio is a social experience and an important extension of the medium is events. For our listeners, events are an opportunity to interact with fellow fans and engage with their favorite artists. For our advertising partners, they are a chance to reach a captivated and highly targeted audience directly tied to our high reach and strong engagement broadcast radio platform. They also provide an opportunity to extend into platforms like cable and broadcast television, create ancillary licensing revenue streams and serve as an opportunity for ticket revenue. This is especially true with respect to our expansion into virtual events during 2020, which were live streamed over various networks and platforms. As with all of our platforms, the data collection

from these sources is valuable to both our product creation process and our advertisers. Through our portfolio of major award shows, festivals and local live events and virtual events, we intend to continue to find innovative ways to integrate sponsorships and deliver unique advertising moments. In so doing, we will seek to create additional revenue opportunities through this platform.

Competition

We compete for share of our listeners' time and engagement, a challenging task in today's fragmented and multi-tasking world. We believe our national reach, the strength of our brand and assets, the quality of our programming and personalities, and the companionship nature of our medium allows us to compete effectively against both our legacy competition-cable and broadcast television, and other broadcast radio operators-as well the new, digital competition, including streaming music and video services, social media, and other digital companies.

Similarly, we compete for advertising and marketing dollars in the U.S. advertising market against an increasingly diverse set of competitors. Our legacy competition for the radio, podcast and digital advertising market includes legacy broadcast radio operators, as well as satellite radio companies, podcasters and streaming music companies with ad supported components of their business. We also compete in the larger U.S. advertising market-inclusive of the radio, podcast and digital opportunity-by developing and offering competitive advertising products intended to attract advertising and marketing dollars that might otherwise go to companies in the cable and broadcast television, digital, search, Internet, audio, print, newspaper, sponsorship and other advertising spaces.

Intellectual Property

Our success is dependent on our ability to obtain and maintain proprietary protection for our technology and the know-how related to our business, defend and enforce our intellectual property rights and operate our business without infringing, misappropriating or otherwise violating valid and enforceable intellectual property rights of others. We seek to protect our investments made into the development of our technology by relying on a combination of patents, trademarks, copyrights, trade secrets, know-how, confidentiality agreements and procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements and other contractual rights.

As of December 31, 2020, we own approximately 200 issued U.S. patents, 140 pending U.S. patent applications, 10 issued foreign patents and 10 pending foreign patent applications, in addition to 662 U.S. trademark registrations, 51 U.S. trademark applications, 784 state trademark registrations, 30 state trademark applications, 916 foreign registered trademarks and 108 foreign trademark applications. The duration of our intellectual property rights vary from country to country, but our U.S. patents expire 20 years from the patent filing date and we expect that our trademarks would expire between 2021 and 2034 assuming all required fees are paid.

We have filed and acquired dozens of issued patents and active patent applications in the U.S. and we continue to pursue additional patent protection where appropriate and cost effective. We intend to hold these patents as part of our strategy to protect and defend the Company's technology, including to protect and defend the Company in patent-related litigation. Our registered trademarks in the U.S. include our primary mark "iHeartRadio" and various versions of the iHeart word marks and logos. We have a portfolio of internet domain names, including our primary domains www.iheart.com and www.iheartmedia.com. We also have licenses with various rights holders to stream sound recordings and the musical compositions embodied therein, as further described under "-Regulation of our Business-Content, Licenses and Royalties" below.

We believe that our intellectual property has significant value and is important to our brand-building efforts and the marketing of our products and services. We cannot predict, however, whether steps taken by us to protect our proprietary rights will be adequate to prevent misappropriation of these rights. In addition to the forms of intellectual property listed above, we own rights to proprietary processes and trade secrets, including those underlying the iHeartRadio digital platform. While we use contractual and technological means to control the use and distribution of our proprietary software, trade secrets, and other confidential information, both internally and externally, including by entering into confidentiality agreements with our employees, contractors, and partners and maintaining physical security of our premises and physical and electronic security of our information technology systems, such measures can be breached, and we may not have adequate remedies for any such breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors.

Human Capital Management

Of the many strengths that iHeartMedia possesses, none is more valuable than our people. Our business relies on our ability to attract and retain talented employees. To attract and retain talent, we seek to provide a work environment that creates a diverse, inclusive and supportive workplace, with opportunities for our employees to grow and develop in their careers and provides meaningful work, supported by competitive compensation, benefits and health and wellness programs, and by programs that build connections between our employees and their communities.

Workforce Composition

As of February 22, 2021, we had approximately 10,200 employees. These employees represent the diverse and complex nature of iHeartMedia with skills in programming operations, sales, engineering, podcasting, digital and beyond, as well as corporate support, such as information technology, legal, human resources, communications and finance. Our workforce is comprised of approximately 88% full time and 12% part time employees. Approximately 6% of our employees are subject to collective bargaining agreements. We are a party to numerous collective bargaining agreements, none of which represent a significant number of employees. We believe that our relationship with our union and non-union employees is good.

Total Rewards

We operate in a highly-competitive environment and make significant investments in our people and provide competitive pay and comprehensive benefits including:

- Employer sponsored health insurance;
- Company provided life insurance;
- Paid sick, holidays and vacation;
- Spirit days so that our employees may volunteer in their community;
- 401(k) plan; and
- An Employee Assistance Program, which is available to all full-time employees and their household members at no cost and provides services such as in person and telephonic counseling sessions, consultation on legal and financial matters and referrals for services such as child-care and relocation.

In response to COVID-19 we quickly took action enabling our employees, where possible, to work from home, voluntarily expanding our sick leave benefits to include additional time off for COVID-related illness, implementing flexible work policies, making resources available to parents who were homeschooling their children and offering a mid-year annual enrollment to give our employees the opportunity to elect additional coverage if they so desired.

Talent Development & Training

The Company is committed to supporting and developing its employees through global learning and development programs. We invest in a variety of employee training and compliance programs that give our employees the tools and information they need to make better decisions, become better leaders and managers, become better communicators and to work more collaboratively as a team. iHeartMedia employees engage in a variety of extensive training throughout the year and in 2020 our employees completed over 200,000 training courses which equated to over 100,000 hours of training.

Diversity

Diversity and inclusion are key to our success. As a company, we value diversity and respect all voices, from both inside and outside our Company. Since our Company reaches 90% of all Americans every month, listening to, understanding and integrating input from diverse voices and views are critical to our business success. One of our top priorities at iHeartMedia is to create an inclusive organizational culture to attract and develop a dynamic workforce that is as diverse as the audiences and communities we serve which includes and supports gender identity, race, sexual orientation, ethnicity, religion, socioeconomic background, age, disability, national origin and more. In addition, our Board is committed to seeking director candidates who can best contribute to the future success of the Company and represent stockholder interests through the exercise of sound judgment and leveraging of the group's diversity of skills and experience, resulting in board members with diverse backgrounds, including, among other attributes, gender, ethnicity and professional experience.

Our diversity and inclusion efforts are led by our Chief Diversity Officer, who reports directly to our Chief Executive Officer and our President. Current key initiatives center around accountability, education, mentorship and recruitment across all leadership and skill areas. We have instituted a Diversity, Equity and Inclusion Advisory Committee, which will bring important and timely issues around diversity and inclusion to senior management for consideration; serve as a sounding board as Company policies and decisions about diversity and inclusion are made; institute training and development programs on important diversity issues and help guide our efforts. Additionally, our Chief Executive Officer, President and other senior leaders have diversity and inclusion objectives embedded in their long-term performance goals.

Workplace Safety

Employee health and safety in the workplace is of utmost importance to our Company. We believe that all employees, regardless of our job role or title, have a shared responsibility in the promotion of health and safety in the workplace. We collectively are committed to providing and following all safety laws and rules, including internal policies and procedures. This means carrying out company activities in ways that preserve and promote a clean, safe and healthy environment.

The global effects associated with the COVID-19 pandemic have been unprecedented in their scope and depth. Our commitment and focus on workplace safety allowed navigation of the pandemic to preserve business continuity without sacrificing our commitment to the safety of our workplace. We have been and will continue to be following recommendations of the U.S. Center for Disease Control and other applicable agencies to maximize the safety and well-being of our employees. We have implemented comprehensive health and safety protocols to mitigate exposure risks. With respect to job roles that can be performed remotely, we quickly implemented a Work from Home policy that enabled our employees to continue working while also keeping themselves and their loved ones safe.

Seasonality

For information regarding the seasonality of our business, please refer to Item 7 of Part II of this Annual Report on Form 10-K.

Regulation of our Business

General

Radio broadcasting is subject to extensive regulation, including by the FCC under the Communications Act. The Communications Act permits the operation of a radio broadcast station only under a license issued by the FCC upon a finding that grant of the license would serve the public interest, convenience and necessity. Among other things, the Communications Act empowers the FCC to: issue, renew, revoke and modify broadcast licenses; assign frequency bands for broadcasting; determine stations' technical parameters; impose penalties and sanctions for violation of its regulations, including monetary forfeitures and, in extreme cases, license revocation; impose annual regulatory and application processing fees; and adopt and implement regulations and policies affecting the ownership, program content, employment practices and many other aspects of broadcast station operations.

This following summary does not comprehensively cover all current and proposed statutes, regulations and policies affecting our business. Reference should be made to the Communications Act, FCC rules, public notices and rulings and other relevant statutes, regulations, policies and proceedings for further information concerning the nature and extent of regulation of our business.

Transfer or Assignment of Licenses

The Communications Act prohibits the assignment of a license or the transfer of control of an FCC licensee without prior FCC approval. In determining whether to grant such approval, the FCC considers a number of factors pertaining to the existing licensee and the proposed licensee, including compliance with FCC' rules and the "character" of the proposed licensees. Applications for license assignments or transfers involving a substantial change in ownership are subject to a 30-day period for public comment, during which parties may petition to such applications.

License Renewal

The FCC grants broadcast licenses for a term of up to eight years. The FCC will renew a license for an additional eight-year term if, after consideration of the renewal application and any objections thereto, it finds that the station has served the public interest, convenience and necessity and that, with respect to the station seeking renewal, there have been no serious violations of the Communications Act or the FCC's rules and pattern of abuse of the Communications Act or FCC rules. The FCC may grant the license renewal application with or without conditions, including renewal for a term less than eight years, although renewal for less than the full eight-year term is rare. While we cannot guarantee the unconditional grant of any future renewal application, our stations' licenses historically have been renewed for the full eight-year term.

Ownership Regulation

FCC rules and policies define the interests of individuals and entities, known as "attributable" interests, which implicate FCC rules governing ownership of broadcast stations. Under these rules, attributable interests generally include: (1) officers and directors of a licensee and of its direct and indirect parent(s); (2) general partners and limited liability company managers; (3) limited partners and limited liability company members, unless properly "insulated" from management activities; (4) a 5 percent or more direct or indirect voting stock interest in a corporate licensee or parent (except that, for a narrowly defined class of passive investors, a 20 percent voting threshold applies); and (5) combined equity and debt interests in excess of 33 percent of a licensee's total asset value, if certain other conditions are met (the "EDP Rule"). An entity that owns one or more radio stations in a market and programs more than 15 percent of the broadcast time under a local marketing agreement ("LMA"), or sells more than 15 percent per week of the advertising time under a joint sales agreement ("JSA"), on a radio station in the same market is also generally deemed to have an attributable interest in that station.

Debt instruments, non-voting corporate stock, minority voting stock interests in corporations having a single majority stockholder, and properly insulated limited partnership and limited liability company interests generally are not subject to attribution unless such interests implicate the EDP Rule. To the best of our knowledge at present, none of our officers, directors or 5 percent or greater stockholders holds an interest in another broadcast station that is inconsistent with the FCC's ownership rules.

The current FCC ownership rules relevant to our business are summarized below.

- ***Local Radio Ownership Rule.*** The maximum allowable number of radio stations that may be commonly owned in a market is based on the number of stations in the market. In markets with 45 or more stations, one entity may have an attributable interest in up to eight stations, of which no more than five are in the same radio service (AM or FM). In markets with 30-44 stations, one entity may have an attributable interest in up to seven stations, of which no more than four are in the same service. In markets with 15-29 stations, one entity may have an attributable interest in up to six stations, of which no more than four are in the same service. In markets with 14 or fewer stations, one entity may have an attributable interest in up to five stations, of which no more than three are in the same service, so long as the entity does not have an interest in more than 50 percent of all stations in the market. To apply these ownership tiers, the FCC relies on Nielsen Metro Survey Areas, where they exist, and a signal contour-overlap methodology where they do not exist.
- ***Cross-Ownership Rules.*** The newspaper/broadcast cross-ownership rule prohibits an individual or entity from having an attributable interest in either a radio or television station and a daily newspaper located in the same market, subject to certain exceptions and with waivers available in particular cases. The radio/television cross-ownership rule limits an individual or entity to having an attributable interest in only one or two television stations and varying number of radio stations within a single market.

The Communications Act requires the FCC to periodically review its media ownership rules, and those reviews have been and continue to be the subject of litigation and follow-on regulatory proceedings. In November 2019, the United States Court of Appeals for the Third Circuit issued a decision that resulted in reinstatement of the cross-ownership rules, which the FCC had previously eliminated. There may be future litigation regarding this decision. The Supreme Court of the United States granted petitions for certiorari seeking review of the Third Circuit decision and heard argument on January 19, 2021. The case remains pending.

In December 2018, the FCC commenced its 2018 quadrennial review of its media ownership regulations. Among other things, the FCC is seeking comment on all aspects of the local radio ownership rule including whether the current version of the rule remains necessary in the public interest. We cannot predict the outcome of the FCC's media ownership proceedings or their effects on our business in the future.

Irrespective of the FCC's media ownership rules, the Antitrust Division of the U.S. Department of Justice ("DOJ") and the U.S. Federal Trade Commission ("FTC") have the authority to determine that a particular transaction presents antitrust concerns. See "Item 1. Business – Antitrust and Market Concentration Considerations."

Alien Ownership Restrictions

The Communications Act and FCC regulations prohibit foreign entities or individuals from indirectly (i.e., through a parent company) owning or voting more than 25 percent of the equity in a corporation controlling the licensee of a radio broadcast station, unless the FCC determines that greater indirect foreign ownership is in the public interest. The FCC generally will not make such a determination absent favorable executive branch review.

To the extent that our aggregate foreign ownership or voting percentages exceeds 25 percent, any foreign holder or "group" of holders, defined pursuant to FCC regulations, of our common stock whose ownership or voting percentage would exceed 5 percent or 10 percent (with the applicable percentage determined pursuant to FCC rules) must also obtain the FCC's "specific approval."

On November 5, 2020, the FCC issued a declaratory ruling ("Declaratory Ruling") authorizing us to have aggregate foreign ownership and voting percentages of up to 100 percent and specifically approving certain of our stockholders that are deemed to be foreign under FCC rules, subject to certain conditions. Among those conditions is a requirement that we comply with a Letter of Agreement ("LOA") with the DOJ. The Declaratory Ruling also requires us to take our Special Warrants into account in determining our foreign ownership compliance. On February 5, 2021, Honeycomb Investments Limited, a company organized under the laws of the Bahamas, and certain related foreign persons (collectively "Honeycomb") filed a Schedule 13D with the Securities and Exchange Commission ("SEC") reporting ownership of more than 5% of our voting stock and equity. Honeycomb acquired its interest without our knowledge or control, and we are fulfilling our obligations under the Declaratory Ruling and the FCC rules with respect to Honeycomb's interest. See "Item 3. Legal Proceedings- Alien Ownership Restrictions and FCC Declaratory Ruling."

Programming and Content Regulation

The Communications Act requires broadcasters to serve the "public interest." A licensee must present programming that responds to issues in the station's community of license and maintain records demonstrating this responsiveness. Federal law also regulates the broadcast of obscene, indecent or profane material. The FCC has authority to impose fines exceeding \$400,000 per utterance with a cap exceeding \$3.75 million for a continuing violation. In June 2012, the U.S. Supreme Court ruled on appeals of several FCC indecency actions, but declined to rule on the constitutionality of the FCC's indecency policies. The FCC has since solicited public comment on those policies in a proceeding which remains pending. In addition, the FCC regulates the conduct of on-air station contests, requiring in general that the material rules and terms of the contest be broadcast periodically or posted online and that the contest be conducted substantially as announced. The FCC also regulates, among other things, political advertising, sponsorship identification, and the advertisement of contests and lotteries.

Equal Employment Opportunity

The FCC's rules require broadcasters to engage in broad equal employment opportunity recruitment efforts, retain data concerning such efforts and report much of this data to the FCC and to the public via periodic reports filed with the FCC or placed in stations' public files and websites. Broadcasters could be sanctioned for noncompliance.

Technical Rules

Numerous FCC rules govern the technical operating parameters of radio stations, including permissible operating frequency, power and antenna height and interference protections between stations. Changes to these rules could negatively affect the operation of our stations.

Content, Licenses and Royalties

We must pay royalties to copyright owners of musical compositions (typically, songwriters and publishers) whenever we broadcast or stream musical compositions. Copyright owners of musical compositions most often rely on intermediaries known as performing rights organizations (“PROs”) to negotiate licenses with copyright users for the public performance of their compositions, collect royalties under such licenses and distribute them to copyright owners. We have obtained public performance licenses from, and pay license fees to, the four major PROs in the U.S., which are the American Society of Composers, Authors and Publishers (“ASCAP”), Broadcast Music, Inc. (“BMI”), SESAC LLC (“SESAC”) and Global Music Rights LLC (“GMR”). There is no guarantee that additional PROs will not emerge, which could impact, and in some circumstances increase, our royalty rates and negotiation costs.

To secure the rights to stream music content over the Internet, we also must obtain performance rights licenses and pay public performance royalties to copyright owners of sound recordings (typically, performing artists and record companies). Under Federal statutory licenses, we are permitted to stream any lawfully released sound recordings and to make ephemeral reproductions of these recordings on our computer servers without having to separately negotiate and obtain direct licenses with each individual copyright owner as long as we operate in compliance with the rules of those statutory licenses and pay the applicable royalty rates to SoundExchange, the organization designated by the Copyright Royalty Board (“CRB”) to collect and distribute royalties under these statutory licenses. From time to time, SoundExchange notifies us that certain calendar years are subject to routine audits of our royalty payments. The results of such audits could result in higher royalty payments for the subject years. Sound recordings fixed on or after February 15, 1972 are protected by federal copyright law. Sound recording copyright owners have asserted that state law historically provided copyright protection for recordings fixed before that date (“pre-72 recordings”). Sound recording copyright owners have sued radio broadcasters and digital audio transmission services (including us) for unauthorized public performances and reproductions of pre-72 recordings under various state laws. In October 2018, federal legislation was signed into law that applies a statutory licensing regime to pre-72 recordings similar to that which governs post-72 recordings. Among other things, the new law extends remedies for copyright infringement to owners of pre-72 recordings when recordings are used without authorization. The new law creates a public performance right for pre-72 recordings streamed online that may increase our licensing costs. It also preempts state law infringement claims both prospectively and, in certain circumstances, retrospectively.

The rates at which we pay royalties to copyright owners are privately negotiated or set pursuant to a regulatory process. In addition, we have business arrangements directly with some copyright owners to receive deliveries of and, in some cases, to directly license their sound recordings for use in our Internet operations. There is no guarantee that the licenses and associated royalty rates that currently are available to us will be available to us in the future. In addition, congress may consider and adopt legislation that would require us to pay royalties to sound recording copyright owners for broadcasting those recordings on our terrestrial radio stations. The CRB has issued a final determination establishing copyright royalty rates for the public performance and ephemeral reproduction of sound recordings by various non-interactive webcasters, including radio broadcasters that simulcast their terrestrial programming online, to apply to the period January 1, 2016-December 31, 2020 under the so-called webcasting statutory license. A proceeding to establish the rates for 2021-2025 began in 2019, with a final, retroactively applicable determination expected on or before April 15, 2021. Increased royalty rates could significantly increase our expenses, which could adversely affect our business. Additionally, there are conditions applicable to the webcasting statutory license. Some, but not all, record companies have agreed to waive or provide limited relief from certain of these conditions under certain circumstances for set periods of time. Some of these conditions may be inconsistent with customary radio broadcasting practices.

Proposed Changes

Congress, the FCC and other government agencies and regulatory bodies may in the future adopt new laws, regulations and policies that could affect, directly or indirectly, the operation, profitability and ownership of our broadcast stations and Internet-based audio music services. In addition to the regulations, proceedings and procedures noted above, such matters may include, for example: proposals to impose spectrum use or other fees on FCC licensees; changes to the political broadcasting rules, including the adoption of proposals to provide free air time to candidates; restrictions on the advertising of certain products, such as beer and wine; spectrum reallocations and changes in technical rules; and the adoption of significant new programming and operational requirements designed to increase local community-responsive programming and enhance public interest reporting requirements.

Antitrust and Market Concentration Considerations

Beyond compliance with FCC rules governing media ownership, our acquisition of additional radio stations or other businesses could receive scrutiny or challenge under the federal antitrust laws. Transactions that meet specified size thresholds

are subject to applicable waiting periods and possible review under the Hart-Scott-Rodino Act (the “HSR Act”) by the DOJ or the FTC. Whether or not an acquisition is required to be reported under the HSR Act, the antitrust authorities may investigate the transaction and may take such action under the antitrust laws as they deem necessary, including seeking to enjoin the acquisition or requiring divestiture of the acquired assets or certain of our other assets. Any future iHeart acquisition could be the subject of review and/or remedial action by antitrust authorities, particularly if it involves businesses or markets in which we already hold a significant market share.

Privacy and Data Protection

Privacy and data protection legislation and regulation play a significant role in our business. We obtain information from users of our technology platforms, including, without limitation, our websites, web pages, interactive features, digital survey panels, applications, social media pages, and mobile application (“Platforms”), in accordance with the privacy policies and terms of use posted on the applicable Platform. We collect personally identifiable information directly from Platform users in several ways, including when a user uses or purchases our products or services, registers to use our services, fills out a listener profile, posts comments, uses our social networking features, participates in polls and contests and signs up to receive email newsletters. We also may obtain information about our listeners from other listeners and third parties. Outside our consumer-facing businesses, we collect personally identifiable information from our employees and our business partners. We use and share this information for a variety of business purposes including for analytics, attribution and to manage and execute digital advertising campaigns in a variety of ways, including delivering advertisements to Internet users based on their geographic locations, the type of device they are using, their interests as inferred from their web browsing or app usage activity. In addition, we obtain anonymous and aggregated audience behavior information from third-party data providers who represent to us that they are compliant with applicable laws.

We are subject to a number of laws and regulations relating to consumer protection, information security, data protection and privacy. Many of these laws and regulations are still evolving and could be interpreted in ways that could harm our business or limit the services we are able to offer. In the area of information security and data protection, the laws in several states in the United States and most countries require companies to implement specific information security controls and legal protections to protect certain types of personally identifiable information. Likewise, most states in the United States and most countries have laws in place requiring companies to notify users if there is a security breach that compromises certain categories of their personally identifiable information. Any failure on our part to comply with these laws may subject us to significant liabilities. For example, the California Consumer Privacy Act (“CCPA”) establishes a new privacy framework that expands the definition of personal information, establishes new data privacy rights for consumers residing in the State of California, imposes special rules on the collection of consumer data from minors, creates new notice obligations and new limits on the sale of personal information, and creates a new and potentially severe statutory damages framework for (i) violations of the CCPA and (ii) businesses that fail to implement reasonable security procedures and practices to prevent data breaches.

We regularly review and implement commercially reasonable organizational and technical physical and electronic security measures that are designed to protect against the loss, misuse, and alteration of our listeners’, employees’, clients’ and customers’ personally identifiable information and to protect our proprietary business information. Despite our best efforts, no security measures are perfect or impenetrable. Any failure or perceived failure by us to protect our information or information about our listeners, employees, clients and customers or to comply with our policies or applicable regulatory requirements could result in damage to our business and loss of confidence in us, damage to our brands, the loss of users of our services, including listeners, consumers, business partners and advertisers, as well as proceedings against us by governmental authorities or others, which could harm our business.

Available Information

You can find more information about us at our Internet website located at www.iheartmedia.com. Our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those reports are available free of charge through our Internet website as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the Securities and Exchange Commission (“SEC”). The contents of our websites are not deemed to be part of this Annual Report on Form 10-K or any of our other filings with the SEC.

ITEM 1A. RISK FACTORS

Risks Related to Our Business

The COVID-19 pandemic has adversely impacted, and is expected to continue to adversely impact, our business, results of operations and financial position.

In December 2019, a strain of novel coronavirus disease, COVID-19, was identified in Wuhan, China. This virus has been declared a pandemic and has spread around the world, including throughout the United States. The outbreak and government measures taken in response have also had a significant impact, both direct and indirect, on our businesses and the economy generally, as supply chains have been disrupted; facilities and production have been suspended; and demand for many goods and services has fallen. In response to the spread of COVID-19, including shelter-in-place and stay-at-home orders, we implemented a work-from-home policy that remains in place for most of our employees and have restricted on-site activities.

As a result of the COVID-19 pandemic, we have experienced and may continue to experience disruptions that have adversely impacted our business, results of operations and financial position. The extent of future disruptions will depend on numerous evolving factors, which are highly uncertain, rapidly changing and cannot be predicted, and could result in significantly more severe impacts in the future, including:

- reduced ad budgets and spend, order cancellations and increased competition for advertising revenue;
- the effect of the outbreak on our customers and other business partners and vendors;
- changes in how we conduct operations, including our events;
- increased competition with alternative media platforms and technologies;
- the inability of customers to pay amounts owed to the Company, or delays in collections of such amounts;
- additional goodwill or other impairment charges;
- limitations on our employee resources, including because of work-from-home, stay-at-home and shelter-in-place orders from federal or state governments, employee furloughs, or sickness of employees or their families;
- diversion of management resources to focus on mitigating the impacts of the COVID-19 pandemic;
- reduced capital expenditures; and
- impacts from prolonged remote work arrangements, including increased cybersecurity risks.

These disruptions have negatively impacted our revenue, results of operations and financial position for the year ended December 31, 2020 and we expect these disruptions to continue to have a negative impact in 2021.

The COVID-19 pandemic continues to evolve. The extent to which the outbreak continues to impact our business, liquidity and financial results will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the pandemic, stay-at-home and shelter-in-place orders, travel restrictions and social distancing throughout the United States, the duration and extent of business closures or business disruptions, the timing of a vaccine becoming widely available and the effectiveness of actions taken to contain and treat the disease. If we or our customers continue to experience prolonged shutdowns or other business disruptions beyond current expectations, our ability to conduct our business in the manner and within planned timelines could be materially and adversely impacted, and our business, liquidity and financial results will be adversely affected. Additionally, concerns over the economic impact of the COVID-19 pandemic caused extreme volatility in financial and other capital markets, which has adversely affected our stock price and credit rating and could impact our ability to access the capital markets in the future.

Our results have been in the past, and could be in the future, adversely affected by economic uncertainty or deteriorations in economic conditions.

We derive revenues from the sale of advertising. Expenditures by advertisers tend to be cyclical, reflecting economic conditions and budgeting and buying patterns. Periods of a slowing economy or recession, or periods of economic uncertainty, may be accompanied by a decrease in advertising. Global economic activity has declined as a result of COVID-19, which has significantly reduced our advertising revenues. This reduction in advertising revenues had an adverse effect on our revenue, profit margins, cash flow and liquidity. If economic uncertainty continues or increases or economic conditions deteriorate, including due to the ongoing effect of the COVID-19 pandemic, global economic conditions may continue to adversely impact our revenue, profit margins, cash flow and liquidity. Furthermore, because a significant portion of our revenue is derived from local advertisers, our ability to generate revenues in specific markets is directly affected by local and regional conditions, and unfavorable regional economic conditions also may adversely impact our results. In addition, even in the absence of a downturn in general economic conditions, an individual business sector or market may experience a downturn, causing it to reduce its advertising expenditures, which also may adversely impact our results.

We face intense competition in our business.

We operate in a highly competitive industry, and we may not be able to maintain or increase our current audience ratings and advertising revenues. Our business competes for audiences and advertising revenues with other radio businesses, as well as with other media, such as streaming audio services, satellite radio, podcasts, other Internet-based streaming music services, television, live entertainment, newspapers, magazines and direct mail, within their respective markets. Audience ratings and market shares are subject to change for various reasons, including through consolidation of our competitors through processes such as mergers and acquisitions, which could have the effect of reducing our revenues in a specific market. Our competitors may develop technology, services or advertising media that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. For example, our competitors may develop analytic products for programmatic advertising, and data and research tools that are superior to those that we provide or that achieve greater market acceptance. It also is possible that new competitors may emerge and rapidly acquire significant market share in our business or make it more difficult for us to increase our share of advertising partners' budgets. The advertiser/agency ecosystem is diverse and dynamic, with advertiser/agency relationships subject to change. This could have an adverse effect on us if an advertiser client shifts its relationship to an agency with whom we do not have as good a relationship. An increased level of competition for advertising dollars may lead to lower advertising rates as we attempt to retain customers or may cause us to lose customers to our competitors who offer lower rates that we are unable or unwilling to match.

Our ability to compete effectively depends in part on our ability to achieve a competitive cost structure. If we cannot do so, then our business, financial condition and operating results would be adversely affected.

Alternative media platforms and technologies may continue to increase competition with our broadcasting operations.

Our terrestrial radio broadcasting operations face increasing competition from alternative media platforms and technologies, such as broadband wireless, satellite radio, audio broadcasting by cable television systems, other podcast streaming services, Internet-based streaming music services, as well as consumer products, such as portable digital audio players and other mobile devices, smart phones and tablets, gaming consoles, in-home entertainment and enhanced automotive platforms. These technologies and alternative media platforms, including those used by us, compete with our broadcast radio stations for audience share and advertising revenues. We are unable to predict the effect that such technologies and related services and products will have on our broadcasting and digital operations. The capital expenditures necessary to implement these or other technologies could be substantial and we cannot assure you that we will continue to have the resources to acquire new technologies or to introduce new services to compete with other new technologies or services, or that our investments in new technologies or services will provide the desired returns. Other companies employing new technologies or services could more successfully implement such new technologies or services or otherwise increase competition with our businesses.

Our business is dependent upon the performance of on-air talent and program hosts.

We employ or independently contract with many on-air personalities and hosts of syndicated radio programs, podcasts and other audio platforms, with significant loyal audiences in their respective markets. Although we have entered into long-term agreements with some of our key on-air talent and program hosts to protect our interests in those relationships, we can give no assurance that all or any of these persons will remain with us, will be able to continue to perform their duties, will retain their audiences or will continue to be profitable. Competition for these individuals is intense and many of these individuals are under no legal obligation to remain with us. Our competitors may choose to extend offers to any of these individuals on terms which we may be unwilling to meet. Furthermore, the popularity and audience loyalty of our key on-air talent and program hosts is

highly sensitive to rapidly changing public tastes. A loss of such popularity or audience loyalty is beyond our control and could have a material adverse effect on our ability to attract local and/or national advertisers and on our revenue and/or ratings, and could result in increased expenses.

If events occur that damage our reputation and brand, our ability to grow our user base, advertiser relationships, and partnerships may be impaired and our business may be harmed.

We have developed a brand that we believe has contributed to our success. We also believe that maintaining and enhancing our brand is critical to growing our user base, advertiser relationships and partnerships. The iHeartRadio master brand ties together our radio stations, digital platforms, social, podcasts and events in a unified manner that reflects the quality and compelling nature of our listener experiences. Maintaining and enhancing our brand depends on many factors, including factors that are not entirely within our control. If we fail to successfully promote and maintain our brand or if we suffer damage to the public perception of our brand, our business may be harmed.

Our business is dependent on our management team and other key individuals.

Our business is dependent upon the performance of our management team and other key individuals. Although we have entered into agreements with members of our senior management team and certain other key individuals, we can give no assurance that any or all of them will remain with us, or that we will not continue to make changes to the composition of, and the roles and responsibilities of, our management team. Competition for these individuals is intense and many of our key employees are at-will employees who are under no obligation to remain with us, and may decide to leave for a variety of personal or other reasons beyond our control. If members of our management or key individuals decide to leave us in the future, if we decide to make further changes to the composition of, or the roles and responsibilities of, these individuals, or if we are not successful in attracting, motivating and retaining other key employees, our business could be adversely affected.

Our financial performance may be adversely affected by many factors beyond our control.

Certain factors that could adversely affect our financial performance by, among other things, decreasing overall revenues, the numbers of advertising customers, advertising fees or profit margins include:

- unfavorable fluctuations in operating costs, which we may be unwilling or unable to pass through to our customers;
- our inability to successfully adopt or our being late in adopting technological changes and innovations that offer more attractive advertising or listening alternatives than what we offer, which could result in a loss of advertising customers or lower advertising rates, which could have a material adverse effect on our operating results and financial performance;
- a loss of advertising customers or lower advertising rates, which could have a material adverse effect on our operating results and financial performance;
- the impact of potential new or increased royalties or license fees charged for terrestrial radio broadcasting or the provision of our digital services, which could materially increase our expenses;
- unfavorable shifts in population and other demographics, which may cause us to lose advertising customers as people migrate to markets where we have a smaller presence or which may cause advertisers to be willing to pay less in advertising fees if the general population shifts into a less desirable age or geographical demographic from an advertising perspective;
- continued dislocation of advertising agency operations from new technologies and media buying trends;
- adverse political effects and acts or threats of terrorism or military conflicts; and
- unfavorable changes in labor conditions, which may impair our ability to operate or require us to spend more to retain and attract key employees.

Acquisitions, dispositions and other strategic transactions could pose risks.

We frequently evaluate strategic opportunities both within and outside our existing lines of business. We expect from time to time to pursue acquisitions of certain businesses as well as strategic dispositions. These acquisitions or dispositions could be material. Acquisitions or dispositions involve numerous risks, including:

- our acquisitions may prove unprofitable and fail to generate anticipated cash flows;
- to successfully manage our business, we may need to:

- recruit additional senior management as we cannot be assured that senior management of acquired businesses will continue to work for us and we cannot be certain that our recruiting efforts will succeed, and
- expand corporate infrastructure to facilitate the integration of our operations with those of acquired businesses, because failure to do so may cause us to lose the benefits of any expansion that we decide to undertake by leading to disruptions in our ongoing businesses or by distracting our management;
- we may enter into markets and geographic areas where we have limited or no experience;
- we may encounter difficulties in the integration of new management teams, operations and systems;
- our management’s attention may be diverted from other business concerns;
- our dispositions may negatively impact revenues from our national, regional and other sales networks; and
- our dispositions may make it difficult to generate cash flows from operations sufficient to meet our anticipated cash requirements, including debt service requirements.

Acquisitions and dispositions of media and entertainment businesses may require antitrust review by U.S. federal antitrust agencies and may require review by foreign antitrust agencies under the antitrust laws of foreign jurisdictions, including our proposed acquisition of Triton. We can give no assurances that the Department of Justice (“DOJ”), the U.S. Federal Trade Commission (“FTC”) or foreign antitrust agencies will not seek to bar us from acquiring or disposing of media and entertainment businesses or impose stringent undertakings on our business as a condition to the completion of an acquisition in any market where we already have a significant position.

Further, radio acquisitions are subject to FCC approval. Such transactions must comply with the Communications Act and FCC regulatory requirements and policies. The FCC’s media ownership rules remain subject to ongoing agency and court proceedings. Future changes could restrict our ability to dispose of or acquire new radio assets or businesses. See “Business-Regulation of our Business.”

If our security measures are breached, we could lose valuable information, suffer disruptions to our business, and incur expenses and liabilities including damages to our relationships with listeners, consumers, business partners, employees and advertisers.

We may be unable to anticipate or prevent unauthorized access. Our websites and digital platforms are vulnerable to software bugs, computer viruses, internet worms, break-ins, phishing attacks, attempts to overload servers with denial-of-service, or other attacks and similar disruptions from unauthorized use of our and third-party computer systems, any of which could lead to system interruptions, delays, or shutdowns, causing loss of critical data or the unauthorized access to personal data. A security breach could occur due to the actions of outside parties, employee error, malfeasance or a combination of these or other actions. Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security, and availability of our services and technical infrastructure to the satisfaction of our listeners may harm our reputation and our ability to retain existing listeners and attract new listeners. We cannot assure you that the systems and processes that we have designed to protect our data and our listeners’ data, to prevent data loss and to prevent or detect security breaches will provide absolute security, and we may incur significant costs in protecting against or remediating cyber-attacks. If an actual or perceived breach of our security occurs, we may face regulatory or civil liability, lose competitively sensitive business information or suffer disruptions to our business operations, information processes and internal controls. In addition, the public perception of the effectiveness of our security measures or services could be harmed, we could lose listeners, consumers, business partners and advertisers. In the event of a security breach, we could suffer financial exposure in connection with penalties, remediation efforts, investigations and legal proceedings and changes in our security and system protection measures. In the event an E.U. regulator were to determine we had not adequately complied with E.U. General Data Protection Regulation (“GDPR”) standards, we may (i) incur regulatory financial penalties or (ii) be required to notify European Data Protection Authorities, within strict time periods, about any personal data breaches, unless the personal data breach is unlikely to result in a risk to the rights and freedoms of the affected individuals. We may also be required to notify the affected individuals of the personal data breach where there is a high risk to their rights and freedoms. If we suffer a personal data breach, we could be fined up to EUR 20 million or 4% of worldwide annual turnover of the preceding financial year, whichever is greater. Any data breach by service providers that are acting as data processors (i.e., processing personal data on our behalf) could also mean that we are subject to these fines and have to comply with the notification obligations set out above.

We have engaged in restructuring activities in the past, and may need to implement further restructurings in the future and our restructuring efforts may not be successful or generate expected cost savings.

We actively seek to adapt our cost structure to the changing economics of the industry. For example, in the first quarter of 2020, we announced our modernization initiatives, which will take advantage of the significant investments we have made in new technologies to build an operating infrastructure that provides better quality and newer products and delivers new cost efficiencies. In addition, in response to the COVID-19 pandemic, we have taken steps to significantly reduce our capital and operating expenditures. There can be no assurance that we will be successful in upgrading our systems and processes effectively or on the timetable and at the costs contemplated, or that we will achieve the expected long-term cost savings.

We may be required to implement further restructuring activities, make additions or other changes to our management or workforce based on other cost reduction measures or changes in the markets and industry in which we compete. Restructuring activities can create unanticipated consequences and negative impacts on the business, and we cannot be sure that any ongoing or future restructuring efforts will be successful or generate expected cost savings.

Risks Related to our Indebtedness

Our substantial indebtedness may adversely affect our financial health and operating flexibility.

We currently have a \$450.0 million undrawn senior secured asset-based revolving credit facility, \$4,600.8 million in principal amount of secured debt and \$1,456.8 million in principal amount of unsecured debt. This substantial amount of indebtedness could have important consequences to us, including:

- increase our vulnerability to adverse general economic, industry, or competitive developments;
- require us to dedicate a more substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, investments, acquisitions, capital expenditures, and other general corporate purposes;
- limit our ability to make required payments under our existing contractual commitments, including our existing long-term indebtedness;
- require us to sell certain assets;
- restrict us from making strategic investments, including acquisitions, or causing us to make non-strategic divestitures;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- cause us to incur substantial fees from time to time in connection with debt amendments or refinancings;
- increase our exposure to rising interest rates because a substantial portion of our borrowings is at variable interest rates; and
- limit our ability to borrow additional funds or to borrow on terms that are satisfactory to us.

Our financing agreements also contain covenants that may restrict our or our subsidiaries' ability to, among other things, incur additional indebtedness, create liens on assets, engage in mergers, consolidations, liquidations and dissolutions, sell assets, pay dividends and distributions, make investments, loans, or advances, prepay certain junior indebtedness, engage in certain transactions with affiliates, amend material agreements governing certain junior indebtedness, and change lines of business. Although the covenants in our financing agreements are subject to various exceptions, we cannot assure you that these covenants will not adversely affect our ability to finance future operations, capital needs, or to engage in other activities that may be in our best interest. In addition, in certain circumstances, our long-term debt may require us to maintain specified financial ratios, which may require that we take action to reduce our debt or to act in a manner contrary to our business objectives. A breach of any of these covenants could result in a default under our financing agreements.

In addition, we may be able to incur additional indebtedness in the future. To the extent we incur additional indebtedness, the risks associated with our leverage described above would increase.

Uncertainty relating to the LIBOR calculation process and potential phasing out of LIBOR after 2021 may adversely affect the market value of our current or future debt obligations.

The London Inter-bank Offered Rate (“LIBOR”) and certain other interest “benchmarks” may be subject to regulatory guidance and/or reform that could cause interest rates under our current or future debt agreements to perform differently than in the past or cause other unanticipated consequences. Regulators that oversee LIBOR have announced that they intend to stop encouraging or requiring banks to submit data used to compile certain LIBOR rates after 2021 and, in some cases, by mid-2023, and it is unclear if LIBOR will cease to exist or if new methods of calculating LIBOR will evolve. If LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, interest rates on our debt obligations may be adversely affected.

Regulatory, Legislative and Litigation Risks

Extensive current government regulation, and future regulation, may limit our radio broadcasting and other operations or adversely affect our business and financial results.

The domestic radio industry is heavily regulated by federal laws and regulations of several agencies, including the FCC. For example, the FCC could impact our profitability by imposing large fines on us if, in response to pending or future complaints, it finds that we violated FCC regulations. The FCC’s enforcement priorities are subject to change, and we cannot predict which areas of legal compliance the FCC will focus on in the future. We have received, and may receive in the future, letters of inquiry and other notifications from the FCC concerning compliance with the Communications Act and FCC rules, and we cannot predict the outcome of any outstanding or future letters of inquiry and notifications from the FCC or the nature or extent of future FCC enforcement actions.

Additionally, we cannot be sure that the FCC will approve renewal of the licenses we must have in order to operate our stations. Nor can we be assured that our licenses will be renewed without conditions and for a full term. Beginning in June 2019 and continuing through April 2022, we (along with all other FCC radio broadcast licensees) are submitting applications to renew the FCC licenses for each of our broadcast radio stations on an every two-month rolling schedule by state. The non-renewal, or conditioned renewal, of a substantial number of these FCC licenses could have a materially adverse impact on our operations. Furthermore, possible changes in interference protections, spectrum allocations and other technical rules may negatively affect the operation of our stations. In addition, Congress, the FCC and other regulatory agencies have considered, and may in the future consider and adopt, new laws, regulations and policies that could, directly or indirectly, have an adverse effect on our business operations and financial performance.

Legislation and certain ongoing litigation and royalty audits may require us to pay additional royalties, including to additional parties such as record labels or recording artists.

We currently pay royalties to composers and music publishers, including through BMI, ASCAP, SESAC and GMR. We also pay royalties to record companies and their representative, SoundExchange, for digital music transmissions. Currently, Congress does not require that broadcasters pay royalties associated with the public performance of sound recordings for over-the-air transmissions. From time to time, however, Congress considers legislation that could change this.

Moreover, it is possible that our license fees and negotiating costs associated with obtaining rights to use musical compositions and sound recordings in our programming could materially increase as a result of private negotiations, one or more regulatory rate-setting processes, or administrative and court decisions. For example, we are involved in pending litigation, royalty audits and/or negotiations with ASCAP and BMI related to royalty payments for the public performance of musical compositions, the outcome of which could cause us to owe increased royalty payments and adversely impact our business.

We are also involved in a proceeding before the CRB to determine statutory rates and terms for the public performance and ephemeral reproduction of sound recordings by various non-interactive webcasters, including iHeart, for the period from January 1, 2021 to December 31, 2025. The outcome of this proceeding may result in an increase to our licensing costs. Also, in October 2018, legislation was signed into law that creates a public performance right under federal law for pre-February 15, 1972 recordings streamed online. This law may increase our licensing costs.

Increased royalty rates could significantly increase our expenses, which could adversely affect our business and results of operations. Various other regulatory matters relating to our business are now, or may become, the subject of court litigation, and we cannot predict the outcome of any such litigation or its impact on our business.

Regulations and consumer concerns regarding data privacy and data protection, or any failure to comply with these regulations, could hinder our operations.

We utilize personal, demographic and other information from and about our listeners, consumers, business partners and advertisers as they interact with us. For example: (1) our broadcast radio station websites and our iHeartRadio digital platform collect personal information as users use our services register for our services, fill out their listener profiles, post comments, use our social networking features, participate in polls and contests and sign-up to receive email newsletters; (2) we use tracking technologies, such as “cookies,” to manage and track our listeners’ interactions with us so that we can deliver relevant music content and advertising; (3) we accept credit cards as a method of payment from consumers, business partners and advertisers; however, the data collection related to processing such payments is handled by personal information compliant third-parties on our behalf; and (4) we collect precise location data about certain of our platform users for analytics, attribution and advertising purposes.

We are subject to numerous federal, state and foreign laws and regulations relating to consumer protection, information security, data protection and privacy, among other things. Many of these laws are still evolving, new laws may be enacted and any of these laws could be amended or interpreted by the courts or regulators in ways that could harm our business. For example, our ongoing efforts to comply with regulatory regimes such as the GDPR, effective as of May 2018, or the California Consumer Privacy Act (“CCPA”), effective as of January 2020, entails substantial expenses, diverts resources from other initiatives and projects, and could limit the services we are able to offer. The CCPA provides for a private right of action for unauthorized access, theft or disclosure of personal information in certain situations with possible damage awards of \$100 to \$750 per consumer per incident, or actual damages, whichever is greater, and also permits class action lawsuits. The California Attorney General may also impose penalties of up to \$7,500 for each intentional violation of the CCPA. Additionally, a new California ballot initiative, the California Privacy Rights Act (the “CPRA”) passed in California in November 2020. The CPRA will impose additional data protection obligations on companies doing business in California, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The majority of the provisions will go into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required.

In addition, changes in consumer rights, expectations and demands regarding privacy and data protection could restrict our ability to collect, use, disclose and derive economic value from demographic and other information related to our listeners, consumers, business partners and advertisers, or to transfer employee data within the corporate group. New consumer rights, including the right for consumers to prevent the sale of their data or have their data deleted could lead to a depletion of our consumer database. Such new consumer rights and restrictions on our use of consumer data could limit our ability to provide customized music content to our listeners, interact directly with our listeners and consumers and offer targeted advertising opportunities to our business partners and advertisers. Although we have implemented and are implementing policies and procedures designed to comply with these laws and regulations, any failure or perceived failure by us to comply with our policies or applicable regulatory requirements related to consumer protection, information security, data protection and privacy could result in a loss of confidence in us, damage to our brands, the loss of listeners, consumers, business partners and advertisers, as well as proceedings against us by governmental authorities or others, which could hinder our operations and adversely affect our business.

Environmental, health, safety and land use laws and regulations may limit or restrict some of our operations.

As the owner or operator of various real properties and facilities, we must comply with various foreign, federal, state and local environmental, health, safety and land use laws and regulations. We and our properties are subject to such laws and regulations relating to the use, storage, disposal, emission and release of hazardous and non-hazardous substances and employee health and safety as well as zoning restrictions. Historically, we have not incurred significant expenditures to comply with these laws. However, additional laws which may be passed in the future, or a finding of a violation of or liability under existing laws, could require us to make significant expenditures and otherwise limit or restrict some of our operations.

Risks Related to our Recent Emergence from the Chapter 11 Cases

Our actual financial results following our emergence from the Chapter 11 Cases are not comparable to our historical financial information.

Following the Separation and Reorganization, we began to operate under a new capital structure. As a result of the Separation and Reorganization, we no longer include CCOH in our consolidated financial statements following the Effective Date. In addition, we adopted fresh-start accounting and, as a result, at the Effective Date, our assets and liabilities were

recorded at fair value, which resulted in values that are different than the values recorded in our historical financial statements. Accordingly, our financial condition and results of operations from and after the Effective Date are not comparable to the financial condition or results of operations reflected in our historical financial statements. As a result of all these factors, our historical financial information is not indicative of our future financial performance.

It is possible that the Chapter 11 Cases may give rise to unfavorable tax consequences for us.

The tax treatment of the transactions consummated in the Chapter 11 Cases, including the Separation and cancellation of existing indebtedness, is highly complex. The Separation resulted in the recognition of a loss for federal and most state income tax purposes and, therefore, such transactions did not result in material cash tax liability. However, the Internal Revenue Service or other taxing authorities could assert in connection with a subsequent audit that additional cash tax liabilities may have arisen in connection with such transactions. To the extent the transactions do give rise to any cash tax liability, CCOH, iHeartCommunications, the Company and various other entities would be jointly and severally liable under applicable law for any such amounts. The allocation of any such liabilities among the Company and its subsidiaries post-consummation of the Plan of Reorganization and CCOH are addressed by the new tax matters agreement that was entered into in connection with the Separation.

We have substantially reduced or eliminated certain of our tax attributes, including NOL carryforwards, as a result of any cancellation of indebtedness income realized in connection with the Chapter 11 Cases.

The consummation of the Chapter 11 Cases resulted in an “ownership change,” as defined in Section 382 of the U.S. Internal Revenue Code of 1986, as amended. As a result, even if any NOLs or other tax attributes are not eliminated by cancellation of indebtedness income arising as a result of the Chapter 11 Cases, our ability to utilize any such attributes may be limited in the future.

In connection with the Separation, the Outdoor Group agreed to indemnify us and we agreed to indemnify the Outdoor Group for certain liabilities. There can be no assurance that the indemnities from the Outdoor Group will be sufficient to insure us against the full amount of such liabilities.

Pursuant to agreements that we entered into with the Outdoor Group in connection with the Separation, the Outdoor Group agreed to indemnify us for certain liabilities, and we agreed to indemnify the Outdoor Group for certain liabilities. For example, we will indemnify the Outdoor Group for liabilities to the extent such liabilities related to the business, assets and liabilities of iHeartMedia as well as liabilities relating to a breach of the Separation Agreement. We will also indemnify the Outdoor Group for 50% of certain tax liabilities imposed on the Outdoor Group in connection with the Separation on or prior to the third anniversary of the Separation in excess of \$5.0 million, with our aggregate liability limited to \$15.0 million, and will reimburse the Outdoor Group for one-third of potential costs relating to certain agreements between the Outdoor Group and third parties in excess of \$10.0 million up to the first \$35.0 million of such costs such that we will not bear more than \$8.33 million of such costs. However, third parties might seek to hold us responsible for liabilities that the Outdoor Group agreed to retain, and there can be no assurance that the Outdoor Group will be able to fully satisfy their respective indemnification obligations under these agreements. In addition, indemnities that we may be required to provide to the Outdoor Group could be significant and could adversely affect our business.

Risks Related to our Class A Common Stock

We do not intend to pay dividends on our Class A common stock for the foreseeable future.

We currently have no intention to pay dividends on our Class A common stock at any time in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant.

We are a holding company and rely on dividends, distributions and other payments, advances and transfers of funds from our subsidiaries to meet our obligations.

We are a holding company that does not conduct any business operations of our own. As a holding company, our investments in our operating subsidiaries constitute all of our operating assets. Our subsidiaries conduct all of our consolidated operations and own substantially all of our consolidated assets. As a result, we must rely on dividends and other advances, distributions and transfers of funds from our subsidiaries to meet our obligations. The ability of our subsidiaries to pay dividends or make other advances, distributions and transfers of funds will depend on their respective results of operations and

may be restricted by, among other things, applicable laws limiting the amount of funds available for payment of dividends and certain restrictive covenants contained in the agreements of those subsidiaries. The deterioration of income from, or other available assets of, our subsidiaries for any reason could limit or impair their ability to pay dividends or other distributions to us.

Conversion of shares of our Class B common stock and Special Warrants into our Class A common stock would cause significant dilution to our shareholders and may adversely impact the market price of our Class A common stock.

As of February 22, 2021, we had 110,923,534 shares of Class A common stock, 29,088,181 shares of Class B common stock and 6,201,453 Special Warrants outstanding. Each Special Warrant is currently exercisable for one share of Class A common stock or Class B common stock and each share of Class B common stock is currently convertible into one share of Class A common stock, in each case subject to the Ownership Restrictions described in Part I, Item 1, “Business” of this report. Upon the exercise of any Special Warrants or the conversion of any shares of Class B common stock, your voting rights as a holder of Class A common stock will be proportionately diluted. The issuance of additional shares of Class A common stock would increase the number of our publicly traded shares, which could depress the market price of our Class A common stock.

Delaware law and certain provisions in our certificate of incorporation may prevent efforts by our stockholders to change the direction or management of our company.

Our certificate of incorporation and our by-laws contain provisions that may make the acquisition of our company more difficult without the approval of our Board, including, but not limited to, the following:

- for the first three years following the Effective Date, our board of directors will be divided into three equal classes, with members of each class elected in different years for different terms, making it impossible for stockholders to change the composition of our entire Board in any given year;
- action by stockholders may only be taken at an annual or special meeting duly called by or at the direction of a majority of our Board;
- advance notice for all stockholder proposals is required;
- subject to the rights of holders of any outstanding shares of our preferred stock, for so long as our board remains classified our directors may only be removed for cause and upon the affirmative vote of holders of a majority of the voting power of the outstanding shares of our Class A common stock; and
- for the first three years following the Effective Date, any amendment, alteration, rescission or repeal of the anti-takeover provisions of the charter, requires the affirmative vote of at least 66 2/3% in voting power of the outstanding shares of our stock entitled to vote generally in the election of directors.

We are also subject to the anti-takeover provisions contained in Section 203 of the General Corporation Law of the State of Delaware. Under these provisions, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its voting stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the business combination or the transaction by which the person became an interested stockholder.

In addition, we have adopted a stockholder rights plan that could make it more difficult for a third-party to acquire our Class A common stock, Class B common stock or Special Warrants without the approval of our Board.

These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board or initiate actions that are opposed by our Board, including actions to delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware, subject to certain exceptions, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders and our bylaws designate the federal district courts of the United States as the exclusive forum for actions arising under the Securities Act of 1933, as amended, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware, subject to certain exceptions, is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against the company or any director or officer or employee of the company arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine. In addition, our bylaws provide that the federal district courts of the United States are the exclusive forum for any complaint raising a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our certificate of incorporation and bylaws described above. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employee, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our certificate of incorporation or bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

Regulations imposed by the Communications Act and the FCC limit the amount of foreign individuals or entities that may invest in our capital stock without FCC approval.

The Communications Act and FCC regulations prohibit foreign entities or individuals from indirectly (i.e., through a parent company) owning or voting more than 25 percent of the equity in a corporation controlling the licensee of a radio broadcast station unless the FCC determines greater indirect foreign ownership is in the public. The FCC generally will not make such a determination absent favorable executive branch review.

The FCC calculates foreign voting rights separately from equity ownership, and both must be at or below the 25 percent threshold absent a foreign ownership declaratory ruling. To the extent that our aggregate foreign ownership or voting percentages exceeds 25 percent, any individual foreign holder of our common stock whose ownership or voting percentage would exceed 5 percent or 10 percent (with the applicable percentage determined pursuant to FCC rules) will additionally be required to obtain the FCC's specific approval.

On November 5, 2020, the FCC issued the Declaratory Ruling which authorizes us to have aggregate foreign ownership and voting percentages of up to 100 percent and specifically approves certain of our stockholders that are deemed to be foreign under FCC rules, subject to certain conditions. Among those conditions is a requirement that we comply with the LOA that we entered into with the DOJ. The Declaratory Ruling also requires us to take our Special Warrants into account in determining our foreign ownership compliance. A direct or indirect owner of our securities that is deemed to be foreign under FCC rules could require us to take action under the Declaratory Ruling and the FCC's foreign ownership rules if that owner acquires more than 5 percent, or more than 10 percent for certain "passive" investors, of our voting equity or total equity (including the Special Warrants on an as-exercised basis), without obtaining specific approval from the FCC through a new petition for declaratory ruling. On February 5, 2021, Honeycomb filed a Schedule 13D with the SEC reporting ownership of more than 5% of our voting stock and equity. Honeycomb acquired its interest without our knowledge or control, and we are fulfilling our obligations under the Declaratory Ruling and the FCC rules with respect to Honeycomb's interest.

Direct or indirect ownership of our securities could result in the violation of the FCC's media ownership rules by investors with "attributable interests" in other radio stations or in the same market as one or more of our broadcast stations.

Under the FCC's media ownership rules, a direct or indirect owner of our securities could violate and/or cause us to violate the FCC's structural media ownership limitations if that person owns or acquires an "attributable" interest in other radio stations in the same market as one or more of our radio stations. Under the FCC's "attribution" policies the following relationships and interests generally are cognizable for purposes of the substantive media ownership restrictions: (1) ownership of 5 percent or more of a media company's voting stock (except that, for a narrowly defined class of passive investors, the attribution threshold is 20 percent); (2) officers and directors of a media company and its direct or indirect parent(s); (3) any general partnership or limited liability company manager interest; (4) any limited partnership interest or limited liability company member interest that is not "insulated," pursuant to FCC-prescribed criteria, from material involvement in the

management or operations of the media company; (5) certain same-market time brokerage agreements; (6) certain same-market joint sales agreements; and (7) under the FCC's "equity/debt plus" standard, otherwise non-attributable equity or debt interests in a media company if the holder's combined equity and debt interests amount to more than 33 percent of the "total asset value" of the media company and the holder has certain other interests in the media company or in another media property in the same market. Under the FCC's rules, discrete ownership interests under common ownership, management, or control must be aggregated to determine whether or not an interest is "attributable."

Our certificate of incorporation grants us broad authority to comply with FCC Regulations.

To the extent necessary to comply with the Communications Act, FCC rules and policies, and the Declaratory Ruling, and in accordance with our certificate of incorporation, we may request information from any stockholder or proposed stockholder to determine whether such stockholder's ownership of shares of capital stock may result in a violation of the Communications Act, FCC rules and policies, or any FCC declaratory ruling. We may further take the following actions, among others, to help ensure compliance with and to remedy any actual or potential violation of the Communications Act, FCC rules and policies, or any FCC declaratory ruling, or to prevent the loss or impairment of any of our FCC licenses: (i) prohibit, suspend or rescind the ownership, voting or transfer of any portion of our outstanding capital stock; (ii) redeem capital stock; and (iii) exercise any and all appropriate remedies, at law or in equity, in any court of competent jurisdiction, against any stockholder, to cure any such actual or potential violation or impairment.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this report are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, our acquisition of Triton, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, strategies or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- risks associated with weak or uncertain global economic conditions and their impact on the level of expenditures for advertising;
- the impact of the COVID-19 pandemic on our business, financial position and results of operations;
- intense competition including increased competition from alternative media platforms and technologies;
- dependence upon the performance of on-air talent, program hosts and management as well as maintaining or enhancing our master brand;
- fluctuations in operating costs;
- technological changes and innovations;
- shifts in population and other demographics;
- the impact of our substantial indebtedness;
- the impact of acquisitions, dispositions and other strategic transactions;
- legislative or regulatory requirements;
- the impact of legislation, ongoing litigation or royalty audits on music licensing and royalties;
- regulations and consumer concerns regarding privacy and data protection, and breaches of information security measures;
- risks associated with our recent emergence from the Chapter 11 Cases;
- risks related to our Class A common stock;
- regulations impacting our business and the ownership of our securities; and
- other factors disclosed in the section entitled "Risk Factors" and elsewhere in this report.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Corporate

Our corporate headquarters are located in San Antonio, Texas, where we lease space for executive offices and a data and administrative service center. In addition, certain of our executive and other operations are located in New York, New York.

Audio

The types of properties required to support each of our radio stations include offices, studios, transmitter sites and antenna sites. We either own or lease our transmitter and antenna sites. A radio station’s studios are generally housed with its offices in downtown or business districts. A radio station’s transmitter sites and antenna sites are generally positioned in a manner that provides maximum market coverage.

The studios and offices of our radio stations are located in leased or owned facilities. These leases generally have expiration dates that range from one to 40 years. We do not anticipate any difficulties in renewing those leases that expire within the next several years or in leasing other space, if required. We lease substantially all of our towers and antennas and own substantially all of the other equipment used in our Audio business. For additional information regarding our Audio properties, see “Item 1. Business.”

ITEM 3. LEGAL PROCEEDINGS

Although we are involved in a variety of legal proceedings in the ordinary course of business, a large portion of our litigation arises in the following contexts: commercial disputes; defamation matters; employment and benefits related claims; governmental fines; intellectual property claims; and tax disputes.

For additional information regarding legal proceedings, refer to Note 10, *Commitments and Contingencies* “-Chapter 11 Cases” and “-Stockholder Litigation” to our Consolidated Financial Statements included in Item 8, Part II of this Annual Report on Form 10-K.

Alien Ownership Restrictions and FCC Petition for Declaratory Ruling

The Communications Act and FCC regulation prohibit foreign entities and individuals from having direct or indirect ownership or voting rights of more than 25 percent in a corporation controlling the licensee of a radio broadcast station unless the FCC finds greater foreign ownership to be in the public interest (the “Foreign Ownership Rule”). Under the Plan of

Reorganization, the Company committed to file the PDR requesting the FCC to permit the Company to be up to 100% foreign-owned.

On November 5, 2020, the FCC issued the Declaratory Ruling granting the relief requested by the PDR, subject to certain conditions.

On November 9, 2020, the Company notified the holders of Special Warrants of the commencement of an exchange process (the notification, the "Exchange Notice," and the exchange, the "Exchange"). In the Exchange, which took place on January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into Class A common stock or Class B common stock, in compliance with the Declaratory Ruling, the Communications Act and FCC rules. Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

INFORMATION ABOUT OUR DIRECTORS & EXECUTIVE OFFICERS

The following information with respect to our Board of Directors (the "Board") and executive officers is presented as of February 25, 2021:

<u>Name</u>	<u>Age</u>	<u>Position at iHeartMedia</u>	<u>Principal Employment</u>
Robert W. Pittman	67	Chairman and Chief Executive Officer	Same
Richard J. Bressler	63	President, Chief Operating Officer, Chief Financial Officer and Director	Same
Gary Barber	63	Director	Chairman and Chief Executive Officer of Spyglass Media Group, LLC, a premium content company
Brad Gerstner	49	Director	Chief Executive Officer and Chief Investment Officer of Altimeter Capital Management, LP, an technology focused investment firm
Sean Mahoney	58	Director	Private investor
Cheryl Mills	56	Director	Founder and Chief Executive Officer of the BlackIvy Group LLC, a private holding company that grows and builds businesses in Sub-Saharan Africa
James A. Rasulo	65	Director	Former Chief Financial Officer and Senior Executive Vice President at Walt Disney Company, a global mass media and entertainment conglomerate
Kamakshi Sivaramakrishnan	45	Director	Leading an integration and identity charter at LinkedIn, an employment technology services company
Michael B. McGuinness	44	Executive Vice President – Finance and Deputy Chief Financial Officer	Same
Scott D. Hamilton	51	Senior Vice President, Chief Accounting Officer and Assistant Secretary	Same

PART II

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

Market Information

Shares of our Class A common stock are quoted for trading on the Nasdaq Global Select Market ("Nasdaq") under the symbol "IHRT." There were 604 stockholders of record of our Class A common stock as of February 22, 2021. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

There is no established public trading market for our Class B common stock. There were 29,088,181 shares of our Class B common stock outstanding on February 22, 2021. Holders of shares of the Successor Company's Class B common stock are generally entitled to convert shares of Class B common stock into shares of Class A common stock on a one-for-one basis, subject to the Company's ability to restrict conversion in order to comply with the Communications Act of 1934, as amended (the "Communications Act") and Federal Communications Commission ("FCC") regulations. There were 89 stockholders of record of our Class B common stock as of February 22, 2021. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

On November 5, 2020, the FCC issued the Declaratory Ruling, which permits the Company to be up to 100% foreign-owned, subject to certain conditions. On January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into Class A common stock or Class B common stock, in compliance with the Declaratory Ruling, the Communications Act and FCC rules. Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock. Each Special Warrant issued under the special warrant agreement entered into in connection with the Reorganization may be exercised by its holder to purchase one share of the Company's Class A common stock or Class B common stock, unless the Company in its sole discretion believes such exercise would, alone or in combination with any other existing or proposed ownership of common stock, result in, (a) subject to certain exceptions, such exercising holder owning more than 4.99 percent of the Company's outstanding Class A common stock or total equity, or (b) the Company violating any provision of the Communications Act or restrictions on ownership or transfer imposed by the Company's certificate of incorporation or the decisions, rules and policies of the FCC. Any holder exercising Special Warrants must complete and timely deliver to the warrant agent the required exercise forms and certifications required under the special warrant agreement. There were 6,201,453 Special Warrants outstanding on February 22, 2021.

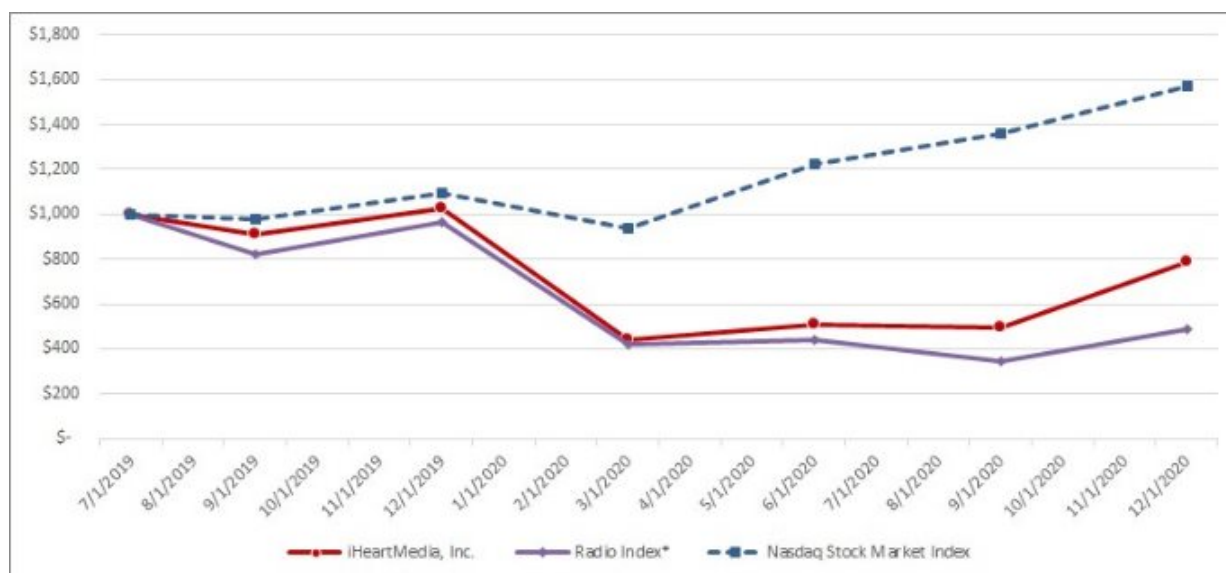
For more information regarding our Class A common Stock, Class B common stock and Special Warrants, refer to Note 12, Stockholders' Equity to our consolidated financial statements in Item 8 of Part II of this Annual Report on Form 10-K.

We currently have no intention to pay dividends on our Class A common stock at any time in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant.

Stock Performance Graph

The following chart provides a comparison of the cumulative total returns, adjusted for any stock splits and dividends, for iHeartMedia, Inc., our Radio Index* and the Nasdaq Stock Market Index for the period from July 18, 2019, the day our Class A common stock was listed and began trading on the Nasdaq, through December 31, 2020.

Indexed Stock Price Close
(Price Adjusted for Stock Splits and Dividends)



Source: Yahoo Finance

* We have constructed a peer group index comprised of other radio companies that includes Cumulus Media, Beasley Broadcast Group and Entercom Communications. Our peer group index previously included Emmis Communications, which delisted from Nasdaq in 2020 and we have replaced with Beasley Broadcast Group.

	7/18/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
iHeartMedia, Inc.	\$ 1,000	\$ 909	\$ 1,024	\$ 443	\$ 506	\$ 492	\$ 787
Radio Index*	\$ 1,000	\$ 780	\$ 860	\$ 422	\$ 439	\$ 344	\$ 489
Nasdaq Stock Market Index	\$ 1,000	\$ 975	\$ 1,093	\$ 938	\$ 1,226	\$ 1,361	\$ 1,570

Purchases of Equity Securities

The following table sets forth the purchases made during the quarter ended December 31, 2020 by or on behalf of us or an affiliated purchaser of shares of our Class A common stock registered pursuant to Section 12 of the Exchange Act:

Period	Total Number of Shares Purchased⁽¹⁾	Average Price Paid per Share⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 through October 31	759	\$ 8.19	—	\$ —
November 1 through November 30	9,673	8.53	—	—
December 1 through December 31	6,923	8.35	—	—
Total	17,355	\$ 8.45	—	—

⁽¹⁾The shares indicated consist of shares of our Class A common stock tendered by employees to us during the three months ended December 31, 2020 to satisfy the employees' tax withholding obligation in connection with the vesting and release of restricted shares, which are repurchased by us based on their fair market value on the date the relevant transaction occurs.

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth our selected historical consolidated financial and other data as of the dates and for the periods indicated. The selected historical financial data are derived from our audited consolidated financial statements. Certain prior period amounts have been reclassified to conform to the 2020 presentation. Historical results are not necessarily indicative of the results to be expected for future periods. Acquisitions and dispositions impact the comparability of the historical consolidated financial data reflected in this schedule of Selected Financial Data.

The selected historical consolidated financial and other data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes thereto located within Item 8 of Part II of this Annual Report on Form 10-K.

(In thousands, except per share data)

	Successor Company		Predecessor Company			
	For the Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	For the Years Ended December 31,		
	2020	2019	2019	2018	2017	2016
Results of Operations Data:						
Revenue	\$ 2,948,218	\$ 2,610,056	\$ 1,073,471	\$ 3,611,323	\$ 3,586,647	\$ 3,574,633
Operating expenses:						
Direct operating expenses (excludes depreciation and amortization)	1,163,148	878,956	381,184	1,132,439	1,121,088	1,024,402
Selling, general and administrative expenses (excludes depreciation and amortization)	1,225,097	897,670	427,230	1,350,157	1,318,346	1,202,841
Corporate expenses (excludes depreciation and amortization)	144,572	136,171	53,647	184,216	174,400	187,263
Depreciation and amortization	402,929	249,623	52,834	211,951	275,304	291,103
Impairment charges ⁽¹⁾	1,738,752	—	91,382	33,150	6,040	726
Other operating (income) expense, net	11,344	8,000	154	9,266	(9,313)	1,132
Operating income (loss)	(1,737,624)	439,636	67,040	690,144	700,782	867,166
Interest expense (income), net	343,745	266,773	(499)	334,798	1,484,435	1,475,090
Loss on investments	(9,346)	(20,928)	(10,237)	(472)	(3,827)	(13,438)
Equity in earnings (loss) of nonconsolidated affiliates	(379)	(279)	(66)	116	(1,865)	(15,044)
Gain on extinguishment of debt	—	—	—	—	1,271	157,556
Other income (expense), net	(7,751)	(18,266)	23	(23,007)	(45,122)	(2,420)
Reorganization items, net	—	—	9,461,826	(356,119)	—	—
Income (loss) from continuing operations before income taxes	(2,098,845)	133,390	9,519,085	(24,136)	(833,196)	(481,270)
Income tax benefit (expense)	183,623	(20,091)	(39,095)	(13,836)	177,188	127,130
Income (loss) from continuing operations	(1,915,222)	113,299	9,479,990	(37,972)	(656,008)	(354,140)
Income (loss) from discontinued operations, net of tax	—	—	1,685,123	(164,667)	197,297	107,568
Net income (loss)	(1,915,222)	113,299	11,165,113	(202,639)	(458,711)	(246,572)
Less amount attributable to noncontrolling interest	(523)	751	(19,028)	(729)	(60,651)	55,484
Net income (loss) attributable to the Company	\$ (1,914,699)	\$ 112,548	\$ 11,184,141	\$ (201,910)	\$ (398,060)	\$ (302,056)

(In thousands, except per share data)

	Successor Company		Predecessor Company			
	For the Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1, 2019	For the Years Ended December 31,		
	2020	2019		2018	2017	2016
Net income (loss) per common share:						
Basic:						
From continuing operations	\$ (13.12)	\$ 0.77	\$ 109.92	\$ (0.44)	\$ (7.71)	\$ (4.19)
From discontinued operations	—	—	19.76	(1.93)	3.02	0.62
Basic net income (loss) per share	\$ (13.12)	\$ 0.77	\$ 129.68	\$ (2.36)	\$ (4.68)	\$ (3.57)
Diluted:						
From continuing operations	\$ (13.12)	\$ 0.77	\$ 109.92	\$ (0.44)	\$ (7.71)	\$ (4.19)
From discontinued operations	—	—	19.76	(1.93)	3.02	0.62
Diluted net income (loss) per share	\$ (13.12)	\$ 0.77	\$ 129.68	\$ (2.36)	\$ (4.68)	\$ (3.57)

(1) We recorded non-cash impairment charges of \$1,738.8 million, \$0.0 million, \$91.4 million \$33.2 million, \$6.0 million and \$0.7 million during 2020, the period from May 2, 2019 through December 31, 2019, the period from January 1, 2019 through May 1, 2019, 2018, 2017 and 2016, respectively. Our impairment charges are discussed more fully in Item 8 of Part II of this Annual Report on Form 10-K.

(In thousands)

	Successor Company		Predecessor Company		
	As of December 31,		As of December 31,		
	2020	2019	2018	2017	2016
Balance Sheet Data:					
Current assets	\$ 1,618,976	\$ 1,416,348	\$ 2,235,017	\$ 2,067,347	\$ 2,494,229
Property, plant and equipment, net	811,702	846,876	502,202	489,685	535,329
Total assets	9,202,961	11,021,099	12,269,515	12,260,431	12,851,789
Current liabilities	717,804	667,398	1,247,649	16,354,597	1,674,574
Long-term debt, net of current maturities	5,982,155	5,756,504	—	410,661	14,912,060
Liabilities subject to compromise	—	—	16,480,256	—	—
Stockholders' equity (deficit)	1,050,817	2,945,441	(11,560,342)	(11,344,344)	(10,901,861)

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

OVERVIEW

Format of Presentation

Management's discussion and analysis of our financial condition and results of operations ("MD&A") should be read in conjunction with the consolidated financial statements and related footnotes contained in Item 8 of this Annual Report on Form 10-K of iHeartMedia, Inc. (the "Company," "iHeartMedia," "we," or "us").

Our primary business provides media and entertainment services via broadcast and digital delivery, including our networks businesses, through our Audio segment. We also operate businesses that provide audio and media services through our Audio and Media Services segment, including our full-service media representation business, Katz Media Group ("Katz Media") and our provider of scheduling and broadcast software and services, RCS. Following the Separation, we ceased to operate our former outdoor business, which prior to the Separation was presented as our Americas outdoor segment and our International outdoor segment. The historical results of the outdoor business have been reclassified as results from discontinued operations.

Over the past ten years, we have transitioned our Audio business from a single platform radio broadcast operator to a company with multiple platforms including podcasting, networks and events. We have also invested in numerous technologies and businesses to increase the competitiveness of our inventory with our advertisers and our audience. We believe that our ability to generate cash flow from operations from our business initiatives and our current cash on hand will provide sufficient resources to fund and operate our businesses, fund capital expenditures and other obligations and make interest payments on our long-term debt for at least the next 12 months.

Certain prior period amounts have been reclassified to conform to the 2020 presentation.

Our Business

Our Audio strategy centers on delivering entertaining and informative content where our listeners want to find us across multiple platforms, including broadcast, digital and live mobile, as well as events. Our primary source of revenue is derived from selling local and national advertising time on our radio stations, with contracts typically less than one year in duration. The programming formats of our radio stations are designed to reach audiences with targeted demographic characteristics. We work closely with our advertising and marketing partners to develop tools and leverage data to enable advertisers to effectively reach their desired audiences. We continue to expand the choices for listeners and we deliver our radio, podcasting and other content and sell advertising across multiple distribution channels, including digitally via our iHeartRadio mobile application and other digital platforms which reach national, regional and local audiences. We also generate revenue from network syndication, our nationally recognized events, our station websites and other miscellaneous transactions.

Management monitors average advertising rates and cost per mille, the cost of every 1,000 advertisement impressions ("CPM"), which are principally based on the length of the spot and how many people in a targeted audience listen to our stations, as measured by an independent ratings service. In addition, our advertising rates are influenced by the time of day the advertisement airs, with morning and evening drive-time hours typically priced the highest. Our price and yield information systems enable our station managers and sales teams to adjust commercial inventory and pricing based on local market demand, as well as to manage and monitor different commercial durations in order to provide more effective advertising for our customers at what we believe are optimal prices given market conditions. Yield is measured by management in a variety of ways, including revenue earned divided by minutes of advertising sold.

Management looks at our Audio operations' overall revenue as well as the revenue from each type of advertising, including local advertising, which is sold predominately in a station's local market, and national advertising, which is sold across multiple markets. Local advertising is sold by each radio station's sales staff while national advertising is sold by our national sales team. Local advertising, which is our largest source of advertising revenue, and national advertising revenues are tracked separately because these revenue streams have different sales teams and respond differently to changes in the economic environment. We periodically review and refine our selling structures in all regions and markets in an effort to maximize the value of our offering to advertisers and, therefore, our revenue.

Management also looks at Audio's revenue by region and market size. Typically, larger markets can reach larger audiences with wider demographics than smaller markets. Additionally, management reviews our share of Audio advertising revenues in markets where such information is available, as well as our share of target demographics listening in an average quarter hour. This metric gauges how well our formats are attracting and retaining listeners.

Management also monitors revenue generated through our programmatic ad-buying platform, Soundpoint, and our data analytics advertising product, SmartAudio, to measure the success of our enhanced marketing optimization tools. We have made significant investments so we can provide the same ad-buying experience that once was only available from digital-only companies and enable our clients to better understand how our assets can successfully reach their target audiences.

A portion of our Audio segment's expenses vary in connection with changes in revenue. These variable expenses primarily relate to costs in our sales department, such as commissions, and bad debt. Our content costs, including music royalty and license fees for music delivered via broadcast or digital streaming, vary with the volume and mix of songs played on our stations and the listening hours on our digital platforms. Our programming and general and administrative departments incur most of our fixed costs, such as utilities and office salaries. We incur discretionary costs in our advertising, marketing and promotions, which we primarily use in an effort to maintain and/or increase our audience share. Lastly, we have incentive systems in each of our departments which provide for bonus payments based on specific performance metrics, including ratings, revenue and overall profitability.

Our advertising revenue is highly correlated to changes in gross domestic product ("GDP") as advertising spending has historically trended in line with GDP. A recession or downturn in the U.S. economy typically has a significant impact on the Company's ability to generate revenue. In light of the novel coronavirus pandemic ("COVID-19") and the resulting recession impacting the U.S. economy, our revenue for the year ended December 31, 2020 has declined significantly compared to 2019, largely as a result of a decline in consumer and business spending and the related impact to the demand for advertising and pricing pressure resulting from greater competition for available advertising dollars. In the third and fourth quarters of 2020, we experienced sequential increases in revenue compared to the second quarter of 2020, although we continued to see year-over-year declines in our Broadcast radio, Networks and Sponsorships revenue streams. Revenue from our Audio and Media Services increased, primarily as a result of higher political revenue, which resulted in an increase of \$61.8 million in revenue in the year ended December 31, 2020 compared to 2019.

When the business environment recovers, we expect that the traditional use of radio will be a strong benefit to us. As businesses reopen both nationally and locally, we believe that we are advantaged by our unparalleled reach and the live and local trusted voices that advertisers need to get their messages out quickly.

In the first quarter of 2020, we announced our modernization initiatives, which take advantage of the significant investments we have made in new technologies to build an operating infrastructure that provides new, high quality products while also unlocking cost efficiencies. These initiatives delivered the expected 2020 in-year savings of approximately \$50 million and remain on track to deliver annualized run-rate cost savings of approximately \$100 million by mid-year 2021. In addition, and as previously discussed, in response to the COVID-19 pandemic, we took steps to significantly reduce our capital and operating expenditures in 2020. These initiatives generated approximately \$200 million of operating cost savings in 2020 and we have identified, and executed on, plans to make substantially all of those savings permanent in 2021 and beyond. For more information, please see the Liquidity and Capital Resources - Anticipated Cash Requirements section below.

On March 26, 2020, we announced the withdrawal of our previously issued financial guidance for the fiscal year ending December 31, 2020 due to heightened uncertainty related to COVID-19. As a precautionary measure to preserve financial flexibility in light of this uncertainty, we borrowed \$350.0 million principal amount under our senior secured asset-based revolving credit facility (the "ABL Facility"). During the second and third quarters of 2020, we repaid the amounts outstanding under our ABL Facility using cash on hand and the proceeds from the issuance of our Incremental Term Loan Facility (as defined below), resulting in no balance outstanding under the facility as of December 31, 2020 and borrowing capacity of \$172 million, as a result of restrictions in iHeartMedia's debt and preferred stock agreements.

In July 2020, iHeartCommunications issued \$450.0 million of incremental term loans pursuant to an amendment (the "Incremental Term Loan Facility") to the credit agreement (as amended, the "Credit Agreement") with iHeartMedia Capital I, LLC ("Capital I"), as guarantor, certain subsidiaries of iHeartCommunications, Inc. ("iHeartCommunications"), as guarantors, and Bank of America, N.A., as administrative agent, governing the Company's \$2.5 billion aggregate principal amount of senior secured term loans (the "Term Loan Facility"), resulting in net proceeds of \$425.8 million, after original issue discount and debt issuance costs. A portion of the proceeds was used to repay the balance outstanding on our ABL Facility of \$235.0 million, with the remaining \$190.6 million of the proceeds available for general corporate purposes. For more information please refer to the "*Liquidity and Capital Resources* section" in this MD&A.

Impairment Charges

As a result of uncertainty related to COVID-19 and its negative impact on our business and the public trading values of our debt and equity, we were required to perform interim impairment tests on our long-lived assets, intangible assets and indefinite-lived intangible assets as of March 31, 2020. The interim impairment tests resulted in a non-cash impairment of our Federal Communication Commission (“FCC”) licenses of \$502.7 million and a non-cash impairment charge of \$1.2 billion to reduce goodwill during the three months ended March 31, 2020.

The Company performs its annual impairment test on goodwill and indefinite-lived intangible assets, including FCC licenses, as of July 1 of each year. No impairment was required as part of the 2020 annual impairment testing. In addition, no further impairment was considered necessary in the fourth quarter of 2020. For more information, see Note 5, *Property, Plant and Equipment, Intangible Assets and Goodwill* to the consolidated financial statements located in Item 8 of this Annual Report on Form 10-K for a further description of the impairment charges and annual impairment tests.

While we believe we have made reasonable estimates and utilized reasonable assumptions to calculate the fair values of our long-lived assets, indefinite-lived FCC licenses and reporting units, it is possible a material change could occur to the estimated fair value of these assets as a result of the uncertainty regarding the magnitude of the economic downturn caused by the COVID-19 pandemic, as well as the timing of any recovery. If our actual results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations.

Combined Results

Our financial results for the periods from January 1, 2019 through May 1, 2019 and the year ended December 31, 2018 are referred to as those of the “Predecessor” period. Our financial results for the period from May 2, 2019 through December 31, 2019 and the year ended December 31, 2020 are referred to as those of the “Successor” period. Our results of operations as reported in our Consolidated Financial Statements for these periods are prepared in accordance with GAAP. Although GAAP requires that we report on our results for the period from January 1, 2019 through May 1, 2019 and the period from May 2, 2019 through December 31, 2019 separately, management views the Company’s operating results for the year ended December 31, 2019 by combining the results of the applicable Predecessor and Successor periods because such presentation provides the most meaningful comparison to our results in the year ended December 31, 2020.

The Company cannot adequately benchmark the operating results of the period from May 2, 2019 through December 31, 2019 against any of the current or prior periods reported in its Consolidated Financial Statements without combining it with the period from January 1, 2019 through May 1, 2019 and does not believe that reviewing the results of this period in isolation would be useful in identifying trends in or reaching conclusions regarding the Company’s overall operating performance. Management believes that the key performance metrics such as revenue, operating income and Adjusted EBITDA for the Successor period in fiscal 2019 when combined with the Predecessor period in fiscal 2019 provides more meaningful comparisons to other periods and are useful in identifying current business trends. Accordingly, in addition to presenting our results of operations as reported in our Consolidated Financial Statements in accordance with GAAP, the tables and discussion below also present the combined results for the year ended December 31, 2019.

The combined results for the year ended December 31, 2019, which we refer to herein as the results for the “year ended December 31, 2019” represent the sum of the reported amounts for the Predecessor period from January 1, 2019 through May 1, 2019 and the Successor period from May 2, 2019 through December 31, 2019. These combined results are not considered to be prepared in accordance with GAAP and have not been prepared as pro forma results per applicable regulations. The combined operating results do not reflect the actual results we would have achieved absent our emergence from bankruptcy and may not be indicative of future results. Accordingly, the results for the years ended December 31, 2020, 2019 and 2018 may not be comparable, particularly for statement of operations line items significantly impacted by the Reorganization and Separation transactions, the impact of fresh start accounting on depreciation and amortization and the impact of interest expense not being recognized while we were in Chapter 11 bankruptcy protection from the Petition Date of March 14, 2018 to May 1, 2019.

Executive Summary

As 2020 began, we saw strong growth across our revenue streams in January and February, particularly from digital and from political advertising. However, while digital and political revenue continued to grow, the economic downturn as a result of the COVID-19 pandemic had a significant and negative impact on our other revenue streams beginning in March 2020 and continuing through the rest of 2020, including broadcast radio which is our largest revenue stream. Revenue from our Broadcast and Audio and Media Services revenue streams were positively impacted by political revenue as a result of 2020 being a presidential election year. Although revenue improved significantly from the low point through the remainder of 2020, we continued to experience a decline in advertising spend and the postponement or cancellation of certain tent-pole events drove an overall decrease in revenue for the year ended December 31, 2020 compared to the year ended December 31, 2019. The extent of the economic downturn and the timing of recovery, as well as the future impact on our operations, are subject to significant uncertainty. In an effort to further strengthen the Company's financial flexibility and efficiently manage through the COVID-19 pandemic, we implemented measures to cut costs and preserve cash. For additional information on these actions, see the *Liquidity and Capital Resources - Anticipated Cash Requirements* section below.

The key developments in our business for the year ended December 31, 2020 are summarized below:

- Effects of the COVID-19 pandemic adversely impacted revenue for all revenue streams, with the exception of political revenue.
- We achieved approximately \$250 million of cost savings in 2020.
- Revenue of \$2,948.2 million decreased 20.0% during 2020 compared to 2019.
- Revenue decreased 1.9%, 46.6%, 21.5% and 8.8% in the first, second, third and fourth quarters of 2020, respectively, compared to the respective quarters in 2019.
- Operating loss of \$1,737.6 million was down from Operating income of \$506.7 million in 2019.
- Net loss of \$1.9 billion in 2020, driven primarily by an impairment of \$1.7 billion in the first quarter of 2020, as compared to Net income of \$11.3 billion in 2019.
- Adjusted EBITDA⁽¹⁾ of \$538.7 million, was down from Adjusted EBITDA⁽¹⁾ of \$1,000.7 million in 2019.
- Cash flows provided by operating activities from continuing operations of \$215.9 million decreased \$245.5 million or 53.2% compared to 2019.
- Free cash flow⁽²⁾ of \$130.7 million decreased \$218.5 million or 62.6% compared to 2019.

The table below presents a summary of our historical results of operations for the periods presented:

(In thousands)

	Successor Company	Successor Company	Predecessor Company	Non-GAAP Combined	%
	Year Ended December 31, 2020	Period from May 2, 2019 through December 31, 2019	Period from January 1, 2019 through May 1, 2019	Year Ended December 31, 2019	Change
Revenue	\$ 2,948,218	\$ 2,610,056	\$ 1,073,471	\$ 3,683,527	(20.0)%
Operating income (loss)	\$ (1,737,624)	\$ 439,636	\$ 67,040	\$ 506,676	NM
Net income (loss)	\$ (1,915,222)	\$ 113,299	\$ 11,165,113	\$ 11,278,412	NM
Cash provided by (used for) operating activities from continuing operations	\$ 215,945	\$ 468,905	\$ (7,505)	\$ 461,400	(53.2)%
Adjusted EBITDA ⁽¹⁾	\$ 538,673	\$ 775,549	\$ 225,149	\$ 1,000,698	(46.2)%
Free cash flow from (used for) continuing operations ⁽²⁾	\$ 130,740	\$ 392,912	\$ (43,702)	\$ 349,210	(62.6)%

⁽¹⁾ For a definition of Adjusted EBITDA, and a reconciliation to Operating income, the most closely comparable GAAP measure, and to Net Income (Loss), please see "Reconciliation of Operating Income to Adjusted EBITDA" and "Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA" in this MD&A.

⁽²⁾ For a definition of Free cash flow from continuing operations and a reconciliation to Cash provided by operating activities from continuing operations, the most closely comparable GAAP measure, please see "Reconciliation of Cash provided by (used for) operating activities from continuing operations to Free cash flow from (used for) continuing operations" in this MD&A.

Results of Operations

The table below presents the comparison of our historical results of operations for the periods presented:

(In thousands)

	Successor Company	Successor Company	Predecessor Company	Non-GAAP Combined
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2019
Revenue	\$ 2,948,218	\$ 2,610,056	\$ 1,073,471	\$ 3,683,527
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	1,163,148	878,956	381,184	1,260,140
Selling, general and administrative expenses (excludes depreciation and amortization)	1,225,097	897,670	427,230	1,324,900
Corporate expenses (excludes depreciation and amortization)	144,572	136,171	53,647	189,818
Depreciation and amortization	402,929	249,623	52,834	302,457
Impairment charges	1,738,752	—	91,382	91,382
Other operating expense, net	11,344	8,000	154	8,154
Operating income (loss)	(1,737,624)	439,636	67,040	506,676
Interest expense (income), net	343,745	266,773	(499)	266,274
Loss on investments, net	(9,346)	(20,928)	(10,237)	(31,165)
Equity in loss of nonconsolidated affiliates	(379)	(279)	(66)	(345)
Other income (expense), net	(7,751)	(18,266)	23	(18,243)
Reorganization items, net	—	—	9,461,826	9,461,826
Income (loss) from continuing operations before income taxes	(2,098,845)	133,390	9,519,085	9,652,475
Income tax benefit (expense)	183,623	(20,091)	(39,095)	(59,186)
Income (loss) from continuing operations	(1,915,222)	113,299	9,479,990	9,593,289
Income from discontinued operations, net of tax	—	—	1,685,123	1,685,123
Net income (loss)	(1,915,222)	113,299	11,165,113	11,278,412
Less amount attributable to noncontrolling interest	(523)	751	(19,028)	(18,277)
Net income (loss) attributable to the Company	\$ (1,914,699)	\$ 112,548	\$ 11,184,141	\$ 11,296,689

The table below presents the comparison of our revenue streams for the periods presented:

(In thousands)

	Successor Company		Predecessor Company	Non-GAAP Combined	% Change
	Year Ended December 31,	Successor Company	Period from January 1, 2019 through May 1, 2019	Year Ended December 31,	
	2020	Period from May 2, 2019 through December 31, 2019	2019	2019	
Broadcast Radio	\$ 1,604,880	\$ 1,575,382	\$ 657,864	\$ 2,233,246	(28.1)%
Digital	474,371	273,389	102,789	376,178	26.1 %
Networks	484,950	425,631	189,088	614,719	(21.1)%
Sponsorship and Events	107,654	159,187	50,330	209,517	(48.6)%
Audio and Media Services	274,749	167,292	69,362	236,654	16.1 %
Other	9,370	14,211	6,606	20,817	(55.0)%
Eliminations	(7,756)	(5,036)	(2,568)	(7,604)	
Revenue, total	\$ 2,948,218	\$ 2,610,056	\$ 1,073,471	\$ 3,683,527	(20.0)%

Consolidated results for the year ended December 31, 2020 compared to the combined results for the year ended December 31, 2019 were as follows:

Revenue

Revenue decreased \$735.3 million during the year ended December 31, 2020 compared to 2019. The decrease in Revenue is attributable to the macroeconomic effects of COVID-19, which began to unfold into a global pandemic in early March 2020, resulting in a significant economic downturn due to the shut-down of businesses and shelter-in-place orders. Strong revenue growth in January and February was followed by a sharp decline in revenue in March, which continued through the end of 2020, with the exception of October, which saw consolidated revenue growth as a result of strong political advertising spend, resulting in significant revenue declines impacting most of our revenue streams, primarily as a result of a decrease in broadcast radio advertising spend as a result of the COVID-19 pandemic. Broadcast revenue decreased \$628.4 million, driven by a \$432.7 million decrease in Local spot revenue and a \$195.7 million decrease in National spot revenue. The decrease in Broadcast revenue was partially offset by a \$70.5 million increase in political revenue as a result of 2020 being a presidential election year. Revenue from our Networks businesses, including both Premiere and Total Traffic & Weather, was also impacted by the downturn, resulting in a decrease of \$129.8 million. Revenue from Sponsorship and Events decreased by \$101.9 million, primarily as a result of the cancellations of events in response to the COVID-19 pandemic. Digital revenue increased \$98.2 million, driven by continued growth in podcasting, including for both new and existing podcasts, which continued to experience increased advertiser demand. Audio and Media Services revenue increased \$38.1 million primarily due to a \$61.8 million increase in political revenue as a result of 2020 being a presidential election year, partially offset by the effects of COVID-19 on advertising spend.

Direct Operating Expenses

Direct operating expenses decreased \$97.0 million during the year ended December 31, 2020 compared to 2019. The decrease in Direct operating expenses was driven primarily by lower employee compensation expenses resulting from our modernization initiatives and cost reduction initiatives taken in response to the COVID-19 pandemic. In addition, variable operating expenses, including music license and performance royalty fees, decreased in relation to lower revenue recognized during the year. Variable expenses related to events also decreased as a result of the postponement or cancellation of events in response to the COVID-19 pandemic. The decrease in Direct operating expenses was partially offset by severance payments and other costs specific to our modernization initiatives, as well as higher content costs from higher podcasting and digital subscription revenue.

Selling, General and Administrative (“SG&A”) Expenses

SG&A expenses decreased \$99.8 million during the year ended December 31, 2020 compared to 2019. The decrease in SG&A expenses was driven primarily by lower employee compensation expenses resulting from cost reduction initiatives taken in response to the COVID-19 pandemic, along with lower sales commissions, which were impacted by the decrease in revenue. Travel and entertainment expenses also decreased primarily as a result of operating expense saving initiatives put into place in response to the COVID-19 pandemic, as well as trade and barter expenses primarily driven by lower Local trade expenses, which declined in line with lower trade revenue. The decrease in SG&A expenses was partially offset by costs incurred in relation to our modernization initiatives announced in the first quarter of 2020 and higher bad debt expense.

Corporate Expenses

Corporate expenses decreased \$45.2 million during the year ended December 31, 2020 compared to 2019, as a result of lower employee compensation, including variable incentive expenses and employee benefits, resulting from cost reduction initiatives taken in response to the COVID-19 pandemic. The decrease in Corporate expenses was partially offset by costs incurred to support our modernization initiatives.

Depreciation and Amortization

Depreciation and amortization increased \$100.5 million during 2020 compared to 2019, primarily as a result of the application of fresh start accounting, which resulted in significantly higher values of our tangible and intangible long-lived assets.

Impairment Charges

We perform our annual impairment test on our goodwill and FCC licenses as of July 1 of each year. In addition, we test for impairment of intangible assets whenever events and circumstances indicate that such assets might be impaired. As discussed above, as a result of the assumed potential adverse effects caused by the COVID-19 pandemic on estimated future cash flows, we performed an interim impairment test as of March 31, 2020 and we recognized non-cash impairment charges to our indefinite-lived intangible assets and goodwill of \$1.7 billion in the first quarter of 2020. No impairment charges were recorded in the remainder of 2020 in connection with our annual impairment test which was performed in the third quarter of 2020.

We recognized non-cash impairment charges of \$91.4 million in the first quarter of 2019 on our indefinite-lived FCC licenses as a result of an increase in our weighted average cost of capital. See Note 7, *Property, Plant and Equipment, Intangible Assets and Goodwill*, to the consolidated financial statements located in Item 8 of Part II of this Annual Report on Form 10-K for a further description of the impairment charges.

Other Operating Expense, Net

Other operating expense, net of \$11.3 million and \$8.2 million in 2020 and 2019, respectively, primarily related to net losses recognized on the disposal of assets.

Interest Expense, Net

Interest expense, net increased \$77.5 million during 2020 compared to 2019 as a result of the interest recognized on the new debt issued in connection with our emergence from the Chapter 11 Cases. During the period from March 14, 2018 to May 1, 2019, while the Company was a debtor-in-possession, no interest expense was recognized on pre-petition debt. The increase was offset by a decrease in interest expense driven by the impact of lower LIBOR rates, as well as the impact of the amendment to the Term Loan Facility in the first quarter of 2020, resulting in a 1.00% reduction in the Term Loan Facility interest rate.

In the Predecessor period, we ceased to accrue interest expense on long-term debt, which was reclassified as Liabilities subject to compromise as of the Petition Date, resulting in \$533.4 million in contractual interest not being accrued on pre-petition indebtedness for the period from January 1, 2019 to May 1, 2019.

Loss on Investments, net

During the years ended December 31, 2020 and 2019, we recognized loss on investments, net of \$9.3 million and \$31.2 million, respectively, primarily in connection with other-than-temporary declines in the values of certain of our investments.

Other Expense, Net

Other expense, net was \$7.8 million for the year ended December 31, 2020, which related primarily to costs incurred to amend our Term Loan Facility and professional fees incurred in connection with the Chapter 11 Cases in the Successor period.

Other expense, net was \$18.2 million for the year ended December 31, 2019, which related primarily to professional fees incurred in connection with the Chapter 11 Cases in the Successor period. Such expenses were included within Reorganization items, net in the Predecessor period while the Company was a debtor-in-possession.

Reorganization Items, Net

During 2019, we recognized Reorganization items, net of \$9,461.8 million related to our emergence from the Chapter 11 Cases, which consisted primarily of the net gain from the consummation of the Plan of Reorganization and the related settlement of liabilities. In addition, Reorganization items, net included professional fees recognized between the March 14, 2018 Petition Date and the May 1, 2019 Effective Date in connection with the Chapter 11 Cases. See Note 3, Fresh Start Accounting to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K.

Income Tax Expense (Benefit)

The effective tax rate for the year ended December 31, 2020 was 8.7%. The effective tax rate for the year ended December 31, 2020 was primarily impacted by the impairment charges discussed above. In addition, the Successor Company recorded deferred tax adjustments to state net operating losses and federal and state disallowed interest carryforwards as a result of the filing of 2019 tax returns and certain legal entity restructuring completed during the period. These deferred tax adjustments were partially offset by valuation allowances adjustments recorded during the year against certain federal and state deferred tax assets such as net operating loss carryforwards and disallowed interest carryforwards due to the uncertainty of the ability to utilize those assets in future periods.

The Successor Company's effective tax rate for the period from May 2, 2019 through December 31, 2019 was 15.1%. The effective tax rate for the Successor period was primarily impacted by deferred tax benefits recorded for changes in estimates related to the carryforward tax attributes that are expected to survive the emergence from bankruptcy and deferred tax adjustments associated with the filing of the Company's 2018 tax returns during the fourth quarter of 2019. The primary change to the 2018 tax return filings, when compared to the provision estimates, was the Company's decision to elect out of the first-year bonus depreciation rules for the 2018 year for all qualified capital expenditures. This resulted in less tax depreciation deductions for tax purposes for the 2018 year and higher adjusted tax basis for our fixed assets as of the Effective Date.

The Predecessor Company's effective tax rate for the period from January 1, 2019 through May 1, 2019 was 0.4%. The income tax expense for the period from January 1, 2019 through May 1, 2019 (Predecessor) primarily consisted of the income tax impacts from reorganization and fresh start adjustments, including adjustments to our valuation allowance. The Company recorded income tax benefits of \$102.9 million for reorganization adjustments in the Predecessor period, primarily consisting of: (1) tax expense for the reduction in federal and state net operating loss ("NOL") carryforwards from the cancellation of debt income ("CODI") realized upon emergence; (2) tax benefit for the reduction in deferred tax liabilities attributed primarily to long-term debt that was discharged upon emergence; (3) tax benefit for the effective settlement of liabilities for unrecognized tax benefits that were discharged upon emergence; and (4) tax benefit for the reduction in valuation allowance resulting from the adjustments described above. The Company recorded income tax expense of \$185.4 million for fresh start adjustments in the Predecessor period, consisting of \$529.1 million tax expense for the increase in deferred tax liabilities resulting from fresh start accounting adjustments, which was partially offset by \$343.7 million tax benefit for the reduction in the valuation allowance on our deferred tax assets.

Net Income (Loss) Attributable to the Company

Net income (loss) attributable to the Company decreased \$13.2 billion to a Net loss of \$1.9 billion during the year ended December 31, 2020 compared to net income of \$11.3 billion during the year ended December 31, 2019. The Net loss attributable to the Company for the year ended December 31, 2020 primarily related to the non-cash impairment charges to our indefinite-lived intangible assets and goodwill of \$1.7 billion recognized in the first quarter of 2020. In 2019, the Net income attributable to the Company primarily related to the recognition of net gain from the consummation of the Plan of Reorganization and the related settlement of liabilities.

The comparison of our combined results for the year ended December 31, 2019 to the consolidated results of year ended December 31, 2018 is as follows:

(In thousands)

	Successor Company	Predecessor Company	Non-GAAP Combined	Predecessor Company
	Period from May 2, 2019 through December 31, 2019	Period from January 1, 2019 through May 1, 2019	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue	\$ 2,610,056	\$ 1,073,471	\$ 3,683,527	\$ 3,611,323
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	878,956	381,184	1,260,140	1,132,439
Selling, general and administrative expenses (excludes depreciation and amortization)	897,670	427,230	1,324,900	1,350,157
Corporate expenses (excludes depreciation and amortization)	136,171	53,647	189,818	184,216
Depreciation and amortization	249,623	52,834	302,457	211,951
Impairment charges	—	91,382	91,382	33,150
Other operating expense, net	8,000	154	8,154	9,266
Operating income	439,636	67,040	506,676	690,144
Interest expense (income), net	266,773	(499)	266,274	334,798
Loss on investments, net	(20,928)	(10,237)	(31,165)	(472)
Equity in earnings (loss) of nonconsolidated affiliates	(279)	(66)	(345)	116
Other income (expense), net	(18,266)	23	(18,243)	(23,007)
Reorganization items, net	—	9,461,826	9,461,826	(356,119)
Income (loss) from continuing operations before income taxes	133,390	9,519,085	9,652,475	(24,136)
Income tax expense	(20,091)	(39,095)	(59,186)	(13,836)
Income (loss) from continuing operations	113,299	9,479,990	9,593,289	(37,972)
Income (loss) from discontinued operations, net of tax	—	1,685,123	1,685,123	(164,667)
Net income (loss)	113,299	11,165,113	11,278,412	(202,639)
Less amount attributable to noncontrolling interest	751	(19,028)	(18,277)	(729)
Net income (loss) attributable to the Company	<u>\$ 112,548</u>	<u>\$ 11,184,141</u>	<u>\$ 11,296,689</u>	<u>\$ (201,910)</u>

The table below presents the comparison of our revenue streams for the periods presented:

(In thousands)

	Successor Company	Predecessor Company	Non-GAAP Combined	Predecessor Company	% Change
	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,	Year Ended December 31,	
	2019	2019	2019	2018	
Broadcast Radio	\$ 1,575,382	\$ 657,864	\$ 2,233,246	\$ 2,264,058	(1.4)%
Digital	273,389	102,789	376,178	284,565	32.2 %
Networks	425,631	189,088	614,719	582,302	5.6 %
Sponsorship and Events	159,187	50,330	209,517	200,605	4.4 %
Audio and Media Services	167,292	69,362	236,654	264,061	(10.4)%
Other	14,211	6,606	20,817	22,240	(6.4)%
Eliminations	(5,036)	(2,568)	(7,604)	(6,508)	
Revenue, total	\$ 2,610,056	\$ 1,073,471	\$ 3,683,527	\$ 3,611,323	2.0 %

Revenue

Revenue increased \$72.2 million during the year ended December 31, 2019 compared to 2018. The increase in revenue is primarily due to higher digital revenue of \$91.6 million driven by growth in podcasting, including the impact of our acquisition of Stuff Media in October 2018, as well as other digital revenue, including live radio and other on-demand services, and revenue from our Network businesses, which increased \$32.4 million. Broadcast revenue decreased \$30.8 million, due to a \$38.2 million decrease in political revenue as a result of 2018 being a mid-term congressional election year, partially offset by growth generated by our programmatic offerings. Audio and Media Services revenue decreased \$27.4 million due to a \$34.5 million decrease in political revenue. Political revenue for the years ended December 31, 2019 and 2018 was \$28.8 million and \$103.0 million, respectively.

Direct Operating Expenses

Direct operating expenses increased \$127.7 million during the year ended December 31, 2019 compared to 2018. Higher direct operating expenses were driven primarily by higher compensation-related expenses, including from the acquisitions of Stuff Media and Jelli in the fourth quarter of 2018, as well as higher music license fees, digital royalties and content costs from higher podcasting, subscription and other digital revenue. Included in this increase is the impact of updated estimates to music license fee expenses primarily related to prior years for which payments were made under interim agreements with performance rights organizations and that are subject to ongoing negotiations. The increase in direct operating expenses also includes a \$6.3 million increase in lease expense due to the impact of the adoption of the new leasing standard in the first quarter of 2019 and the adoption of fresh start accounting.

SG&A Expenses

SG&A expenses decreased \$25.3 million during the year ended December 31, 2019 compared to 2018. The decrease in our SG&A expenses was due primarily to lower commissions as a result of our revenue mix, lower bad debt expense, resulting from improved collections, and lower trade and barter expenses, primarily resulting from timing. The decrease in SG&A expenses was partially offset by higher third-party digital fees, driven by the increase in digital revenue, along with higher employee costs, primarily resulting from the acquisitions of Stuff Media and Jelli in the fourth quarter of 2018.

Corporate Expenses

Corporate expenses increased \$5.6 million during the year ended December 31, 2019 compared to 2018 as a result of higher share-based compensation expense, which increased \$24.8 million as a result of our equity compensation plan entered into in connection with our Plan of Reorganization. This increase was partially offset by lower employee benefit costs and lower amortization of retention bonuses related to the bankruptcy for which amortization ceased on the Effective Date.

Depreciation and Amortization

Depreciation and amortization increased \$90.5 million during the year ended December 31, 2019 compared to 2018 primarily as a result of the application of fresh start accounting, which resulted in significantly higher values of our tangible and intangible long-lived assets.

Impairment Charges

We recognized non-cash impairment charges of \$91.4 million in the first quarter of 2019 on our indefinite-lived FCC licenses as a result of an increase in the weighted average cost of capital. During 2018 we recorded impairment charges of \$33.2 million related primarily to several of our Audio markets.

Other Operating Expense, Net

Other operating expense, net of \$8.2 million and \$9.3 million in 2019 and 2018, respectively, was primarily related to net losses recognized on the disposal of assets.

Interest Expense, Net

Interest expense, net decreased \$68.5 million during 2019 compared to 2018 as a result of the interest recognized in the period from January 1, 2018 to the March 14, 2018 petition date on our pre-petition debt exceeding the interest recognized in the period from May 2, 2019 to December 31, 2019 on our new debt issued in connection with our emergence from the Chapter 11 Cases. During the period from March 14, 2018 to May 1, 2019, while the Company was a debtor-in-possession, no interest expense was recognized on pre-petition debt.

Loss on Investments, net

During the year ended December 31, 2019, we recognized a loss of \$31.2 million, primarily in connection with other-than-temporary declines in the values of certain of our investments.

Equity in Loss of Nonconsolidated Affiliates

During the year ended December 31, 2019 we recognized a net loss of \$0.3 million related to equity-method investments. During the year ended December 31, 2018, we recognized net earnings of \$0.1 million related to equity-method investments.

Other Expense, Net

Other expense, net was \$18.2 million for the year ended December 31, 2019, which related primarily to professional fees incurred in connection with the Chapter 11 Cases in the Successor period. Such expenses were included within Reorganization items, net in the Predecessor period while the Company was a debtor-in-possession.

Other expense, net was \$23.0 million for the year ended December 31, 2018, which related primarily to professional fees incurred directly in connection with the Chapter 11 Cases before the March 14, 2018 Petition Date. Such expenses were included within Reorganization items, net in the post-petition period while the Company was a debtor-in-possession.

Reorganization Items, Net

During 2019, we recognized Reorganization items, net of \$9,461.8 million related to our emergence from the Chapter 11 Cases, which consisted primarily of the net gain from the consummation of the Plan of Reorganization and the related settlement of liabilities. In addition, Reorganization items, net included professional fees recognized between the March 14, 2018 Petition Date and the May 1, 2019 Effective Date in connection with the Chapter 11 Cases. See Note 3 to our Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Income Tax Benefit (Expense)

The Successor Company's effective tax rate for the period from May 2, 2019 through December 31, 2019 was 15.1%. The effective tax rate for the Successor period was primarily impacted by deferred tax benefits recorded for changes in estimates related to the carryforward tax attributes that are expected to survive the emergence from bankruptcy and deferred tax adjustments associated with the filing of the Company's 2018 tax returns during the fourth quarter of 2019. The primary change to the 2018 tax return filings, when compared to the provision estimates, was the Company's decision to elect out of the first-year bonus depreciation rules for the 2018 year for all qualified capital expenditures. This resulted in less tax depreciation deductions for tax purposes for the 2018 year and higher adjusted tax basis for our fixed assets as of the Effective Date.

The Predecessor Company's effective tax rate for the period from January 1, 2019 through May 1, 2019 was 0.4%. The income tax expense for the period from January 1, 2019 through May 1, 2019 (Predecessor) primarily consisted of the income tax impacts from reorganization and fresh start adjustments, including adjustments to our valuation allowance. The Company recorded income tax benefits of \$102.9 million for reorganization adjustments in the Predecessor period, primarily consisting of: (1) tax expense for the reduction in federal and state net operating loss ("NOL") carryforwards from the cancellation of debt income ("CODI") realized upon emergence; (2) tax benefit for the reduction in deferred tax liabilities attributed primarily to long-term debt that was discharged upon emergence; (3) tax benefit for the effective settlement of liabilities for unrecognized tax benefits that were discharged upon emergence; and (4) tax benefit for the reduction in valuation allowance resulting from the adjustments described above. The Company recorded income tax expense of \$185.4 million for fresh start adjustments in the Predecessor period, consisting of \$529.1 million tax expense for the increase in deferred tax liabilities resulting from fresh start accounting adjustments, which was partially offset by \$343.7 million tax benefit for the reduction in the valuation allowance on our deferred tax assets.

The effective tax rate for the year ended December 31, 2018 was (57.3)%. The effective tax rate for 2018 was primarily impacted by \$11.3 million of deferred tax expense attributed to the valuation allowance recorded against federal and state deferred tax assets generated in the period due to the uncertainty of the ability to realize those assets in future periods.

Net Income (Loss) Attributable to the Company

Net income attributable to the Company increased \$11.5 billion to \$11.3 billion during the year ended December 31, 2019 compared to a net loss of \$201.9 million during the year ended December 31, 2018, primarily due to the net gain from the consummation of the Plan of Reorganization and the related settlement of liabilities.

Non-GAAP Financial Measures

Reconciliations of Operating Income (Loss) to Adjusted EBITDA

(In thousands)

	Successor Company Year Ended December 31, 2020	Successor Company Period from May 2, 2019 through December 31, 2019	Predecessor Company Period from January 1, 2019 through May 1, 2019	Non-GAAP Combined Year Ended December 31, 2019
Operating income (loss)	\$ (1,737,624)	\$ 439,636	\$ 67,040	\$ 506,676
Depreciation and amortization ⁽¹⁾	402,929	249,623	52,834	302,457
Impairment charges	1,738,752	—	91,382	91,382
Other operating expense, net	11,344	8,000	154	8,154
Share-based compensation expense	22,862	26,411	498	26,909
Restructuring and reorganization expenses	100,410	51,879	13,241	65,120
Adjusted EBITDA ⁽²⁾	\$ 538,673	\$ 775,549	\$ 225,149	\$ 1,000,698

(In thousands)

	Successor Company Period from May 2, 2019 through December 31, 2019	Predecessor Company Period from January 1, 2019 through May 1, 2019	Non-GAAP Combined ² Year Ended December 31, 2019	Predecessor Company Year Ended December 31, 2018
Operating income	\$ 439,636	\$ 67,040	\$ 506,676	\$ 690,144
Depreciation and amortization ⁽¹⁾	249,623	52,834	302,457	211,951
Impairment charges	—	91,382	91,382	33,150
Other operating expense, net	8,000	154	8,154	9,266
Share-based compensation expense ⁽³⁾	26,411	498	26,909	2,066
Restructuring and reorganization expenses	51,879	13,241	65,120	30,078
Adjusted EBITDA ⁽²⁾	\$ 775,549	\$ 225,149	\$ 1,000,698	\$ 976,655

Reconciliations of Net Income (Loss) to EBITDA and Adjusted EBITDA

(In thousands)

	Successor Company	Successor Company	Predecessor Company	Non-GAAP Combined
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2019
Net income (loss)	\$ (1,915,222)	\$ 113,299	\$ 11,165,113	\$ 11,278,412
Income from discontinued operations, net of tax	—	—	(1,685,123)	(1,685,123)
Income tax (benefit) expense	(183,623)	20,091	39,095	59,186
Interest expense (income), net	343,745	266,773	(499)	266,274
Depreciation and amortization	402,929	249,623	52,834	302,457
EBITDA	\$ (1,352,171)	\$ 649,786	\$ 9,571,420	\$ 10,221,206
Reorganization items, net	—	—	(9,461,826)	(9,461,826)
Loss on investments, net	9,346	20,928	10,237	31,165
Other (income) expense, net	7,751	18,266	(23)	18,243
Equity in loss of nonconsolidated affiliates	379	279	66	345
Impairment charges	1,738,752	—	91,382	91,382
Other operating expense, net	11,344	8,000	154	8,154
Share-based compensation expense	22,862	26,411	498	26,909
Restructuring and reorganization expenses	100,410	51,879	13,241	65,120
Adjusted EBITDA ⁽²⁾	\$ 538,673	\$ 775,549	\$ 225,149	\$ 1,000,698

(In thousands)

	Successor Company	Predecessor Company	Non-GAAP Combined	Predecessor Company
	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,	Year Ended December 31,
	2019	2019	2019	2018
Net income (loss)	\$ 113,299	\$ 11,165,113	\$ 11,278,412	\$ (202,639)
(Income) loss from discontinued operations, net of tax	—	(1,685,123)	(1,685,123)	164,667
Income tax expense	20,091	39,095	59,186	13,836
Interest expense (income), net	266,773	(499)	266,274	334,798
Depreciation and amortization ⁽¹⁾	249,623	52,834	302,457	211,951
EBITDA	\$ 649,786	\$ 9,571,420	\$ 10,221,206	\$ 522,613
Reorganization items, net	—	(9,461,826)	(9,461,826)	356,119
Loss on investments, net	20,928	10,237	31,165	472
Other income (expense), net	18,266	(23)	18,243	23,007
Equity in (earnings) loss of nonconsolidated affiliates	279	66	345	(116)
Impairment charges	—	91,382	91,382	33,150
Other operating expense, net	8,000	154	8,154	9,266
Share-based compensation expense	26,411	498	26,909	2,066
Restructuring and reorganization expenses	51,879	13,241	65,120	30,078
Adjusted EBITDA ⁽²⁾	\$ 775,549	\$ 225,149	\$ 1,000,698	\$ 976,655

- (1) Increase in Depreciation and amortization is driven by the application of fresh start accounting, resulting in significantly higher values of our tangible and intangible assets.
- (2) We define Adjusted EBITDA as consolidated Operating income (loss) adjusted to exclude restructuring and reorganization expenses included within Direct operating expenses, SG&A expenses and Corporate expenses, and share-based compensation expenses included within Corporate expenses, as well as the following line items presented in our Statements of Operations: Depreciation and amortization, Impairment charges and Other operating expense (income), net. Alternatively, Adjusted EBITDA is calculated as Net income (loss), adjusted to exclude (Income) loss from discontinued operations, net of tax, Income tax (benefit) expense, Interest expense (income), net, Depreciation and amortization, Reorganization items, net, (Gain) Loss on investments, net, Other (income) expense, net, Equity in loss of nonconsolidated affiliates, net, Impairment charges, Other operating expense (income), net, Share-based compensation expense, and restructuring and reorganization expenses. Restructuring expenses primarily include severance expenses incurred in connection with cost saving initiatives, as well as certain expenses, which, in the view of management, are outside the ordinary course of business or otherwise not representative of the Company's operations during a normal business cycle. Reorganization expenses primarily include the amortization of retention bonus amounts paid or payable to certain members of management directly as a result of the Reorganization. We use Adjusted EBITDA, among other measures, to evaluate the Company's operating performance. This measure is among the primary measures used by management for the planning and forecasting of future periods, as well as for measuring performance for compensation of executives and other members of management. We believe this measure is an important indicator of our operational strength and performance of our business because it provides a link between operational performance and operating income. It is also a primary measure used by management in evaluating companies as potential acquisition targets. We believe the presentation of this measure is relevant and useful for investors because it allows investors to view performance in a manner similar to the method used by management. We believe it helps improve investors' ability to understand our operating performance and makes it easier to compare our results with other companies that have different capital structures or tax rates. In addition, we believe this measure is also among the primary measures used externally by our investors, analysts and peers in our industry for purposes of valuation and comparing our operating performance to other companies in our industry. Since Adjusted EBITDA is not a measure calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, operating income or net income (loss) as an indicator of operating performance and may not be comparable to similarly titled measures employed by other companies. Adjusted EBITDA is not necessarily a measure of our ability to fund our cash needs. Because it excludes certain financial information compared with operating income and compared with consolidated net income (loss), the most directly comparable GAAP financial measures, users of this financial information should consider the types of events and transactions which are excluded.

Reconciliations of Cash provided by (used for) operating activities from continuing operations to Free cash flow from (used for) continuing operations

(In thousands)

	Successor Company	Successor Company	Predecessor Company	Non-GAAP Combined
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2019
Cash provided by (used for) operating activities from continuing operations	\$ 215,945	\$ 468,905	\$ (7,505)	\$ 461,400
Purchases of property, plant and equipment by continuing operations	(85,205)	(75,993)	(36,197)	(112,190)
Free cash flow from (used for) continuing operations ⁽²⁾	\$ 130,740	\$ 392,912	\$ (43,702)	\$ 349,210

(In thousands)

	Successor Company	Predecessor Company	Non-GAAP Combined	Predecessor Company
	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,	Year Ended December 31,
	2019	2019	2019	2018
Cash provided by (used for) operating activities from continuing operations ⁽¹⁾	\$ 468,905	\$ (7,505)	\$ 461,400	\$ 741,219
Less: Purchases of property, plant and equipment by continuing operations	(75,993)	(36,197)	(112,190)	(85,245)
Free cash flow from (used for) continuing operations ⁽²⁾	\$ 392,912	\$ (43,702)	\$ 349,210	\$ 655,974

⁽¹⁾ Cash provided by operating activities from continuing operations for the year ended December 31, 2019 was impacted primarily by an increase of \$165.1 million in cash paid for interest. Our debt issued upon emergence was outstanding from the period of May 2, 2019 to December 31, 2019, resulting in cash interest payments of \$183.8 million. In 2018, we made cash interest payments of \$22.5 million on our pre-petition debt, which was outstanding for the period from January 1, 2018 to March 14, 2018. Cash provided by operating activities was also impacted by a \$97.9 million increase in cash payments for Reorganization items, which consisted primarily of bankruptcy-related professional fees, as well as payments for settlement of pre-petition liabilities upon our emergence from bankruptcy.

⁽²⁾ We define Free cash flow from (used for) continuing operations (“Free Cash Flow”) as Cash provided by (used for) operating activities from continuing operations less capital expenditures, which is disclosed as Purchases of property, plant and equipment by continuing operations in the Company’s Consolidated Statements of Cash Flows. We use Free Cash Flow, among other measures, to evaluate the Company’s liquidity and its ability to generate cash flow. We believe that Free Cash Flow is meaningful to investors because we review cash flows generated from operations after taking into consideration capital expenditures due to the fact that these expenditures are considered to be a necessary component of ongoing operations. In addition, we believe that Free Cash Flow helps improve investors’ ability to compare our liquidity with other companies. Since Free Cash Flow is not a measure calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, Cash provided by operating activities and may not be comparable to similarly titled measures employed by other companies. Free Cash Flow is not necessarily a measure of our ability to fund our cash needs.

Share-Based Compensation Expense

Historically, we had granted restricted shares of the Company’s Class A common stock to certain key individuals. In connection with the effectiveness of our Plan of Reorganization, all unvested restricted shares were canceled.

Pursuant to the new equity incentive plan (the “Post-Emergence Equity Plan”) we adopted in connection with the effectiveness of our Plan of Reorganization, we have granted restricted stock units and options to purchase shares of the Company’s Class A common stock to certain key individuals.

Share-based compensation expenses are recorded in corporate expenses and were \$22.9 million, \$26.4 million and \$2.1 million for the years ended December 31, 2020, 2019 and 2018, respectively.

In August 2020, we issued performance-based restricted stock units (“Performance RSUs”) to certain key employees. Such Performance RSUs vest upon the achievement of critical operational (cost savings) improvements and specific environmental, social and governance initiatives, which are being measured over an approximately 18-month period from the date of issuance. In the year ended December 31, 2020, we recognized \$3.4 million in relation to these performance-based RSUs.

As of December 31, 2020, there was \$54.0 million of unrecognized compensation cost related to unvested share-based compensation arrangements with vesting based on service conditions. This cost is expected to be recognized over a weighted average period of approximately 2.8 years. In addition, as of December 31, 2020, there was \$1.6 million of unrecognized compensation cost related to unvested share-based compensation arrangements that will vest based on performance conditions.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following discussion highlights cash flow activities during the periods presented:

<i>(In thousands)</i>	Successor Company	Successor Company	Predecessor Company	Non-GAAP Combined	Predecessor Company
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,	Year Ended December 31,
	2020	2019	2019	2019	2018
Cash provided by (used for):					
Operating activities	\$ 215,945	\$ 468,905	\$ (40,186)	\$ 428,719	\$ 966,672
Investing activities	\$ (147,813)	\$ (73,278)	\$ (261,144)	\$ (334,422)	\$ (345,478)
Financing activities	\$ 241,180	\$ (58,033)	\$ (55,557)	\$ (113,590)	\$ (491,799)
Free Cash Flow ⁽¹⁾	\$ 130,740	\$ 392,912	\$ (43,702)	\$ 349,210	\$ 655,974

⁽¹⁾ For a definition of Free cash flow from continuing operations and a reconciliation to Cash provided by operating activities from continuing operations, the most closely comparable GAAP measure, please see “Reconciliation of Cash provided by (used for) operating activities from continuing operations to Free cash flow from (used for) continuing operations” in this MD&A.

Operating Activities

2020

Cash provided by operating activities was \$215.9 million in 2020 compared to \$428.7 million of cash provided by operating activities in 2019.

Cash provided by operating activities from continuing operations decreased from \$461.4 million in 2019 to \$215.9 million in 2020 primarily as a result of a decrease in Revenue driven by the decline in advertising spend resulting from the economic slow-down caused by the COVID-19 pandemic. In addition, cash interest payments made by continuing operations increased \$169.6 million in 2020 compared to 2019 as a result of interest payments on our debt issued upon our emergence. The Company ceased paying interest on long-term debt after the March 14, 2018 petition date until the Company emerged from bankruptcy on May 1, 2019. The decrease was partially offset by changes in working capital balances, particularly accounts receivable, which was impacted by improved collections, and accrued expenses, which was impacted by the timing of payments. In addition, payments made in relation to Reorganization items, net were \$201.2 million lower in the year ended December 31, 2020 compared to the year ended December 31, 2019.

2019

Cash provided by operating activities was \$428.7 million in 2019 compared to \$966.7 million of cash provided by operating activities in 2018. The primary driver for the change in cash provided by operating activities was a \$258.1 million decrease in operating cash flows provided by discontinued operations, which decreased from a cash inflow of \$225.5 million in the year ended December 31, 2018 to a cash outflow of \$32.7 million in the year ended December 31, 2019.

Cash provided by operating activities from continuing operations decreased from \$741.2 million in 2018 to \$461.4 million in 2019 primarily as a result of cash interest payments made by continuing operations, which increased \$165.1 million as a result of interest payments on our debt issued upon our emergence compared to pre-petition interest payments made in the prior year. The Company ceased paying interest on long-term debt classified as Liabilities subject to compromise after the March 14, 2018 petition date. In addition, cash decreased as a result of cash payments for Reorganization items, including payments for prepetition liabilities and for bankruptcy-related professional fees, upon our emergence from bankruptcy on May 1, 2019. Such payments for Reorganization items were \$97.9 million higher in the year ended December 31, 2019 compared to the year ended December 31, 2018.

2018

Cash provided by operating activities from continuing operations was \$741.2 million in 2018 compared to \$619.2 million of cash used for operating activities from continuing operations in 2017. The increase in cash provided by operating activities is primarily attributed to the \$1,374.4 million decrease in cash paid for interest. Cash paid for interest was \$398.0 million during 2018 compared to \$1,772.4 million during 2017. In addition, cash provided by operating activities increased as a result of changes in working capital balances, particularly accounts receivable, which were affected by improved collections as well as accounts payable and accrued expenses which were impacted by the timing of payments. Cash paid for Reorganization items, net was \$103.7 million during 2018. As part of our liquidity measures taken in anticipation of our March 14, 2018 bankruptcy filing, we did not make scheduled interest payments on our long-term debt and we extended certain accounts payable to conserve cash. Subsequent to the bankruptcy filing, interest payments on our debt classified as "Liabilities subject to compromise" were stayed and only limited pre-petition payments on accounts payable were made.

Investing Activities

2020

Cash used for investing activities of \$147.8 million in 2020 was driven primarily by capital expenditures of \$85.2 million primarily related to IT software and infrastructure, reflecting a \$27.0 million decrease in capital expenditures compared to the prior year as a result of actions taken in response to the COVID-19 pandemic. In addition, we used \$62.1 million of cash to acquire certain strategic businesses including Voxnest which was acquired in the fourth quarter of 2020.

2019

Cash used for investing activities of \$334.4 million in 2019 primarily reflects \$222.4 million in cash used for investing activities from discontinued operations. In addition, we used \$112.2 million for capital expenditures, primarily related to IT software and infrastructure.

2018

Cash used for investing activities of \$345.5 million in 2018 primarily reflects \$203.6 million in cash used for investing activities from discontinued operations. In addition, we used \$85.2 million for capital expenditures, primarily related to IT software and infrastructure.

Financing Activities

2020

Cash provided by financing activities of \$241.2 million in 2020 primarily resulted from the net proceeds of \$425.8 million from the issuance of incremental term loan commitments, offset by the \$150.0 million prepayment on our Term Loan Facility in the first quarter 2020, along with required quarterly principal payments made on our term loan credit facilities.

2019

Cash used for financing activities of \$113.6 million in 2019 primarily resulted from the net payment by iHeartCommunications to CCOH as CCOH's recovery of its claims under the Due from iHeartCommunications Note and settlement of the post-petition intercompany note balance, partially offset by \$60.0 million in proceeds received from the issuance of the iHeart Operations Preferred Stock.

2018

Cash used for financing activities of \$491.8 million in 2018 primarily resulted from payments on long-term debt and on our receivables based credit facility. In connection with the replacement of the iHeartCommunications' receivables based credit facility with a new Debtor-in-Possession Facility ("DIP Facility") on June 14, 2018, we repaid the outstanding \$306.4 million and \$74.3 million balances of the receivables based credit facility's term loan and revolving credit commitments, respectively. An additional \$125.0 million principal amount was repaid under the DIP Facility during the third quarter of 2018.

Anticipated Cash Requirements

Our primary sources of liquidity are cash on hand, which consisted of \$720.7 million as of December 31, 2020, cash flow from operations and borrowing capacity under our \$450.0 million ABL Facility. As of December 31, 2020, iHeartCommunications had no principal amounts outstanding under the ABL Facility, a facility size of \$450.0 million and \$32.9 million in outstanding letters of credit, resulting in \$417.1 million of excess availability. As a result of certain restrictions in the Company's debt and preferred stock agreements, as of December 31, 2020, approximately \$172 million was available to be drawn upon under the ABL Facility.

In July 2020, the Company issued \$450.0 million of incremental term loans, resulting in net proceeds of \$425.8 million, after original issue discount and debt issuance costs. A portion of the proceeds from the issuance was used to repay all outstanding balances under the ABL Facility of \$235.0 million, with the remaining \$190.6 million of the proceeds available for general corporate purposes. Our cash balance was \$720.7 million as of December 31, 2020. Together with our borrowing capacity under the ABL Facility, our total available liquidity¹ was approximately \$893 million.

We continue to evaluate the full extent of COVID-19's impact on our business. While the challenges that COVID-19 has created for advertisers and consumers had a significant impact on our revenue for the year ended December 31, 2020 and has created a business outlook that is less clear in the near term, we believe that we have sufficient liquidity to continue to fund our operations for at least the next twelve months.

We expect that our primary anticipated uses of liquidity will be to fund our working capital, make interest payments, fund capital expenditures, pursue certain strategic opportunities and maintain operations in light of the COVID-19 pandemic and other obligations. We expect to have approximately \$335 million of cash interest payments in 2021.

As a result of certain favorable tax provisions in the Coronavirus Aid, Relief and Economic Security ("CARES") Act, our 2020 taxes were significantly reduced compared to what they would have been absent these provisions. Our cash income tax payments were \$5.8 million primarily as a result of the provisions allowing for increased interest deductions, which resulted in additional tax deductible interest expense of \$179.4 million during the year. In addition, the Company was able to defer the payment of \$29.3 million in certain employment taxes during 2020, of which half will be due on December 31, 2021 and the other half will be due on December 31, 2022.

¹ Total available liquidity defined as cash and cash equivalents plus available borrowings under the ABL Facility. We use total available liquidity to evaluate our capacity to access cash to meet obligations and fund operations.

Over the past ten years, we have transitioned our Audio business from a single platform radio broadcast operator to a company with multiple platforms, including digital, podcasting, networks and events. Early in the first quarter of 2020, we implemented our modernization initiatives to take advantage of the significant investments we have made in new technologies to build an operating infrastructure that provides better quality and newer products and delivers new cost efficiencies. Our investments in modernization delivered approximately \$50 million of savings in 2020 and are expected to deliver annualized run-rate cost savings of approximately \$100 million by mid-year 2021. We have also invested in numerous technologies and businesses to increase the competitiveness of our inventory with our advertisers and our audience.

In response to the COVID-19 pandemic, in an effort to further strengthen the Company's financial flexibility and efficiently manage through the period of economic slowdown and uncertainty, the Company took the following measures, which generated approximately \$200 million in operating cost savings in 2020:

- Substantial reduction in certain operating expenses, such as new employee hiring, travel and entertainment expenses, 401(k) matching expenses, consulting fees and other discretionary expenses.
- Reduction in planned capital expenditures to a level that we believe will still enable the Company to make key investments to continue our strategic initiatives related to Smart Audio and Digital, including podcasting.
- Reduction in compensation for senior management and other employees of the Company, including a 100% reduction of the Company's Chief Executive Officer's annual base salary and bonus.
- In addition, as a result of the decrease in revenue as a result of the COVID-19 pandemic, certain variable expenses including event production costs and sales commissions, as well as other variable compensation, showed a corresponding decrease.

The Company has identified, and executed on, strategic initiatives to ensure that the majority of all of the \$200 million in COVID-19 savings persist in 2021.

We believe that our cash balance, our cash flow from operations and availability under our ABL Facility provide us with sufficient liquidity to fund our core operations, maintain key personnel and meet our other material obligations. In addition, none of our long-term debt includes maintenance covenants that could trigger early repayment. We fully appreciate the unprecedented challenges posed by the COVID-19 pandemic, however, we remain confident in our business, our employees and our strategy. We believe that our ability to generate cash flow from operations from our business initiatives, our current cash on hand and availability under the ABL Facility will provide sufficient resources to continue to fund and operate our business, fund capital expenditures and other obligations and make interest payments on our long-term debt. If these sources of liquidity need to be augmented, additional cash requirements would likely be financed through the issuance of debt or equity securities; however, there can be no assurances that we will be able to obtain additional debt or equity financing on acceptable terms or at all in the future.

We frequently evaluate strategic opportunities, and we expect from time to time to pursue acquisitions or dispose of certain businesses, which may or may not be material. For example, on October 22, 2020, we used a portion of our cash on hand to complete the strategic acquisition of Voxnest, Inc., a provider of podcast analytics and programmatic ad serving tools, which we believe will be a transaction accretive to shareholder value. Specifically, as we continue to focus on operational efficiencies that drive greater margin and cash flow, we will continue to review and consider opportunities to unlock shareholder value and increase free cash flow.

On February 3, 2020, iHeartCommunications made a \$150.0 million prepayment using cash on hand and entered into an agreement to amend the Term Loan Facility to reduce the interest rate to LIBOR plus a margin of 3.00%, or the Base Rate (as defined in the Credit Agreement) plus a margin of 2.00% and to modify certain covenants contained in the Credit Agreement.

As a precautionary measure to preserve financial flexibility in light of the uncertainty surrounding the COVID-19 pandemic, we borrowed \$350.0 million principal amount under our ABL Facility. On July 16, 2020, iHeartCommunications entered into an additional amendment to the Credit Facility ("Amendment No. 2") to provide for \$450.0 million, resulting in net proceeds of \$425.8 million, after original issue discount and debt issuance costs. A portion of the proceeds from the issuance was used to repay the then-remaining balance outstanding under the ABL Facility of \$235.0 million, with the remaining \$190.6 million of the proceeds available for general corporate purposes. The incremental term loans issued pursuant to Amendment No. 2 have an interest rate of 4.00% for Eurocurrency Rate Loans and 3.00% for Base Rate Loans (subject to a LIBOR floor of 0.75% and Base Rate floor of 1.75%). Amendment No. 2 also modifies certain other provisions of the Credit Agreement.

In connection with the Separation and Reorganization, we entered into the following transactions which may require ongoing capital commitments:

Transition Services Agreement

Pursuant to the Transition Services Agreement between us, iHeartMedia Management Services, Inc. (“iHM Management Services”), iHeartCommunications and CCOH, for one year from the Effective Date, we agreed to provide CCOH with certain administrative and support services and other assistance which CCOH utilized in the conduct of its business as such business was conducted prior to the Separation.

The Transition Services Agreement was terminated on August 31, 2020. For additional information, see Note 4, Discontinued Operations to the consolidated financial statements located in Item 8 of this Annual Report on Form 10-K for a further description.

New Tax Matters Agreement

In connection with the Separation, we entered into the New Tax Matters Agreement by and among iHeartMedia, iHeartCommunications, iHeart Operations, Inc., CCH, CCOH and Clear Channel Outdoor, Inc., to allocate the responsibility of iHeartMedia and its subsidiaries, on the one hand, and CCOH and its subsidiaries, on the other, for the payment of taxes arising prior and subsequent to, and in connection with, the Separation.

The New Tax Matters Agreement requires that iHeartMedia and iHeartCommunications indemnify CCOH and its subsidiaries, and their respective directors, officers and employees, and hold them harmless, on an after-tax basis, from and against certain tax claims related to the Separation. In addition, the New Tax Matters Agreement requires that CCOH indemnify iHeartMedia for certain income taxes paid by iHeartMedia on behalf of CCOH and its subsidiaries. For additional information, see Note 4, Discontinued Operations to the consolidated financial statements located in Item 8 of Part II of this Annual Report on Form 10-K for a further description.

Sources of Capital

As of December 31, 2020 and December 31, 2019, we had the following debt outstanding, net of cash and cash equivalents:

(In millions)	Successor Company	
	December 31, 2020	December 31, 2019
Term Loan Facility due 2026 ⁽¹⁾	\$ 2,080.3	\$ 2,251.3
Incremental Term Loan Facility due 2026 ⁽²⁾	447.8	—
Asset-based Revolving Credit Facility due 2023 ⁽²⁾⁽³⁾	—	—
6.375% Senior Secured Notes due 2026	800.0	800.0
5.25% Senior Secured Notes due 2027	750.0	750.0
4.75% Senior Secured Notes due 2028	500.0	500.0
Other Secured Subsidiary Debt	22.7	21.0
Total Secured Debt	4,600.8	4,322.3
8.375% Senior Unsecured Notes due 2027	1,450.0	1,450.0
Other Subsidiary Debt	6.7	12.5
Original issue discount	(18.8)	—
Long-term debt fees	(21.8)	(19.4)
Total Debt	6,016.9	5,765.4
Less: Cash and cash equivalents	720.7	400.3
Net Debt	\$ 5,296.2	\$ 5,365.1

- (1) On February 3, 2020, iHeartCommunications made a \$150.0 million prepayment using cash on hand and entered into an agreement to amend the Term Loan Facility to reduce the interest rate to LIBOR plus a margin of 3.00%, or the Base Rate (as defined in the Credit Agreement) plus a margin of 2.00% and to modify certain covenants contained in the Credit Agreement.
- (2) On July 16, 2020, iHeartCommunications issued \$450.0 million of incremental term loans under the Amendment No. 2, resulting in net proceeds of \$425.8 million, after original issue discount and debt issuance costs. A portion of the proceeds from the issuance was used to repay the remaining balance outstanding on the Company's ABL Facility of \$235.0 million, with the remaining \$190.6 million of the proceeds available for general corporate purposes.
- (3) On March 13, 2020, iHeartCommunications borrowed \$350.0 million under the ABL Facility, the proceeds of which were invested as cash on the Balance Sheet. During the three months ended June 30, 2020 and the three months ended September 30, 2020, iHeartCommunications voluntarily repaid the principal amount drawn under the ABL Facility. As of December 31, 2020, the ABL Facility had a facility size of \$450.0 million, no principal amounts outstanding and \$32.9 million of outstanding letters of credit, resulting in \$417.1 million of excess availability. As a result of certain restrictions in the Company's debt and preferred stock agreements, as of December 31, 2020, approximately \$172.0 million was available to be drawn upon under the ABL Facility.

For additional information regarding our debt, including the terms of the governing documents, refer to Note 9, *Long-Term Debt* to our consolidated financial statements located in Item 8 of Part II of this Annual Report on Form 10-K.

Exchange of Special Warrants

On July 25, 2019, the Company filed a PDR with the FCC to permit up to 100% of the Company's voting stock to be owned by non-U.S. individuals and entities. On November 5, 2020, the FCC issued the Declaratory Ruling granting the relief requested by the PDR, subject to certain conditions set forth in the Declaratory Ruling.

On January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into 45,133,811 shares of iHeartMedia Class A common stock, the Company's publicly traded equity, and 22,337,312 Class B common stock in compliance with the Declaratory Ruling, the Communications Act and FCC rules. Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock. There

were 110,923,534 shares of Class A common stock, 29,088,181 shares of Class B common stock and 6,201,453 Special Warrants outstanding on February 22, 2021.

Supplemental Financial Information under Debt Agreements and Certificate of Designation Governing the iHeart Operations Preferred Stock

Pursuant to iHeartCommunications' material debt agreements, Capital I, the parent guarantor and a subsidiary of iHeartMedia, is permitted to satisfy its reporting obligations under such agreements by furnishing iHeartMedia's consolidated financial information and an explanation of the material differences between iHeartMedia's consolidated financial information, on the one hand, and the financial information of Capital I and its consolidated restricted subsidiaries, on the other hand. Because neither iHeartMedia nor iHeartMedia Capital II, LLC, a wholly-owned direct subsidiary of iHeartMedia and the parent of Capital I, have any operations or material assets or liabilities, there are no material differences between iHeartMedia's consolidated financial information for the year ended December 31, 2020, and Capital I's and its consolidated restricted subsidiaries' financial information for the same period.

According to the certificate of designation governing the iHeart Operations Preferred Stock, iHeart Operations is required to provide certain supplemental financial information of iHeart Operations in comparison to the Company and its consolidated subsidiaries. iHeart Operations and its subsidiaries comprised 84.8% of the Company's consolidated assets as of December 31, 2020. For the year ended December 31, 2020, iHeart Operations and its subsidiaries comprised 85.3% of the Company's consolidated revenues.

Uses of Capital

Capital Expenditures

Capital expenditures for the years ended December 31, 2020, 2019 and 2018 were as follows:

<i>(In millions)</i>	Successor Company		Predecessor Company	Non-GAAP Combined	Predecessor Company
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,	Year Ended December 31,
	2020	2019	2019	2019	2018
Audio	\$ 73.9	\$ 62.0	\$ 31.2	\$ 93.2	\$ 72.4
Audio and Media Services	5.1	4.0	1.3	5.3	5.9
Corporate	6.2	10.0	3.7	13.7	6.9
Total capital expenditures	\$ 85.2	\$ 76.0	\$ 36.2	\$ 112.2	\$ 85.2

See the Contractual Obligations table under “*Commitments, Contingencies and Guarantees*” and Note 10 to our consolidated financial statements located in Item 8 of Part II of this Annual Report on Form 10-K for the Company's future capital expenditure commitments.

Our capital expenditures are not of significant size individually and primarily relate to studio and broadcast equipment and software.

Dividends

Holders of shares of our Class A common stock are entitled to receive dividends, on a per share basis, when and if declared by our Board out of funds legally available therefor and whenever any dividend is made on the shares of our Class B common stock subject to certain exceptions set forth in our certificate. See Note 12 to our consolidated financial statements located in Item 8 of Part II of this Annual Report on Form 10-K.

Acquisitions

During the first quarter of 2021, we entered into a Share Purchase Agreement to acquire Triton Digital, a global leader in digital audio and podcast technology and measurement services, from The E.W. Scripps Company for \$230 million in cash, subject to certain adjustments. The consummation of the proposed acquisition is subject to the satisfaction or waiver of customary closing conditions, including regulatory approval.

During the fourth quarter of 2020, we acquired Voxnest, Inc. for aggregate consideration of \$50 million. The assets acquired primarily consisted of intangible assets valued at \$53.2 million, including \$36.6 million in goodwill.

During the fourth quarter of 2018, we acquired Stuff Media LLC and Jelli, Inc. for aggregate consideration of \$120.3 million, of which \$74.3 million was paid in cash in the fourth quarter of 2018 and \$46.0 million, plus imputed interest, was paid in cash in the fourth quarter of 2019. The assets acquired as part of these transactions consisted of \$27.0 million in fixed assets and \$35.2 million in intangible assets, primarily consisting of technology and content, along with \$77.3 million in goodwill.

Commitments, Contingencies and Guarantees

We are currently involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued our estimate of the probable costs for resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. Please refer to Item 3. “Legal Proceedings” within Part I of this Annual Report on Form 10-K.

Certain agreements relating to acquisitions provide for purchase price adjustments and other future contingent payments based on the financial performance of the acquired companies generally over a one to five-year period. The aggregate of these contingent payments, if performance targets are met, would not significantly impact our financial position or results of operations.

We have future cash obligations under various types of contracts. We lease office space, certain broadcast facilities and equipment. Some of our lease agreements contain renewal options and annual rental escalation clauses (generally tied to the consumer price index), as well as provisions for our payment of utilities and maintenance.

We have non-cancellable contracts in our radio broadcasting operations related to program rights and music license fees.

In the normal course of business, our broadcasting operations have minimum future payments associated with employee and talent contracts. These contracts typically contain cancellation provisions that allow us to cancel the contract with good cause.

The scheduled maturities of iHeartCommunications' secured debt, unsecured debt, mandatorily redeemable preferred stock, and our future minimum rental commitments under non-cancelable lease agreements, minimum payments under other non-cancelable contracts, payments under employment/talent contracts and other long-term obligations as of December 31, 2020 were as set forth in the table below.

(In thousands)

Contractual Obligations	Payments due by Period				
	Total	2021	2022-2023	2024-2025	Thereafter
Long-term debt:					
Secured debt	\$ 4,600,762	\$ 28,268	\$ 56,372	\$ 55,469	\$ 4,460,653
Unsecured debt	1,456,782	6,507	275	—	1,450,000
Mandatorily Redeemable Preferred Stock	60,000	—	—	—	60,000
Interest payments on long-term debt and preferred stock ⁽¹⁾	2,054,956	335,267	665,929	657,395	396,365
Non-cancelable operating leases	1,293,645	126,732	253,211	207,230	706,472
Non-cancelable contracts	198,147	125,853	67,434	3,143	1,717
Employment/talent contracts	262,307	102,263	117,679	42,365	—
Unrecognized tax benefits ⁽²⁾	18,183	—	—	—	18,183
Other long-term obligations	53,034	—	24,401	5,267	23,366
Total	\$ 9,997,816	\$ 724,890	\$ 1,185,301	\$ 970,869	\$ 7,116,756

- (1) Interest payments on long-term debt and preferred stock reflect the Company's obligations as of December 31, 2020. Interest payments calculated based on floating rates assume rates are held constant over the remaining term.
- (2) The non-current portion of the unrecognized tax benefits is included in the "Thereafter" column as we cannot reasonably estimate the timing or amounts of additional cash payments, if any, at this time. For additional information, see Note 11 included in Item 8 of Part II of this Annual Report on Form 10-K.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2020, we did not have any off-balance sheet arrangements.

SEASONALITY

Typically, the Audio segment experiences its lowest financial performance in the first quarter of the calendar year. We expect this trend to continue in the future. Due to this seasonality and certain other factors, the results for the interim periods may not be indicative of results for the full year. In addition, our Audio segment and our Audio and Media Services segment are impacted by political cycles and generally experience higher revenues in congressional election years, and particularly in presidential election years. This cyclicity may affect comparability of results between years.

MARKET RISK

We are exposed to market risks arising from changes in market rates and prices, including movements in interest rates, foreign currency exchange rates and inflation.

Interest Rate Risk

A significant amount of our long-term debt bears interest at variable rates. Accordingly, our earnings will be affected by changes in interest rates. As of December 31, 2020, approximately 43% of our aggregate principal amount of long-term debt bore interest at floating rates. Assuming the current level of borrowings and assuming a 50% change in LIBOR, it is estimated that our interest expense for the year ended December 31, 2020 would have changed by \$8.2 million.

In the event of an adverse change in interest rates, management may take actions to mitigate our exposure. However, due to the uncertainty of the actions that would be taken and their possible effects, the preceding interest rate sensitivity analysis assumes no such actions. Further, the analysis does not consider the effects of the change in the level of overall economic activity that could exist in such an environment.

Inflation

Inflation is a factor in our business and we continue to seek ways to mitigate its effect. Inflation has affected our performance in terms of higher costs for wages, salaries and equipment. We believe the effects of inflation, if any, on our historical results of operations and financial condition have been immaterial. Although the exact impact of inflation is indeterminable, we believe we have offset these higher costs by increasing the effective advertising rates of most of our broadcasting stations in our Audio operations.

NEW ACCOUNTING PRONOUNCEMENTS

For information regarding new accounting pronouncements, refer to Note 1, *Summary of Significant Accounting Policies*.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. On an ongoing basis, we evaluate our estimates that are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such difference could be material. Our significant accounting policies are discussed in the notes to our consolidated financial statements included in Item 8 of Part II of this Annual Report on Form 10-K. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. The following narrative describes these critical accounting estimates, the judgments and assumptions and the effect if actual results differ from these assumptions.

Allowance for Doubtful Accounts

We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations, we record a specific reserve to reduce the amounts recorded to what we believe will be collected. For all other customers, we recognize reserves for bad debt based on historical experience for each business unit, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions.

If our agings were to improve or deteriorate resulting in a 10% change in our allowance, we estimated that our bad debt expense for the year ended December 31, 2020 would have changed by approximately \$3.9 million.

Leases

The most significant estimates used by management in accounting for leases and the impact of these estimates are as follows:

Expected lease term Our expected lease term includes both contractual lease periods and cancellable option periods where failure to exercise such options would result in an economic penalty. The expected lease term is used in determining whether the lease is accounted for as an operating lease or a finance lease. A lease is considered a finance lease if the lease term exceeds 75% of the leased asset's useful life. The expected lease term is also used in determining the depreciable life of the asset. An increase in the expected lease term will increase the probability that a lease may be considered a finance lease and will generally result in higher interest and depreciation expense for a leased property recorded on our balance sheet.

Incremental borrowing rate The incremental borrowing rate is primarily used in determining whether the lease is accounted for as an operating lease or a finance lease. A lease is considered a finance lease if the net present value of the minimum lease payments is greater than 90% of the fair market value of the property. An increase in the incremental borrowing rate decreases the net present value of the minimum lease payments and reduces the probability that a lease will be considered a finance lease.

Fair market value of leased asset The fair market value of leased property is generally estimated based on comparable market data as provided by third-party sources. Fair market value is used in determining whether the lease is accounted for as an operating lease or a finance lease. A lease is considered a finance lease if the net present value of the minimum lease payments equals or exceeds 90% of the fair market value of the leased property. A higher fair market value reduces the likelihood that a lease will be considered a finance lease.

Long-lived Assets

Long-lived assets, including plant and equipment and definite-lived intangibles, are reported at historical cost less accumulated depreciation and amortization. We estimate the useful lives for various types of advertising structures and other long-lived assets based on our historical experience and our plans regarding how we intend to use those assets. Our experience indicates that the estimated useful lives applied to our portfolio of assets have been reasonable, and we do not expect significant changes to the estimated useful lives of our long-lived assets in the future. When we determine that structures or other long-lived assets will be disposed of prior to the end of their useful lives, we estimate the revised useful lives and depreciate the assets over the revised period. We also review long-lived assets for impairment when events and circumstances indicate that depreciable and amortizable long-lived assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

We use various assumptions in determining the remaining useful lives of assets to be disposed of prior to the end of their useful lives and in determining the current fair market value of long-lived assets that are determined to be unrecoverable. Estimated useful lives and fair values are sensitive to factors including contractual commitments, regulatory requirements, future expected cash flows, industry growth rates and discount rates, as well as future salvage values. Our impairment loss calculations require management to apply judgment in estimating future cash flows, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

If actual results are not consistent with our assumptions and judgments used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material to our results of operations.

Indefinite-lived Intangible Assets

In connection with our Plan of Reorganization, we applied fresh start accounting as required by ASC 852 and recorded all of our assets and liabilities at estimated fair values, including our FCC licenses, which are included within our Audio reporting unit. Indefinite-lived intangible assets, such as our FCC licenses, are reviewed annually for possible impairment using the direct valuation method as prescribed in ASC 805-20-S99. Under the direct valuation method, the estimated fair value of the indefinite-lived intangible assets was calculated at the market level as prescribed by ASC 350-30-35. Under the direct valuation method, it is assumed that rather than acquiring indefinite-lived intangible assets as a part of a going concern business, the buyer hypothetically obtains indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flows model, which results in value that is directly attributable to the indefinite-lived intangible assets.

Our key assumptions using the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average asset within a market.

On July 1, 2020, we performed our annual impairment test in accordance with ASC 350-30-35 and we concluded no impairment of the indefinite-lived intangible assets was required. In determining the fair value of our FCC licenses, the following key assumptions were used:

- Revenue forecasts published by BIA Financial Network, Inc. (“BIA”), varying by market, were used for the initial four-year period;
- 2.0% revenue growth was assumed beyond the initial four-year period;
- Revenue was grown proportionally over a build-up period, reaching market revenue forecast by year 3;
- Operating margins of 8.0% in the first year gradually climb to the industry average margin in year 3 of up to 21.0%, depending on market size; and
- Assumed discount rates of 8.5% for the 15 largest markets and 9.0% for all other markets.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the fair value of our indefinite-lived intangible assets, it is possible a material change could occur. If future results are not consistent with our assumptions and estimates, we may be exposed to impairment charges in the future. The following table shows the change in the fair value of our indefinite-lived intangible assets that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Description	Revenue Growth Rate	Profit Margin	Discount Rate
FCC license	\$ 343,517	\$ 184,986	\$ 542,741

The estimated fair value of our FCC licenses at July 1, 2020 was \$2.0 billion, while the carrying value was \$1.8 billion.

Goodwill

Upon application of fresh start accounting in accordance with ASC 852 in connection with our emergence from bankruptcy, we recorded goodwill of \$3.3 billion, which represented the excess of estimated enterprise fair value over the estimated fair value of our assets and liabilities. Goodwill was further allocated to our reporting units based on the relative fair values of our reporting units as of May 1, 2019.

We test goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired. The fair value of our reporting units is used to apply value to the net assets of each reporting unit. To the extent that the carrying amount of net assets would exceed the fair value, an impairment charge may be required to be recorded.

The discounted cash flow approach we use for valuing goodwill involves estimating future cash flows expected to be generated from the related assets, discounted to their present value using a risk-adjusted discount rate. Terminal values are also estimated and discounted to their present value.

On July 1, 2020, we performed our annual impairment test in accordance with ASC 350-30-35, resulting in no impairment of goodwill. In determining the fair value of our reporting units, we used the following assumptions:

- Expected cash flows underlying our business plans for the periods 2020 through 2024. Our cash flow assumptions are based on detailed, multi-year forecasts performed by each of our operating reporting units, and reflect the current advertising outlook across our businesses.
- Cash flows beyond 2024 are projected to grow at a perpetual growth rate, which we estimated at 2.0% for our Audio and digital reporting units and 2.0% for our Katz Media reporting unit (beyond 2028).
- In order to risk adjust the cash flow projections in determining fair value, we utilized a discount rate of approximately 14.0% for each of our reporting units.

Based on our annual assessment using the assumptions described above, the excess of fair value of the Audio and RCS reporting units compared to its carrying value is approximately 10% or less; however, a hypothetical 5% reduction in the estimated fair value in each of our reporting units would not result in a material impairment condition.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the estimated fair value of our reporting units, it is possible a material change could occur. If future results are not consistent with our assumptions and estimates, we may be exposed to impairment charges in the future. The following table shows the decline in the fair value of each of our reporting units that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Description	Revenue Growth Rate	Profit Margin	Discount Rate
Audio	\$ 590,000	\$ 233,000	\$ 671,000
Katz Media	\$ 28,000	\$ 13,000	\$ 31,000
Other	\$ 16,000	\$ 6,000	\$ 16,000

Tax Provisions

Our estimates of income taxes and the significant items giving rise to the deferred tax assets and liabilities are shown in the notes to our consolidated financial statements and reflect our assessment of actual future taxes to be paid on items reflected in the financial statements, giving consideration to both timing and probability of these estimates. Actual income taxes could vary from these estimates due to future changes in income tax law or results from the final review of our tax returns by federal, state or foreign tax authorities.

We use our judgment to determine whether it is more likely than not that our deferred tax assets will be realized. Deferred tax assets are reduced by valuation allowances if the Company believes it is more than likely than not that some portion or the entire asset will not be realized.

We use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We regularly review our uncertain tax positions and adjust our unrecognized tax benefits (UTBs) in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our UTBs may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash.

Litigation Accruals

We are currently involved in certain legal proceedings. Based on current assumptions, we have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. Future results of operations could be materially affected by changes in these assumptions or the effectiveness of our strategies related to these proceedings.

Management's estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies.

Insurance Accruals

We are currently self-insured beyond certain retention amounts for various insurance coverages, including general liability and property and casualty. Accruals are recorded based on estimates of actual claims filed, historical payouts, existing insurance coverage and projected future development of costs related to existing claims. Our self-insured liabilities contain uncertainties because management must make assumptions and apply judgment to estimate the ultimate cost to settle reported claims and claims incurred but not reported as of December 31, 2020.

If actual results are not consistent with our assumptions and judgments, we may be exposed to gains or losses that could be material. A 10% change in our self-insurance liabilities at December 31, 2020 would have affected our net loss by approximately \$2.0 million for the year ended December 31, 2020.

Share-Based Compensation

Under the fair value recognition provisions of ASC 718-10, share-based compensation cost is measured at the grant date based on the fair value of the award. Determining the fair value of share-based awards at the grant date requires assumptions and judgments, such as expected volatility, among other factors. If actual results differ significantly from these estimates, our results of operations could be materially impacted.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Required information is located within Item 7 of Part II of this Annual Report on Form 10-K, under the heading “Market Risk”.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of iHeartMedia, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of iHeartMedia, Inc. and subsidiaries (the Company) as of December 31, 2020 and 2019 (Successor), the related consolidated statements of comprehensive income (loss), changes in stockholders' equity (deficit) and cash flows for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor), the period from January 1, 2019 through May 1, 2019 (Predecessor), and the year ended December 31, 2018 (Predecessor), and the related notes and the financial statement schedule listed in the Index at Item 15(a)2 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019 (Successor), and the results of its operations and its cash flows for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor), the period from January 1, 2019 through May 1, 2019 (Predecessor), and the year ended December 31, 2018 (Predecessor) in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 25, 2021 expressed an unqualified opinion thereon.

Adoption of New Accounting Standard

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for leases in 2019.

Basis for Opinion

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

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

Critical Audit Matter

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

Valuation of Goodwill and Indefinite-Lived Intangibles

Description of the Matter As described in Note 7 to the consolidated financial statements, at December 31, 2020 the Company's goodwill was \$2.1 billion and FCC licenses with indefinite lives were \$1.8 billion. Management conducts impairment tests for goodwill and indefinite-lived intangibles annually during the third quarter, or more frequently, if events or circumstances indicate the carrying value of goodwill or indefinite-lived intangibles may be impaired. In the first quarter, the Company performed an interim impairment test which resulted in a goodwill impairment charge of \$1.2 billion related to the Audio reporting unit within the Audio segment, and FCC license impairment charges of \$502.7 million.

Auditing management's impairment tests for goodwill and intangible assets with indefinite lives was complex and highly judgmental and required the involvement of a valuation specialist due to the significant estimation required to determine the fair value of the reporting units and FCC licenses. In particular for goodwill, the fair value estimates in the discounted cash flow models of reporting units are sensitive to assumptions such as changes in projected cash flows, including due to the impacts of COVID-19, and discount rate. For FCC Licenses, the fair value estimates in the discounted cash flow models are sensitive to changes to the discount rate assumption. All of these assumptions are sensitive to and affected by expected future market or economic conditions, and industry factors.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill and FCC licenses impairment review process, including controls over management's review of the significant assumptions described above. This included evaluating controls over the Company's forecasting process used to develop the estimated future cash flows. We also tested controls over management's review of the data used in their valuation models and review of the significant assumptions such as estimation of discount rates.

To test the estimated fair values of the Company's reporting units and FCC licenses, our audit procedures included, among others, evaluating the Company's selection of the valuation methodology, evaluating the methods and significant assumptions used by management, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. We compared the projected cash flows to the Company's historical cash flows and other available industry and market forecast information, including third-party industry projections for the advertising industry. We involved our valuation specialists to assist in reviewing the valuation methodology and testing the terminal growth rates and discount rates. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting units and FCC licenses that would result from changes in the assumptions. In addition, for goodwill we also tested management's reconciliation of the fair value of the reporting units to the market capitalization of the Company. For FCC licenses, we also assessed whether the assumptions used were consistent with those used in the goodwill impairment review process.

/s/ Ernst & Young LLP

We have served as the Company's auditor since at least 1986, but we are unable to determine the specific year.
San Antonio, Texas
February 25, 2021

CONSOLIDATED BALANCE SHEETS OF IHEARTMEDIA, INC. AND SUBSIDIARIES

(In thousands, except share and per share data)

	Successor Company	
	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 720,662	\$ 400,300
Accounts receivable, net of allowance of \$38,777 in 2020 and \$12,629 in 2019	801,380	902,908
Prepaid expenses	79,508	71,764
Other current assets	17,426	41,376
Total Current Assets	1,618,976	1,416,348
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment, net	811,702	846,876
INTANGIBLE ASSETS AND GOODWILL		
Indefinite-lived intangibles - licenses	1,770,345	2,277,735
Other intangibles, net	1,924,492	2,176,540
Goodwill	2,145,935	3,325,622
OTHER ASSETS		
Operating lease right-of-use assets	825,887	881,762
Other assets	105,624	96,216
Total Assets	\$ 9,202,961	\$ 11,021,099
CURRENT LIABILITIES		
Accounts payable	\$ 149,333	\$ 117,282
Current operating lease liabilities	76,503	77,756
Accrued expenses	265,651	240,151
Accrued interest	68,054	83,768
Deferred revenue	123,488	139,529
Current portion of long-term debt	34,775	8,912
Total Current Liabilities	717,804	667,398
Long-term debt	5,982,155	5,756,504
Series A Mandatorily Redeemable Preferred Stock, par value \$0.001, authorized 60,000 shares, 60,000 shares issued in 2020 and 2019, respectively	60,000	60,000
Noncurrent operating lease liabilities	764,491	796,203
Deferred income taxes	556,477	737,443
Other long-term liabilities	71,217	58,110
Commitments and contingent liabilities (Note 10)		
STOCKHOLDERS' EQUITY		
Noncontrolling interest	8,350	9,123
Preferred stock, par value \$.001 per share, 100,000,000 shares authorized, no shares issued and outstanding	—	—
Class A Common Stock, par value \$.001 per share, authorized 1,000,000,000 shares, issued and outstanding 64,726,864 and 57,776,204 shares in 2020 and 2019, respectively	65	58
Class B Common Stock, par value \$.001 per share, authorized 1,000,000,000 shares, issued and outstanding 6,886,925 and 6,904,910 shares in 2020 and 2019, respectively	7	7
Special Warrants, 74,835,899 and 81,046,593 issued and outstanding in 2020 and 2019, respectively	—	—
Additional paid-in capital	2,849,020	2,826,533
Retained earnings (Accumulated deficit)	(1,803,620)	112,548
Accumulated other comprehensive income (loss)	194	(750)
Cost of shares (254,066 in 2020 and 128,074 in 2019) held in treasury	(3,199)	(2,078)
Total Stockholders' Equity	1,050,817	2,945,441
Total Liabilities and Stockholders' Equity	\$ 9,202,961	\$ 11,021,099

See Notes to Consolidated Financial Statements

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) OF
IHEARTMEDIA, INC. AND SUBSIDIARIES**

<i>(In thousands, except per share data)</i>	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Revenue	\$ 2,948,218	\$ 2,610,056	\$ 1,073,471	\$ 3,611,323
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	1,163,148	878,956	381,184	1,132,439
Selling, general and administrative expenses (excludes depreciation and amortization)	1,225,097	897,670	427,230	1,350,157
Corporate expenses (excludes depreciation and amortization)	144,572	136,171	53,647	184,216
Depreciation and amortization	402,929	249,623	52,834	211,951
Impairment charges	1,738,752	—	91,382	33,150
Other operating expense, net	11,344	8,000	154	9,266
Operating income (loss)	(1,737,624)	439,636	67,040	690,144
Interest expense (income), net	343,745	266,773	(499)	334,798
Loss on investments, net	(9,346)	(20,928)	(10,237)	(472)
Equity in earnings (loss) of nonconsolidated affiliates	(379)	(279)	(66)	116
Other income (expense), net	(7,751)	(18,266)	23	(23,007)
Reorganization items, net	—	—	9,461,826	(356,119)
Income (loss) from continuing operations before income taxes	(2,098,845)	133,390	9,519,085	(24,136)
Income tax benefit (expense)	183,623	(20,091)	(39,095)	(13,836)
Income (loss) from continuing operations	(1,915,222)	113,299	9,479,990	(37,972)
Income (loss) from discontinued operations, net of tax	—	—	1,685,123	(164,667)
Net income (loss)	(1,915,222)	113,299	11,165,113	(202,639)
Less amount attributable to noncontrolling interest	(523)	751	(19,028)	(729)
Net income (loss) attributable to the Company	\$ (1,914,699)	\$ 112,548	\$ 11,184,141	\$ (201,910)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	945	(750)	(1,175)	(15,924)
Other adjustments to comprehensive income (loss)	—	—	—	(1,498)
Reclassification adjustments	—	—	—	2,962
Other comprehensive income (loss)	945	(750)	(1,175)	(14,460)
Comprehensive income (loss)	(1,913,754)	111,798	11,182,966	(216,370)
Less amount attributable to noncontrolling interest	—	—	2,784	(8,713)
Comprehensive income (loss) attributable to the Company	\$ (1,913,754)	\$ 111,798	\$ 11,180,182	\$ (207,657)
Basic net income (loss) per share				
From continuing operations	\$ (13.12)	\$ 0.77	\$ 109.92	\$ (0.44)
From discontinued operations	—	—	19.76	(1.93)
Basic net income (loss) per share	\$ (13.12)	\$ 0.77	\$ 129.68	\$ (2.36)
Weighted average common shares outstanding - Basic	145,979	145,608	86,241	85,412
Diluted net income (loss) per share				
From continuing operations	\$ (13.12)	\$ 0.77	\$ 109.92	\$ (0.44)
From discontinued operations	—	—	19.76	(1.93)
Diluted net income (loss) per share	\$ (13.12)	\$ 0.77	\$ 129.68	\$ (2.36)
Weighted average common shares outstanding - Diluted	145,979	145,795	86,241	85,412

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) OF IHEARTMEDIA, INC. AND SUBSIDIARIES

(In thousands, except share data)

	Common Shares ⁽¹⁾			Non- controlling Interest	Controlling Interest					Total
	Class A Shares	Class B Shares	Special Warrants		Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	
Balances at December 31, 2019 (Successor)	57,776,204	6,904,910	81,046,593	\$ 9,123	\$ 65	\$ 2,826,533	\$ 112,548	\$ (750)	\$ (2,078)	\$ 2,945,441
Net loss				(523)	—	—	(1,914,699)	—	—	(1,915,222)
Vesting of restricted stock and other	724,963			—	7	(29)	—	—	(1,121)	(1,143)
Share-based compensation				—	—	22,516	—	—	—	22,516
Conversion of Special Warrants to Class A and Class B Shares	6,205,617	2,095	(6,207,712)	—	—	—	—	—	—	—
Conversion of Class B Shares to Class A Shares	20,080	(20,080)		—	—	—	—	—	—	—
Cancellation of Special Warrants			(2,982)	—	—	—	—	—	—	—
Other				(250)	—	—	(1,469)	(1)	—	(1,720)
Other comprehensive income				—	—	—	—	945	—	945
Balances at December 31, 2020 (Successor)	64,726,864	6,886,925	74,835,899	\$ 8,350	\$ 72	\$ 2,849,020	\$ (1,803,620)	\$ 194	\$ (3,199)	\$ 1,050,817

⁽¹⁾ The Successor Company's Preferred Stock is not presented in the data above as there were no shares issued and outstanding in 2020 or 2019.

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) OF IHEARTMEDIA, INC. AND SUBSIDIARIES

(In thousands, except share data)

	Common Shares ⁽¹⁾				Controlling Interest							Total
	Class A Shares	Class B Shares	Class C Shares	Special Warrants	Non-controlling Interest	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock		
Balances at December 31, 2018 (Predecessor)	32,292,944	555,556	58,967,502	—	\$ 30,868	\$ 92	\$ 2,074,632	\$ (13,345,346)	\$ (318,030)	\$ (2,558)	\$ (11,560,342)	
Net income (loss)					(19,028)	—	—	11,184,141	—	—	11,165,113	
Non-controlling interest - Separation					(13,199)	—	—	—	—	—	(13,199)	
Accumulated other comprehensive loss - Separation					—	—	—	—	307,813	—	307,813	
Adoption of ASC 842, Leases					—	—	—	128,908	—	—	128,908	
Issuance of restricted stock					196	—	—	—	—	(4)	192	
Forfeitures of restricted stock	(110,333)				—	—	—	—	—	—	—	
Share-based compensation					—	—	2,028	—	—	—	2,028	
Share-based compensation - discontinued operations					2,449	—	—	—	—	—	2,449	
Payments to non-controlling interests					(3,684)	—	—	—	—	—	(3,684)	
Other					—	—	—	—	1	—	1	
Other comprehensive income (loss)					2,784	—	—	—	(3,959)	—	(1,175)	
Cancellation of Predecessor equity	(32,182,611)	(555,556)	(58,967,502)		(386)	(92)	(2,076,660)	2,059,998	14,175	2,562	(403)	
Issuance of Successor common stock and warrants	56,861,941	6,947,567	—	81,453,648	8,943	64	2,770,108	(27,701)	—	—	2,751,414	
Balances at May 1, 2019 (Predecessor)	56,861,941	6,947,567	—	81,453,648	\$ 8,943	\$ 64	\$ 2,770,108	\$ —	\$ —	\$ —	\$ 2,779,115	
Balances at May 2, 2019 (Successor)	56,861,941	6,947,567	—	81,453,648	\$ 8,943	\$ 64	\$ 2,770,108	\$ —	\$ —	\$ —	\$ 2,779,115	
Net income					751	—	—	112,548	—	—	113,299	
Vesting of restricted stock	644,025				—	1	(1)	—	—	(2,078)	(2,078)	
Share-based compensation					—	—	26,377	—	—	—	26,377	
Conversion of Special Warrants to Class A and Class B Shares	216,921	10,660		(227,581)	—	—	—	—	—	—	—	
Conversion of Class B Shares to Class A Shares	53,317	(53,317)			—	—	—	—	—	—	—	
Cancellation of Special Warrants and other				(179,474)	(571)	—	30,049	—	—	—	29,478	
Other comprehensive loss					—	—	—	—	(750)	—	(750)	
Balances at December 31, 2019 (Successor)	57,776,204	6,904,910	—	81,046,593	\$ 9,123	\$ 65	\$ 2,826,533	\$ 112,548	\$ (750)	\$ (2,078)	\$ 2,945,441	

⁽¹⁾ The Predecessor Company's Class D Common Stock and Preferred Stock are not presented in the data above as there were no shares issued and outstanding in 2019 or 2018.

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) OF IHEARTMEDIA, INC. AND SUBSIDIARIES

(In thousands, except per share data)

	Common Shares ⁽¹⁾			Non- controlling Interest	Controlling Interest					Total
	Class A Shares	Class B Shares	Class C Shares		Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	
Balances at December 31, 2017 (Predecessor)	32,626,168	555,556	58,967,502	\$ 41,191	\$ 92	\$ 2,072,566	\$ (13,142,001)	\$ (313,718)	\$ (2,474)	\$ (11,344,344)
Net loss				(729)	—	—	(201,910)	—	—	(202,639)
Issuance of restricted stock and other	(333,224)			(713)	—	—	—	—	(84)	(797)
Share-based compensation				—	—	2,066	—	—	—	2,066
Share-based compensation - discontinued operations				8,517	—	—	—	—	—	8,517
Payments to non-controlling interests				(8,742)	—	—	—	—	—	(8,742)
Other				57	—	—	(1,435)	1,435	—	57
Other comprehensive loss				(8,713)	—	—	—	(5,747)	—	(14,460)
Balances at December 31, 2018 (Predecessor)	32,292,944	555,556	58,967,502	\$ 30,868	\$ 92	\$ 2,074,632	\$ (13,345,346)	\$ (318,030)	\$ (2,558)	\$ (11,560,342)

⁽¹⁾ The Company's Class D Common Stock and Preferred Stock are not presented in the data above as there were no shares issued and outstanding in 2018 and 2017, respectively.

See Notes to Consolidated Financial Statements

**CONSOLIDATED STATEMENTS OF CASH FLOWS OF
IHEARTMEDIA, INC. AND SUBSIDIARIES**

(In thousands)	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Cash flows from operating activities:				
Net income (loss)	\$ (1,915,222)	\$ 113,299	\$ 11,165,113	\$ (202,639)
(Income) loss from discontinued operations	—	—	(1,685,123)	164,667
Reconciling items:				
Impairment charges	1,738,752	—	91,382	33,150
Depreciation and amortization	402,929	249,623	52,834	211,951
Deferred taxes	(184,269)	9,120	115,839	3,643
Provision for doubtful accounts	38,273	14,088	3,268	21,042
Amortization of deferred financing charges and note discounts, net	4,758	1,295	512	11,871
Non-cash Reorganization items, net	—	—	(9,619,236)	252,392
Share-based compensation	22,516	26,377	498	2,066
(Gain) loss on disposal of operating and other assets	6,986	4,539	(143)	3,233
Loss on investments	9,346	20,928	10,237	472
Equity in (earnings) loss of nonconsolidated affiliates	379	279	66	(116)
Barter and trade income	(10,502)	(12,961)	(5,947)	(10,873)
Other reconciling items, net	656	(9,154)	(65)	(596)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:				
(Increase) decrease in accounts receivable	77,335	(179,479)	117,263	(35,464)
(Increase) decrease in prepaid expenses and other current assets	2,447	15,288	(24,044)	(2,055)
(Increase) decrease in other long-term assets	(1,119)	7,924	(7,098)	(13,755)
Increase (decrease) in accounts payable and accrued expenses	52,354	127,150	(156,885)	23,699
Increase (decrease) in accrued interest	(15,714)	84,523	256	303,344
Increase (decrease) in deferred income	(21,859)	(8,441)	13,377	(21,455)
Increase (decrease) in other long-term liabilities	7,899	4,507	(79,609)	(3,358)
Cash provided by (used for) operating activities from continuing operations	215,945	468,905	(7,505)	741,219
Cash provided by (used for) operating activities from discontinued operations	—	—	(32,681)	225,453
Net cash provided by (used for) operating activities	215,945	468,905	(40,186)	966,672
Cash flows from investing activities:				
Proceeds from disposal of assets	3,041	8,046	99	19,152
Purchases of businesses	(62,050)	—	(1,998)	(74,272)
Purchases of property, plant and equipment	(85,205)	(75,993)	(36,197)	(85,245)
Change in other, net	(3,599)	(5,331)	(682)	(1,521)
Cash used for investing activities from continuing operations	(147,813)	(73,278)	(38,778)	(141,886)
Cash used for investing activities from discontinued operations	—	—	(222,366)	(203,592)
Net cash used for investing activities	(147,813)	(73,278)	(261,144)	(345,478)
Cash flows from financing activities:				
Proceeds from long-term debt and credit facilities	779,750	1,250,007	269	143,332
Payments on long-term debt and credit facilities	(532,392)	(1,285,408)	(8,294)	(622,677)
Proceeds from Mandatorily Redeemable Preferred Stock	—	—	60,000	—
Settlement of intercompany related to discontinued operations	—	—	(159,196)	—
Debt issuance costs	(4,786)	(19,983)	—	—
Change in other, net	(1,392)	(2,649)	(5)	(1,157)
Cash provided by (used for) financing activities from continuing operations	241,180	(58,033)	(107,226)	(480,502)
Cash provided by (used for) financing activities from discontinued operations	—	—	51,669	(11,297)
Net cash provided by (used for) financing activities	241,180	(58,033)	(55,557)	(491,799)
Effect of exchange rate changes on cash	257	15	562	(10,361)
Net increase (decrease) in cash, cash equivalents and restricted cash	309,569	337,609	(356,325)	119,034
Cash, cash equivalents and restricted cash at beginning of period	411,618	74,009	430,334	311,300
Cash, cash equivalents and restricted cash at end of period	721,187	411,618	74,009	430,334
Less cash, cash equivalents and restricted cash of discontinued operations at end of period	—	—	—	202,869
Cash, cash equivalents and restricted cash of continuing operations at end of period	\$ 721,187	\$ 411,618	\$ 74,009	\$ 227,465
SUPPLEMENTAL DISCLOSURES:				
Cash paid during the year for interest	\$ 357,168	\$ 183,806	\$ 137,042	\$ 397,984
Cash paid during the year for taxes	5,844	5,759	22,092	34,203
Cash paid for Reorganization items, net	443	18,360	183,291	103,727

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

iHeartMedia, Inc. (the “Company,” “iHeartMedia,” “we” or “us”) was formed in May 2007 for the purpose of acquiring the business of iHeartCommunications, Inc., a Texas company (“iHeartCommunications”), which occurred on July 30, 2008. Prior to the consummation of the acquisition of iHeartCommunications, iHeartMedia had not conducted any activities, other than activities incident to its formation in connection with the acquisition, and did not have any assets or liabilities, other than those related to the acquisition.

On March 14, 2018 (the “Petition Date”), the Company, iHeartCommunications and certain of the Company’s direct and indirect domestic subsidiaries (collectively, the “Debtors”) filed voluntary petitions for relief (the “Chapter 11 Cases”) under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”). On May 1, 2019 (the “Effective Date”), the conditions to the effectiveness of the Debtors plan of reorganization, as amended, were satisfied and the Company emerged from Chapter 11 through (a) a series of transactions (the “Separation”) through which Clear Channel Outdoor Holdings, Inc. (“CCOH”), its parent Clear Channel Holdings, Inc. (“CCH”) and its subsidiaries (collectively with CCOH and CCH, the “Outdoor Group”) were separated from, and ceased to be controlled by, the Company and its subsidiaries (the “iHeart Group”), and (b) a series of transactions (the “Reorganization”) through which iHeartCommunications’ debt was reduced from approximately \$16 billion to approximately \$5.8 billion and a global compromise and settlement among holders of claims (“Claimholders”) in connection with the Chapter 11 Cases was effected (collectively, the “Plan of Reorganization”).

Unless otherwise indicated, information in these notes to the consolidated financial statements relates to continuing operations. The operations of the Outdoor Group have been presented as discontinued. The Company presents businesses that represent components as discontinued operations when the components meet the criteria for held for sale, are sold, or spun-off and their disposal represents a strategic shift that has, or will have, a major effect on its operations and financial results. See Note 4, *Discontinued Operations*.

As part of the Separation and Reorganization (as defined below), the Company reevaluated its segment reporting, resulting in the presentation of two reportable segments:

- Audio, which provides media and entertainment services via broadcast and digital delivery and also includes the Company’s events and national syndication businesses and
- Audio and Media Services, which provides other audio and media services, including the Company’s media representation business, Katz Media Group (“Katz Media”) and the Company’s provider of scheduling and broadcast software, RCS.

COVID-19

Our business has been adversely impacted by the novel coronavirus pandemic (“COVID-19”), its impact on the operating and economic environment and related, near-term advertiser spending decisions. iHeartCommunications borrowed \$350.0 million principal amount under its \$450.0 million senior secured asset-based revolving credit facility (the “ABL Facility”) as a precautionary measure to preserve iHeartCommunications’ financial flexibility in light of this uncertainty. The Company repaid the amounts borrowed under the ABL Facility during the second and third quarters of 2020 using cash on hand and the proceeds from the issuance of the incremental term loan (as discussed below). As of December 31, 2020, the ABL Facility had a facility size of \$450.0 million, no principal amounts outstanding and \$32.9 million of outstanding letters of credit, resulting in \$417.1 million of excess availability. As a result of certain restrictions in the Company’s debt and preferred stock agreements, as of December 31, 2020, approximately \$172 million was available to be drawn upon under the ABL Facility.

In July 2020, iHeartCommunications issued \$450.0 million of incremental term loans pursuant to an amendment (the “Amendment No. 2”) to the credit agreement (as amended, the “Credit Agreement”) with iHeartMedia Capital I, LLC as guarantor, certain subsidiaries of iHeartCommunications, as guarantors, and Bank of America, N.A., as administrative agent, governing the Company’s \$2.5 billion aggregate principal amount of senior secured term loans (the “Term Loan Facility”) and used a portion of the proceeds to repay the \$235.0 million outstanding balance under the ABL Facility.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company's revenue in the latter half of the month ended March 31, 2020 and in the remainder of 2020 was significantly and negatively impacted as a result of a decline in advertising spend driven by COVID-19, and the Company's management took proactive actions during the year to expand the Company's financial flexibility by reducing expenses and preserving cash as a result of such impact.

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES Act"). The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. The Company continues to examine the impacts the CARES Act may have on its business. For more information on the expected benefits of the CARES Act on the Company's income tax liabilities, see Note 11, *Income Taxes*.

As of December 31, 2020, the Company had approximately \$720.7 million in cash and cash equivalents. While the Company expects COVID-19 to continue to negatively impact the results of operations, cash flows and financial position of the Company for some time into the future, the related financial impact cannot be reasonably estimated at this time. Based on current available liquidity, the Company expects to be able to meet its obligations as they become due over the coming year.

As a result of uncertainty related to COVID-19 and its negative impact on the Company's business and the public trading values of its debt and equity, the Company was required to perform interim impairment tests on its long-lived assets, intangible assets and indefinite-lived intangible assets as of March 31, 2020. The interim impairment tests resulted in a non-cash impairment of the Company's Federal Communication Commission ("FCC") licenses of \$502.7 million and a non-cash impairment charge of \$1.2 billion to reduce goodwill.

The Company performed its annual impairment testing of goodwill and indefinite-lived intangible assets as of July 1, 2020. No additional impairment charges were recorded as a result of this assessment. For more information, see Note 7, *Property, Plant and Equipment, Intangible Assets and Goodwill*.

Voluntary Filing under Chapter 11

On the Petition Date, the Debtors filed the Chapter 11 Cases. Clear Channel Outdoor Holdings, Inc. ("CCOH") and its direct and indirect subsidiaries did not file voluntary petitions for reorganization under the Bankruptcy Code and were not Debtors in the Chapter 11 Cases.

On the Effective Date, the conditions to the effectiveness of the Plan of Reorganization were satisfied and the Company emerged from Chapter 11 through (a) a series of transactions (through which the Outdoor Group was separated from, and ceased to be controlled by, the iHeart Group, and (b) the Reorganization of transactions through which iHeartCommunications' debt was reduced from approximately \$16 billion to approximately \$5.8 billion and a global compromise and settlement among Claimholders in connection with the Chapter 11 Cases was effected. The compromise and settlement involved, among others, (i) the restructuring of iHeartCommunications' indebtedness by (A) replacing its "debtor-in-possession" credit facility with a \$450 million ABL Facility and (B) issuing to certain Claimholders, on account of their claims, approximately \$3.5 billion aggregate principal amount of new senior secured term loans (the "Term Loan Facility"), approximately \$1.45 billion aggregate principal amount of new 8.375% Senior Notes due 2027 (the "Senior Unsecured Notes") and approximately \$800 million aggregate principal amount of new 6.375% Senior Secured Notes due 2026 (the "6.375% Senior Secured Notes"), (ii) the Company's issuance of new Class A common stock, new Class B common stock and special warrants to purchase shares of new Class A common stock and Class B common stock ("Special Warrants") to Claimholders, subject to ownership restrictions imposed by the Federal Communications Commission ("FCC"), (iii) the settlement of certain intercompany transactions, and (iv) the sale of the preferred stock (the "iHeart Operations Preferred Stock") of the Company's wholly-owned subsidiary iHeart Operations, Inc. ("iHeart Operations") in connection with the Separation.

All of the Company's equity existing as of the Effective Date was canceled on such date pursuant to the Plan of Reorganization.

Upon the Company's emergence from the Chapter 11 Cases, the Company adopted fresh start accounting, which resulted in a new basis of accounting and the Company becoming a new entity for financial reporting purposes. As a result of the application of fresh start accounting and the effects of the implementation of the Plan of Reorganization, the consolidated financial statements after the Effective Date, are not comparable with the consolidated financial statements on or before that date. Refer to Note 3, *Fresh Start Accounting*, for additional information.

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

References to “Successor” or “Successor Company” relate to the financial position and results of operations of the Company after the Effective Date. References to “Predecessor” or “Predecessor Company” refer to the financial position and results of operations of the Company on or before the Effective Date.

During the Predecessor period, the Company applied Accounting Standards Codification (“ASC”) 852 - *Reorganizations* (“ASC 852”) in preparing the consolidated financial statements. ASC 852 requires the financial statements, for periods subsequent to the commencement of the Chapter 11 Cases, to distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain charges incurred during 2018 and 2019 related to the Chapter 11 Cases, including the write-off of unamortized long-term debt fees and discounts associated with debt classified as liabilities subject to compromise, and professional fees incurred directly as a result of the Chapter 11 Cases are recorded as Reorganization items, net in the Predecessor period.

ASC 852 requires certain additional reporting for financial statements prepared between the bankruptcy filing date and the date of emergence from bankruptcy, including:

- Reclassification of Debtor pre-petition liabilities that are unsecured, under-secured or where it cannot be determined that the liabilities are fully secured, to a separate line item in the Consolidated Balance Sheet called, “Liabilities subject to compromise”; and
- Segregation of Reorganization items, net as a separate line in the Consolidated Statement of Comprehensive Loss, included within income from continuing operations.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates, judgments, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes including, but not limited to, legal, tax and insurance accruals. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Also included in the consolidated financial statements are entities for which the Company has a controlling financial interest or is the primary beneficiary. Investments in companies in which the Company owns 20% to 50% of the voting common stock or otherwise exercises significant influence over operating and financial policies of the Company are accounted for using the equity method of accounting. All significant intercompany accounts have been eliminated in consolidation.

Certain prior period amounts have been reclassified to conform to the 2020 presentation.

The Company is the beneficiary of two trusts created to comply with Federal Communications Commission (“FCC”) ownership rules. The radio stations owned by the trusts are managed by independent trustees. The trustees are marketing these stations for sale, and the stations will have to be sold unless any stations may be owned by the Company under then-current FCC rules, in which case the trusts will be terminated with respect to such stations. The trust agreements stipulate that the Company must fund any operating shortfalls of the trust activities, and any excess cash flow generated by the trusts is distributed to the Company. The Company is also the beneficiary of proceeds from the sale of stations held in the trusts. The Company consolidates the trusts in accordance with ASC 810-10, which requires an enterprise involved with variable interest entities to perform an analysis to determine whether the enterprise’s variable interest or interests give it a controlling financial interest in the variable interest entity, as the trusts were determined to be a variable interest entity and the Company is the primary beneficiary under the trusts.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Accounts Receivable

Accounts receivable are recorded when the Company has an unconditional right to payment, either because it has satisfied a performance obligation prior to receiving payment from the customer or has a non-cancelable contract that has been billed in advance in accordance with the Company's normal billing terms.

Accounts receivable are recorded at the invoiced amount, net of reserves for sales allowances and allowances for doubtful accounts. The Company evaluates the collectability of its accounts receivable based on a combination of factors. In circumstances where it is aware of a specific customer's inability to meet its financial obligations, it records a specific reserve to reduce the amounts recorded to what it believes will be collected. For all other customers, it recognizes reserves for bad debt based on historical experience of bad debts as a percent of accounts receivable for each business unit, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions. The Company believes its concentration of credit risk is limited due to the large number of its customers.

Business Combinations

The Company accounts for its business combinations under the acquisition method of accounting. The total cost of an acquisition is allocated to the underlying identifiable net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. Various acquisition agreements may include contingent purchase consideration based on performance requirements of the investee. The Company accounts for these payments in conformity with the provisions of ASC 805-20-30, which establish the requirements related to recognition of certain assets and liabilities arising from contingencies.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method at rates that, in the opinion of management, are adequate to allocate the cost of such assets over their estimated useful lives, which are as follows:

- Buildings and improvements – 10 to 39 years
- Towers, transmitters and studio equipment – 5 to 40 years
- Furniture and other equipment – 3 to 7 years
- Leasehold improvements – shorter of economic life or lease term assuming renewal periods, if appropriate

For assets associated with a lease or contract, the assets are depreciated at the shorter of the economic life or the lease or contract term, assuming renewal periods, if appropriate. Expenditures for maintenance and repairs are charged to operations as incurred, whereas expenditures for renewal and betterments are capitalized.

The Company tests for possible impairment of property, plant, and equipment whenever events and circumstances indicate that depreciable assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

Assets and businesses are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. The asset or business must be available for immediate sale and the sale must be highly probable within one year.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Leases

The Company enters into operating lease contracts for land, buildings, structures and other equipment. Arrangements are evaluated at inception to determine whether such arrangements contain a lease. Operating leases primarily include land and building lease contracts and leases of radio towers. Arrangements to lease building space consist primarily of the rental of office space, but may also include leases of other equipment, including automobiles and copiers. Operating leases are reflected on the Company's balance sheet within Operating lease right-of-use ("ROU") assets and the related short-term and long-term liabilities are included within Current and Noncurrent operating lease liabilities, respectively.

The Company's finance leases are included within Property, plant and equipment with the related liabilities included within Long-term debt or within Liabilities subject to compromise (see Note 3, *Fresh Start Accounting*).

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term.

Certain of the Company's operating lease agreements include rental payments that are adjusted periodically for inflationary changes. Payments due to changes in inflationary adjustments are included within variable rent expense, which is accounted for separately from periodic straight-line lease expense. Amounts related to insurance and property taxes in lease arrangements when billed on a pass-through basis are allocated to the lease and non-lease components of the lease based on their relative standalone selling prices.

Certain of the Company's leases provide options to extend the terms of the agreements. Generally, renewal periods are excluded from minimum lease payments when calculating the lease liabilities as, for most leases, the Company does not consider exercise of such options to be reasonably certain. As a result, unless a renewal option is considered reasonably assured, the optional terms and related payments are not included within the lease liability. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The implicit rate within the Company's lease agreements is generally not determinable. As such, the Company uses the incremental borrowing rate ("IBR") to determine the present value of lease payments at the commencement of the lease. The IBR, as defined in ASC 842, is "the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment." In connection with the Company's emergence from bankruptcy and in accordance with ASC 852, the Company applied the provisions of fresh start accounting to its Consolidated Financial Statements on the Effective Date. As a result, the Company adjusted the IBR used to value the Company's ROU assets and operating lease liabilities at the Effective Date (see Note 3, *Fresh Start Accounting*). Upon adoption of ASC 852 in the first quarter of 2019, the Company did not elect the practical expedient to combine non-lease components with the associated lease components. Upon application of fresh start accounting on the Effective Date, the Company elected to use the practical expedient to not separate non-lease components from the associated lease component for all classes of the Company's assets.

Intangible Assets

The Company's indefinite-lived intangible assets consist of FCC broadcast licenses in its Audio segment. The Company's indefinite-lived intangible assets are not subject to amortization, but are tested for impairment at least annually. The Company tests for possible impairment of indefinite-lived intangible assets whenever events or changes in circumstances, such as a significant reduction in operating cash flow or a dramatic change in the manner for which the asset is intended to be used indicate that the carrying amount of the asset may not be recoverable. In connection with the Company's emergence from bankruptcy and in accordance with ASC 852, the Company applied the provisions of fresh start accounting to its Consolidated Financial Statements on the Effective Date. As a result, the Company adjusted its FCC licenses to their respective estimated fair values as of the Effective Date of \$2,281.7 million (see Note 3, *Fresh Start Accounting*).

The Company normally performs its annual impairment test for its FCC licenses using a direct valuation technique as prescribed in ASC 805-20-S99. The Company engages a third-party valuation firm to assist the Company in the development of these assumptions and the Company's determination of the fair value of its FCC licenses. As discussed above, as a result of uncertainty related to COVID-19 and its negative impact on the Company's business and the public trading values of its debt and equity, the Company performed interim impairment tests on its indefinite-lived intangible assets as of March 31, 2020. The

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

interim impairment tests resulted in a non-cash impairment of the Company's FCC licenses of \$502.7 million. The Company performed its annual impairment testing of indefinite-lived intangible assets as of July 1, 2020 and no additional impairment charges were recorded. See Note 7, *Property, Plant and Equipment, Intangible Assets and Goodwill*.

Other intangible assets include definite-lived intangible assets. The Company's definite-lived intangible assets primarily include customer and advertiser relationships, talent and representation contracts, trademarks and tradenames and other contractual rights, all of which are amortized over the shorter of either the respective lives of the agreements or over the period of time the assets are expected to contribute directly or indirectly to the Company's future cash flows. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are recorded at amortized cost. In connection with the Company's emergence from bankruptcy and in accordance with ASC 852, the Company applied the provisions of fresh start accounting to its Consolidated Financial Statements on the Effective Date. As a result, the Company adjusted Other intangible assets to their respective fair values at the Effective Date (see Note 3, *Fresh Start Accounting*).

The Company tests for possible impairment of other intangible assets whenever events and circumstances indicate that they might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

Goodwill

At least annually, the Company performs its impairment test for each reporting unit's goodwill. The Company also tests goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired.

The Company identified its reporting units in accordance with ASC 350-20-55. Generally, the Company's annual impairment test includes a full quantitative assessment, which involves the preparation of a fair value estimate for each reporting unit based on the most recent projected financial results, market and industry factors, including comparison to peer companies and the application of the Company's current estimated WACC. However, in connection with emergence from bankruptcy, the Company qualified for and adopted fresh start accounting on the Effective Date. As of May 1, 2019, the Company allocated its estimated enterprise fair value to its individual assets and liabilities based on their estimated fair values in conformity with ASC 805, "*Business Combinations*."

Upon application of fresh start accounting in accordance with ASC 852 in connection with the emergence from bankruptcy, the Company recorded goodwill of \$3.3 billion, which represented the excess of Reorganization Value over the estimated fair value of the Company's assets and liabilities. Goodwill was further allocated to reporting units based on the relative fair values of the Company's reporting units as of May 1, 2019.

As discussed above, as a result of uncertainty related to COVID-19 and its negative impact on the Company's business and the public trading values of its debt and equity, the Company performed interim impairment tests on its long-lived assets, intangible assets and indefinite-lived intangible assets as of March 31, 2020. The interim impairment tests resulted in a non-cash impairment of the Company's goodwill of \$1.2 billion. The Company performed its annual impairment testing of goodwill and indefinite-lived intangible assets as of July 1, 2020 and no additional impairment charges were recorded. In addition, no further impairment was considered necessary in the fourth quarter of 2020. For more information, see Note 7, *Property, Plant and Equipment, Intangible Assets and Goodwill*.

Nonconsolidated Affiliates

In general, investments in which the Company owns 20% to 50% of the common stock or otherwise exercises significant influence over the investee are accounted for under the equity method. The Company does not recognize gains or losses upon the issuance of securities by any of its equity method investees. The Company reviews the value of equity method investments and records impairment charges in the statement of operations as a component of "Equity in earnings (loss) of nonconsolidated affiliates" for any decline in value that is determined to be other-than-temporary.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Other Investments

We apply Accounting Standards Update ("ASU") 2016-01 Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities ("ASU 2016-01"), which requires us to measure all equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in earnings. For equity securities without readily determinable fair values, we have elected the measurement alternative under which we measure these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Prior to the adoption of ASU 2016-01, marketable equity securities not accounted for under the equity method were classified as available-for-sale. For equity securities classified as available-for-sale, realized gains and losses were included in net income. Unrealized gains and losses on equity securities classified as available-for-sale were recognized in accumulated other comprehensive income (loss) ("AOCI"), net of tax. Equity securities without readily determinable fair values were recorded at cost.

The Company recorded noncash impairment charges of \$0.9 million, \$21.0 million, \$8.3 million and \$14.2 million during the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor) the period from January 1, 2019 through May 1, 2019 (Predecessor) and the year ended 2018 (Predecessor), respectively. Such charge is recorded on the Statement of Comprehensive Income (Loss) in "Loss on investments, net".

Financial Instruments

Due to their short maturity, the carrying amounts of accounts and notes receivable, accounts payable, accrued liabilities, and short-term borrowings approximated their fair values at December 31, 2020 and 2019.

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting bases and tax bases of assets and liabilities and are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. Deferred tax assets are reduced by valuation allowances if the Company believes it is more likely than not that some portion or the entire asset will not be realized. The Company has not provided U.S. federal income taxes for temporary differences with respect to investments in foreign subsidiaries. It is not apparent that these temporary differences will reverse in the foreseeable future. If any excess cash held by our foreign subsidiaries were needed to fund operations in the U.S., the Company could presently repatriate available funds without a requirement to accrue or pay U.S. taxes. The Company regularly reviews its tax liabilities on amounts that may be distributed in future periods and provides for foreign withholding and other current and deferred taxes on any such amounts, where applicable.

Revenue Recognition

The Company recognizes revenue when or as it satisfies a performance obligation by transferring a promised good or service to a customer. Where third-parties are involved in the provision of goods and services to a customer, revenue is recognized at the gross amount of consideration the Company expects to receive if the Company controls the promised good or service before it is transferred to the customer; otherwise, revenue is recognized at the net amount the Company retains. The Company receives payments from customers based on billing schedules that are established in its contracts, and deferred revenue is recorded when payment is received from a customer before the Company has satisfied the performance obligation or a non-cancelable contract has been billed in advance in accordance with the Company's normal billing terms.

The primary source of revenue in the Audio segment is the sale of advertising on the Company's broadcast radio stations, its iHeartRadio mobile application and website, station websites, and national and local live and virtual events. Revenues for advertising spots are recognized at the point in time when the advertisement is broadcast or streamed, while revenues for online display advertisements are recognized over time based on impressions delivered or time elapsed, depending upon the terms of the contract. Revenues for event sponsorships are recognized over the period of the event. Audio also generates revenues from programming talent, network syndication, traffic and weather data, and other miscellaneous transactions, which are recognized when the services are transferred to the customer. Audio's contracts with advertisers are typically a year or less in duration and are generally billed monthly upon satisfaction of the performance obligations.

The Company also generates revenue through contractual commissions realized from the sale of national spot and online advertising on behalf of clients of its full-service media representation business, Katz Media, which is part of the Audio and

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Media Services business. Revenues from these contracts are recognized at the point in time when the advertisements are broadcast. Because the Company is a representative of its media clients and does not control the advertising inventory before it is transferred to the advertiser, the Company recognizes revenue at the net amount of contractual commissions retained for its representation services. The Company's media representation contracts typically have terms up to ten years in duration and are generally billed monthly upon satisfaction of the performance obligations.

The Company recognizes revenue in amounts that reflect the consideration it expects to receive in exchange for transferring goods or services to customers, excluding sales taxes and other similar taxes collected on behalf of governmental authorities (the "transaction price"). When this consideration includes a variable amount, the Company estimates the amount of consideration it expects to receive and only recognizes revenue to the extent that it is probable it will not be reversed in a future reporting period. Because the transfer of promised goods and services to the customer is generally within a year of scheduled payment from the customer, the Company is not typically required to consider the effects of the time value of money when determining the transaction price. Advertising revenue is reported net of agency commissions.

In order to appropriately identify the unit of accounting for revenue recognition, the Company determines which promised goods and services in a contract with a customer are distinct and are therefore separate performance obligations. If a promised good or service does not meet the criteria to be considered distinct, it is combined with other promised goods or services until a distinct bundle of goods or services exists. Certain of the Company's contracts with customers include options for the customer to acquire additional goods or services for free or at a discount, and management judgment is required to determine whether these options are material rights that are separate performance obligations.

For revenue arrangements that contain multiple distinct goods or services, the Company allocates the transaction price to these performance obligations in proportion to their relative standalone selling prices or the best estimate of their fair values. The Company has concluded that the contractual prices for the promised goods and services in its standard contracts generally approximate management's best estimate of standalone selling price as the rates reflect various factors such as the size and characteristics of the target audience, market location and size, and recent market selling prices. However, where the Company provides customers with free or discounted services as part of contract negotiations, management uses judgment to determine how much of the transaction price to allocate to these performance obligations.

Contract Costs

Incremental costs of obtaining a contract primarily relate to sales commissions, which are included in selling, general and administrative expenses and are generally commensurate with sales. These costs are generally expensed when incurred because the period of benefit is one year or less.

Advertising Expense

The Company records advertising expense as it is incurred. Advertising expenses were \$167.2 million, \$126.0 million, \$59.6 million and \$201.2 million for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor), the period from January 1, 2019 through May 1, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively, which include \$133.0 million, \$105.0 million, \$46.0 million and \$155.2 million in barter advertising, respectively.

Share-Based Compensation

Under the fair value recognition provisions of ASC 718-10, share-based compensation cost is measured at the grant date based on the fair value of the award. For awards that vest based on service conditions, this cost is recognized as expense on a straight-line basis over the vesting period. For awards that will vest based on market or performance conditions, this cost is recognized when it becomes probable that the performance conditions will be satisfied. Determining the fair value of share-based awards at the grant date requires assumptions and judgments, such as expected volatility, among other factors.

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Foreign Currency

Results of operations for foreign subsidiaries and foreign equity investees are translated into U.S. dollars using average exchange rates during the year. The assets and liabilities of those subsidiaries and investees are translated into U.S. dollars using the exchange rates at the balance sheet date. The related translation adjustments are recorded in a separate component of stockholders' equity, "Accumulated other comprehensive income (loss)". Foreign currency transaction gains and losses are included in Other income (expense), net in the Statement of Comprehensive Income (Loss).

Reclassifications

Certain prior period amounts have been reclassified to conform to the 2020 presentation. In the first quarter of 2020, in connection with a reorganization of the Company's management structure after the Separation and emergence from the Chapter 11 cases, the Company reevaluated the classification of certain expenses to determine whether such expenses should be included within Direct operating expenses, Selling, general & administrative ("SG&A") expenses or Corporate expenses. As a result, certain expenses were reclassified from Corporate expenses to Direct operating or SG&A expenses. In addition, certain expenses were reclassified from SG&A expenses to Direct operating expenses. The reclassifications had no impact on the Company's Operating Income (Loss) or Net Income (Loss). Accordingly, the Company recast the corresponding amounts in the prior period to conform to the current expense classifications. The corresponding current and prior period segment disclosures were recast to reflect the current expense classifications. See Note 15, *Segment Data*.

New Accounting Pronouncements Recently Adopted

During the second quarter of 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and finalized amendments to FASB ASC Subtopic 825-15, *Financial Instruments-Credit Losses ("ASC 326")*. The amendments of ASU 2016-13 are intended to provide financial statement users with more decision-useful information related to expected credit losses on financial instruments and other commitments to extend credit by replacing the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. The amendments of ASU 2016-13 eliminate the probable initial recognition threshold and, in turn, reflect an entity's current estimate of all expected credit losses. ASU 2016-13 does not specify the method for measuring expected credit losses, and an entity is allowed to apply methods that reasonably reflect its expectations of the credit loss estimate. Additionally, the amendments of ASU 2016-13 require that credit losses on available for sale debt securities be presented as an allowance rather than as a write-down. The Company adopted the updated guidance in the first quarter of 2020 utilizing the modified retrospective approach, which resulted in the recognition of estimated credit loss reserves against certain available-for-sale debt securities from third-parties held by the Company.

Upon adoption, the Company recognized a \$1.5 million cumulative-effect adjustment to opening retained earnings to reflect expected credit losses in relation to notes receivable held by the Company. In addition, the Company evaluated the potential impact of the COVID-19 pandemic on the collectability of its notes receivable from third-parties. To develop an estimate of the present value of expected cash flows of notes receivable, the Company used a probability-weighted discounted cash flow model. As a result of this analysis, the Company recognized an additional credit loss reserve against available-for-sale debt securities of \$5.6 million, which was recognized within Loss on investments, net in the Company's Statement of Comprehensive Loss for the year ended December 31, 2020. The Company will continue to actively monitor the impact of the COVID-19 pandemic on expected credit losses.

The FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*. The new guidance simplifies the accounting for income taxes by eliminating certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, hybrid taxes and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. For public companies, the amendments in this ASU are effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted in interim or annual periods with any adjustments reflected as of the beginning of the annual period that includes that interim period. Additionally, entities that elect early adoption must adopt all the amendments in the same period. Amendments are to be applied prospectively, except for certain amendments that are to be applied either retrospectively or with a modified retrospective approach through a cumulative effect adjustment recorded to retained earnings. The Company early adopted this standard, which did not have significant impact on our financial position, results of operations or cash flows.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This guidance provides temporary optional expedients and exceptions to accounting guidance on contract modifications and hedge accounting to ease entities' financial reporting burdens as the market transitions from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance and generally can be applied through December 31, 2022. The adoption of this standard did not have a significant impact on our financial position, results of operations or cash flows.

Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the Consolidated Balance Sheets to the total of the amounts reported in the Consolidated Statements of Cash Flows:

(In thousands)

	Successor Company	
	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 720,662	\$ 400,300
Restricted cash included in:		
Other current assets ⁽¹⁾	—	11,318
Other assets	525	—
Total cash, cash equivalents and restricted cash in the Statement of Cash Flows	\$ 721,187	\$ 411,618

(1) During the quarter ended December 31, 2020, the Successor Company settled the remaining claims outstanding and provided a final distribution to all General Unsecured Claimholders. As a result the remaining balance held in the Guarantor General Unsecured Recovery Cash Pool pursuant to the terms of the Plan of Reorganization of \$9.9M was released and was reclassified as cash and cash equivalents available for general use.

NOTE 2 - EMERGENCE FROM VOLUNTARY REORGANIZATION UNDER CHAPTER 11 PROCEEDINGS

Plan of Reorganization

As described in Note 1, on May 1, 2019, the Company and the other Debtors emerged from bankruptcy pursuant to the Plan of Reorganization. Capitalized terms not defined in this note are defined in the Plan of Reorganization.

On or following the Effective Date and pursuant to the Plan of Reorganization, the following occurred:

- CCOH was separated from and ceased to be controlled by iHeartCommunications and its subsidiaries.
- The existing indebtedness of iHeartCommunications of approximately \$16 billion was discharged, the Company entered into the Term Loan Facility (\$3,500 million) and issued the 6.375% Senior Secured Notes (\$800 million) and the Senior Unsecured Notes (\$1,450 million), collectively the "Successor Emergence Debt."
- The Company adopted an amended and restated certificate of incorporation and bylaws.
- Shares of the Predecessor Company's issued and outstanding common stock immediately prior to the Effective Date were canceled, and on the Effective Date, reorganized iHeartMedia issued an aggregate of 56,861,941 shares of iHeartMedia Class A common stock, 6,947,567 shares of Class B common stock and special warrants to purchase 81,453,648 shares of Class A common stock or Class B common stock to holders of claims pursuant to the Plan of Reorganization.
- The following classes of claims received the Successor Emergence Debt and 99.1% of the new equity, as defined in the Plan of Reorganization:
 - Secured Term Loan / 2019 PGN Claims (Class 4)
 - Secured Non-9.0% PGN Due 2019 Claims Other Than Exchange 11.25% PGN Claims (Class 5A)

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- Secured Exchange 11.25% PGN Claims (Class 5B)
- iHC 2021 / Legacy Notes Claims (Class 6)
- Guarantor Funded Debt against other Guarantor Debtors Other than CCH and TTWN (Class 7)
- The holders of the Guarantor Funded Debt Unsecured Claims Against CCH (Class 7F) received their Pro Rata share of 100 percent of the CCOH Interests held by the Debtors and CC Finco, LLC and Broader Media, LLC. Refer to the discussion below regarding the Separation Transaction.
- Settled the following classes of claims in cash:
 - General Unsecured Claims Against Non-Obligor Debtors (Class 7A); paid in full
 - General Unsecured Claims Against TTWN Debtors (Class 7B); paid in full
 - iHC Unsecured Claims (Class 7D); paid 14.44% of allowed claim
 - Guarantor General Unsecured Claims (Class 7G); paid minimum of 45% and maximum of 55% of allowed claim
- The CCOH Due From Claims (Class 8) represent the negotiated claim between iHeartMedia and CCOH, which was settled in cash on the date of emergence at 14.44%.
- The Predecessor Company's common stockholders (Class 9) received their pro rata share of 1% of the new common stock; provided that 0.1% of the new common stock that otherwise would have been distributed to the Company's former sponsors was instead distributed to holders of Legacy Notes Claims.
- The Company entered into a new \$450.0 million ABL Facility, which was undrawn at emergence.
- The Company funded the Guarantor General Unsecured Recovery Cash Pool for \$17.5 million in order to settle the Class 7G General Unsecured Claims.
- The Company funded the Professional Fee Escrow Account.
- On the Effective Date, the iHeartMedia, Inc. 2019 Equity Incentive Plan (the "Post-Emergence Equity Plan") became effective. The Post-Emergence Equity Plan allows the Company to grant stock options and restricted stock units representing up to 12,770,387 shares of Class A common stock for key members of management and service providers and up to 1,596,298 for non-employee members of the board of directors. The amounts of Class A common stock reserved under the Post-Emergence Equity Plan were equal to 8% and 1%, respectively, of the Company's fully-diluted and distributed shares of Class A common stock as of the Effective Date.

In addition, as part of the Separation, iHeartCommunications and CCOH consummated the following transactions:

- the cash sweep agreement under the then-existing corporate services agreement and any agreements or licenses requiring royalty payments to iHeartMedia by CCOH for trademarks or other intellectual property ("Trademark License Fees") were terminated;
- iHeartCommunications, iHeartMedia, iHeartMedia Management Services, Inc. ("iHM Management Services") and CCOH entered into a transition services agreement (the "Transition Services Agreement") pursuant to which, the Company or its subsidiaries will provide administrative services historically provided to CCOH by iHeartCommunications for a period of one year after the Effective Date, which was terminated on August 31, 2020;
- the Trademark License Fees charged to CCOH during the post-petition period were waived by iHeartMedia;
- iHeartMedia contributed the rights, title and interest in and to all tradenames, trademarks, service marks, common law marks and other rights related to the Clear Channel tradename (the "CC Intellectual Property") to CCOH;

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- iHeartMedia paid \$115.8 million to CCOH, which consisted of the \$149.0 million payment by iHeartCommunications to CCOH as CCOH's recovery of its claims under the Due from iHeartCommunications Note, partially offset by the \$33.2 million net amount payable to iHeartCommunications under the post-petition intercompany balance between iHeartCommunications and CCOH after adjusting for the post-petition Trademark License Fees which were waived as part of the settlement agreement;
- iHeartCommunications entered into a revolving loan agreement with Clear Channel Outdoor, LLC ("CCOL") and Clear Channel International, Ltd., wholly-owned subsidiaries of CCOH, to provide a line of credit in an aggregate amount not to exceed \$200 million at the prime rate of interest, which was terminated by the borrowers on July 30, 2019 in connection with the closing of an underwritten public offering of common stock by CCOH; and
- iHeart Operations, Inc. issued \$60.0 million in preferred stock to a third party for cash (see Note 9, *Long-Term Debt*).

NOTE 3 - FRESH START ACCOUNTING

Fresh Start

In connection with the Company's emergence from bankruptcy and in accordance with ASC 852, the Company qualified for and adopted fresh start accounting on the Effective Date. The Company was required to adopt fresh start accounting because (i) the holders of existing voting shares of the Predecessor Company received less than 50% of the voting shares of the Successor Company and (ii) the reorganization value of the Company's assets immediately prior to confirmation of the Plan of Reorganization was less than the post-petition liabilities and allowed claims.

In accordance with ASC 852, with the application of fresh start accounting, the Company allocated its reorganization value to its individual assets based on their estimated fair values in conformity with ASC 805, "Business Combinations." The reorganization value represents the fair value of the Successor Company's assets before considering liabilities. The excess reorganization value over the fair value of identified tangible and intangible assets is reported as goodwill. As a result of the application of fresh start accounting and the effects of the implementation of the Plan of Reorganization, the consolidated financial statements after May 1, 2019 are not comparable with the consolidated financial statements as of or prior to that date.

Reorganization Value

As set forth in the Plan of Reorganization and the Disclosure Statement, the enterprise value of the Successor Company was estimated to be between \$8.0 billion and \$9.5 billion. Based on the estimates and assumptions discussed below, the Company estimated the enterprise value to be \$8.75 billion, which was the mid-point of the range of enterprise value as of the Effective Date.

Management and its valuation advisors estimated the enterprise value of the Successor Company, which was approved by the Bankruptcy Court. The selected publicly traded companies analysis approach, the discounted cash flow analysis approach and the selected transactions analysis approach were all utilized in estimating the enterprise value. The use of each approach provides corroboration for the other approaches. To estimate enterprise value utilizing the selected publicly traded companies analysis method, valuation multiples derived from the operating data of publicly-traded benchmark companies to the same operating data of the Company were applied. The selected publicly traded companies analysis identified a group of comparable companies giving consideration to lines of business and markets served, size and geography. The valuation multiples were derived based on historical and projected financial measures of revenue and earnings before interest, taxes, depreciation and amortization and applied to projected operating data of the Company.

To estimate enterprise value utilizing the discounted cash flow method, an estimate of future cash flows for the period 2019 to 2022 with a terminal value was determined and discounted the estimated future cash flows to present value. The expected cash flows for the period 2019 to 2022 with a terminal value were based upon certain financial projections and assumptions provided to the Bankruptcy Court. The expected cash flows for the period 2019 to 2022 were derived from earnings forecasts and assumptions regarding growth and margin projections, as applicable. A terminal value was included, calculated using the terminal multiple method, which estimates a range of values at which the Successor Company will be valued at the end of the Projection Period based on applying a terminal multiple to final year Adjusted EBITDA (referred to as "OIBDAN" in the

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

documents filed with the Bankruptcy Court), which is defined as consolidated operating income adjusted to exclude non-cash compensation expenses included within corporate expenses, as well as Depreciation and amortization, Impairment charges and Other operating income (expense), net.

To estimate enterprise value utilizing the selected transactions analysis, valuation multiples were derived from an analysis of consideration paid and net debt assumed from publicly disclosed merger or acquisition transactions, and such multiples were applied to the broadcast cash flows of the Successor Company. The selected transactions analysis identified companies and assets involved in publicly disclosed merger and acquisition transactions for which the targets had operating and financial characteristics comparable in certain respects to the Successor Company.

The following table reconciles the enterprise value per the Plan of Reorganization to the implied value (for fresh start accounting purposes) of the Successor Company's common stock as of the Effective Date:

(In thousands, except per share data)

Enterprise Value	\$ 8,750,000
Plus:	
Cash and cash equivalents	63,142
Less:	
Debt issued upon emergence	(5,748,178)
Finance leases and short-term notes	(61,939)
Mandatorily Redeemable Preferred Stock	(60,000)
Changes in deferred tax liabilities ⁽¹⁾	(163,910)
Noncontrolling interest	(8,943)
Implied value of Successor Company common stock	<u>\$ 2,770,172</u>
Shares issued upon emergence ⁽²⁾	<u>145,263</u>
Per share value	<u>\$ 19.07</u>

⁽¹⁾ Difference in the assumed effect of deferred taxes in the calculation of enterprise value versus the actual effect of deferred taxes as of May 1.

⁽²⁾ Includes the Class A Common Stock, Class B Common Stock and Special Warrants issued at emergence.

The reconciliation of the Company's enterprise value to reorganization value as of the Effective Date is as follows:

(In thousands)

Enterprise Value	\$ 8,750,000
Plus:	
Cash and cash equivalents	63,142
Current liabilities (excluding Current portion of long-term debt)	426,944
Deferred tax liability	596,850
Other long-term liabilities	54,393
Noncurrent operating lease obligations	818,879
Reorganization value	<u>\$ 10,710,208</u>

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

The adjustments set forth in the following consolidated balance sheet as of May 1, 2019 reflect the effect of the Separation (reflected in the column "Separation of CCOH Adjustments"), the consummation of the transactions contemplated by the Plan of Reorganization that are incremental to the Separation (reflected in the column "Reorganization Adjustments") and the fair value adjustments as a result of applying fresh start accounting (reflected in the column "Fresh Start Adjustments"). The explanatory notes highlight methods used to determine fair values or other amounts of the assets and liabilities, as well as significant assumptions or inputs.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands)

	Predecessor	Separation of CCOH Adjustments (A)	Reorganization Adjustments (B)	Fresh Start Adjustments (C)	Successor
CURRENT ASSETS					
Cash and cash equivalents	\$ 175,811	\$ —	\$ (112,669) (1)	\$ —	\$ 63,142
Accounts receivable, net	748,326	—	—	(10,810) (1)	737,516
Prepaid expenses	127,098	—	—	(24,642) (2)	102,456
Other current assets	22,708	—	8,125 (2)	(1,668) (3)	29,165
Current assets of discontinued operations	1,000,753	(1,000,753) (1)	—	—	—
Total Current Assets	2,074,696	(1,000,753)	(104,544)	(37,120)	932,279
PROPERTY, PLANT AND EQUIPMENT					
Property, plant and equipment, net	499,001	—	—	333,991 (4)	832,992
INTANGIBLE ASSETS AND GOODWILL					
Indefinite-lived intangibles - licenses	2,326,626	—	—	(44,906) (5)	2,281,720
Other intangibles, net	104,516	—	—	2,240,890 (5)	2,345,406
Goodwill	3,415,492	—	—	(92,127) (5)	3,323,365
OTHER ASSETS					
Operating lease right-of-use assets	355,826	—	—	554,278 (6)	910,104
Other assets	139,409	—	(384) (3)	(54,683) (2)	84,342
Long-term assets of discontinued operations	5,351,513	(5,351,513) (1)	—	—	—
Total Assets	\$ 14,267,079	\$ (6,352,266)	\$ (104,928)	\$ 2,900,323	\$ 10,710,208
CURRENT LIABILITIES					
Accounts payable	\$ 41,847	\$ —	\$ 3,061 (4)	\$ —	\$ 44,908
Current operating lease liabilities	470	—	31,845 (7)	39,092 (6)	71,407
Accrued expenses	208,885	—	(32,250) (5)	2,328 (9)	178,963
Accrued interest	462	—	(462) (6)	—	—
Deferred revenue	128,452	—	—	3,214 (7)	131,666
Current portion of long-term debt	46,618	—	6,529 (7)	40 (6)	53,187
Current liabilities of discontinued operations	999,778	(999,778) (1)	—	—	—
Total Current Liabilities	1,426,512	(999,778)	8,723	44,674	480,131
Long-term debt	—	—	5,758,516 (8)	(1,586) (8)	5,756,930
Series A Mandatorily Redeemable Preferred Stock	—	—	60,000 (9)	—	60,000
Noncurrent operating lease liabilities	828	—	398,154 (7)	419,897 (6)	818,879
Deferred income taxes	—	—	575,341 (10)	185,419 (10)	760,760
Other long-term liabilities	121,081	—	(64,524) (11)	(2,164) (7)	54,393
Liabilities subject to compromise	16,770,266	—	(16,770,266) (7)	—	—
Long-term liabilities of discontinued operations	7,472,633	(7,472,633) (1)	—	—	—
Commitments and contingent liabilities (Note 10)	—	—	—	—	—
STOCKHOLDERS' EQUITY (DEFICIT)					
Noncontrolling interest	13,584	(13,199) (1)	—	8,558 (11)	8,943
Predecessor common stock	92	—	(92) (12)	—	—
Successor Class A Common Stock	—	—	57 (13)	—	57
Successor Class B Common Stock	—	—	7 (13)	—	7
Predecessor additional paid-in capital	2,075,130	—	(2,075,130) (12)	—	—
Successor additional paid-in capital	—	—	2,770,108 (13)	—	2,770,108
Accumulated deficit	(13,288,497)	1,825,531 (1)	9,231,616 (14)	2,231,350 (12)	—
Accumulated other comprehensive loss	(321,988)	307,813 (1)	—	14,175 (12)	—
Cost of share held in treasury	(2,562)	—	2,562 (12)	—	—
Total Stockholders' Equity (Deficit)	(11,524,241)	2,120,145	9,929,128	2,254,083	2,779,115
Total Liabilities and Stockholders' Equity (Deficit)	\$ 14,267,079	\$ (6,352,266)	\$ (104,928)	\$ 2,900,323	\$ 10,710,208

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. Separation of CCOH Adjustments

(1) On May 1, 2019, as part of the Separation, the outstanding shares of both classes of CCOH common stock were consolidated such that CCH held all of the outstanding CCOH Class A common stock that was held by subsidiaries of iHeartCommunications, through a series of share distributions by other subsidiaries that held CCOH common stock and a conversion of CCOH Class B common stock that CCH held to CCOH Class A common stock. Prior to the Separation, iHeartCommunications owned approximately 89.1% of the economic rights and approximately 99% of the voting rights of CCOH. To complete the Separation, CCOH merged with and into CCH, with CCH surviving the merger and changing its name to Clear Channel Outdoor Holdings, Inc. (“New CCOH”), and pre-merger shares of CCOH Class A common stock (other than shares of CCOH Class A common stock held by CCH or any direct or indirect wholly-owned subsidiary of CCH) were converted into an equal number of shares of post-merger common stock of New CCOH. iHeartCommunications transferred the post-merger common stock of New CCOH it held to Claimholders pursuant to the Plan of Reorganization but retained 31,269,762 shares. Such retained shares were distributed to two affiliated Claimholders on July 18, 2019. Upon completion of the merger and Separation, New CCOH became an independent public company. Upon distribution of the shares held by iHeartCommunications, the Company does not hold any ownership interest in CCOH.

The assets and liabilities of CCOH have been classified as discontinued operations. The discontinued operations reflect the assets and liabilities of CCOH, which are presented as discontinued operations as of the Effective Date. CCOH’s assets and liabilities are adjusted to: (1) eliminate the balance on the Due from iHeartCommunications Note and the balance on the intercompany payable due to iHeartCommunications from CCOH’s consolidated balance sheet, which are intercompany amounts that were eliminated in consolidation; (2) eliminate CCOH’s Noncontrolling interest and treasury shares; and (3) eliminate other intercompany balances.

B. Reorganization Adjustments

In accordance with the Plan of Reorganization, the following adjustments were made:

(1) The table below reflects the sources and uses of cash on the Effective Date from implementation of the Plan:

(In thousands)

Cash at May 1, 2019 (excluding discontinued operations)	\$	175,811
Sources:		
Proceeds from issuance of Mandatorily Redeemable Preferred Stock	\$	60,000
Release of restricted cash from other assets into cash		3,428
Total sources of cash	\$	63,428
Uses:		
Payment of Mandatorily Redeemable Preferred Stock issuance costs	\$	(1,513)
Payment of New Term Loan Facility to settle certain creditor claims		(1,822)
Payments for Emergence debt issuance costs		(7,213)
Funding of the Guarantor General Unsecured Recovery Cash Pool		(17,500)
Payments for fully secured claims and general unsecured claims		(1,990)
Payment of contract cure amounts		(15,763)
Payment of consenting stakeholder fees		(4,000)
Payment of professional fees		(85,091) (a)
Funding of Professional Fees Escrow Account		(41,205) (a)
Total uses of cash	\$	(176,097)
Net uses of cash	\$	(112,669)
Cash upon emergence	\$	63,142

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (a) Approximately \$30.5 million of professional fees paid at emergence were accrued as of May 1, 2019. These payments also reflect both the payment of success fees for \$86.1 million and other professionals paid directly at emergence.
- (2) Pursuant to the terms of the Plan of Reorganization, on the Effective Date, the Company funded the Guarantor General Unsecured Recovery Cash Pool account in the amount of \$17.5 million, which was reclassified as restricted cash within Other current assets. The Company made payments of \$6.0 million through the Cash Pool at the time of emergence. Additionally, \$3.4 million of restricted cash previously held to pay critical utility vendors was reclassified to cash.
- (3) Reflects the write-off of prepaid expenses related to the \$2.3 million of prepaid premium for Predecessor Company's director and officer insurance policy, offset by the accrual of future reimbursements of \$1.9 million for negotiated discounts related to the professional fee escrow account.
- (4) Reflects the reinstatement of \$3.1 million of accounts payable included within Liabilities subject to compromise to be satisfied in the ordinary course of business.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (5) Reflects the reduction of accrued expenses related to the \$21.2 million of professional fees paid directly, \$9.3 million of professional fees paid through the Professional Fee Escrow Account and other accrued expense items. Additionally, the Company reinstated accrued expenses included within Liabilities subject to compromise to be satisfied in the ordinary course of business.

(In thousands)

Reinstatement of accrued expenses	\$	551
Payment of professional fees		(21,177)
Payment of professional fees through the escrow account		(9,260)
Impact on other accrued expenses		(2,364)
Net impact on Accrued expenses	<u>\$</u>	<u>(32,250)</u>

- (6) Reflects the write-off of the DIP facility accrued interest associated with the DIP facility fees paid at emergence.

- (7) As part of the Plan of Reorganization, the Bankruptcy Court approved the settlement of claims reported within Liabilities subject to compromise in the Company's Consolidated balance sheet at their respective allowed claim amounts.

The table below indicates the disposition of Liabilities subject to compromise:

(In thousands)

Liabilities subject to compromise pre-emergence	<u>\$</u>	<u>16,770,266</u>
To be reinstated on the Effective Date:		
Deferred taxes	\$	(596,850)
Accrued expenses		(551)
Accounts payable		(3,061)
Finance leases and other debt		(16,867) (a)
Current operating lease liabilities		(31,845)
Noncurrent operating lease liabilities		(398,154)
Other long-term liabilities		(14,518) (b)
Total liabilities reinstated	<u>\$</u>	<u>(1,061,846)</u>
Less amounts settled per the Plan of Reorganization		
Issuance of new debt	\$	(5,750,000)
Payments to cure contracts		(15,763)
Payments for settlement of general unsecured claims from escrow account		(5,822)
Payments for fully secured and other claim classes at emergence		(1,990)
Equity issued at emergence to creditors in settlement of Liabilities subject to Compromise		(2,742,471)
Total amounts settled	<u>\$</u>	<u>(8,516,046)</u>
Gain on settlement of Liabilities Subject to Compromise	<u>\$</u>	<u>7,192,374</u>

- (a) Includes finance lease liabilities and other debt of \$6.6 million and \$10.3 million classified as current and long-term debt, respectively.

- (b) Reinstatement of Other long-term liabilities were as follows:

(In thousands)

Reinstatement of long-term asset retirement obligations	\$	3,527
Reinstatement of non-qualified deferred compensation plan		10,991
Total reinstated Other long-term liabilities	<u>\$</u>	<u>14,518</u>

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (8) The exit financing consists of the Term Loan Facility of approximately \$3.5 billion and 6.375% Senior Secured Notes totaling \$800 million, both maturing seven years from the date of issuance, the Senior Unsecured Notes totaling \$1.45 billion, maturing eight years from the date of issuance, and a \$450 million ABL Facility with no amount drawn at emergence, which matures on June 14, 2023.

Upon emergence, the Company paid cash of \$1.8 million to settle certain creditor claims for which claims were designated to receive term loans pursuant to the Plan of Reorganization.

The remaining \$10.3 million is related to the reinstatement of the Long-term portion of finance leases and other debt as described above.

<i>(In thousands)</i>	Term	Interest Rate	Amount
Term Loan Facility	7 years	Libor + 4.00%	\$ 3,500,000
6.375% Senior Secured Notes	7 years	6.375%	800,000
Senior Unsecured Notes	8 years	8.375%	1,450,000
Asset-based Revolving Credit Facility	4 years	Varies ^(a)	—
Total Long-Term Debt - Exit Financing			\$ 5,750,000
Less:			
Payment of Term Loan Facility to settle certain creditor claims			(1,822)
Net proceeds from exit financing at emergence			\$ 5,748,178
Long-term portion of finance leases and other debt reinstated			10,338
Net impact on Long-term debt			<u>\$ 5,758,516</u>

- (a) Borrowings under the ABL Facility bear interest at a rate per annum equal to the applicable rate plus, at iHeartCommunications' option, either (x) a eurocurrency rate or (y) a base rate. The applicable margin for borrowings under the ABL Facility range from 1.25% to 1.75% for eurocurrency borrowings and from 0.25% to 0.75% for base-rate borrowings, in each case, depending on average excess availability under the ABL Facility based on the most recently ended fiscal quarter.
- (9) Reflects the issuance by iHeart Operations of \$60.0 million in aggregate liquidation preference of its Series A Perpetual Preferred Stock, par value \$0.001 per share. On May 1, 2029, the shares of the Preferred Stock will be subject to mandatory redemption for \$60.0 million in cash, plus any accrued and unpaid dividends, unless waived by the holders of the Preferred Stock.
- (10) Reflects the reinstatement of deferred tax liabilities included within Liabilities subject to compromise of \$596.9 million, offset by an adjustment to net deferred tax liabilities of \$21.5 million. Upon emergence from the Chapter 11 Cases, iHeartMedia's federal and state net operating loss carryforwards were reduced in accordance with Section 108 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), due to cancellation of debt income, which is excluded from U.S. federal taxable income. The estimated remaining deferred tax assets attributed to federal and state net operating loss carryforwards upon emergence totaled \$114.9 million. The adjustments reflect a reduction in deferred tax assets for federal and state net operating loss carryforwards as described above, a reduction in deferred tax liabilities attributed to long-term debt as a result of the restructuring of our indebtedness upon emergence and a reduction in valuation allowance.
- (11) Reflects the reinstatement of Other long-term liabilities from Liabilities subject to compromise, offset by the reduction of liabilities for unrecognized tax benefits classified as Other long-term liabilities that were discharged and effectively settled upon emergence.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands)

Reinstatement of long-term asset retirement obligations	\$	3,527
Reinstatement of non-qualified pension plan		10,991
Reduction of liabilities for unrecognized tax benefits		<u>(79,042)</u>
Net impact to Other long-term liabilities	\$	<u>(64,524)</u>

(12) Pursuant to the terms of the Plan of Reorganization, as of the Effective Date, all Predecessor common stock and stock-based compensation awards were canceled without any distribution. As a result of the cancellation, the Company recognized \$1.5 million in compensation expense related to the unrecognized portion of share-based compensation as of the Effective Date.

(13) Reflects the issuance of Successor Company equity, including the issuance of 56,861,941 shares of iHeartMedia Class A common stock, 6,947,567 shares of Class B common stock and special warrants to purchase 81,453,648 shares of Class A common stock or Class B common stock in exchange for claims against or interests in iHeartMedia pursuant to the Plan of Reorganization.

(In thousands)

Equity issued to Class 9 Claimholders (prior equity holders)	\$	27,701
Equity issued to creditors in settlement of Liabilities subject to compromise		2,742,471
Total equity issued at emergence	\$	<u>2,770,172</u>

(14) The table reflects the cumulative impact of the reorganization adjustments discussed above:

(In thousands)

Gain on settlement of Liabilities subject to compromise	\$	7,192,374
Payment of professional fees upon emergence		(11,509)
Payment of success fees upon emergence		(86,065)
Cancellation of unvested stock-based compensation awards		(1,530)
Cancellation of Predecessor prepaid director and officer insurance policy		(2,331)
Write-off of debt issuance and Mandatorily Redeemable Preferred Stock costs incurred at emergence		<u>(8,726)</u>
Total Reorganization items, net	\$	7,082,213
Income tax benefit	\$	102,914
Cancellation of Predecessor Equity		2,074,190 (a)
Issuance of Successor Equity to prior equity holders		<u>(27,701)</u>
Net Impact on Accumulated deficit	\$	<u>9,231,616</u>

(a) This value is reflective of Predecessor common stock, Additional paid in capital and the recognition of \$1.5 million in compensation expense related to the unrecognized portion of share-based compensation, less Treasury stock.

C. Fresh Start Adjustments

We have applied fresh start accounting in accordance with ASC 852. Fresh start accounting requires the revaluation of our assets and liabilities to fair value, including both existing and new intangible assets, such as FCC licenses, developed technology, customer relationships and tradenames. Fresh start accounting also requires the elimination of all predecessor earnings or deficits in Accumulated deficit and Accumulated other comprehensive loss. These adjustments reflect the actual amounts recorded as of the Effective Date.

(1) Reflects the fair value adjustment as of May 1, 2019 made to accounts receivable to reflect management's best estimate of the expected collectability of accounts receivable balances.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (2) Reflects the fair value adjustment as of May 1, 2019 to eliminate certain prepaid expenses related to software implementation costs and other upfront payments. The Company historically incurred third-party implementation fees in connection with installing various cloud-based software products, and these amounts were recorded as prepaid expenses and recognized as a component of selling, general and administrative expense over the term of the various contracts. The Company determined that the remaining unamortized costs related to such implementation fees do not provide any rights that result in future economic benefits. In addition, the Company pays signing bonuses to certain of its on-air personalities, and these amounts were recorded as prepaid expenses and recognized as a component of Direct operating expenses over the terms of the various contracts. To the extent these contracts do not contain substantive claw-back provisions, these prepaid amounts do not provide any enforceable rights that result in future economic benefits. Accordingly, the balances related to these contracts as of May 1, 2019 were adjusted to zero.
- (3) Reflects the fair value adjustment to eliminate receivables related to tenant allowances per certain lease agreements. These receivables were incorporated into the recalculated lease obligations per ASC 842.
- (4) Reflects the fair value adjustment to recognize the Company's property, plant and equipment as of May 1, 2019 based on the fair values of such property, plant and equipment. Property was valued using a market approach comparing similar properties to recent market transactions. Equipment and towers were valued primarily using a replacement cost approach. Internally-developed and owned software technology assets were valued primarily using the Royalty Savings Method, similar to the approach used in valuing the Company's tradenames and trademarks. Estimated royalty rates were determined for each of the software technology assets considering the relative contribution to the Company's overall profitability as well as available public market information regarding market royalty rates for similar assets. The selected royalty rates were applied to the revenue generated by the software technology assets. The forecasted cash flows expected to be generated as a result of the royalty savings were discounted to present value utilizing a discount rate considering overall business risks and risks associated with the asset being valued. For certain of the software technology assets, the Company used the cost approach which utilized historical financial data regarding development costs and expected future profit associated with the assets. The adjustment to the Company's property, plant and equipment consists of a \$182.9 million increase in tangible property and equipment and a \$151.0 million increase in software technology assets
- (5) Historical goodwill and other intangible assets have been eliminated and the Company has recognized certain intangible assets at estimated current fair values as part of the application of fresh start accounting, with the most material intangible assets being the FCC licenses related to the Company's 854 radio stations. The Company has also recorded customer-related and marketing-related intangible assets, including the iHeart tradename.

The following table sets forth estimated fair values of the components of these intangible assets and their estimated useful lives:

<i>(In thousands)</i>	<u>Estimated Fair Value</u>		<u>Estimated Useful Life</u>
FCC licenses	\$ 2,281,720	(a)	Indefinite
Customer / advertiser relationships	1,643,670	(b)	5 - 15 years
Talent contracts	373,000	(b)	2 - 10 years
Trademarks and tradenames	321,928	(b)	7 - 15 years
Other	6,808	(c)	
Total intangible assets upon emergence	\$ 4,627,126		
Elimination of historical acquired intangible assets	<u>(2,431,142)</u>		
Fresh start adjustment to acquired intangible assets	<u>\$ 2,195,984</u>		

- (a) *FCC licenses.* The fair value of the indefinite-lived FCC licenses was determined primarily using the direct valuation method of the Income Approach and, for smaller markets a combination of the Income approach and the Market Approach. The Company engaged a third-party valuation firm to assist it in the development of the assumptions and the Company's determination of the fair value of its FCC licenses.

Under the direct valuation method, the fair value of the FCC licenses was calculated at the market level as prescribed by ASC 350. The application of the direct valuation method attempts to isolate the income that is

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

properly attributable to the FCC licenses alone (that is, apart from tangible and identified intangible assets and goodwill). It is based upon modeling a hypothetical “greenfield” build-up to a “normalized” enterprise that, by design, lacks inherent goodwill and whose only other assets have essentially been paid for (or added) as part of the build-up process. Under the direct valuation method, it is assumed that rather than acquiring FCC licenses as part of a going concern business, the buyer hypothetically obtains FCC licenses and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flow model which results in value that is directly attributable to the FCC licenses. In applying the direct valuation method to the Company’s FCC licenses, the licenses are grouped by type (e.g. FM licenses vs. AM licenses) and market size in order to ensure appropriate assumptions are used in valuing the various FCC licenses based on population and demographics that influence the level of revenues generated by each FCC license, using industry projections. The key assumptions used in applying the direct valuation method include market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate (“WACC”) and terminal values. The WACC was calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages based on a market participant capital structure.

For licenses valued using the Market Transaction Method, the Company used publicly available data, which included sales of comparable radio stations and FCC auction data involving radio broadcast licenses to estimate the fair value of FCC licenses. Similar to the application of the Income approach for the FCC licenses, the Company grouped licenses by type and market size for comparison to historical market transactions.

The historical book value of the FCC licenses as of May 1, 2019 was subtracted from the fair value of the FCC licenses to determine the adjustment to decrease the value of Indefinite-lived intangible assets-licenses by \$44.9 million.

- (b) *Other intangible assets.* Definite-lived intangible assets include customer/advertiser relationships, talent contracts for on-air personalities, trademarks and tradenames and other intangible assets. The Company engaged a third-party valuation firm to assist in developing the assumptions and determining the fair values of each of these assets.

For purposes of estimating the fair values of customer/advertiser relationships and talent contracts, the Company primarily utilized the Income Approach (specifically, the multi-period excess earnings method, or MPEEM) to estimate fair value based on the present value of the incremental after-tax cash flows attributable only to the subject intangible assets after deducting contributory asset charges. The cash flows attributable to each grouping of customer/advertiser relationships were adjusted for the appropriate contributory asset charges (e.g., FCC licenses, working capital, tradenames, technology, workforce, etc.). The discount rate utilized to present-value the after-tax cash flows was selected based on consideration of the overall business risks and the risks associated with the specific assets being valued. Additionally, for certain advertiser relationships the Company used the Cost Approach using historical financial data regarding the sales, administrative and overhead expenses related to the Company’s selling efforts associated with revenue for both existing and new advertisers. The ratio of expenses for selling efforts to revenue was applied to total revenue from new customers to determine an estimated cost per revenue dollar of revenue generated by new customers. This ratio was applied to total revenue from existing customers to estimate the replacement cost of existing customer/advertiser relationships. The historical book value of customer/advertiser relationships as of May 1, 2019 was subtracted from the fair value of the customer/advertiser relationships determined as described above to determine the adjustment to increase the value of the customer/advertiser relationship intangible assets by \$1,604.1 million.

For purposes of estimating the fair value of trademarks and tradenames, the Company primarily used the Royalty Savings Method, a variation of the Income approach. Estimated royalty rates were determined for each of the trademarks and tradenames considering the relative contribution to the Company’s overall profitability as well as available public information regarding market royalty rates for similar assets. The selected royalty rates were applied to the revenue generated by the trademarks and tradenames to determine the amount of royalty payments saved as a result of owning these assets. The forecasted cash flows expected to be generated as a result of the royalty savings were discounted to present value utilizing a discount rate considering overall business risks and risks associated with the asset being valued. The historical book values of talent contracts, trademarks and

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

tradenames and other intangible assets as of May 1, 2019 were subtracted from the fair values determined as described above to determine the adjustments as follows:

<i>(In millions)</i>		
Customer/advertiser relationships	\$	1,604.1 increase in value
Talent contracts		361.6 increase in value
Trademarks and tradenames		274.4 increase in value
Other		0.8 increase in value
Total fair value adjustment	\$	<u>2,240.9</u> increase in value

- (c) Included within other intangible assets are permanent easements, which have an indefinite useful life. All other intangible assets are amortized over the respective lives of the agreements, or over the period of time the assets are expected to contribute directly or indirectly to the Company's future cash flows.

The following table sets forth the adjustments to goodwill:

<i>(In thousands)</i>		
Reorganization value	\$	10,710,208
Less: Fair value of assets (excluding goodwill)		<u>(7,386,843)</u>
Total goodwill upon emergence		3,323,365
Elimination of historical goodwill		<u>(3,415,492)</u>
Fresh start adjustment to goodwill	\$	<u>(92,127)</u>

- (6) The operating lease obligation as of May 1, 2019 had been calculated using an incremental borrowing rate applicable to the Company while it was a debtor-in-possession before its emergence from bankruptcy. Upon application of fresh start accounting, the lease obligation was recalculated using the incremental borrowing rate applicable to the Company after emergence from bankruptcy and commensurate to its new capital structure. The incremental borrowing rate used decreased from 12.44% as of March 31, 2019 to 6.54% as of May 1, 2019. As a result of this decrease, the Company's Operating lease liabilities and corresponding Operating lease right-of-use assets increased by \$541.2 million to reflect the higher balances resulting from the application of a lower incremental borrowing rate. The Operating lease right-of-use-assets were further adjusted to reflect the resetting of the Company's straight-line lease calculation. In addition, the Company increased the Operating lease right-of-use assets to recognize \$13.1 million related to the favorable lease contracts.
- (7) Reflects the fair value adjustment to adjust deferred revenue and other liabilities as of May 1, 2019 to its estimated fair value. The fair value of the deferred revenue was determined using the market approach and the cost approach. The market approach values deferred revenue based on the amount an acquirer would be required to pay a third party to assume the remaining performance obligations. The cost approach values deferred revenue utilizing estimated costs that will be incurred to fulfill the obligation plus a normal profit margin for the level of effort or assumption of risk by the acquirer. Additionally, a deferred gain was recorded at the time of the certain historical sale-leaseback transaction. During the implementation of ASC 842, the operating portion was written off as of January 1, 2019. The financing lease deferred gain remained. As part of fresh start accounting, this balance of \$0.9 million was written off.
- (8) Reflects the fair value adjustment to adjust Long-term debt as of May 1, 2019. This adjustment is to state the Company's finance leases and other pre-petition debt at estimated fair values.
- (9) Reflects the fair value adjustment to adjust Accrued expenses as of May 1, 2019. This adjustment primarily relates to adjusting vacation accruals to estimated fair values.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (10) Reflects a net increase to deferred tax liabilities for fresh start adjustments attributed primarily to property, plant and equipment and intangible assets, the effects of which are partially offset by a decrease in the valuation allowance. The Company believes it is more likely than not that its deferred tax assets remaining after the Reorganization and emergence will be realized based on taxable income from reversing deferred tax liabilities primarily attributable to property, plant and equipment and intangible assets.
- (11) Reflects the adjustment as of May 1, 2019 to state the noncontrolling interest balance at estimated fair value.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(12) The table below reflects the cumulative impact of the fresh start adjustments as discussed above:

(In thousands)

Fresh start adjustment to Accounts receivable, net	\$ (10,810)
Fresh start adjustment to Other current assets	(1,668)
Fresh start adjustment to Prepaid expenses	(24,642)
Fresh start adjustment to Property, plant and equipment, net	333,991
Fresh start adjustment to Intangible assets	2,195,984
Fresh start adjustment to Goodwill	(92,127)
Fresh start adjustment to Operating lease right-of-use assets	554,278
Fresh start adjustment to Other assets	(54,683)
Fresh start adjustment to Accrued expenses	(2,328)
Fresh start adjustment to Deferred revenue	(3,214)
Fresh start adjustment to Debt	1,546
Fresh start adjustment to Operating lease obligations	(458,989)
Fresh start adjustment to Other long-term liabilities	2,164
Fresh start adjustment to Noncontrolling interest	(8,558)
Total Fresh Start Adjustments impacting Reorganization items, net	\$ 2,430,944
Reset of Accumulated other comprehensive income	(14,175)
Income tax expense	(185,419)
Net impact to Accumulated deficit	\$ 2,231,350

Reorganization Items, Net

The tables below present the Reorganization items incurred and cash paid for Reorganization items as a result of the Chapter 11 Cases during the periods presented:

(In thousands)

	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Write-off of deferred loans costs	\$ —	\$ —	\$ —	\$ (67,079)
Write-off of original issue discount	—	—	—	(131,100)
Debtor-in-possession refinancing costs	—	—	—	(10,546)
Professional fees and other bankruptcy related costs	—	—	(157,487)	(147,119)
Net gain on settlement of Liabilities subject to compromise	—	—	7,192,374	(275)
Impact of fresh start adjustments	—	—	2,430,944	—
Other items, net	—	—	(4,005)	—
Reorganization items, net	\$ —	\$ —	\$ 9,461,826	\$ (356,119)
Cash payments for Reorganization items, net	\$ 443	\$ 18,360	\$ 183,291	\$ 103,727

The Company incurred additional professional fees related to the bankruptcy, post-emergence, of \$6.3 million and \$26.5 million for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019, respectively,

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

which are included within Other income (expense), net in the Company's Consolidated Statements of Comprehensive Income (Loss).

NOTE 4 - DISCONTINUED OPERATIONS

Discontinued operations relate to our domestic and international outdoor advertising businesses and were previously reported as the Americas outdoor and International outdoor segments prior to the Separation. Revenue, expenses and cash flows for these businesses are separately reported as revenue, expenses and cash flows from discontinued operations in the Company's financial statements for all periods presented.

Financial Information for Discontinued Operations

Income Statement Information

The following shows the revenue, income (loss) from discontinued operations and gain on disposal of the Predecessor Company's discontinued operations for the periods presented:

(In thousands)

	Predecessor Company	
	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2019	2018
Revenue	\$ 804,566	\$ 2,721,705
Loss from discontinued operations before income taxes	\$ (133,475)	\$ (132,152)
Income tax expense	(6,933)	(32,515)
Loss from discontinued operations, net of taxes	\$ (140,408)	\$ (164,667)
Gain on disposals before income taxes	\$ 1,825,531	\$ —
Income tax expense	—	—
Gain on disposals, net of taxes	\$ 1,825,531	\$ —
Income from discontinued operations, net of taxes	\$ 1,685,123	\$ (164,667)

In connection with the Separation, the Company and its subsidiaries entered into the agreements described below.

Transition Services Agreement

On the Effective Date, the Company, iHM Management Services, iHeartCommunications and CCOH entered into a transition services agreement (the "Transition Services Agreement"), pursuant to which iHM Management Services agreed to provide, or cause the Company and its subsidiaries to provide, CCOH with certain administrative and support services and other assistance which CCOH utilized in the conduct of its business as such business was conducted prior to the Separation, for one year from the Effective Date (subject to certain rights of CCOH to extend up to one additional year).

The allocation of cost was based on various measures depending on the service provided, which measures include relative revenue, employee headcount, number of users of a service or other factors.

CCOH terminated the Transition Services Agreement on August 31, 2020.

New Tax Matters Agreement

On the Effective Date, the Company entered into a new tax matters agreement (the "New Tax Matters Agreement") by and among the Company, iHeartCommunications, iHeart Operations, CCH, CCOH and CCOL, to allocate the responsibility of the

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Company and its subsidiaries, on the one hand, and the Outdoor Group, on the other, for the payment of taxes arising prior and subsequent to, and in connection with, the Separation.

The New Tax Matters Agreement requires that the Company and iHeartCommunications indemnify CCOH and its subsidiaries, and their respective directors, officers and employees, and hold them harmless, on an after-tax basis, from and against (i) any taxes other than transfer taxes or indirect gains taxes imposed on the Company or any of its subsidiaries (other than CCOH and its subsidiaries) in connection with the Separation, (ii) any transfer taxes and indirect gains taxes arising in connection with the Separation, and (iii) fifty percent of the amount by which the amount of taxes (other than transfer taxes or indirect gains taxes) imposed on CCOH or any of its subsidiaries in connection with the Separation that are paid to the applicable taxing authority on or before the third anniversary of the separation of CCOH exceeds \$5 million, provided that, the obligations of the Company and iHeartCommunications to indemnify CCOH and its subsidiaries with respect to taxes (other than transfer taxes or indirect gains taxes) imposed on CCOH or any of its subsidiaries in connection with the Separation will not exceed \$15 million. In addition, if the Company or its subsidiaries use certain tax attributes of CCOH and its subsidiaries (including net operating losses, foreign tax credits and other credits) and such use results in a decrease in the tax liability of the Company or its subsidiaries, then the Company is required to reimburse CCOH for the use of such attributes based on the amount of tax benefit realized. The New Tax Matters Agreement provides that any reduction of the tax attributes of CCOH and its subsidiaries as a result of cancellation of indebtedness income realized in connection with the Chapter 11 Cases is not treated as a use of such attributes (and therefore does not require the Company or iHeartCommunications to reimburse CCOH for such reduction).

The New Tax Matters Agreement also requires that (i) CCOH indemnify the Company for any income taxes paid by the Company on behalf of CCOH and its subsidiaries or, with respect to any income tax return for which CCOH or any of its subsidiaries joins with the Company or any of subsidiaries in filing a consolidated, combined or unitary return, the amount of taxes that would have been incurred by CCOH and its subsidiaries if they had filed a separate return, and (ii) except as described in the preceding paragraph, CCOH indemnify the Company and its subsidiaries, and their respective directors, officers and employees, and hold them harmless, on an after-tax basis, from and against any taxes other than transfer taxes or indirect gains taxes imposed on CCOH or any of its subsidiaries in connection with the Separation.

Any tax liability of CCH attributable to any taxable period ending on or before the date of the completion of the Separation, other than any such tax liability resulting from CCH's being a successor of CCOH in connection with the merger of CCOH with and into CCOH or arising from the operation of the business of CCOH and its subsidiaries after the merger of CCOH with and into CCH, will not be treated as a liability of CCOH and its subsidiaries for purposes of the New Tax Matters Agreement.

NOTE 5 – REVENUE

The Company generates revenue from several sources:

- The primary source of revenue in the Audio segment is the sale of advertising on the Company's radio stations, its iHeartRadio mobile application and website, station websites, and live and virtual events. This segment also generates revenues from programming talent, network syndication, traffic and weather data, and other miscellaneous transactions.
- The Company also generates revenue through contractual commissions realized from the sale of national spot and online advertising on behalf of clients of its full-service media representation business, Katz Media, which is reported in the Company's Audio and Media Services segment.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Disaggregation of Revenue

The following table shows revenue streams for the Successor Company for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019:

	Successor Company			
<i>(In thousands)</i>	Audio	Audio and Media Services	Eliminations	Consolidated
Year Ended December 31, 2020				
Revenue from contracts with customers:				
Broadcast Radio ⁽¹⁾	\$ 1,604,880	\$ —	\$ —	\$ 1,604,880
Digital ⁽²⁾	474,371	—	—	474,371
Networks ⁽³⁾	484,950	—	—	484,950
Sponsorship and Events ⁽⁴⁾	107,654	—	—	107,654
Audio and Media Services ⁽⁵⁾	—	274,749	(7,086)	267,663
Other ⁽⁶⁾	7,276	—	(670)	6,606
Total	<u>2,679,131</u>	<u>274,749</u>	<u>(7,756)</u>	<u>2,946,124</u>
Revenue from leases ⁽⁷⁾	2,094	—	—	\$ 2,094
Revenue, total	<u>\$ 2,681,225</u>	<u>\$ 274,749</u>	<u>\$ (7,756)</u>	<u>\$ 2,948,218</u>
Period from May 2, 2019 through December 31, 2019				
Revenue from contracts with customers:				
Broadcast Radio ⁽¹⁾	\$ 1,575,382	\$ —	\$ —	\$ 1,575,382
Digital ⁽²⁾	273,389	—	—	273,389
Networks ⁽³⁾	425,631	—	—	425,631
Sponsorship and Events ⁽⁴⁾	159,187	—	—	159,187
Audio and Media Services ⁽⁵⁾	—	167,292	(4,589)	162,703
Other ⁽⁶⁾	13,017	—	(447)	12,570
Total	<u>2,446,606</u>	<u>167,292</u>	<u>(5,036)</u>	<u>2,608,862</u>
Revenue from leases ⁽⁷⁾	1,194	—	—	1,194
Revenue, total	<u>\$ 2,447,800</u>	<u>\$ 167,292</u>	<u>\$ (5,036)</u>	<u>\$ 2,610,056</u>

(1) Broadcast Radio revenue is generated through the sale of advertising time on the Company's domestic radio stations.

(2) Digital revenue is generated through the sale of streaming and display advertisements on digital platforms, subscriptions to iHeartRadio streaming services, podcasting and the dissemination of other digital content.

(3) Networks revenue is generated through the sale of advertising on the Company's Premiere and Total Traffic & Weather network programs and through the syndication of network programming to other media companies.

(4) Sponsorship and events revenue is generated through local events and major nationally-recognized tent pole events and include sponsorship and other advertising revenue, ticket sales, and licensing, as well as endorsement and appearance fees generated by on-air talent.

(5) Audio and media services revenue is generated by services provided to broadcast industry participants through the Company's Katz Media and RCS businesses. As a media representation firm, Katz Media generates revenue via commissions on media sold on behalf of the radio and television stations that it represents, while RCS generates revenue by providing broadcast and webcast software and technology and services to radio stations, television music channels, cable companies, satellite music networks and Internet stations worldwide.

(6) Other revenue represents fees earned for miscellaneous services, including on-site promotions, activations, and local marketing agreements.

(7) Revenue from leases is primarily generated by the lease of towers to other media companies, which are all categorized as operating leases.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table shows revenue streams from continuing operations for the Predecessor Company. The presentation of amounts in the Predecessor periods has been revised to conform to the Successor period presentation.

<i>(In thousands)</i>	Predecessor Company			
	Audio	Audio and Media Services	Eliminations	Consolidated
Period from January 1, 2019 through May 1, 2019				
Revenue from contracts with customers:				
Broadcast Radio	\$ 657,864	\$ —	\$ —	\$ 657,864
Digital	102,789	—	—	102,789
Networks	189,088	—	—	189,088
Sponsorship and Events	50,330	—	—	50,330
Audio and Media Services	—	69,362	(2,325)	67,037
Other	5,910	—	(243)	5,667
Total	1,005,981	69,362	(2,568)	1,072,775
Revenue from leases	696	—	—	696
Revenue, total	<u>\$ 1,006,677</u>	<u>\$ 69,362</u>	<u>\$ (2,568)</u>	<u>\$ 1,073,471</u>
Year Ended December 31, 2018				
Revenue from contracts with customers:				
Broadcast Radio	\$ 2,264,058	\$ —	\$ —	\$ 2,264,058
Digital	284,565	—	—	284,565
Networks	582,302	—	—	582,302
Sponsorship and Events	200,605	—	—	200,605
Audio and Media Services	—	264,061	(6,508)	257,553
Other	19,446	—	—	19,446
Total	3,350,976	264,061	(6,508)	3,608,529
Revenue from leases	2,794	—	—	2,794
Revenue, total	<u>\$ 3,353,770</u>	<u>\$ 264,061</u>	<u>\$ (6,508)</u>	<u>\$ 3,611,323</u>

Trade and Barter

Trade and barter transactions represent the exchange of advertising spots for merchandise, services, other advertising or other assets in the ordinary course of business. The transaction price for these contracts is measured at the estimated fair value of the non-cash consideration received unless this is not reasonably estimable, in which case the consideration is measured based on the standalone selling price of the advertising spots promised to the customer. Trade and barter revenues and expenses from continuing operations, which are included in consolidated revenue and selling, general and administrative expenses, respectively, were as follows:

<i>(In thousands)</i>	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Consolidated:				
Trade and barter revenues	\$ 158,383	\$ 151,497	\$ 65,934	\$ 202,674
Trade and barter expenses	154,715	134,865	58,330	199,982

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Successor Company recognized barter revenue of \$10.5 million and \$13.0 million for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019, respectively, in connection with investments made in companies in exchange for advertising services. The Predecessor Company recognized barter revenue of \$5.9 million and \$10.9 million in the period from January 1, 2019 through May 1, 2019 and the year ended December 31, 2018 in connection with investments made in companies in exchange for advertising services.

Deferred Revenue

The following tables show the Company's deferred revenue balance from contracts with customers, excluding discontinued operations:

<i>(In thousands)</i>	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Deferred revenue from contracts with customers:				
Beginning balance ⁽¹⁾	\$ 162,068	\$ 151,475	\$ 148,720	\$ 155,228
Impact of fresh start accounting	—	298	—	—
Revenue recognized, included in beginning balance	(95,531)	(102,237)	(76,473)	(115,930)
Additions, net of revenue recognized during period, and other	78,956	112,532	79,228	109,422
Ending balance	\$ 145,493	\$ 162,068	\$ 151,475	\$ 148,720

⁽¹⁾ Deferred revenue from contracts with customers, which excludes other sources of deferred revenue that are not related to contracts with customers, is included within deferred revenue and other long-term liabilities on the Consolidated Balance Sheets, depending upon when revenue is expected to be recognized. As described in Note 3, as part of the fresh start accounting adjustments on May 1, 2019, deferred revenue from contracts with customers was adjusted to its estimated fair value.

The Company's contracts with customers generally have a term of one year or less; however, as of December 31, 2020, the Company expects to recognize \$270.9 million of revenue in future periods for remaining performance obligations from current contracts with customers that have an original expected duration of greater than one year, with substantially all of this amount to be recognized over the next five years. Commissions related to the Company's media representation business have been excluded from this amount as they are contingent upon future sales.

Revenue from Leases

As of December 31, 2020, the future lease payments to be received by the Successor Company are as follows:

<i>(In thousands)</i>	
2021	\$ 1,841
2022	1,128
2023	1,082
2024	946
2025	764
Thereafter	11,169
Total minimum future rentals	\$ 16,930

NOTE 6 – LEASES

The following tables provide the components of lease expense included within the Consolidated Statement of Comprehensive Income (Loss) for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor) and the period from January 1, 2019 through May 1, 2019 (Predecessor):

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<i>(In thousands)</i>	Successor Company		Predecessor Company
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,
	2020	2019	2019
Operating lease expense	\$ 151,448	\$ 100,835	\$ 44,667
Variable lease expense	\$ 31,451	\$ 15,940	\$ 476

The following table provides the weighted average remaining lease term and the weighted average discount rate for the Company's leases as of December 31, 2020 (Successor):

	December 31, 2020
Operating lease weighted average remaining lease term (in years)	13.3
Operating lease weighted average discount rate	6.6 %

As of December 31, 2020 (Successor), the Company's future maturities of operating lease liabilities were as follows:

<i>(In thousands)</i>	
2021	\$ 126,732
2022	133,086
2023	120,125
2024	109,958
2025	97,272
Thereafter	706,472
Total lease payments	\$ 1,293,645
Less: Effect of discounting	452,651
Total operating lease liability	\$ 840,994

The following table provides supplemental cash flow information related to leases for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor) and the period from January 1, 2019 through May 1, 2019 (Predecessor):

<i>(In thousands)</i>	Successor Company		Predecessor Company
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,
	2020	2019	2019
Cash paid for amounts included in measurement of operating lease liabilities	\$ 139,507	\$ 89,567	\$ 44,888
Lease liabilities arising from obtaining right-of-use assets ⁽¹⁾	\$ 56,243	\$ 29,498	\$ 913,598

⁽¹⁾ Lease liabilities from obtaining right-of-use assets include transition liabilities upon adoption of ASC 842, as well as new leases entered into during the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31,

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2019 (Successor) and the period from January 1, 2019 through May 1, 2019 (Predecessor). Upon adoption of fresh start accounting upon emergence from the Chapter 11 Cases, the Company increased its operating lease obligation by \$459.0 million to reflect its operating lease obligation as estimated fair value (see Note 3, *Fresh Start Accounting*).

The Company reflects changes in the lease liability and changes in the ROU asset on a net basis in the Statements of Cash Flows. The non-cash operating lease expense was \$103.4 million, \$61.6 million and \$14.3 million for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor) and the period from January 1, 2019 through May 1, 2019 (Predecessor), respectively.

NOTE 7 – PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

Property, Plant and Equipment

Acquisitions

On October 22, 2020, the Company acquired Voxnest, Inc. ("Voxnest") for approximately \$50 million. Voxnest is the leading consolidated marketplace for podcasts and podcast analytics, enterprise publishing tools, programmatic integration and targeted ad serving and will be included within the Company's Audio segment.

During the first quarter of 2021, we entered into a Share Purchase Agreement to acquire Triton Digital, a global leader in digital audio and podcast technology and measurement services, from The E.W. Scripps Company for \$230 million in cash, subject to certain adjustments. The consummation of the proposed acquisition is subject to the satisfaction or waiver of customary closing conditions, including regulatory approval.

Property, Plant and Equipment

The Company's property, plant and equipment consisted of the following classes of assets as of December 31, 2020 (Successor) and 2019 (Successor), respectively:

(In thousands)

	Successor Company	
	December 31, 2020	December 31, 2019
Land, buildings and improvements	\$ 386,980	\$ 385,017
Towers, transmitters and studio equipment	169,788	156,739
Computer equipment and software	398,084	321,936
Furniture and other equipment	45,711	39,591
Construction in progress	25,073	21,287
	1,025,636	924,570
Less: accumulated depreciation	213,934	77,694
Property, plant and equipment, net	\$ 811,702	\$ 846,876

Indefinite-lived Intangible Assets

The Company's indefinite-lived intangible assets consist of FCC broadcast licenses in its Audio segment. FCC broadcast licenses are granted to radio stations for up to eight years under the Telecommunications Act of 1996 (the "Act"). The Act requires the FCC to renew a broadcast license if the FCC finds that the station has served the public interest, convenience and necessity, there have been no serious violations of either the Communications Act of 1934 or the FCC's rules and regulations by the licensee, and there have been no other serious violations which taken together constitute a pattern of abuse. The licenses may be renewed indefinitely at little or no cost. The Company does not believe that the technology of wireless broadcasting will be replaced in the foreseeable future. In connection with the Company's emergence from bankruptcy and in accordance with ASC 852, the Company applied the provisions of fresh start accounting to its Consolidated Financial Statements on the Effective Date. As a result, the Company adjusted its FCC licenses to their respective estimated fair values as of the Effective Date of \$2,281.7 million (see Note 3, *Fresh Start Accounting*).

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Annual Impairment Test on Indefinite-lived Intangible Assets

The Company performs its annual impairment test on goodwill and indefinite-lived intangible assets, including FCC licenses, as of July 1 of each year. In addition, the Company tests for impairment of intangible assets whenever events and circumstances indicate that such assets might be impaired.

The Company applied fresh start accounting as of May 1, 2019 in connection with its emergence from Chapter 11 bankruptcy, which required stating the Company's intangible assets at estimated fair value. Such fair values recorded in fresh start accounting reflected the economic conditions in place at the time of emergence. The economic downturn starting in March 2020 and the COVID-19 pandemic had an adverse impact on the trading values of the Company's publicly-traded debt and equity and on the Company's first quarter 2020 results, and the continuing uncertainty surrounding the duration and magnitude of the economic impact of the pandemic had a negative impact on the Company's forecasted future cash flows. As a result, the Company performed an interim impairment test as of March 31, 2020 on its indefinite-lived FCC licenses.

For purposes of initial recording in fresh start accounting and for annual impairment testing purposes, our FCC licenses are valued using the direct valuation approach, with the key assumptions being forecasted market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average asset within a market.

In estimating the fair value of its FCC licenses, the Company obtained the most recent broadcast radio industry revenue projections which considered the impact of COVID-19 on future broadcast radio advertising revenue. Such projections reflected a significant and negative impact from COVID-19. In addition to using these broadcast radio industry revenue projections at the time, the Company used various sources to analyze media and broadcast industry market forecasts and other data in developing the assumptions used for purposes of performing impairment testing on our FCC licenses as of March 31, 2020. As a result of COVID-19, the United States economy was undergoing a period of economic disruption and uncertainty, which had caused, among other things, lower consumer and business spending. The uncertainty surrounding the projected demand for advertising negatively impacted the key assumptions used in the discounted cash flow models used to value the Company's FCC licenses. Considerations in developing these assumptions included the extent of the economic downturn, ranges of expected timing of recovery, discount rates and other factors. As a result of the Company's assessment, the estimated fair value of FCC licenses was determined to be below their carrying values as of March 31, 2020. As a result, during the three months ended March 31, 2020, the Successor Company recognized a non-cash impairment charge of \$502.7 million on its FCC licenses.

The impairment tests for indefinite-lived intangible assets consist of a comparison between the fair value of the indefinite-lived intangible asset at the market level with its carrying amount. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized equal to that excess. After an impairment loss is recognized, the adjusted carrying amount of the indefinite-lived asset is its new accounting basis. The fair value of the indefinite-lived asset is determined using the direct valuation method as prescribed in ASC 805-20-S99. Under the direct valuation method, the fair value of the indefinite-lived assets is calculated at the market level as prescribed by ASC 350-30-35. The Company engaged a third-party valuation firm to assist it in the development of the assumptions and the Company's determination of the fair value of its indefinite-lived intangible assets.

The application of the direct valuation method attempts to isolate the income that is attributable to the indefinite-lived intangible asset alone (that is, apart from tangible and identified intangible assets and goodwill). It is based upon modeling a hypothetical "greenfield" build-up to a "normalized" enterprise that, by design, lacks inherent goodwill and whose only other assets have essentially been paid for (or added) as part of the build-up process. The Company forecasts revenue, expenses, and cash flows over a ten-year period for each of its markets in its application of the direct valuation method. The Company also calculates a "normalized" residual year which represents the perpetual cash flows of each market. The residual year cash flow was capitalized to arrive at the terminal value of the licenses in each market.

Under the direct valuation method, it is assumed that rather than acquiring indefinite-lived intangible assets as part of a going concern business, the buyer hypothetically develops indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flow model which results in value that is directly attributable to the indefinite-lived intangible assets.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The key assumptions using the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average FCC license or billboard permit within a market.

No further impairment was recognized as a result of the Company's annual impairment test on indefinite-lived intangible assets.

During the period from January 1, 2019 through May 1, 2019, the Predecessor Company recognized non-cash impairment charges of \$91.4 million in relation to indefinite-lived FCC licenses as a result of an increase in the WACC used in performing the annual impairment test. As a result of the fair value exercise applied in connection with fresh start accounting, the Successor Company opted to use a qualitative assessment as permitted by ASC 350, "Intangibles - Goodwill and Other" as of July 1, 2019 and no additional impairment charges were recorded. The Predecessor Company recognized impairment charges related to its indefinite-lived intangible assets within several iHM radio markets of \$33.2 million during the year ended December 31, 2018.

Other Intangible Assets

Other intangible assets consists of definite-lived intangible assets, which primarily include customer and advertiser relationships, talent and representation contracts, trademarks and tradenames and other contractual rights, all of which are amortized over the shorter of either the respective lives of the agreements or over the period of time that the assets are expected to contribute directly or indirectly to the Company's future cash flows. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are recorded at amortized cost.

The Company tests for possible impairment of other intangible assets whenever events and circumstances indicate that they might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

The Company applied fresh start accounting as of May 1, 2019 in connection with its emergence from Chapter 11 bankruptcy which required stating the Company's intangible assets at estimated fair value. Such fair values recorded in fresh start accounting reflected the economic conditions in place at the time of emergence. The economic downturn in March 2020 and the COVID-19 pandemic had an adverse impact on the Company's first quarter 2020 results, and the continuing uncertainty surrounding the duration and magnitude of the economic impact of the pandemic has had a negative impact on the Company's forecasted future cash flows. As a result, the Company performed interim impairment tests as of March 31, 2020 on its other intangible assets. Based on the Company's test of recoverability using estimated undiscounted future cash flows, the carrying values of the Company's definite-lived intangible assets were determined to be recoverable, and no impairment was recognized.

The following table presents the gross carrying amount and accumulated amortization for each major class of other intangible assets as of December 31, 2020 (Successor) and December 31, 2019 (Successor), respectively:

(In thousands)

	Successor Company			
	December 31, 2020		December 31, 2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer / advertiser relationships	\$ 1,620,509	\$ (286,066)	\$ 1,629,236	\$ (114,280)
Talent and other contracts	375,900	(84,065)	375,399	(33,739)
Trademarks and tradenames	326,061	(54,358)	321,977	(21,661)
Other	31,351	(4,840)	21,394	(1,786)
Total	<u>\$ 2,353,821</u>	<u>\$ (429,329)</u>	<u>\$ 2,348,006</u>	<u>\$ (171,466)</u>

Total amortization expense related to definite-lived intangible assets for the Successor Company for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019 was \$258.9 million and \$171.5 million, respectively. Total amortization expense related to definite-lived intangible assets for the Predecessor Company for the period

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

from January 1, 2019 through May 1, 2019 and the year ended December 31, 2018 was \$12.7 million and \$110.9 million, respectively.

As acquisitions and dispositions occur in the future, amortization expense may vary. The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets:

(In thousands)

2021	\$	260,976
2022		259,364
2023		250,153
2024		249,116
2025		211,262

Goodwill

The following table presents the changes in the carrying amount of goodwill:

(In thousands)

	Audio	Audio & Media Services	Consolidated
Balance as of December 31, 2018 (Predecessor)	\$ 3,330,922	\$ 81,831	\$ 3,412,753
Acquisitions	—	2,767	2,767
Foreign currency	—	(28)	(28)
Balance as of May 1, 2019 (Predecessor)	\$ 3,330,922	\$ 84,570	\$ 3,415,492
Impact of fresh start accounting	(111,712)	19,585	(92,127)
Balance as of May 2, 2019 (Successor)	\$ 3,219,210	\$ 104,155	\$ 3,323,365
Acquisitions	4,637	—	4,637
Dispositions	(9,466)	—	(9,466)
Foreign currency	—	(1)	(1)
Other	7,087	—	7,087
Balance as of December 31, 2019 (Successor)	\$ 3,221,468	\$ 104,154	\$ 3,325,622
Impairment	(1,224,374)	—	(1,224,374)
Acquisitions	44,606	—	44,606
Dispositions	(164)	—	(164)
Foreign currency	—	245	245
Balance as of December 31, 2020 (Successor)	\$ 2,041,536	\$ 104,399	\$ 2,145,935

The balance at December 31, 2018 (Predecessor) is net of cumulative impairments of \$3.5 billion and \$212.0 million in the Company's Audio and Audio and Media Services segments, respectively.

Goodwill Impairment

The Company performs its annual impairment test on goodwill as of July 1 of each year. The Company also tests goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired.

As described in Note 1, the economic disruption as a result of COVID-19 had a significant impact to the trading values of the Company's publicly-traded debt and equity and on the Company's results in the latter half of the month ended March 31, 2020. In addition, the Company expected that the pandemic would continue to impact the operating and economic environment of our

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

customers and would impact the near-term spending decisions of advertisers. As a result, the Company performed an interim impairment test on its indefinite-lived intangible assets as of March 31, 2020.

The goodwill impairment test requires measurement of the fair value of the Company's reporting units, which is compared to the carrying value of the reporting units, including goodwill. Each reporting unit is valued using a discounted cash flow model which requires estimating future cash flows expected to be generated from the reporting unit, discounted to their present value using a risk-adjusted discount rate. Terminal values are also estimated and discounted to their present value. Assessing the recoverability of goodwill requires estimates and assumptions about sales, operating margins, growth rates and discount rates based on budgets, business plans, economic projections, anticipated future cash flows and marketplace data. As with the impairment testing performed on the Company's FCC licenses described above, the significant deterioration in market conditions and uncertainty in the markets impacted the assumptions used to estimate the discounted future cash flows of the Company's reporting units for purposes of performing the interim goodwill impairment test. There are inherent uncertainties related to these factors and management's judgment in applying these factors.

As discussed above, the carrying values of the Company's reporting units were based on estimated fair values determined upon our emergence from bankruptcy on May 1, 2019, and the rapid deterioration in economic conditions resulting from the COVID-19 pandemic resulted in lower estimated fair values determined in connection with our interim goodwill impairment testing as of March 31, 2020. The estimated fair value of one of the Company's reporting units was below its carrying value, including goodwill. The macroeconomic factors discussed above had an adverse effect on the Company's estimated cash flows used in the discounted cash flow model. As a result, the Company recognized a non-cash impairment charge of \$1.2 billion in the first quarter of 2020 to reduce goodwill.

The Company engaged a third-party valuation firm to assist it in the development of the assumptions and the Company's determination of the fair value of its reporting units as of July 1, 2020 as part of the annual impairment test. No further impairment was recognized as a result of the Company's annual impairment test on goodwill.

While management believes the estimates and assumptions utilized to calculate the fair value of the Company's tangible and intangible long-lived assets, indefinite-lived FCC licenses and reporting units are reasonable, it is possible a material change could occur to the estimated fair value of these assets. Uncertainty regarding the full extent of the economic downturn as a result of COVID-19, as well as the timing of any recovery, may result in the Company's actual results not being consistent with its estimates, and the Company could be exposed to future impairment losses that could be material to its results of operations.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – INVESTMENTS

The following table summarizes the Company's investments in nonconsolidated affiliates and other securities:

<i>(In thousands)</i>	Available-for-Sale Debt Securities	Equity Method Investments	Other Investments	Marketable Equity Securities	Total Investments
Balance at December 31, 2018 (Predecessor)	\$ 25,823	\$ 24,104	\$ 38,813	\$ —	\$ 88,740
Purchases of investments	—	591	103	—	694
Equity in loss	—	(66)	—	—	(66)
Loss on investments	(1,895)	—	(8,342)	—	(10,237)
Other	(3)	—	—	—	(3)
Balance at May 1, 2019 (Predecessor)	<u>\$ 23,925</u>	<u>\$ 24,629</u>	<u>\$ 30,574</u>	<u>\$ —</u>	<u>\$ 79,128</u>
Impact of fresh start accounting	(8,842)	(14,986)	(1,062)	—	(24,890)
Balance at May 2, 2019 (Successor)	\$ 15,083	\$ 9,643	\$ 29,512	\$ —	\$ 54,238
Purchases of investments	24,103	1,588	2,425	3,440	31,556
Equity in loss	—	(279)	—	—	(279)
Loss on investments	—	—	(21,003)	(740)	(21,743)
Other	(6,058)	—	6,055	—	(3)
Balance at December 31, 2019 (Successor)	<u>\$ 33,128</u>	<u>\$ 10,952</u>	<u>\$ 16,989</u>	<u>\$ 2,700</u>	<u>\$ 63,769</u>
Purchases of investments	9,595	1,523	7,629	—	18,747
Equity in loss	—	(379)	—	—	(379)
Disposals	(194)	(1,000)	—	—	(1,194)
Distributions received	—	(31)	—	—	(31)
Loss on investments, net	(7,116)	—	(959)	(1,271)	(9,346)
Other	(3,957)	—	2,965	—	(992)
Balance at December 31, 2020 (Successor)	<u>\$ 31,456</u>	<u>\$ 11,065</u>	<u>\$ 26,624</u>	<u>\$ 1,429</u>	<u>\$ 70,574</u>

Equity method investments in the table above are not consolidated, but are accounted for under the equity method of accounting. The Company records its investments in these entities on the balance sheet within "Other assets." The Company's interests in the operations of equity method investments are recorded in the statement of comprehensive income (loss) as "Equity in earnings (loss) of nonconsolidated affiliates." Other investments includes various investments in companies for which there is no readily determinable market value.

During 2020, the Successor Company recorded \$15.0 million in its Audio segment for investments made in seven companies in exchange for advertising services. One of these investments is being accounted for under the equity method of accounting, two of these investments are being accounted for at amortized cost and four of these investments are notes receivable that are convertible into cash or equity. During the period from May 2, 2019 through December 31, 2019, the Successor Company recorded \$30.0 million in its Audio segment for investments made in ten companies in exchange for advertising services and cash. Two of these investments are being accounted for under the equity method of accounting, one of these investments is being accounted for at amortized cost, one of these investments is being accounted for as an available-for-sale security and six of these investments are notes receivable that are convertible into cash or equity.

The Successor Company recognized barter revenue of \$10.5 million and \$13.0 million in the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019, respectively. The Predecessor Company recognized barter revenue of \$6.0 million in the period from January 1, 2019 through May 1, 2019 in connection with these investments as services were provided. The Successor Company recognized non-cash investment impairments totaling \$5.7 million and \$21.0

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

million on our investments for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019, respectively, which were recorded in "Loss on investments, net." The Predecessor Company recognized non-cash investment impairments totaling \$10.2 million on our investments for the period from January 1, 2019 through May 1, 2019, which were recorded in "Loss on investments, net."

NOTE 9 – LONG-TERM DEBT

Long-term debt outstanding as of December 31, 2020 (Successor) and December 31, 2019 (Successor) consisted of the following:

(In thousands)

	Successor Company	
	December 31, 2020	December 31, 2019
Term Loan Facility due 2026 ⁽¹⁾	\$ 2,080,259	\$ 2,251,271
Incremental Term Loan Facility due 2026 ⁽²⁾	447,750	—
Asset-based Revolving Credit Facility due 2023 ⁽²⁾⁽³⁾	—	—
6.375% Senior Secured Notes due 2026	800,000	800,000
5.25% Senior Secured Notes due 2027	750,000	750,000
4.75% Senior Secured Notes due 2028	500,000	500,000
Other secured subsidiary debt ⁽²⁾	22,753	20,992
Total consolidated secured debt	4,600,762	4,322,263
8.375% Senior Unsecured Notes due 2027	1,450,000	1,450,000
Other unsecured subsidiary debt	6,782	12,581
Original issue discount	(18,817)	—
Long-term debt fees	(21,797)	(19,428)
Total debt	6,016,930	5,765,416
Less: Current portion	34,775	8,912
Total long-term debt	\$ 5,982,155	\$ 5,756,504

(1) On February 3, 2020, iHeartCommunications made a \$150.0 million prepayment using cash on hand and entered into an agreement to amend the Term Loan Facility to reduce the interest rate to LIBOR plus a margin of 3.00%, or the Base Rate (as defined in the Credit Agreement) plus a margin of 2.00% and to modify certain covenants contained in the Credit Agreement.

(2) On July 16, 2020, iHeartCommunications issued \$450.0 million of incremental term loans under the Amendment No. 2, resulting in net proceeds of \$425.8 million, after original issue discount and debt issuance costs. A portion of the proceeds from the issuance was used to repay the remaining balance outstanding on the Company's ABL Facility of \$235.0 million, with the remaining \$190.6 million of the proceeds available for general corporate purposes.

(3) On March 13, 2020, iHeartCommunications borrowed \$350.0 million under the ABL Facility, the proceeds of which were invested as cash on the Balance Sheet. During the second and third quarters of 2020, iHeartCommunications voluntarily repaid principal amounts outstanding under the ABL Facility. As of December 31, 2020, the ABL Facility had a facility size of \$450.0 million, no principal amounts outstanding and \$32.9 million of outstanding letters of credit, resulting in \$417.1 million of excess availability. As a result of certain restrictions in the Company's debt and preferred stock agreements, as of December 31, 2020, approximately \$172 million was available to be drawn upon under the ABL Facility.

(4) Other secured subsidiary debt consists of finance lease obligations maturing at various dates from 2021 through 2045.

The Successor Company's weighted average interest rate was 5.5% and 6.4% as of December 31, 2020 and December 31, 2019, respectively. The aggregate market value of the Successor Company's debt based on market prices for which quotes were available was approximately \$6.2 billion and \$6.1 billion as of December 31, 2020 and December 31, 2019, respectively. Under the fair value hierarchy established by ASC 820-10-35, the fair market value of the Successor Company's debt is classified as either Level 1 or Level 2.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Asset-based Revolving Credit Facility due 2023

On the Effective Date, iHeartCommunications, as borrower, entered into a Credit Agreement (the “ABL Credit Agreement”) with iHeartMedia Capital I, LLC, the direct parent of iHeartCommunications (“Capital I”), as guarantor, certain subsidiaries of iHeartCommunications, as guarantors, Citibank, N.A., as administrative and collateral agent, and the lenders party thereto from time to time, governing the ABL Facility. The ABL Facility includes a letter of credit sub-facility and a swingline loan sub-facility.

Size and Availability

The ABL Facility provides for a senior secured asset-based revolving credit facility in the aggregate principal amount of up to \$450.0 million, with amounts available from time to time (including in respect of letters of credit) equal to the lesser of (A) the borrowing base, which equals the sum of (i) 90.0% of the eligible accounts receivable of iHeartCommunications and the subsidiary guarantors and (ii) 100% of qualified cash, each subject to customary reserves and eligibility criteria, and (B) the aggregate revolving credit commitments. Subject to certain conditions, iHeartCommunications may at any time request one or more increases in the amount of revolving credit commitments, in an amount up to the sum of (x) \$150.0 million and (y) the amount by which the borrowing base exceeds the aggregate revolving credit commitments. As of December 31, 2020, iHeartCommunications had no principal amounts outstanding under the ABL Facility, a facility size of \$450.0 million and \$32.9 million in outstanding letters of credit, resulting in \$417.1 million of excess availability. As a result of certain restrictions in the Company's debt and preferred stock agreements, as of December 31, 2020, approximately \$172.0 million was available to be drawn upon under the ABL Facility.

Interest Rate and Fees

Borrowings under the ABL Facility bear interest at a rate per annum equal to the applicable margin plus, at iHeartCommunications' option, either (1) a eurocurrency rate or (2) a base rate. The applicable margin for borrowings under the ABL Facility range from 1.25% to 1.75% for eurocurrency borrowings and from 0.25% to 0.75% for base-rate borrowings, in each case, depending on average excess availability under the ABL Facility based on the most recently ended fiscal quarter.

In addition to paying interest on outstanding principal under the ABL Facility, iHeartCommunications is required to pay a commitment fee to the lenders under the ABL Facility in respect of the unutilized commitments thereunder. The commitment fee rate ranges from 0.25% to 0.375% per annum dependent upon average unused commitments during the prior quarter. iHeartCommunications may also pay customary letter of credit fees.

Maturity

Borrowings under the ABL Facility will mature, and lending commitments thereunder will terminate on June 14, 2023.

Prepayments

If at any time, the sum of the outstanding amounts under the ABL Facility exceeds the lesser of (i) the borrowing base and (ii) the aggregate commitments under the facility (such lesser amount, the “line cap”), iHeartCommunications is required to repay outstanding loans and cash collateralize letters of credit in an aggregate amount equal to such excess. iHeartCommunications may voluntarily repay outstanding loans under the ABL Facility at any time without premium or penalty, other than customary “breakage” costs with respect to eurocurrency rate loans. Any voluntary prepayments made by iHeartCommunications will not reduce iHeartCommunications' commitments under the ABL Facility.

Guarantees and Security

The ABL Facility is guaranteed by, subject to certain exceptions, the guarantors of iHeartCommunications' Term Loan Facility. All obligations under the ABL Facility, and the guarantees of those obligations, are secured by a perfected security interest in the accounts receivable and related assets of iHeartCommunications' and the guarantors' accounts receivable, qualified cash and related assets and proceeds thereof that is senior to the security interest of iHeartCommunications' Term Loan Facility in such accounts receivable, qualified cash and related assets and proceeds thereof, subject to permitted liens and certain exceptions.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Certain Covenants and Events of Default

If borrowing availability is less than the greater of (a) \$40.0 million and (b) 10% of the aggregate commitments under the ABL Facility, in each case, for two consecutive business days (a “Trigger Event”), iHeartCommunications will be required to comply with a minimum fixed charge coverage ratio of at least 1.00 to 1.00, and must continue to comply with this minimum fixed charge coverage ratio for fiscal quarters ending after the occurrence of the Trigger Event until borrowing availability exceeds the greater of (x) \$40.0 million and (y) 10% of the aggregate commitments under the ABL Facility, in each case, for 20 consecutive calendar days, at which time the Trigger Event shall no longer be deemed to be occurring.

Term Loan Facility due 2026

On the Effective Date, iHeartCommunications, as borrower, entered into a Credit Agreement (the “Term Loan Credit Agreement”) with Capital I, as guarantor, certain subsidiaries of iHeartCommunications, as guarantors, and Citibank N.A., as administrative and collateral agent, governing the Term Loan Facility. On the Effective Date, iHeartCommunications issued an aggregate of approximately \$3.5 billion principal amount of senior secured term loans under the Term Loan Facility to certain Claimholders pursuant to the Plan of Reorganization. As described below, on August 7, 2019, the proceeds from the issuance of \$750.0 million in aggregate principal amount of 5.25% Senior Secured Notes due 2027 were used, together with cash on hand, to prepay at par \$740.0 million of borrowings outstanding under the Term Loan Facility due 2026. On November 22, 2019, the proceeds from the issuance of \$500.0 million in aggregate principal amount of 4.75% Senior Secured Notes due 2028 were used, together with cash on hand, to prepay at par \$500.0 million of borrowings outstanding under the Term Loan Facility due 2026. The Term Loan Facility matures on May 1, 2026.

On February 3, 2020, iHeartCommunications entered into an amendment to the Credit Agreement governing its Term Loan Facility due 2026. The amendment reduces the interest rate to LIBOR plus a margin of 3.00% (from LIBOR plus a margin of 4.00%), or the Base Rate (as defined in the Credit Agreement) plus a margin of 2.00% (from Base Rate plus a margin of 3.00%) and modifies certain covenants contained in the Credit Agreement. In connection with the Term Loan Facility amendment in February 2020, iHeartCommunications also prepaid at par \$150.0 million of borrowings outstanding under the Term Loan Facility with cash on hand.

On July 16, 2020, iHeartCommunications entered into Amendment No. 2 to issue \$450.0 million of incremental term loan commitments, resulting in net proceeds of \$425.8 million, after original issue discount and debt issuance costs. A portion of the proceeds from the issuance were used to repay the remaining balance outstanding under the ABL Facility of \$235.0 million, with the remaining \$190.6 million of the proceeds available for general corporate purposes.

Under the terms of the Term Loan Facility Credit Agreement, iHeartCommunications made quarterly principal payments totaling \$23.3 million during the year ended December 31, 2020.

Interest Rate and Fees

Following the amendment made on February 3, 2020, the Term loans under the Term Loan Facility bear interest at a rate per annum equal to LIBOR plus a margin of 3.00%, or the Base Rate plus a margin of 2.00%. The incremental term loans issued pursuant to Amendment No. 2 have an interest rate of 4.00% for Eurocurrency Rate Loans and 3.00% for Base Rate Loans (subject to a LIBOR floor of 0.75% and Base Rate floor of 1.75%). Amendment No. 2 also modifies certain other provisions of the Credit Agreement.

Collateral and Guarantees

The Term Loan Facility is guaranteed by Capital I and each of iHeartCommunications’ existing and future material wholly-owned restricted subsidiaries, subject to certain exceptions. All obligations under the Term Loan Facility, and the guarantees of those obligations, are secured, subject to permitted liens and other exceptions, by a first priority lien in substantially all of the assets of iHeartCommunications and all of the guarantors’ assets, including a lien on the capital stock of iHeartCommunications and certain of its subsidiaries owned by a guarantor, other than the accounts receivable and related assets of iHeartCommunications and all of the subsidiary guarantors, and by a second priority lien on accounts receivable and related assets securing iHeartCommunications’ ABL Facility.

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Prepayments

iHeartCommunications is required to prepay outstanding term loans under the Term Loan Facility, subject to certain exceptions, with:

- 50% (which percentage may be reduced to 25% and to 0% based upon iHeartCommunications' first lien leverage ratio) of iHeartCommunications' annual excess cash flow, subject to customary credits, reductions and exclusions;
- 100% (which percentage may be reduced to 50% and 0% based upon iHeartCommunications' first lien leverage ratio) of the net cash proceeds of sales or other dispositions of the assets of iHeartCommunications or its wholly owned restricted subsidiaries, subject to reinvestment rights and certain other exceptions; and
- 100% of the net cash proceeds of any incurrence of debt, other than debt permitted under the Term Loan Facility.

iHeartCommunications may voluntarily repay outstanding loans under the Term Loan Facility at any time, without prepayment premium or penalty, subject to customary "breakage" costs with respect to eurocurrency loans.

Certain Covenants and Events of Default

The Term Loan Facility does not include any financial covenants. However, the Term Loan Facility includes negative covenants that, subject to significant exceptions, limit Capital I's ability and the ability of its restricted subsidiaries (including iHeartCommunications) to, among other things:

- incur additional indebtedness;
- create liens on assets;
- engage in mergers, consolidations, liquidations and dissolutions;
- sell assets;
- pay dividends and distributions or repurchase Capital I's capital stock;
- make investments, loans, or advances;
- prepay certain junior indebtedness;
- engage in certain transactions with affiliates;
- amend material agreements governing certain junior indebtedness; and
- change lines of business.

The Term Loan Facility includes certain customary representations and warranties, affirmative covenants and events of default, including but not limited to, payment defaults, breach of representations and warranties, covenant defaults, cross defaults to certain indebtedness, certain bankruptcy-related events, certain events under ERISA, material judgments and a change of control. If an event of default occurs, the lenders under the Term Loan Facility are entitled to take various actions, including the acceleration of all amounts due under the Term Loan Facility and all actions permitted to be taken under the loan documents relating thereto or applicable law.

6.375% Senior Secured Notes due 2026

On the Effective Date, iHeartCommunications entered into an indenture (the "Senior Secured Notes Indenture") with Capital I, as guarantor, the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, governing the \$800.0 million aggregate principal amount of 6.375% Senior Secured Notes due 2026 that were issued to certain Claimholders pursuant to the Plan of Reorganization. The 6.375% Senior Secured Notes mature on May 1, 2026 and bear interest at a rate of 6.375% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2020.

The 6.375% Senior Secured Notes are guaranteed on a senior secured basis by Capital I and the subsidiaries of iHeartCommunications that guarantee the Term Loan Facility or other credit facilities or capital markets debt securities. The 6.375% Senior Secured Notes and the related guarantees rank equally in right of payment with all of iHeartCommunications'

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

and the guarantors' existing and future indebtedness that is not expressly subordinated to the 6.375% Senior Secured Notes (including the Term Loan Facility, the 5.25% Senior Secured Notes, the 4.75% Senior Secured Notes and the Senior Unsecured Notes), effectively equal with iHeartCommunications' and the guarantors' existing and future indebtedness secured by a first priority lien on the collateral securing the 6.375% Senior Secured Notes, effectively subordinated in right of payment to all of iHeartCommunications' and the guarantors' existing and future indebtedness that is secured by assets that are not part of the collateral securing the 6.375% Senior Secured Notes, to the extent of the value of such assets, and structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any subsidiary of iHeartCommunications that is not a guarantor of the 6.375% Senior Secured Notes.

The 6.375% Senior Secured Notes and the related guarantees are secured, subject to permitted liens and certain other exceptions, by a first priority lien on the capital stock of iHeartCommunications and substantially all of the assets of iHeartCommunications and the guarantors, other than accounts receivable and related assets, and by a second priority lien on accounts receivable and related assets securing the ABL Facility.

iHeartCommunications may redeem the 6.375% Senior Secured Notes at its option, in whole or in part, at any time prior to May 1, 2022, at a price equal to 100% of the principal amount of the 6.375% Senior Secured Notes being redeemed, plus an applicable premium and plus accrued and unpaid interest to the redemption date. iHeartCommunications may redeem the 6.375% Senior Secured Notes at its option, in whole or in part, on or after May 1, 2022, at the redemption prices set forth in the 6.375% Senior Secured Notes Indenture plus accrued and unpaid interest to the redemption date. At any time prior to May 1, 2022, iHeartCommunications may redeem at its option, up to 40% of the aggregate principal amount of the 6.375% Senior Secured Notes at a redemption price equal to 106.375% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the proceeds of one or more equity offerings.

The 6.375% Senior Secured Notes Indenture contains covenants that limit the ability of Capital I and its restricted subsidiaries, including iHeartCommunications, to, among other things:

- incur or guarantee additional debt or issue certain preferred stock;
- create liens on certain assets;
- redeem, purchase or retire subordinated debt;
- make certain investments;
- create restrictions on the payment of dividends or other amounts from iHeartCommunications' restricted subsidiaries;
- enter into certain transactions with affiliates;
- merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of iHeartCommunications' assets;
- sell certain assets, including capital stock of iHeartCommunications' subsidiaries;
- designate iHeartCommunications' subsidiaries as unrestricted subsidiaries, and
- pay dividends, redeem or repurchase capital stock or make other restricted payments.

5.25% Senior Secured Notes due 2027

On August 7, 2019, iHeartCommunications entered into an indenture (the "5.25% Senior Secured Notes Indenture") with Capital I, as guarantor, the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, governing the \$750.0 million aggregate principal amount of 5.25% Senior Secured Notes due 2027 that were issued in a private placement to qualified institutional buyers under Rule 144A under the Securities Act, and to persons outside the United States pursuant to Regulation S under the Securities Act. The 5.25% Senior Secured Notes mature on August 15, 2027 and bear interest at a rate of 5.25% per annum. Interest is payable semi-annually on February 15 and August 15 of each year, beginning on February 15, 2020.

The 5.25% Senior Secured Notes are guaranteed on a senior secured basis by Capital I and the subsidiaries of iHeartCommunications that guarantee the Term Loan Facility. The 5.25% Senior Secured Notes and the related guarantees rank equally in right of payment with all of iHeartCommunications' and the guarantors' existing and future indebtedness that is not expressly subordinated to the 5.25% Senior Secured Notes (including the Term Loan Facility, the 6.375% Senior Secured Notes, the 4.75% Senior Secured Notes and the Senior Unsecured Notes), effectively equal with iHeartCommunications' and the guarantors' existing and future indebtedness secured by a first priority lien on the collateral securing the 5.25% Senior

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Secured Notes, effectively subordinated to all of iHeartCommunications' and the guarantors' existing and future indebtedness that is secured by assets that are not part of the collateral securing the 5.25% Senior Secured Notes, to the extent of the value of such collateral, and structurally subordinated to all existing and future indebtedness and other liabilities of any subsidiary of iHeartCommunications that is not a guarantor of the 5.25% Senior Secured Notes.

The 5.25% Senior Secured Notes and the related guarantees are secured, subject to permitted liens and certain other exceptions, by a first priority lien on the capital stock of iHeartCommunications and substantially all of the assets of iHeartCommunications and the guarantors, other than accounts receivable and related assets, and by a second priority lien on accounts receivable and related assets securing the ABL Facility.

iHeartCommunications may redeem the 5.25% Senior Secured Notes at its option, in whole or part, at any time prior to August 15, 2022, at a price equal to 100% of the principal amount of the 5.25% Senior Secured Notes redeemed, plus a make-whole premium, plus accrued and unpaid interest to the redemption date. iHeartCommunications may redeem the 5.25% Senior Secured Notes, in whole or in part, on or after August 15, 2022, at the redemption prices set forth in the 5.25% Senior Secured Notes Indenture plus accrued and unpaid interest to the redemption date. At any time on or before August 15, 2022, iHeartCommunications may elect to redeem up to 40% of the aggregate principal amount of the 5.25% Senior Secured Notes at a redemption price equal to 105.25% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net proceeds of one or more equity offerings.

The 5.25% Senior Secured Notes Indenture contains covenants that limit the ability of iHeartCommunications and its restricted subsidiaries, to, among other things:

- incur or guarantee additional debt or issue certain preferred stock;
- create liens on certain assets;
- redeem, purchase or retire subordinated debt;
- make certain investments;
- create restrictions on the payment of dividends or other amounts from iHeartCommunications' restricted subsidiaries;
- enter into certain transactions with affiliates;
- merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of iHeartCommunications' assets;
- sell certain assets, including capital stock of iHeartCommunications' subsidiaries;
- designate iHeartCommunications' subsidiaries as unrestricted subsidiaries, and
- pay dividends, redeem or repurchase capital stock or make other restricted payments.

4.75% Senior Secured Notes due 2028

On November 22, 2019, iHeartCommunications entered into an indenture (the "4.75% Senior Secured Notes Indenture") with Capital I, as guarantor, the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, governing the \$500.0 million aggregate principal amount of 4.75% Senior Secured Notes due 2028 that were issued in a private placement to qualified institutional buyers under Rule 144A under the Securities Act, and to persons outside the United States pursuant to Regulation S under the Securities Act. The 4.75% Senior Secured Notes mature on January 15, 2028 and bear interest at a rate of 4.75% per annum. Interest is payable semi-annually on January 15 and July 15 of each year, beginning on July 15, 2020.

The 4.75% Senior Secured Notes are guaranteed on a senior secured basis by Capital I and the subsidiaries of iHeartCommunications that guarantee the Term Loan Facility. The 4.75% Senior Secured Notes and the related guarantees rank equally in right of payment with all of iHeartCommunications' and the guarantors' existing and future indebtedness that is not expressly subordinated to the 4.75% Senior Secured Notes (including the Term Loan Facility, the 6.375% Senior Secured Notes, the 5.25% Senior Secured Notes and the Senior Unsecured Notes), effectively equal with iHeartCommunications' and the guarantors' existing and future indebtedness secured by a first priority lien on the collateral securing the 4.75% Senior Secured Notes, effectively subordinated to all of iHeartCommunications' and the guarantors' existing and future indebtedness that is secured by assets that are not part of the collateral securing the 4.75% Senior Secured Notes, to the extent of the value of such collateral, and structurally subordinated to all existing and future indebtedness and other liabilities of any subsidiary of iHeartCommunications that is not a guarantor of the 4.75% Senior Secured Notes.

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The 4.75% Senior Secured Notes and the related guarantees are secured, subject to permitted liens and certain other exceptions, by a first priority lien on the capital stock of iHeartCommunications and substantially all of the assets of iHeartCommunications and the guarantors, other than accounts receivable and related assets, and by a second priority lien on accounts receivable and related assets securing the ABL Facility.

iHeartCommunications may redeem the 4.75% Senior Secured Notes at its option, in whole or part, at any time prior to January 15, 2023, at a price equal to 100% of the principal amount of the 4.75% Senior Secured Notes redeemed, plus a make-whole premium, plus accrued and unpaid interest to the redemption date. iHeartCommunications may redeem the 4.75% Senior Secured Notes, in whole or in part, on or after January 15, 2023, at the redemption prices set forth in the 4.75% Senior Secured Notes Indenture plus accrued and unpaid interest to the redemption date. At any time on or before November 15, 2022, iHeartCommunications may elect to redeem up to 40% of the aggregate principal amount of the 4.75% Senior Secured Notes at a redemption price equal to 104.75% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net proceeds of one or more equity offerings.

The 4.75% Senior Secured Notes Indenture contains covenants that limit the ability of iHeartCommunications and its restricted subsidiaries, to, among other things:

- incur or guarantee additional debt or issue certain preferred stock;
- create liens on certain assets;
- redeem, purchase or retire subordinated debt;
- make certain investments;
- create restrictions on the payment of dividends or other amounts from iHeartCommunications' restricted subsidiaries;
- enter into certain transactions with affiliates;
- merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of iHeartCommunications' assets;
- sell certain assets, including capital stock of iHeartCommunications' subsidiaries;
- designate iHeartCommunications' subsidiaries as unrestricted subsidiaries, and
- pay dividends, redeem or repurchase capital stock or make other restricted payments.

8.375% Senior Unsecured Notes due 2027

On the Effective Date, iHeartCommunications entered into an indenture (the "Senior Unsecured Notes Indenture") with Capital I, as guarantor, the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee, governing the \$1,450.0 million aggregate principal amount of 8.375% Senior Notes due 2027 that were issued to certain Claimholders pursuant to the Plan of Reorganization. The Senior Unsecured Notes mature on May 1, 2027 and bear interest at a rate of 8.375% per annum, payable semi-annually in arrears on May 1 and November 1 of each year, beginning on November 1, 2019.

The Senior Unsecured Notes are guaranteed on a senior unsecured basis by Capital I and the subsidiaries of iHeartCommunications that guarantee the Term Loan Facility or other credit facilities or capital markets debt securities. The Senior Unsecured Notes and the related guarantees rank equally in right of payment with all of iHeartCommunications' and the guarantors' existing and future indebtedness that is not expressly subordinated to the Senior Unsecured Notes, effectively subordinated to all of iHeartCommunications' and the guarantors' existing and future indebtedness that is secured (including the 6.375% Senior Secured Notes, the 5.25% Senior Secured Notes, the 4.75% Senior Secured Notes and borrowings under the ABL Facility and the Term Loan Facility), to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to all existing and future indebtedness and other liabilities of any subsidiary of iHeartCommunications that is not a guarantor of the Senior Unsecured Notes.

iHeartCommunications may redeem the Senior Unsecured Notes at its option, in whole or in part, at any time prior to May 1, 2022, at a price equal to 100% of the principal amount of the Senior Unsecured Notes being redeemed, plus an applicable premium and plus accrued and unpaid interest to the redemption date. iHeartCommunications may redeem the Senior Unsecured Notes at its option, in whole or in part, on or after May 1, 2022, at the redemption prices set forth in the Senior Unsecured Notes Indenture plus accrued and unpaid interest to the redemption date. At any time prior to May 1, 2022, iHeartCommunications redeem at its option, up to 40% of the aggregate principal amount of the Senior Unsecured Notes at a

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

redemption price equal to 108.375% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the proceeds of one or more equity offerings.

The Senior Unsecured Notes Indenture contains covenants that limit the ability of Capital I and its restricted subsidiaries, including iHeartCommunications, to, among other things:

- incur or guarantee additional debt or issue certain preferred stock;
- create liens on certain assets;
- redeem, purchase or retire subordinated debt;
- make certain investments;
- create restrictions on the payment of dividends or other amounts from iHeartCommunications' restricted subsidiaries;
- enter into certain transactions with affiliates;
- merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of iHeartCommunications' assets;
- sell certain assets, including capital stock of iHeartCommunications' subsidiaries;
- designate iHeartCommunications' subsidiaries as unrestricted subsidiaries, and
- pay dividends, redeem or repurchase capital stock or make other restricted payments.

Mandatorily Redeemable Preferred Stock

On the Effective Date, in accordance with the Plan of Reorganization, iHeart Operations issued 60,000 shares of its Series A Perpetual Preferred Stock, par value \$0.001 per share (the "iHeart Operations Preferred Stock"), having an aggregate initial liquidation preference of \$60.0 million for a cash purchase price of \$60.0 million. The iHeart Operations Preferred Stock was purchased by a third party investor. As of December 31, 2020, the liquidation preference of the iHeart Operations Preferred Stock was \$60.0 million. As further described below, the iHeart Operations Preferred Stock is mandatorily redeemable for cash at a date certain and therefore is classified as a liability in the Company's balance sheet.

There are no sinking fund provisions applicable to the iHeart Operations Preferred Stock. Shares of the iHeart Operations Preferred Stock, upon issuance, were fully paid and non-assessable. The shares of the iHeart Operations Preferred Stock are not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of iHeart Operations. The holders of shares of the iHeart Operations Preferred Stock have no pre-emptive rights with respect to any shares of our capital stock or any of iHeart Operations' other securities convertible into or carrying rights or options to purchase any such capital stock.

Holders of the iHeart Operations Preferred Stock are entitled to receive, as declared by the board of directors of iHeart Operations, in respect of each share, cumulative dividends accruing daily and payable quarterly at a per annum rate equal to the sum of (1) the greater of (a) LIBOR and (b) two percent, plus (2) the applicable margin, which is calculated as a function of iHeartMedia's consolidated total leverage ratio. Dividends are payable on the liquidation preference. Unless all accrued and unpaid dividends on the iHeart Operations Preferred Stock are paid in full, no dividends or distributions may be paid on any equity interests of iHeartMedia or its subsidiaries other than iHeart Operations, and no such equity interests may be repurchased or redeemed (subject to certain exceptions that are specified in the certificate of designation for the iHeart Operations Preferred Stock). Dividends, if declared, will be payable on March 31, June 30, September 30 and December 31 of each year (or on the next business day if such date is not a business day). During the year ended December 31, 2020 and the period from May 1, 2019 through December 31, 2019, the Successor Company recognized \$9.3 million and \$5.5 million, respectively, of interest expense related to dividends on mandatorily redeemable preferred stock.

Other than as set forth below, iHeart Operations may not redeem the iHeart Operations Preferred Stock at its option prior to the third anniversary of the issue date of the iHeart Operations Preferred Stock. Upon consummation of certain equity offerings, iHeart Operations may, at its option, redeem all or a part of the iHeart Operations Preferred Stock for the liquidation preference plus a make-whole premium. At any time on or after the third anniversary of the issue date, the iHeart Operations Preferred Stock may be redeemed at the option of iHeart Operations, in whole or in part, for cash at a redemption price equal to the liquidation preference per share.

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Upon (i) a liquidation, dissolution or winding up of iHeart Operations, iHeartMedia or iHeartCommunications, together with the subsidiaries of such entity, taken as a whole, (ii) a bankruptcy event, (iii) a change of control, (iv) a sale or transfer of all or substantially all of iHeart Operations', iHeartMedia's or iHeartCommunications' assets and the assets of such entity's subsidiaries, taken as a whole in a single transaction (other than to iHeartMedia or any of its subsidiaries), or a series of transactions, (v) an acceleration or payment default of indebtedness of iHeart Operations, iHeartMedia or any of its subsidiaries of \$100 million or more or (vi) consummation of certain equity offerings of iHeartMedia, iHeart Operations or iHeartCommunications or certain significant subsidiaries, then any holder of shares of iHeart Operations Preferred Stock may require iHeartMedia to purchase such holder's shares of iHeart Operations Preferred Stock at a purchase price equal to (a) the liquidation preference plus a make-whole premium, if such purchase is consummated prior to the third anniversary of the issue date or (b) the liquidation preference, if the purchase is consummated on or after the third anniversary of the issue date.

The shares of iHeart Operations Preferred Stock include repurchase rights, pursuant to which the holders may require iHeartMedia or iHeartCommunications to purchase the iHeart Operations Preferred Stock after the fifth anniversary of the issue date.

On the tenth anniversary of the issue date, the shares of iHeart Operations Preferred Stock will be subject to mandatory redemption for an amount equal to the liquidation preference.

If a default occurs or dividends payable on the shares of iHeart Operations Preferred Stock have not been paid in cash for twelve consecutive quarters, the holders of the iHeart Operations Preferred Stock will have the right, voting as a class, to elect one director to iHeartMedia's Board of Directors. Upon any termination of the rights of the holders of shares of the iHeart Operations Preferred Stock as a class to vote for a director as described above, the director so elected to iHeartMedia's Board of Directors will cease to be qualified as a director and the term of such director's office shall terminate immediately.

Future Maturities of Long-term Debt

Future maturities of long-term debt at December 31, 2020 are as follows:

(in thousands)

2021	\$	34,775
2022		28,514
2023		28,133
2024		28,051
2025		27,418
Thereafter		5,910,653
Total ⁽¹⁾⁽²⁾	\$	<u>6,057,544</u>

(1) Excludes purchase accounting adjustments and original issue discount of \$18.8 million and long-term debt fees of \$21.8 million, which are amortized through interest expense over the life of the underlying debt obligations.

(2) Under the terms of the Term Loan Facility and Incremental Term Loan Facility, the Company is required to make quarterly prepayments of \$6.4 million. Such prepayments are reflected in the table above.

Surety Bonds and Letters of Credit

As of December 31, 2020, iHeartCommunications had outstanding surety bonds and commercial standby letters of credit of \$9.1 million and \$33.3 million, respectively. These surety bonds and letters of credit relate to various operational matters including insurance, lease and performance bonds as well as other items.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies

The Company accounts for its rentals that include renewal options, annual rent escalation clauses, minimum franchise payments and maintenance related to displays under the guidance in ASC 842.

The Company accounts for annual rent escalation clauses included in the lease term on a straight-line basis under the guidance in ASC 840-20-25. The Company considers renewal periods in determining its lease terms if at inception of the lease there is reasonable assurance the lease will be renewed. Expenditures for maintenance are charged to operations as incurred, whereas expenditures for renewal and betterments are capitalized. Non-cancelable contracts that provide the lessor with a right to fulfill the arrangement with property, plant and equipment not specified within the contract are not a lease and have been included within non-cancelable contracts within the table below.

The Company leases office space, certain broadcasting facilities and equipment under long-term operating leases. The Company accounts for these leases in accordance with the policies described above.

As of December 31, 2020, the Company's future minimum rental commitments under non-cancelable operating lease agreements with terms in excess of one year, minimum payments under non-cancelable contracts in excess of one year, capital expenditure commitments and employment/talent contracts consist of the following:

(In thousands)

	Non-Cancelable Operating Leases	Non-Cancelable Contracts	Employment/Talent Contracts
2021	\$ 126,732	\$ 125,853	\$ 102,263
2022	133,086	50,736	75,944
2023	120,125	16,698	41,735
2024	109,958	2,424	41,336
2025	97,272	719	1,029
Thereafter	706,472	1,717	—
Total	\$ 1,293,645	\$ 198,147	\$ 262,307

Rent expense charged to operations for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor), the period from January 1, 2019 through May 1, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor) was \$198.2 million, \$128.3 million, \$59.2 million and \$169.9 million, respectively.

The Company and its subsidiaries are involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in the Company's assumptions or the effectiveness of its strategies related to these proceedings. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's financial condition or results of operations.

Although the Company is involved in a variety of legal proceedings in the ordinary course of business, a large portion of its litigation arises in the following contexts: commercial disputes; defamation matters; employment and benefits related claims; governmental fines; intellectual property claims; and tax disputes.

Alien Ownership Restrictions and FCC Petition for Declaratory Ruling

The Communications Act and FCC regulation prohibit foreign entities and individuals from having direct or indirect ownership or voting rights of more than 25 percent in a corporation controlling the licensee of a radio broadcast station unless the FCC finds greater foreign ownership to be in the public interest (the "Foreign Ownership Rule"). Under the Plan of Reorganization, the Company committed to file the PDR requesting the FCC to permit the Company to be up to 100% foreign-owned.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On November 5, 2020, the FCC issued the Declaratory Ruling, which granted the relief requested by the PDR, subject to certain conditions.

On November 9, 2020, the Company notified the holders of Special Warrants of the commencement of an exchange process (the notification, the “Exchange Notice,” and the exchange, the “Exchange”). In the Exchange, which took place on January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into Class A common stock or Class B common stock, in compliance with the Declaratory Ruling, the Communications Act and FCC rules. Following the Exchange, the Company’s remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock. See “Item 1. Business – Regulation of Our Business, Alien Ownership Restrictions” and “Item 1A. Risk Factors - Regulatory, Legislative and Litigation Risks, Regulations imposed by the Communications Act and the FCC limit the amount of foreign individuals or entities that may invest in our capital stock without FCC approval.”

NOTE 11 – INCOME TAXES

On March 27, 2020 the CARES Act, which included numerous tax provisions, was signed into law. The CARES Act included certain temporary relief provisions with respect to the application of the Section 163(j) interest deduction limitation including the ability to elect to use the Company’s 2019 Adjusted Taxable Income (as defined under Section 163(j)) for purposes of calculating the 2020 interest deduction limitation. This provision of the CARES Act resulted in an increase to allowable interest deductions of \$179.4 million during 2020. The other federal income tax provisions within the CARES Act did not materially impact the Company’s financial statements.

On December 27, 2020, the Consolidated Appropriations Act was signed into law in order to provide further stimulus and support to those affected by the COVID-19 pandemic. The tax provisions included within the Consolidated Appropriations Act did not materially impact the Company’s financial statements in the current year.

As a result of steps in the Plan of Reorganization described in Note 2 and the fresh start accounting adjustments described in Note 3, there were significant tax adjustments recorded in the period from January 1, 2019 through May 1, 2019. The Company recorded income tax benefits of \$102.9 million for reorganization adjustments in the Predecessor period ended May 1, 2019, primarily consisting of: (1) \$483.0 million in tax expense for the reduction in federal and state net operating loss (“NOL”) carryforwards from the cancellation of debt income (“CODI”) realized upon emergence; (2) \$275.2 million in tax benefit for the reduction in deferred tax liabilities attributed primarily to long-term debt that was discharged upon emergence; (3) \$62.3 million in tax benefit for the effective settlement of liabilities for unrecognized tax benefits that were discharged upon emergence; and (4) \$263.8 million in tax benefit for the reduction in valuation allowance resulting from the adjustments described above. The Company recorded income tax expense of \$185.4 million for fresh start adjustments in the Predecessor period ended May 1, 2019, consisting of \$529.1 million tax expense for the increase in deferred tax liabilities resulting from fresh start accounting adjustments, which was partially offset by \$343.7 million tax benefit for the reduction in the valuation allowance on our deferred tax assets.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Significant components of the provision for income tax benefit (expense) from continuing operations are as follows:

(In thousands)

	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Current - Federal	\$ (652)	\$ (172)	\$ 2,264	\$ 1
Current - foreign	(1,674)	(754)	(282)	(969)
Current - state	1,680	(10,045)	74,762	(9,225)
Total current benefit (expense)	(646)	(10,971)	76,744	(10,193)
Deferred - Federal	172,302	(14,470)	(109,511)	1,276
Deferred - foreign	28	23	(8)	(1)
Deferred - state	11,939	5,327	(6,320)	(4,918)
Total deferred benefit (expense)	184,269	(9,120)	(115,839)	(3,643)
Income tax benefit (expense)	\$ 183,623	\$ (20,091)	\$ (39,095)	\$ (13,836)

The current tax expense recorded in the Successor period ended December 31, 2020 was primarily related to local country foreign tax expense in certain jurisdictions partially offset by adjustments to the Company's reserves for unrecognized tax benefits in certain state jurisdictions.

The current tax expense of \$11.0 million recorded in the Successor period from May 2, 2019 through December 31, 2019 was primarily related to state income taxes on operating profits generated in certain state jurisdictions during the period. The federal current tax expense for the Successor period was not significant due to the net operating loss carryforwards that were available to offset taxable income.

The current tax benefit of \$76.7 million recorded for the Predecessor period from January 1, 2019 through May 1, 2019 relates primarily to the effective settlement of liabilities for unrecognized tax benefits that were discharged upon the Company's emergence from bankruptcy for certain state jurisdictions.

Current tax expense for the Predecessor period ended December 31, 2018 was \$10.2 million. The current tax expense recorded in 2018 was primarily related to state income tax expense incurred during the period and reserves recorded for unrecognized state tax benefits.

The deferred tax benefit of \$184.3 million recorded in the Successor period ended December 31, 2020 related primarily to the current period net operating losses and a reduction in deferred tax liabilities recorded in connection with the impairment of our FCC licenses discussed in Note 7.

The deferred tax expense of \$9.1 million recorded in the Successor period from May 2, 2019 through December 31, 2019 related primarily to the utilization of federal and state net operating loss carryforwards which offset taxable income during the period.

The deferred tax expense of \$115.8 million recorded in the Predecessor period from January 1, 2019 through May 1, 2019 related primarily to the impact of reorganization and fresh start adjustments described above.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Significant components of the Successor Company's deferred tax liabilities and assets as of December 31, 2020 and 2019 are as follows:

<i>(In thousands)</i>	Successor Company	
	2020	2019
Deferred tax liabilities:		
Intangibles and fixed assets	\$ 1,005,116	\$ 1,163,310
Operating lease right-of-use assets	204,953	130,123
Total deferred tax liabilities	1,210,069	1,293,433
Deferred tax assets:		
Accrued expenses	23,052	24,525
Net operating loss carryforwards	218,290	167,008
Interest expense carryforwards	315,304	324,481
Operating lease liabilities	209,010	109,503
Capital loss carryforwards	1,662,174	601,309
Investments	15,378	26,071
Bad debt reserves	15,247	9,916
Other	13,228	13,799
Total gross deferred tax assets	2,471,683	1,276,612
Less: Valuation allowance	1,818,091	720,622
Total deferred tax assets	653,592	555,990
Net deferred tax liabilities	\$ 556,477	\$ 737,443

The deferred tax liability related to intangibles and fixed assets primarily relates to the difference in book and tax basis of FCC licenses and other intangible assets that were adjusted for book purposes to estimated fair values as part of the application of fresh start accounting, and were further adjusted in the first quarter of 2020 upon recognition of an impairment as discussed in Note 7. In accordance with ASC 350-10, *Intangibles—Goodwill and Other*, the Company does not amortize FCC licenses. As a result, this deferred tax liability will not reverse over time unless the Company recognizes future impairment charges or sells its FCC licenses. As the Company continues to amortize its tax basis in its FCC licenses, the deferred tax liability will increase over time. The Company's net foreign deferred tax liabilities for the periods ending December 31, 2020 and December 31, 2019 were \$0.3 million.

At December 31, 2020, the Successor Company had recorded net operating loss and tax credit carryforwards (tax effected) for federal and state income tax purposes of approximately \$218.3 million, expiring in various amounts through 2040 or in some cases with no expiration date. In connection with the tax reform legislation passed in December of 2017, Section 163(j) of the Internal Revenue Code was amended, thereby establishing new rules governing a U.S. taxpayer's ability to deduct interest expense beginning in 2018. Section 163(j), as amended, generally limits the deduction for business interest expense to thirty percent of adjusted taxable income (notwithstanding the temporary provisions described above from the enactment of the CARES Act), and provides that any disallowed interest expense may be carried forward indefinitely. The Successor Company recorded deferred tax assets for federal and state interest limitation carryforwards of \$315.3 million as of December 31, 2020. In connection with the taxable separation of the Outdoor division as part of the bankruptcy restructuring, the Successor Company realized a \$7.2 billion capital loss (gross after attribute reduction calculations). For federal tax purposes the capital loss can be carried forward 5 years and only be used to offset capital gains. For state tax purposes, the capital loss has various carryforward periods. The Successor Company has recorded a full valuation allowance against the deferred tax asset associated with the federal and state capital loss carryforward as it is not expected to be realized. The Successor Company expects to realize the benefits of a portion of its remaining deferred tax assets based upon expected future taxable income from deferred tax liabilities that reverse in the relevant federal and state jurisdictions and carryforward periods. As of December 31, 2020, the Successor Company had recorded a valuation allowance of \$1.8 billion against a portion of these U.S. federal and state deferred tax assets which it does not expect to realize, relating primarily to capital loss carryforwards and certain state net operating loss

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

carryforwards. The Successor Company's U.S. federal and state deferred tax valuation allowance increased by \$1.1 billion during the Successor period ending December 31, 2020 primarily due to an increase in the capital loss carryforward as determined on the Company's 2019 income tax filings. Any deferred tax liabilities associated with acquired FCC licenses and tax-deductible goodwill intangible assets are now relied upon as sources of future taxable income for purposes of realizing deferred tax assets attributed to carryforwards that have an indefinite life such as the Section 163(j) interest carryforward.

At December 31, 2020, net deferred tax liabilities include a deferred tax asset of \$3.5 million relating to stock-based compensation expense under ASC 718-10, *Compensation—Stock Compensation*. Full realization of this deferred tax asset requires stock options to be exercised at a price equal to or exceeding the sum of the grant price plus the fair value of the option at the grant date and restricted stock to vest at a price equaling or exceeding the fair market value at the grant date. Accordingly, there can be no assurance that the stock price of the Successor Company's common stock will rise to levels sufficient to realize the entire deferred tax benefit currently reflected in its balance sheet.

The reconciliations of income tax on income (loss) from continuing operations computed at the U.S. federal statutory tax rates to the recorded income tax benefit (expense) for the Successor Company and Predecessor Company are:

		Successor Company			
		Year Ended December 31,		Period from May 2, 2019 through	
		2020		December 31,	
				2019	
(In thousands)		Amount	Percent	Amount	Percent
Income tax benefit (expense) at statutory rates		\$ 440,758	21.0 %	\$ (28,012)	21.0 %
State income taxes, net of federal tax effect		13,619	0.7 %	(4,718)	3.5 %
Foreign income taxes		(1,187)	(0.1)%	(1,593)	1.2 %
Nondeductible items		(8,928)	(0.4)%	(7,345)	5.5 %
Changes in valuation allowance and other estimates		(30,531)	(1.5)%	24,439	(18.2)%
Impairment charges		(257,119)	(12.3)%	—	— %
Other, net		27,011	1.3 %	(2,862)	2.1 %
Income tax benefit (expense)		<u>\$ 183,623</u>	8.7 %	<u>\$ (20,091)</u>	15.1 %

		Predecessor Company			
		Period from January 1, 2019 through		Year Ended December 31,	
		May 1,		2018	
				2018	
(In thousands)		Amount	Percent	Amount	Percent
Income tax benefit (expense) at statutory rates		\$ (1,999,008)	21.0 %	\$ 5,069	21.0 %
State income taxes, net of federal tax effect		68,442	(0.7)%	(14,958)	(62.0)%
Foreign income taxes		(270)	— %	(3,076)	(12.7)%
Nondeductible items		(1,793)	— %	(4,834)	(20.0)%
Changes in valuation allowance and other estimates		648,384	(6.8)%	10,958	45.4 %
Tax impact of outdoor charges eliminated in discontinued operations		—	— %	(8,017)	(33.2)%
Reorganization and fresh start adjustments		1,245,282	(13.1)%	—	— %
Other, net		(132)	— %	1,022	4.2 %
Income tax expense		<u>\$ (39,095)</u>	0.4 %	<u>\$ (13,836)</u>	(57.3)%

The Successor Company's effective tax rate for the year ended December 31, 2020 is 8.7%. The effective tax rate for this period was primarily impacted by the impairment charges to non-deductible goodwill discussed in Note 7. In addition, the Company recorded deferred tax adjustments to state net operating losses and federal and state disallowed interest carryforwards

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

as a result of the filing of 2019 tax returns and certain legal entity restructuring completed during the period. These adjustments were partially offset by valuation allowance adjustments recorded during the year against certain federal and state deferred tax assets such as net operating loss carryforwards and disallowed interest carryforwards due to the uncertainty of the ability to realize those assets in future periods.

The Successor Company's effective tax rate for the period from May 2, 2019 through December 31, 2019 was 15.1%. The effective rate for the Successor period was primarily impacted by deferred tax benefits recorded for changes in estimates related to the carryforward tax attributes that survived the emergence from bankruptcy and deferred tax adjustments associated with the filing of the Company's 2018 tax returns during the fourth quarter of 2019. The primary change to the 2018 tax return filings, when compared to the provision estimates, was the Company's decision to elect out of the first-year bonus depreciation rules for the 2018 year for all qualified capital expenditures. This resulted in less tax depreciation deductions for tax purposes for the 2018 year and higher adjusted tax basis for our fixed assets as of the Effective Date.

The Predecessor Company's effective tax rate for the period from January 1, 2019 through May 1, 2019 was 0.4%. The income tax expense for the period from January 1, 2019 through May 1, 2019 (Predecessor) primarily consists of the income tax impacts from reorganization and fresh start adjustments, including adjustments to our valuation allowance. The Company recorded income tax benefits of \$102.9 million for reorganization adjustments in the Predecessor period, primarily consisting of: (1) tax expense for the reduction in federal and state net operating loss ("NOL") carryforwards from the cancellation of debt income ("CODI") realized upon emergence; (2) tax benefit for the reduction in deferred tax liabilities attributed primarily to long-term debt that was discharged upon emergence; (3) tax benefit for the effective settlement of liabilities for unrecognized tax benefits that were discharged upon emergence; and (4) tax benefit for the reduction in valuation allowance resulting from the adjustments described above. The Company recorded income tax expense of \$185.4 million for fresh start adjustments in the Predecessor period, consisting of \$529.1 million tax expense for the increase in deferred tax liabilities resulting from fresh start accounting adjustments, which was partially offset by \$343.7 million tax benefit for the reduction in the valuation allowance on our deferred tax assets. In addition to the above mentioned adjustments, the Reorganization and fresh start adjustments line above includes the reversal of the \$2.0 billion in tax benefits that are presented in the reconciliation table in the Income tax benefit at statutory rates line.

The Predecessor Company's effective tax rate for the year ended December 31, 2018 was (57.3)%. The effective tax rate for 2018 was primarily impacted by \$11.3 million of deferred tax expense attributed to the valuation allowance recorded against federal and state deferred tax assets generated in the period due to the uncertainty of the ability to realize those assets in future periods. In addition, the Company did not record a tax effect for charges between the iHeartMedia group and the Outdoor Group that were eliminated in the presentation of discontinued operations as these charges are respected for income tax purposes under the Tax Matters Agreement.

The Successor Company continues to record interest and penalties related to unrecognized tax benefits in current income tax expense. The total amount of interest accrued at December 31, 2020 and 2019 was \$5.3 million and \$6.9 million, respectively. The total amount of unrecognized tax benefits including accrued interest and penalties at December 31, 2020 and 2019 was \$20.0 million and \$20.5 million, respectively, of which \$18.2 million and \$20.3 million is included in "Other long-term liabilities". In addition, \$1.8 million and \$0.2 million of unrecognized tax benefits are recorded net with the Company's deferred tax assets for its net operating losses as opposed to being recorded in "Other long-term liabilities" at December 31, 2020 and 2019, respectively. The total amount of unrecognized tax benefits at December 31, 2020 and 2019 that, if recognized, would impact the effective income tax rate is \$13.8 million and \$15.5 million, respectively.

(In thousands)

	Successor Company	
	Years Ended December 31,	
	2020	2019
Unrecognized Tax Benefits		
Balance at beginning of period	\$ 13,664	\$ 53,156
Increases for tax position taken in the current year	2,325	4,070
Increases for tax positions taken in previous years	453	2,534
Decreases for tax position taken in previous years	(1,566)	(2,948)
Decreases due to settlements with tax authorities	—	(1,183)
Decreases due to lapse of statute of limitations	(195)	(41,965)
Balance at end of period	<u>\$ 14,681</u>	<u>\$ 13,664</u>

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. During 2019 the Company settled several state and local tax and foreign tax examinations resulting in a reduction of unrecognized tax benefits of \$1.2 million, excluding interest. In addition, during 2019 the statute of limitations for certain tax years expired upon our emergence from bankruptcy resulting in the reduction to unrecognized tax benefits of \$42.0 million, excluding interest. All federal income tax matters through 2016 are closed. The majority of all material state, local, and foreign income tax matters have been concluded for years through 2017 with the exception of a current examination in Texas that covers the 2007-2016 tax years.

NOTE 12 – STOCKHOLDERS’ EQUITY

As described in Note 2 - *Emergence from Voluntary Reorganization under Chapter 11 Proceedings* and Note 3 - *Fresh Start Accounting*, the Company emerged from bankruptcy upon the effectiveness of the Plan of Reorganization on May 1, 2019, at which time all shares of the Predecessor Company’s issued and outstanding common stock immediately prior to the Effective Date were canceled, and reorganized iHeartMedia issued an aggregate of 56,861,941 shares of iHeartMedia Class A common stock, 6,947,567 shares of Class B common stock and special warrants to purchase 81,453,648 shares of Class A common stock or Class B common stock to holders of claims pursuant to the Plan of Reorganization. The value of these shares and warrants issued to claimholders in settlement of Liabilities subject to compromise was based on the difference between the Enterprise Value of the Company and the and new debt and mandatorily redeemable preferred stock issued upon emergence, adjusted as necessary for cash and cash equivalents, noncontrolling interest and changes in deferred taxes. The impact of finalization of deferred tax amounts related to the Reorganization is reflected within the Consolidated Statement of Changes in Stockholders’ Equity (Deficit).

Historically, the Company granted restricted shares of the Company's Class A common stock to certain key individuals. In connection with the effectiveness of the Plan of Reorganization, all unvested restricted shares were canceled.

Pursuant to the Post-Emergence Equity Plan the Company adopted in connection with the effectiveness of our Plan of Reorganization, the Company has granted restricted stock units and options to purchase shares of the Company's Class A common stock to certain key individuals.

This Post-Emergence Equity Plan is designed to provide an incentive to certain key members of management and service providers of the Company or any of its subsidiaries and non-employee members of the Board of Directors and to offer an additional inducement in obtaining the services of such individuals. The Post-Emergence Equity Plan provides for the grant of (a) options and (b) restricted stock units, which, in each case, may be subject to contingencies or restrictions as set forth under the plan and applicable award agreement.

The aggregate number of shares of Class A common stock that may be issued or used for reference purposes with respect to which awards may be granted under the plan shall be equal to the sum of (a) 12,770,387 shares of Class A common stock for awards to key members of management and service providers plus (b) 1,596,298 shares of Class A common stock for awards to non-employee members of the Board. Such shares of common stock may, in the discretion of the Board of Directors, consist either in whole or in part of authorized but unissued shares of common stock or shares of common stock held in the treasury of the Company. The Company shall at all times during the term of the plan reserve and keep available such number of shares of common stock as will be sufficient to satisfy the requirements of the plan.

The Company granted 5,542,668 stock options and 3,205,360 restricted stock units on May 30, 2019 in connection with the Company's emergence from bankruptcy (the "Emergence Awards").

Share-Based Compensation

Successor

Stock Options

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The term of each option granted pursuant to the plan may not exceed (a) six (6) years from the date of grant thereof in the case of the awards granted upon emergence and (b) ten (10) years from the date of grant thereof in the case of all other options; subject, however, in either case, to earlier termination as hereinafter provided.

Options granted under the plan are exercisable at such time or times and subject to such terms and conditions as shall be determined by the Compensation Committee of the Board (the "Committee") at the time of grant.

The options granted as Emergence Awards vest (or vested, as applicable), subject to a participant's continued full-time employment or service with the Company through each applicable vesting date, (a) 20% on July 22, 2019, and (b) an additional 20% vesting on each of the next four anniversaries of the grant date.

No options granted under the plan will provide for any dividends or dividend equivalents thereon.

The Company accounts for its share-based payments using the fair value recognition provisions of ASC 718-10. The fair value of options that vest based on continued service is estimated on the grant date using a Black-Scholes option-pricing model. Expected volatilities were based on historical volatility of peer companies' stock, including the Company, over the expected life of the options. The expected life of the options granted represents the period of time that the options granted are expected to be outstanding. The risk free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods equal to the expected life of the option. The Company does not estimate forfeitures at grant date, but rather has elected to account for forfeitures when they occur.

The following assumptions were used to calculate the fair value of the Successor Company's options on the date of grant:

	Year Ended December 31, 2020	Period from May 2, 2019 through December 31, 2019
Expected volatility	44% – 57%	44% – 45%
Expected life in years	6.0 – 6.3	4.0 – 4.1
Risk-free interest rate	0.35% – 1.41%	1.40% – 2.02%
Dividend yield	—%	—%

The following table presents a summary of the Successor Company's stock options outstanding at and stock option activity during the year ended December 31, 2020 ("Price" reflects the weighted average exercise price per share):

(In thousands, except per share data)

	Options	Price	Weighted Average Remaining Contractual Term
Outstanding, January 1, 2020	5,645	\$ 18.93	5.4 years
Granted	2,292	9.05	
Forfeited	(161)	16.42	
Expired	(81)	19.00	
Outstanding, December, 31, 2020	<u>7,695</u>	16.01	5.9 years
Exercisable	2,204	18.87	4.3 years
Expected to Vest	5,491	14.87	6.5 years

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A summary of the Successor Company's unvested options and changes during the year ended December 31, 2020 is presented below:

(In thousands, except per share data)

	Options	Weighted Average Grant Date Fair Value
Unvested, January 1, 2020	4,517	\$ 5.28
Granted	2,292	4.76
Vested ⁽¹⁾	(1,157)	5.29
Forfeited	(161)	5.20
Unvested, December 31, 2020	<u>5,491</u>	<u>5.06</u>

(1) The total fair value of the options vested during the year ended December 31, 2020 (Successor) was \$6.1 million.

Restricted Stock Units ("RSUs")

RSUs may be issued either alone or in addition to other awards granted under the plan.

The RSUs granted in respect of the Emergence Awards vest or vested (as applicable), subject to a participant's continued full-time employment or service with the Company through each applicable vesting date, (a) 20% on July 22, 2019, and (b) an additional 20% vesting on each of the next four anniversaries of the grant date.

Each RSU (representing one share of common stock) awarded to a participant will be credited with dividends paid in respect of one share of common stock ("Dividend Equivalents"). Dividend Equivalents will be withheld by the Company for the participant's account, and interest may be credited on the amount of cash Dividend Equivalents withheld at a rate and subject to such terms as determined by the Committee. Dividend Equivalents credited to a participant's account and attributable to any particular RSU (and earnings thereon, if applicable) shall be distributed to the participant upon settlement of such RSU and, if such RSU is forfeited, the participant shall have no right to such Dividend Equivalents.

The following table presents a summary of the Successor Company's restricted stock outstanding and restricted stock activity as of and during the year ended December 31, 2020 ("Price" reflects the weighted average share price at the date of grant):

(In thousands, except per share data)

	Awards	Price
Outstanding, January 1, 2020	2,648	\$ 16.47
Granted	752	9.31
Vested (restriction lapsed)	(725)	16.32
Forfeited	(97)	16.50
Outstanding, December 31, 2020	<u>2,578</u>	<u>14.42</u>

Performance-based Restricted Stock Units ("Performance RSUs")

In August 2020, the Company issued Performance RSUs to certain key employees. Such Performance RSUs vest upon the achievement of critical operational (cost savings) improvements and specific environmental, social and governance initiatives, which are being measured over an approximately 18-month period from the date of issuance. In the year ended December 31, 2020, the Company recognized \$3.4 million in relation to these Performance RSUs.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a summary of the Successor Company's Performance RSUs outstanding and activity as of and during the year ended December 31, 2020 ("Price" reflects the weighted average share price at the date of grant):

<i>(In thousands, except per share data)</i>	Awards	Price
Outstanding, January 1, 2020	—	\$ —
Granted	556	8.98
Vested (restriction lapsed)	—	—
Forfeited	—	—
Outstanding, December 31, 2020	556	\$ 8.98

Predecessor

Prior to the Emergence Date, the Predecessor Company had granted share-based awards that were canceled upon emergence from bankruptcy. In conjunction with the cancellation, the Predecessor Company accelerated the unrecognized share-based compensation expense and recorded \$1.5 million of compensation expense in the period from January 1, 2019 through May 1, 2019 (Predecessor), principally reflected in Reorganization costs, net.

Stock Options

The Predecessor Company granted options to purchase its shares of Class A common stock to certain key executives under its equity incentive plan at no less than the fair value of the underlying stock on the date of grant. These options were granted for a term not to exceed ten years and were forfeited, except in certain circumstances, in the event the executive terminated his or her employment or relationship with the Predecessor Company or one of its affiliates. Approximately three-fourths of the options outstanding at December 31, 2017 vested based solely on continued service over a period of up to five years with the remainder becoming eligible to vest over a period of up to five years if certain predetermined performance targets are met. The equity incentive plan contains antidilutive provisions that permitted an adjustment for any change in capitalization.

As of December 31, 2018, the Predecessor Company had 690,994 options outstanding with a weighted average exercise price of \$33.70. During the period from January 1, 2019 through May 1, 2019 (Predecessor) and the year ended December 31, 2018 there were no options vested, granted or exercised and the 690,994 options outstanding were canceled upon the Company's emergence from bankruptcy.

Restricted Stock Awards (RSAs)

The Predecessor Company granted restricted stock awards to certain of its employees and affiliates under its equity incentive plan. The restricted stock awards were restricted in transferability for a term of up to five years. Restricted stock awards were forfeited, except in certain circumstances, in the event the employee terminates his or her employment or relationship with the Company prior to the lapse of the restriction.

As of December 31, 2018, the Predecessor Company had 5,258,526 RSAs outstanding with a weighted average share price at the date of the grant of \$3.74. During the period from January 1, 2019 through May 1, 2019 (Predecessor), there were 18,600 RSA's vested at a weighted average share price at the date of the grant of \$1.42 and 110,333 RSA's forfeited at a weighted average share price at the date of the grant of \$3.16. Outstanding RSA's of 5,129,593 were canceled upon the Company's emergence from bankruptcy.

Successor Common Stock and Special Warrants

The following table presents the Successor Company's Class A Common Stock, Class B Common Stock and Special Warrants issued and outstanding as of December 31, 2020:

<i>(In thousands, except share and per share data)</i>	December 31, 2020
Successor Class A Common Stock, par value \$.001 per share, 1,000,000,000 shares authorized	64,726,864
Successor Class B Common Stock, par value \$.001 per share, 1,000,000,000 shares authorized	6,886,925
Successor Special Warrants	74,835,899
Total Successor Class A Common Stock, Class B Common Stock and Special Warrants issued and outstanding	146,449,688

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Class A Common Stock

Holders of shares of the Successor Company's Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of the Successor Company's Class A common stock will have the exclusive right to vote for the election of directors. There will be no cumulative voting rights in the election of directors.

Holders of shares of the Successor Company's Class A common stock are entitled to receive dividends, on a per share basis, when and if declared by the Company's Board out of funds legally available therefor and whenever any dividend is made on the shares of the Successor Company's Class B common stock subject to certain exceptions set forth in our certificate.

The Successor Company may not subdivide or combine (by stock split, reverse stock split, recapitalization, merger, consolidation or any other transaction) its shares of Class A common stock or Class B common stock without subdividing or combining its shares of Class B common stock or Class A common stock, respectively, in a similar manner.

Upon our dissolution or liquidation or the sale of all or substantially all of the Successor Company's assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of the Successor Company's Class A common stock will be entitled to receive pro rata together with holders of the Successor Company's Class B common stock our remaining assets available for distribution.

New Class A common stock certificates issued upon transfer or new issuance of Class A common stock shares will contain a legend stating that such shares of Class A common stock are subject to the provisions of our amended and restated certificate of incorporation, including but not limited to provisions governing compliance with requirements of the Communications Act and regulations thereunder, including, without limitation, those concerning foreign ownership and media ownership.

On July 18, 2019, the Company's Class A common stock was listed and began trading on the Nasdaq Global Select Market ("Nasdaq") under the ticker symbol "IHRT".

Class B Common Stock

Holders of shares of the Successor Company's Class B common stock are not entitled to vote for the election of directors or, in general, on any other matter submitted to a vote of the Company's stockholders, but are entitled to one vote per share on the following matters: (a) any amendment or modification of any specific rights or obligations of the holders of Class B common stock that does not similarly affect the rights or obligations of the holders of Class A common stock, in which case the holders of Class B Common Stock will be entitled to a separate class vote, with each share of Class B common stock having one vote; and (b) to the extent submitted to a vote of our stockholders, (i) the retention or dismissal of outside auditors by the Company, (ii) any dividends or distributions to our stockholders, (iii) any material sale of assets, recapitalization, merger, business combination, consolidation, exchange of stock or other similar reorganization of the Company or any of its subsidiaries, (iv) the adoption of any amendment to our certificate of incorporation, (v) other than in connection with any management equity or similar plan adopted by the Company's Board, any authorization or issuance of equity interests, or any security or instrument convertible into or exchangeable for equity interests, in the Company or any of its subsidiaries, and (vi) the liquidation of the Company, in which case in respect to any such vote concerning the matters described in clause (b), the holders of Class B common stock are entitled to vote with the holders of the Class A common stock, with each share of common stock having one vote and voting together as a single class.

Holders of shares of the Successor Company's Class B common stock are generally entitled to convert shares of Class B common stock into shares of Class A common stock on a one-for-one basis, subject to the Company's ability to restrict conversion in order to comply with the Communications Act and FCC regulations.

Holders of shares of the Successor Company's Class B common stock are entitled to receive dividends when and if declared by the Company's Board out of funds legally available therefor and whenever any dividend is made on the shares of the Successor Company's Class A common stock subject to certain exceptions set forth in our certificate of incorporation. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of the Successor Company's Class B common stock will be entitled to receive pro rata with holders of the Successor Company's Class A common stock our remaining assets available for distribution.

IHEARTMEDIA, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the year ended December 31, 2020, 20,080 shares of the Class B common stock were converted into Class A common stock. During the period from May 2, 2019 to December 31, 2019, 53,317 shares of the Class B common stock were converted into Class A common stock.

Special Warrants

Each Special Warrant issued under the special warrant agreement entered into in connection with the Reorganization may be exercised by its holder to purchase one share of Successor Class A common stock or Successor Class B common stock at an exercise price of \$0.001 per share, unless the Company in its sole discretion believes such exercise would, alone or in combination with any other existing or proposed ownership of common stock, result in, subject to certain exceptions, (a) such exercising holder owning more than 4.99 percent of the Successor Company's outstanding Class A common stock, (b) more than 22.5 percent of the Successor Company's capital stock or voting interests being owned directly or indirectly by foreign individuals or entities, (c) the Company exceeding any foreign ownership threshold set by the FCC pursuant to a declaratory ruling or specific approval requirement or (d) the Company violating any provision of the Communications Act or restrictions on ownership or transfer imposed by the Company's certificate of incorporation or the decisions, rules and policies of the FCC. Any holder exercising Special Warrants must complete and timely deliver to the warrant agent the required exercise forms and certifications required under the special warrant agreement.

To the extent there are any dividends declared or distributions made with respect to the Successor Class A common stock or Successor Class B common stock, those dividends or distributions will also be made to holders of Special Warrants concurrently and on a *pro rata* basis based on their ownership of common stock underlying their Special Warrants on an as-exercised basis; *provided*, that no such distribution will be made to holders of Special Warrants if (x) the Communications Act or an FCC rule prohibits such distribution to holders of Special Warrants or (y) our FCC counsel opines that such distribution is reasonably likely to cause (i) the Company to violate the Communications Act or any applicable FCC rule or (ii) any such holder not to be deemed to hold a noncognizable (under FCC rules governing foreign ownership) future equity interest in the Company; *provided further*, that, if any distribution of common stock or any other securities to a holder of Special Warrants is not permitted pursuant to clauses (x) or (y), the Company will cause economically equivalent warrants to be distributed to such holder in lieu thereof, to the extent that such distribution of warrants would not violate the Communications Act or any applicable FCC rules.

The Special Warrants will expire on the earlier of the twentieth anniversary of the issuance date and the occurrence of a change in control of the Company.

During the year ended December 31, 2020, stockholders exercised 6,205,617 and 2,095 Special Warrants for an equivalent number of shares of Class A common stock and Class B common stock, respectively. During the period from May 2, 2019 through ended December 31, 2019, stockholders exercised 216,921 and 10,660 Special Warrants for an equivalent number of Class A common stock and Class B common stock, respectively.

January 2021 Exchange Substantially Expanding Class A and Class B Shares Outstanding

On January 8, 2021, the Company completed an exchange of 67,471,123 Special Warrants into 45,133,811 shares of Class A common stock, the Company's publicly traded equity, and 22,337,312 shares of Class B common stock. The exchange was authorized by a previously issued Declaratory Ruling from the Federal Communications Commission approving an increase in iHeartMedia's authorized aggregate foreign ownership from 25% to 100%, subject to certain conditions set forth in the Declaratory Ruling. Certain shares of Class B common stock and Special Warrants were not converted into Class A Common Stock due to current regulatory restrictions applicable to certain shareholders. There were 6,201,453 Special Warrants outstanding on February 22, 2021.

Share-Based Compensation Cost

The share-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the vesting period. Share-based compensation payments are recorded in corporate expenses and were \$22.9 million and \$26.4 million for the Successor Company for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019, respectively. Share-based compensation expenses for the Predecessor Company were \$0.5 million and \$2.1 million during the period from January 1, 2019 through May 1, 2019 and the year ended December 31, 2018, respectively.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The tax benefit related to the share-based compensation expense for the Successor Company for the year ended December 31, 2020 and the period from May 1, 2019 through December 31, 2019 was \$5.7 million and \$4.1 million, respectively. The tax benefit related to the share-based compensation expense for the Predecessor Company for the period from January 1, 2019 through May 1, 2019 and the year ended December 31, 2018 was \$0.1 million and \$0.5 million, respectively.

As of December 31, 2020, there was \$54.0 million of unrecognized compensation cost related to unvested share-based compensation arrangements that will vest based on service conditions. This cost is expected to be recognized over a weighted average period of approximately 2.8 years. In addition, as of December 31, 2020, there was \$1.6 million of unrecognized compensation cost related to unvested share-based compensation arrangements that will vest based on certain performance conditions.

Income (Loss) per Share

(In thousands, except per share data)

	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
NUMERATOR:				
Net income (loss) attributable to the Company – common shares	\$ (1,914,699)	\$ 112,548	\$ 11,184,141	\$ (201,910)
Exclude:				
Income (loss) from discontinued operations, net of tax	\$ —	\$ —	\$ 1,685,123	\$ (164,667)
Noncontrolling interest from discontinued operations, net of tax - common shares	—	—	19,028	124
Total income (loss) from discontinued operations, net of tax - common shares	\$ —	\$ —	\$ 1,704,151	\$ (164,543)
Total income (loss) from continuing operations	\$ (1,914,699)	\$ 112,548	\$ 9,479,990	\$ (37,367)
Noncontrolling interest from continuing operations, net of tax - common shares	523	(751)	—	605
Income (loss) from continuing operations	\$ (1,915,222)	\$ 113,299	\$ 9,479,990	\$ (37,972)
DENOMINATOR⁽¹⁾:				
Weighted average common shares outstanding - basic	145,979	145,608	86,241	85,412
Stock options and restricted stock ⁽²⁾ :	—	187	—	—
Weighted average common shares outstanding - diluted	145,979	145,795	86,241	85,412
Net income (loss) attributable to the Company per common share:				
From continuing operations - Basic	\$ (13.12)	\$ 0.77	\$ 109.92	\$ (0.44)
From discontinued operations - Basic	\$ —	\$ —	\$ 19.76	\$ (1.93)
From continuing operations - Diluted	\$ (13.12)	\$ 0.77	\$ 109.92	\$ (0.44)
From discontinued operations - Diluted	\$ —	\$ —	\$ 19.76	\$ (1.93)

(1) All of the outstanding Special Warrants are included in both the basic and diluted weighted average common shares outstanding of the Successor Company for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019.

(2) Outstanding equity awards representing 9.1 million and 5.9 million shares of Class A common stock of the Successor Company for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019, respectively, were not included in the computation of diluted earnings per share because to do so would have been antidilutive. Outstanding equity awards representing 5.9 million and 7.2 million shares of Class A common stock of the Predecessor Company for the period for the period from January 1, 2019 through May 1, 2019 and the year ended December 31, 2018, respectively, were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

Stockholder Rights Plan

On May 5, 2020, the Board approved the adoption of a short-term stockholder rights plan (the “Stockholder Rights Plan”).

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the stockholder rights plan, the Board declared a dividend distribution of one right on each outstanding share of Class A common stock, share of Class B common stock and special warrant issued in connection with the Plan of Reorganization. The record date for such dividend distribution was May 18, 2020.

Under the Stockholder Rights Plan, subject to certain exceptions, the rights will generally be exercisable only if, in a transaction not approved by the Board, a person or group acquires beneficial ownership of 10% or more of the Company's Class A common stock (or 20% in the case of certain passive investors), including through such person's ownership of the convertible Class B common stock and/or special warrants, as further detailed in the Stockholder Rights Plan. In that situation, each holder of a right (other than the acquiring person or group) will have the right to purchase, upon payment of the exercise price, a number of shares of the Company's Class A common stock, Class B common stock or special warrants, as applicable, having a market value of twice such price. In addition, the Stockholder Rights Plan contains a similar provision if the Company is acquired in a merger or other business combination after an acquiring person acquires beneficial ownership of 10% or more of the Company's Class A common stock (or 20% in the case of certain passive investors).

The Stockholder Rights Plan has a duration of less than one year, expiring on May 5, 2021. The Stockholder Rights Plan may also be terminated, or the rights may be redeemed, by action of the Company prior to the scheduled expiration date under certain circumstances, including if the Board determines that market and other conditions warrant, which the Board intends to monitor. The adoption of the Stockholder Rights Plan is not a taxable event and does not have any impact on the Company's financial reporting.

NOTE 13 – EMPLOYEE STOCK AND SAVINGS PLANS

iHeartCommunications has various 401(k) savings and other plans for the purpose of providing retirement benefits for substantially all employees. Under these plans, an employee can make pre-tax contributions and iHeartCommunications will match a portion of such an employee's contribution. Employees vest in these iHeartCommunications matching contributions based upon their years of service to iHeartCommunications. In April 2020, the Company announced incremental operating-expense-saving initiatives in response to the economic environment resulting from the COVID-19 pandemic, which included a temporary suspension of the Company's 401(k) matching program. Contributions of \$4.5 million, \$8.6 million, \$6.1 million and \$13.5 million were made to these plans for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor), the period from January 1, 2019 through May 1, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively, were expensed.

iHeartCommunications offers a non-qualified deferred compensation plan for a select group of management or highly compensated employees, under which such employees were able to make an annual election to defer up to 50% of their annual salary and up to 80% of their bonus before taxes. iHeartCommunications suspended all salary and bonus deferrals and company matching contributions to the deferred compensation plan on January 1, 2010. iHeartCommunications accounts for the plan in accordance with the provisions of ASC 710-10. Matching credits on amounts deferred may be made in iHeartCommunications' sole discretion and iHeartCommunications retains ownership of all assets until distributed. Participants in the plan have the opportunity to allocate their deferrals and any iHeartCommunications matching credits among different investment options, the performance of which is used to determine the amounts to be paid to participants under the plan. In accordance with the provisions of ASC 710-10, the assets and liabilities of the non-qualified deferred compensation plan are presented in "Other assets" and "Other long-term liabilities" in the accompanying consolidated balance sheets, respectively. The asset and liability under the deferred compensation plan at December 31, 2020 (Successor) was approximately \$12.3 million recorded in "Other assets" and \$12.3 million recorded in "Other long-term liabilities", respectively. The asset and liability under the deferred compensation plan at December 31, 2019 (Successor) was approximately \$11.3 million recorded in "Other assets" and \$11.3 million recorded in "Other long-term liabilities", respectively.

NOTE 14 — OTHER INFORMATION

OTHER INCOME (EXPENSE), NET

The following table discloses the components of "Other income (expense), net" for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor), the period from January 1, 2019 through May 1, 2019 (Predecessor) and the year ended December 31, 2018 (Predecessor), respectively:

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands)

	Successor Company		Predecessor Company	
	Year Ended December 31,	Period from May 2, 2019 through December 31,	Period from January 1, 2019 through May 1,	Year Ended December 31,
	2020	2019	2019	2018
Professional fees	\$ (6,278)	\$ (26,487)	\$ (156)	\$ (23,100)
Other	(1,473)	8,221	179	93
Total other income (expense), net	\$ (7,751)	\$ (18,266)	\$ 23	\$ (23,007)

Other income (expense), net for the year ended December 31, 2020 (Successor), the period from May 2, 2019 through December 31, 2019 (Successor) and the year ended December 31, 2018 (Predecessor) included \$6.3 million, \$26.5 million and \$23.1 million, respectively, in expenses incurred in connection with our bankruptcy and negotiations with lenders and other activities related to our capital structure.

OTHER CURRENT ASSETS

The following table discloses the components of “Other current assets” as of December 31, 2020 and 2019, respectively:

(In thousands)

	Successor Company	
	As of December 31,	
	2020	2019
Inventory	\$ 1,153	\$ 507
Deposits	2,680	2,944
Restricted cash	—	11,318
Due from related parties	549	1,480
Other receivables	11,905	24,326
Other	1,139	801
Total other current assets	\$ 17,426	\$ 41,376

OTHER ASSETS

The following table discloses the components of “Other assets” as of December 31, 2020 and 2019, respectively:

(In thousands)

	Successor Company	
	As of December 31,	
	2020	2019
Investments in, and advances to, nonconsolidated affiliates	\$ 11,065	\$ 10,952
Other investments	28,053	19,689
Available-for-sale debt securities, net of reserve of \$4,167 in 2020 and \$0 in 2019	31,456	33,128
Deposits	4,553	4,481
Prepaid rent	8,882	6,284
Non-qualified plan assets	12,265	11,343
Other	9,350	10,339
Total other assets	\$ 105,624	\$ 96,216

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OTHER LONG-TERM LIABILITIES

The following table discloses the components of “Other long-term liabilities” as of December 31, 2020 and 2019, respectively:

(In thousands)

	Successor Company	
	As of December 31,	
	2020	2019
Unrecognized tax benefits	\$ 18,183	\$ 20,334
Asset retirement obligation	3,951	3,722
Non-qualified plan liabilities	12,265	11,343
Deferred income	22,018	22,588
Other	14,800	123
Total other long-term liabilities	<u>\$ 71,217</u>	<u>\$ 58,110</u>

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table discloses the components of “Accumulated other comprehensive income (loss),” net of tax, as of December 31, 2020 and 2019, respectively:

(In thousands)

	Successor Company	
	As of December 31,	
	2020	2019
Cumulative currency translation adjustment	\$ 194	\$ (750)
Cumulative other adjustments	—	—
Total accumulated other comprehensive income (loss)	<u>\$ 194</u>	<u>\$ (750)</u>

NOTE 15 – SEGMENT DATA

The Company’s primary business is included in its Audio segment. Revenue and expenses earned and charged between Audio, Corporate and the Company’s Audio & Media Services businesses are eliminated in consolidation. The Audio segment provides media and entertainment services via broadcast and digital delivery and also includes the Company’s events and national syndication businesses. The Audio & Media Services business provides other audio and media services, including the Company’s media representation business (Katz Media) and its provider of scheduling and broadcast software (RCS). Corporate includes infrastructure and support, including executive, information technology, human resources, legal, finance and administrative functions for the Company’s businesses. Share-based compensation is recorded within Corporate expenses.

Beginning with the first quarter of 2021, the Company is changing its presentation of segment information to reflect changes in the way the business is managed and resources are allocated by the Company’s Chief Operating Decision Maker (“CODM”) as a result of a reorganization of the Company’s management structure. Effective January 1, 2021, the Company will have three reportable segments - iHeartMedia Multiplatform Group, which includes our Broadcast radio, Networks and Sponsorships and Events businesses, iHeartMedia Digital Audio Group, which includes all of our Digital assets, including Podcasting, and our Audio and Media Services Group. These reportable segments reflect how senior management views the Company, align with certain leadership and organizational changes implemented in the first quarter of 2021.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Additionally, beginning on January 1, 2021, Segment Adjusted EBITDA will be the segment profitability metric reported to the Company's CODM for purposes of making decisions about allocation of resources to, and assessing performance of, each reportable segment. Segment Adjusted EBITDA is calculated as Revenue less Direct operating expenses and Selling, general and administrative expenses, excluding Restructuring expenses. Restructuring expenses consist primarily of severance expenses incurred in connection with cost saving initiatives, as well as certain expenses, which, in the view of management, are outside the ordinary course of business or otherwise not representative of the Company's operations during a normal business cycle.

The following table presents the Company's segment results for the Successor Company for the year ended December 31, 2020 and the period from May 2, 2019 through December 31, 2019:

	Successor Company				
<i>(In thousands)</i>	Audio	Audio and Media Services	Corporate and other reconciling items	Eliminations	Consolidated
Year Ended December 31, 2020					
Revenue	\$ 2,681,225	\$ 274,749	\$ —	\$ (7,756)	\$ 2,948,218
Direct operating expenses	1,136,279	32,387	—	(5,518)	1,163,148
Selling, general and administrative expenses	1,076,063	151,220	—	(2,186)	1,225,097
Corporate expenses	—	—	144,624	(52)	144,572
Depreciation and amortization	369,310	23,502	10,117	—	402,929
Impairment charges	—	—	1,738,752	—	1,738,752
Other operating expense, net	—	—	11,344	—	11,344
Operating income (loss)	\$ 99,573	\$ 67,640	\$ (1,904,837)	\$ —	\$ (1,737,624)
Segment assets	\$ 7,936,468	\$ 473,628	\$ 796,450	\$ (3,585)	\$ 9,202,961
Intersegment revenues	\$ 670	\$ 7,086	\$ —	\$ —	\$ 7,756
Capital expenditures	\$ 73,859	\$ 5,105	\$ 6,241	\$ —	\$ 85,205
Share-based compensation expense	\$ —	\$ —	\$ 22,862	\$ —	\$ 22,862
Period from May 2, 2019 through December 31, 2019					
Revenue	\$ 2,447,800	\$ 167,292	\$ —	\$ (5,036)	\$ 2,610,056
Direct operating expenses	858,597	21,106	—	(747)	878,956
Selling, general and administrative expenses	800,796	101,131	—	(4,257)	897,670
Corporate expenses	—	—	136,203	(32)	136,171
Depreciation and amortization	229,869	14,776	4,978	—	249,623
Impairment charges	—	—	—	—	—
Other operating expense, net	—	—	8,000	—	8,000
Operating income (loss)	\$ 558,538	\$ 30,279	\$ (149,181)	\$ —	\$ 439,636
Segment assets ⁽¹⁾	\$ 10,040,750	\$ 486,551	\$ 497,576	\$ (3,778)	\$ 11,021,099
Intersegment revenues	\$ 447	\$ 4,589	\$ —	\$ —	\$ 5,036
Capital expenditures	\$ 62,016	\$ 3,980	\$ 9,997	\$ —	\$ 75,993
Share-based compensation expense	\$ —	\$ —	\$ 26,411	\$ —	\$ 26,411

The following table presents the Company's segment results for the Predecessor Company for the periods indicated.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Predecessor Company				
<i>(In thousands)</i>	Audio	Audio and Media Services	Corporate and other reconciling items	Eliminations	Consolidated
Period from January 1, 2019 through May 1, 2019					
Revenue	\$ 1,006,677	\$ 69,362	\$ —	\$ (2,568)	\$ 1,073,471
Direct operating expenses	371,989	9,559	—	(364)	381,184
Selling, general and administrative expenses	383,342	46,072	—	(2,184)	427,230
Corporate expenses			53,667	(20)	53,647
Depreciation and amortization	41,233	5,266	6,335	—	52,834
Impairment charges	—	—	91,382	—	91,382
Other operating expense, net	—	—	154	—	154
Operating income (loss)	<u>\$ 210,113</u>	<u>\$ 8,465</u>	<u>\$ (151,538)</u>	<u>\$ —</u>	<u>\$ 67,040</u>
Intersegment revenues	\$ 243	\$ 2,325	\$ —	\$ —	\$ 2,568
Capital expenditures	\$ 31,177	\$ 1,263	\$ 3,757	\$ —	\$ 36,197
Share-based compensation expense	\$ —	\$ —	\$ 498	\$ —	\$ 498
Year Ended December 31, 2018					
Revenue	\$ 3,353,770	\$ 264,061	\$ —	\$ (6,508)	\$ 3,611,323
Direct operating expenses	1,104,290	28,360	—	(211)	1,132,439
Selling, general and administrative expenses	1,208,882	147,505	—	(6,230)	1,350,157
Corporate expenses	—	—	184,283	(67)	184,216
Depreciation and amortization	173,657	18,286	20,008	—	211,951
Impairment charges	—	—	33,150	—	33,150
Other operating expense, net	—	—	9,266	—	9,266
Operating income (loss)	<u>\$ 866,941</u>	<u>\$ 69,910</u>	<u>\$ (246,707)</u>	<u>\$ —</u>	<u>\$ 690,144</u>
Segment assets ⁽¹⁾	\$ 7,084,222	\$ 448,072	\$ 370,157	\$ (206)	\$ 7,902,245
Intersegment revenues	\$ —	\$ 6,508	\$ —	\$ —	\$ 6,508
Capital expenditures	\$ 72,392	\$ 5,965	\$ 6,888	\$ —	\$ 85,245
Share-based compensation expense	\$ —	\$ —	\$ 2,066	\$ —	\$ 2,066

⁽¹⁾ The Predecessor Company's Segment assets exclude \$4,367.3 million of assets related to discontinued operations as of December 31, 2018.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 — QUARTERLY RESULTS OF OPERATIONS (Unaudited)

(In thousands, except per share data)

	Successor Company			
	Three Months Ended March 31,	Three Months Ended June 30,	Three Months Ended September 30,	Three Months Ended December 31,
	2020	2020	2020	2020
Revenue	\$ 780,634	\$ 487,648	\$ 744,406	\$ 935,530
Operating expenses:				
Direct operating expenses	301,632	249,866	276,719	334,931
Selling, general and administrative expenses	344,141	261,219	292,581	327,156
Corporate expenses	39,949	26,419	34,657	43,547
Depreciation and amortization	96,768	103,347	99,379	103,435
Impairment charges	1,727,857	5,378	—	5,517
Other operating expense, net	1,066	506	1,675	8,097
Operating income (loss)	(1,730,779)	(159,087)	39,395	112,847
Interest expense, net	90,089	81,963	85,562	86,131
Gain (loss) on investments, net	(9,955)	1,280	62	(733)
Equity in income (loss) of nonconsolidated affiliates	(564)	(31)	(58)	274
Other income (expense), net	(7,860)	(1,258)	(1,177)	2,544
Income (loss) before income taxes	(1,839,247)	(241,059)	(47,340)	28,801
Income tax benefit (expense)	150,511	43,742	15,228	(25,858)
Net income (loss)	(1,688,736)	(197,317)	(32,112)	2,943
Less amount attributable to noncontrolling interest	—	—	—	(523)
Net income (loss) attributable to the Company	<u>\$ (1,688,736)</u>	<u>\$ (197,317)</u>	<u>\$ (32,112)</u>	<u>\$ 3,466</u>
Net income (loss) attributable to the Company per common share:				
Basic	\$ (11.60)	\$ (1.35)	\$ (0.22)	\$ 0.02
Diluted	\$ (11.60)	\$ (1.35)	\$ (0.22)	\$ 0.02

The Successor Company's Class A common shares are quoted for trading on the Nasdaq Global Select Market under the symbol IHRT.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per share data)

	Predecessor Company		Successor Company		
	Three Months Ended March 31,	Period from April 1, 2019 through May 1,	Period from May 2, 2019 through June 30,	Three Months Ended September 30,	Three Months Ended December 31,
	2019	2019	2019	2019	2019
Revenue	\$ 795,797	\$ 277,674	\$ 635,646	\$ 948,338	\$ 1,026,072
Operating expenses:					
Direct operating expenses	282,874	98,310	198,772	316,740	363,444
Selling, general and administrative expenses	324,934	102,296	220,231	327,115	350,324
Corporate expenses	39,141	14,506	26,818	58,513	50,840
Depreciation and amortization	38,290	14,544	59,383	95,268	94,972
Impairment charges	91,382	—	—	—	—
Other operating (income) expense, net	27	127	(3,246)	9,880	1,366
Operating income	19,149	47,891	133,688	140,822	165,126
Interest expense (income), net	(99)	(400)	69,711	100,967	96,095
Gain (loss) on investments, net	(10,237)	—	—	1,735	(22,663)
Equity in loss of nonconsolidated affiliates	(7)	(59)	(24)	(1)	(254)
Other income (expense), net	(127)	150	(9,157)	(12,457)	3,348
Reorganization items, net	(36,118)	9,497,944	—	—	—
Income (loss) from continuing operations before income taxes	(27,241)	9,546,326	54,796	29,132	49,462
Income tax benefit (expense)	61,194	(100,289)	(16,003)	(16,758)	12,670
Income from continuing operations	33,953	9,446,037	38,793	12,374	62,132
Income (loss) from discontinued operations	(169,554)	1,854,677	—	—	—
Net income (loss)	(135,601)	11,300,714	38,793	12,374	62,132
Less amount attributable to noncontrolling interest	(21,218)	2,190	—	—	751
Net income (loss) attributable to the Company	\$ (114,383)	\$ 11,298,524	\$ 38,793	\$ 12,374	\$ 61,381
Net income (loss) to the Company per common share:					
From continuing operations - Basic	\$ 0.40	\$ 110.28	\$ 0.27	\$ 0.08	\$ 0.42
From discontinued operations - Basic	\$ (1.73)	\$ 21.63	\$ —	\$ —	\$ —
From continuing operations - Diluted	\$ 0.40	\$ 110.28	\$ 0.27	\$ 0.08	\$ 0.42
From discontinued operations - Diluted	\$ (1.73)	\$ 21.63	\$ —	\$ —	\$ —

The Predecessor Company's Class A common shares were quoted for trading on the OTC / Pink Sheets Bulletin Board under the symbol IHRT. The Successor Company's Class A common shares are quoted for trading on the Nasdaq Global Select Market under the symbol IHRT.

NOTE 17 – CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Transition Services Agreement

On the Effective Date, the Company, iHM Management Services, iHeartCommunications and CCOH entered into the Transition Services Agreement. CCOH terminated the Transition Services Agreement on August 31, 2020. For information regarding the Transition Services Agreement, refer to Note 4, *Discontinued Operations*.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

New Tax Matters Agreement

On the Effective Date, the Company entered into the New Tax Matters Agreement by and among the Company, iHeartCommunications, iHeart Operations, CCH, CCOH and Clear Channel Outdoor, Inc., to allocate the responsibility of the Company and its subsidiaries, on the one hand, and the Outdoor Group, on the other, for the payment of taxes arising prior and subsequent to, and in connection with, the Separation. For information regarding the New Tax Matters Agreement, refer to Note 4, *Discontinued Operations*.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

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

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2020.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended.

There are inherent limitations to the effectiveness of any control system, however well designed, including the possibility of human error and the possible circumvention or overriding of controls. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. The design of a control system also is based in part upon assumptions and judgments made by management about the likelihood of future events, and there can be no assurance that a control will be effective under all potential future conditions. As a result, even an effective system of internal control over financial reporting can provide no more than reasonable assurance with respect to the fair presentation of financial statements and the processes under which they were prepared.

As of December 31, 2020, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on the assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2020, based on those criteria.

Ernst & Young LLP, our independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting, which appears in this Item under the heading "Report of Independent Registered Public Accounting Firm."

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of iHeartMedia, Inc.

Opinion on Internal Control over Financial Reporting

We have audited iHeartMedia, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2020 consolidated financial statements of the Company and our report dated February 25, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Ernst & Young LLP

San Antonio, Texas
February 25, 2021

ITEM 9B. Other Information

On February 23, 2021, our Board of Directors amended and restated the Company's second amended and restated bylaws (as amended and restated, the "Amended and Restated Bylaws") to insert a new "Section 9.15. Forum Selection". Section 9.15 of the Amended and Restated Bylaws provides that (i) unless the Company consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, and (ii) any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of Section 9.15 of the Amended and Restated Bylaws.

In addition to the exclusive forum clause described above, the Amended and Restated Bylaws contain the following changes, including:

- Permitting the Company to provide notice to stockholders via a form of electronic transmission (as defined in the Amended and Restated Bylaws) in compliance with applicable law.
- Adding the Chief Executive Officer as one of the individuals permitted to call a special meeting of the Board, in addition to the Chairman of the Board, President or Secretary, who may already call a special meeting of the Board.
- Revising the provisions governing amendments to the bylaws by the Board and the Company's stockholders to be consistent with the Company's amended and restated certificate of incorporation, which is controlling.
- Non-substantive clean-up changes to provisions relating to the treatment of a proposed nomination of a director if the election of such proposed nominee would result in a FCC Regulatory Limitation (as defined in the Company's amended and restated certificate of incorporation).

The Amended and Restated Bylaws, along with a copy marked to show the changes from the second amended and restated bylaws, are filed herewith as Exhibits 3.2 and 3.3, respectively. The above description of the changes contained in the Amended and Restated Bylaws is qualified by reference to the full text of the Amended and Restated Bylaws, which are incorporated herein by reference.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

The information required by this item with respect to our executive officers is set forth at the end of Part I of this Annual Report on Form 10-K.

Our Code of Business Conduct and Ethics (the “Code of Conduct”) applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. The Code of Conduct is publicly available on our Internet website at www.iheartmedia.com. We intend to satisfy the disclosure required by law or Nasdaq Stock Market listing standards regarding any amendment to, or waiver from, a provision of the Code of Conduct by posting such information on our website at www.iheartmedia.com.

All other information required by this item is incorporated by reference to the sections captioned “Election of Directors” and “Corporate Governance” set forth in our Definitive Proxy Statement for our 2021 Annual Meeting of Stockholders (the “Definitive Proxy Statement”), which we expect to file with the SEC within 120 days after our fiscal year end.

ITEM 11. Executive Compensation

The information required by this item is incorporated by reference to the sections captioned “Executive Compensation,” “Director Compensation” and “Corporate Governance” set forth in our Definitive Proxy Statement, which we expect to file with the SEC within 120 days after our fiscal year end.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (Column A)	Weighted-Average exercise price of outstanding options, warrants and rights ⁽¹⁾	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column A)
Equity Compensation Plans approved by security holders ⁽²⁾	—	\$ —	—
Equity Compensation Plans not approved by security holders	10,829,057 ⁽³⁾	\$ 16.02	2,413,013
Total	10,829,057	\$ 16.02	2,413,013

(1) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding options and does not reflect the shares that will be issued upon the vesting of outstanding awards of restricted stock, which have no exercise price.

(2) Represents the Equity Plan.

(3) This number includes shares subject to outstanding awards granted, of which 7,695,010 shares are subject to outstanding options and 3,134,047 shares are subject to outstanding RSUs.

All other information required by this item is incorporated by reference to the section captioned “Security Ownership of Certain Beneficial Owners and Management” in our Definitive Proxy Statement, which we expect to file with the SEC within 120 days after our fiscal year end.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference to the sections captioned “Corporate Governance” and “Certain Relationships and Related Person Transactions” in our Definitive Proxy Statement, which we expect to file with the SEC within 120 days after our fiscal year end.

ITEM 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to the section captioned “Principal Accountant Fees and Services” and “Pre-Approval Policies and Procedures” in our Definitive Proxy Statement, which we expect to file with the SEC within 120 days after our fiscal year end.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

(a)1. Financial Statements.

The following consolidated financial statements are included in Item 8:

Consolidated Balance Sheets.
Consolidated Statements of Comprehensive Income (Loss).
Consolidated Statements of Changes in Stockholders' Equity (Deficit).
Consolidated Statements of Cash Flows.
Notes to Consolidated Financial Statements

2. Financial Statement Schedule.

The following financial statement schedule and related report of independent auditors is filed as part of this report and should be read in conjunction with the consolidated financial statements.

Schedule II Valuation and Qualifying Accounts

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

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts

(In thousands)

Description	Balance at Beginning of Period	Charges to Costs, Expenses and Other	Write-off of Accounts Receivable	Impact of Fresh Start Accounting	Other ⁽¹⁾	Balance at End of Period
Year ended December 31, 2018 (Predecessor)	\$ 25,963	\$ 21,042	\$ 20,409	\$ —	\$ (12)	\$ 26,584
Period from January 1, 2019 through May 1, 2019 (Predecessor)	\$ 26,584	\$ 4,728	\$ 8,622	\$ (22,689)	\$ (1)	\$ —
Period from May 2, 2019 through December 31, 2019 (Successor)	\$ —	\$ 12,628	\$ —	\$ —	\$ 1	\$ 12,629
Year ended December 31, 2020 (Successor)	\$ 12,629	\$ 38,273	\$ 12,738	\$ —	\$ 613	\$ 38,777

(1) Primarily foreign currency adjustments and acquisition and/or divestiture activity.

Deferred Tax Asset Valuation Allowance

(In thousands)

Description	Balance at Beginning of Period	Charges to Costs, Expenses and Other ⁽¹⁾	Reversal ⁽²⁾	Impact of Fresh Start Accounting	Adjustments ⁽³⁾	Balance at End of Period
Year ended December 31, 2018 (Predecessor)	\$ 678,118	\$ 11,277	\$ —	\$ —	\$ 4,146	\$ 693,541
Period from January 1, 2019 through May 1, 2019 (Predecessor)	\$ 693,541	\$ 714,520	\$ (316,374)	\$ (343,662)	\$ (28,539)	\$ 719,486
Period from May 2, 2019 through December 31, 2019 (Successor)	\$ 719,486	\$ 1,870	\$ (734)	\$ —	\$ —	\$ 720,622
Year ended December 31, 2020 (Successor)	\$ 720,622	\$ 3,047	\$ (444)	\$ —	\$ 1,094,866	\$ 1,818,091

(1) During 2020, the period from May 2 through December 31, 2019, and 2018 the Company recorded a valuation allowance of \$3.0 million, \$1.9 million and \$11.3 million, respectively, on a portion of its deferred tax assets attributable to federal and state net operating loss carryforwards and Sec. 163(j) disallowed interest carryforwards due to the uncertainty of the ability to utilize those assets in future periods. During the period from January 1 through May 1, 2019, the Predecessor Company recorded a valuation allowance of \$714.5 million on the federal and state capital losses and separate state net operating losses generated in connection with the restructuring transactions.

(2) During the period from January 1 through May 1, 2019, the Predecessor Company reversed certain valuation allowances as a result of the restructuring transaction which resulted in reduction of federal and state net operating losses due to the cancellation of debt income realized.

(3) During 2020, the Successor Company adjusted the carrying amount of its federal and state capital loss carryforwards due to the filing of its 2019 income tax returns during the quarter ending December 31, 2020. As a result of the increase in the capital loss carryforwards shown on the final tax filings, the Company increased the valuation allowances by \$1.1 billion to fully offset those assets as they are not expected to be utilized in future periods. During

the period from January 1 through May 1, 2019, the Predecessor Company adopted the new lease standard which resulted in a reduction in deferred tax assets and the release of \$28.5 million in valuation allowance.

3. Exhibits.

Exhibit Number	Description
2.1	<u>Modified Fifth Amended Joint Chapter 11 Plan of Reorganization of iHeartMedia, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code, dated January 22, 2019 (incorporated by reference Exhibit 2.1 of iHeartMedia Inc.'s Current Report on Form 8-K filed on January 28, 2019).</u>
3.1	<u>Fifth Amended and Restated Certificate of Incorporation of iHeartMedia, Inc. (incorporated by reference to Exhibit 3.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on May 2, 2019).</u>
3.2*	<u>Third Amended and Restated Bylaws of iHeartMedia, Inc., dated February 23, 2021.</u>
3.3*	<u>Third Amended and Restated Bylaws of iHeartMedia, Inc., dated February 23, 2021, marked to show amendments.</u>
3.4	<u>Certificate of Designation of Series A Perpetual Preferred Stock of iHeart Operations filed with the office of the Secretary of State of the State of Delaware on April 30, 2019 and effective as of May 1, 2019 (incorporated by reference to Exhibit 10.10 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on May 2, 2019).</u>
3.5	<u>Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock (Incorporated by reference to Exhibit 3.1 to the Form 8-K filed by iHeartMedia, Inc. on May 8, 2020).</u>
3.6	<u>Certificate of Designation, Preferences and Rights of Series B Junior Participating Preferred Stock (Incorporated by reference to Exhibit 3.2 to the Form 8-K filed by iHeartMedia, Inc. on May 8, 2020).</u>
4.1	<u>Indenture, dated as of May 1, 2019, by and among iHeartCommunications, Inc., iHeartMedia Capital I, LLC, as guarantor, the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, governing the 6.375% Senior Secured Notes due 2026 (incorporated by reference to Exhibit 4.1 of iHeartMedia Inc.'s Current Report on Form 8-K filed on May 2, 2019).</u>
4.2	<u>Form of 6.375% Senior Secured Notes due 2026 (incorporated by reference to Exhibit A to Exhibit 4.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed with the SEC on May 2, 2019).</u>
4.3	<u>Indenture, dated as of May 1, 2019, by and among iHeartCommunications, Inc., iHeartMedia Capital I, LLC, as guarantor, the subsidiary guarantors party thereto, and U.S. Bank National Association, as trustee, governing the 8.375% Senior Notes due 2027 (incorporated by reference to Exhibit 4.3 of iHeartMedia Inc.'s Current Report on Form 8-K filed on May 2, 2019).</u>
4.4	<u>Form of 8.375% Senior Notes due 2027 (incorporated by reference to Exhibit A to Exhibit 4.3 of iHeartMedia, Inc.'s Current Report on Form 8-K filed with the SEC on May 2, 2019).</u>
4.5	<u>Warrant Agreement, dated as of May 1, 2019, by and between iHeartCommunications and Computershare, Inc. and Computershare Trust Company, N.A., as warrant agent (incorporated by reference to Exhibit 4.5 of iHeartMedia Inc.'s Current Report on Form 8-K filed on May 2, 2019).</u>
4.6	<u>Indenture, dated as of August 7, 2019, by and among iHeartCommunications, Inc., the Guarantors party thereto and U.S. Bank National Association as trustee and collateral agent (incorporated by reference to Exhibit 4.1 to iHeartMedia, Inc.'s Current Report on Form 8-K filed on August 8, 2019).</u>
4.7	<u>Form of 5.25% Senior Secured Notes due 2027 (incorporated by reference to Exhibit A to Exhibit 4.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on August 8, 2019).</u>
4.8	<u>Indenture, dated as of November 22, 2019, by and among iHeartCommunications, Inc., the guarantors party thereto and U.S. Bank National Association, as trustee and as collateral agent (incorporated by reference to Exhibit 4.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on November 22, 2019).</u>
4.9	<u>Form of 4.75% Senior Secured Notes due 2028 (incorporated by reference to Exhibit A to Exhibit 4.1 to iHeartMedia, Inc.'s Current Report on Form 8-K filed on November 22, 2019).</u>

- 4.10 [Voluntary Conversion Agent Agreement, dated as of May 1, 2019, between iHeartMedia, Inc. and Computershare Trust Company, N.A. and Computershare Inc., governing the conversion of shares of Class B common stock for shares of Class A common stock \(incorporated by reference to Exhibit 4.9 to iHeartMedia, Inc.'s Current Report on Form S-1/A filed on May 10, 2019\).](#)
- 4.11* [Description of Securities.](#)
- 4.12 [Rights Agreement, dated as of May 6, 2020, between iHeartMedia, Inc. and Computershare Trust Company, N.A., as Rights Agent \(Incorporated by reference to Exhibit 4.1 to the Form 8-K filed by iHeartMedia, Inc. on May 8, 2020\).](#)
- 10.1 [Settlement and Separation Agreement, dated as of March 27, 2019, between iHeartMedia, Inc., iHeartCommunications, Inc., Clear Channel Holdings, Inc. and Clear Channel Outdoor Holdings, Inc. \(incorporated by reference to Exhibit 10.1 of Clear Channel Outdoor Holdings, Inc.'s Current Report on Form 8-K filed on March 28, 2019\).](#)
- 10.2 [Amendment, dated as of April 24, 2019, to the Settlement and Separation Agreement, dated as of March 27, 2019, by and among Clear Channel Holdings, Inc., Clear Channel Outdoor Holdings, Inc., iHeartCommunications, Inc. and iHeartMedia, Inc. \(incorporated by reference to Exhibit 10.2 of iHeartMedia, Inc.'s Quarterly Report on Form 10-Q filed on April 25, 2019\).](#)
- 10.3 [Tax Matters Agreement, dated as of May 1, 2019, by and among iHeartMedia, Inc., iHeartCommunications, Inc., iHeart Operations, Inc., Clear Channel Holdings, Inc., Clear Channel Outdoor Holdings, Inc. and Clear Channel Outdoor, LLC \(incorporated by reference to Exhibit 10.2 to Clear Channel Outdoor Holdings, Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)
- 10.4 [ABL Credit Agreement, dated as of May 1, 2019, by and among iHeartMedia Capital I, LLC, iHeartCommunications, Inc., as borrower, the other guarantors party thereto from time to time, Citibank, N.A., as Administrative Agent and Collateral Agent, and the lenders party thereto, governing the New ABL Facility \(incorporated by reference to Exhibit 10.5 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)
- 10.5 [ABL Intercreditor Agreement, dated as of May 1, 2019, by and among Citibank, N.A., as Term Loan Collateral Agent and Designated Junior Priority Representative, U.S. National Bank Association, as Notes Collateral Agent, each additional junior priority representative party thereto, iHeartMedia Capital I, LLC, iHeartCommunications, Inc. and the other grantors party thereto \(incorporated by reference to Exhibit 10.6 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)
- 10.6 [Credit Agreement, dated as of May 1, 2019, by and among iHeartMedia Capital I, LLC, iHeartCommunications, Inc., as borrower, the other guarantors party thereto from time to time, Citibank, N.A., as Administrative Agent and Collateral Agent, and the lenders party thereto, governing the New Term Loan Facility \(incorporated by reference to Exhibit 10.7 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)
- 10.7 [Amendment No. 1, dated as of February 3, 2020, by and among iHeartCommunications, Inc., iHeartMedia Capital I, LLC, certain subsidiary guarantors party thereto, Bank of America, N.A. as new administrative agent and new term lender and Citibank, N.A. as existing administrative agent under that certain Credit Agreement, dated as of May 1, 2019 \(incorporated by reference to Exhibit 10.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on February 3, 2020\).](#)
- 10.8 [Amendment No. 2, dated as of July 16, 2020, by and among iHeartCommunications, Inc., iHeartMedia Capital I, LLC, certain subsidiary guarantors party thereto, Bank of America, N.A. and the other lenders party thereto \(Incorporated by reference to Exhibit 10.1 to the Form 8-K filed by iHeartMedia, Inc. on July 16, 2020\).](#)
- 10.9 [First Lien Intercreditor Agreement, dated as of the Effective date, by and among Citibank, N.A., as Credit Agreement Agent, U.S. National Bank Association, as Senior Notes Collateral Agent and each additional collateral agent from time to time party thereto, iHeartMedia Capital I, LLC, iHeartCommunications, Inc. and the other grantors party thereto \(incorporated by reference to Exhibit 10.8 of iHeartMedia Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)
- 10.10 [Revolving Loan Agreement, dated as of May 1, 2019, by and among iHeartCommunications, Inc. and Clear Channel Outdoor, LLC and Clear Channel International, Ltd. \(incorporated by reference to Exhibit 10.3 to Clear Channel Outdoor Holdings, Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)

- 10.11 [Series A Investors Rights Agreement, dated as of May 1, 2019, by and among iHeart Operations, iHeartCommunications, the Company and the purchaser listed therein \(incorporated by reference to Exhibit 10.11 of iHeartMedia Inc.'s Current Report on Form 8-K filed on May 2, 2019\).](#)
- 10.12§ [iHeartMedia, Inc. 2019 Equity Incentive Plan \(incorporated by reference to Exhibit 10.2 of iHeartMedia, Inc.'s Current Report on Form 8-K/A filed on May 7, 2019\).](#)
- 10.13§ [Form of Non-Employee Director Restricted Stock Unit Award Agreement with respect to RSUs granted in lieu of annual cash compensation \(incorporated by reference to Exhibit 10.3 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on June 5, 2019\).](#)
- 10.14§ [Form of Non-Employee Director Restricted Stock Unit Award Agreement with respect to RSUs granted as part of the director's equity compensation \(incorporated by reference to Exhibit 10.4 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on June 5, 2019\).](#)
- 10.15§ [Form of Employee Restricted Stock Unit Award Agreement \(Incorporated by reference to Exhibit 10.16 to the Form 10-K filed by iHeartMedia, Inc. filed on February 27, 2020\).](#)
- 10.16§ [Form of Non-Employee Director Non-Qualified Stock Option Award Agreement \(incorporated by reference to Exhibit 10.4 of iHeartMedia, Inc.'s Current Report on Form 8-K/A filed on May 7, 2019\).](#)
- 10.17§ [Form of Employee Non-Qualified Stock Option Award Agreement \(Incorporated by reference to Exhibit 10.18 to the Form 10-K filed by iHeartMedia, Inc. filed on February 27, 2020\).](#)
- 10.18§ [Form of iHeartMedia, Inc. Restricted Stock Unit Award Agreement for Performance RSUs \(incorporated by reference to Exhibit 10.1 to the Form 8-K filed by iHeartMedia, Inc. on August 20, 2020\).](#)
- 10.19§ [Amended and Restated Employment Agreement, dated as of January 13, 2014 between Robert Pittman and iHeartMedia, Inc. \(incorporated by reference to Exhibit 10.1 to the iHeartMedia, Inc. Current Report on Form 8-K filed on January 13, 2014\).](#)
- 10.20§ [First Amendment to Amended and Restated Employment Agreement, dated as of May 1, 2019, between iHeartMedia Inc. and Robert W. Pittman \(incorporated by reference to Exhibit 10.7 of iHeartMedia, Inc.'s Current Report on Form 8-K/A filed on May 7, 2019\).](#)
- 10.21§ [Second Amendment to Amended and Restated Employment Agreement, by and between iHeartMedia, Inc. and Robert Pittman, dated June 4, 2020 \(incorporated by reference to Exhibit 10.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on June 5, 2020\).](#)
- 10.22§ [Employment Agreement by and between iHeartMedia, Inc. and Richard J. Bressler, dated July 29, 2013 \(incorporated by reference to Exhibit 10.1 to the iHeartMedia, Inc. Current Report on Form 8-K/A filed on August 2, 2013\).](#)
- 10.23§ [Amendment to the Employment Agreement, dated as of May 1, 2019, between iHeartMedia Inc. and Richard J. Bressler \(incorporated by reference to Exhibit 10.8 of iHeartMedia, Inc.'s Current Report on Form 8-K/A filed on May 7, 2019\).](#)
- 10.24§ [Second Amendment to Employment Agreement, by and between iHeartMedia, Inc. and Richard Bressler, dated June 4, 2020 \(incorporated by reference to Exhibit 10.2 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on June 5, 2020\).](#)
- 10.25§ [Employment Agreement, effective September 5, 2019, between iHeartMedia, Inc. and Michael B. McGuinness \(incorporated by reference to Exhibit 10.1 to iHeartMedia's Quarterly Report on Form 10-Q filed on November 7, 2019\).](#)
- 10.26§ [First Amendment to Employment Agreement, effective January 1, 2021, by and between iHeartMedia, Inc. and Michael B. McGuinness.](#)

- 10.27§ [Employment Agreement by and between iHeartMedia Management Services, Inc. and Scott D. Hamilton, dated May 20, 2014 \(Incorporated by reference to Exhibit 10.1 to the iHeartMedia, Inc. Current Report on Form 8-K filed on June 25, 2014\).](#)
- 10.28§ [Employment Agreement, effective July 11, 2016, between iHeartMedia, Inc. and Paul M. McNicol \(incorporated by reference to Exhibit 10.25 to the Form 10-K filed by iHeartMedia, Inc. filed on February 27, 2020\).](#)
- 10.29§ [First Amendment to the Employment Agreement, effective May 1, 2019, between iHeartMedia Management Services, and Paul M. McNicol \(incorporated by reference to Exhibit 10.26 to the Form 10-K filed by iHeartMedia, Inc. filed on February 27, 2020\).](#)
- 10.30§* [Second Amendment to Employment Agreement, effective January 1, 2021, by and between iHeartMedia, Inc. and Paul M. McNicol.](#)
- 10.31§ [Form of Indemnification Agreement, between iHeartMedia, Inc. and its directors \(incorporated by reference to Exhibit 10.1 of iHeartMedia, Inc.'s Current Report on Form 8-K/A filed on May 7, 2019\).](#)
- 10.32§ [Form of Indemnification Agreement between iHeartMedia, Inc. and its executive officers \(incorporated by reference to Exhibit 10.5 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on June 5, 2019\).](#)
- 10.33 [Aircraft Lease Agreement dated as of December 23, 2013 by and between FalconAgain Inc. and iHeartMedia + Entertainment, Inc. \(Incorporated by reference to Exhibit 10.23 to the iHeartMedia, Inc. Annual Report on Form 10-K for the year ended December 31, 2013\).](#)
- 10.34 [Amendment No. 1 dated November 1, 2017 to Aircraft Lease Agreement dated as of December 23, 2013 by and between FalconAgain, Inc. and iHeartMedia + Entertainment, Inc. \(Incorporated by reference to Exhibit 10.30 to the Form 10-K filed by iHeartMedia, Inc. filed on February 27, 2020\).](#)
- 10.35 [Amendment No. 2 effective January 14, 2019 to Aircraft Lease Agreement dated as of December 23, 2013 by and between FalconAgain, Inc. and iHeartMedia + Entertainment, Inc. \(Incorporated by reference to Exhibit 10.31 to the Form 10-K filed by iHeartMedia, Inc. filed on February 27, 2020\).](#)
- 21* [Subsidiaries.](#)
- 23* [Consent of Ernst & Young LLP.](#)
- 31.1* [Certification Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2* [Certification Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1** [Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2** [Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS* Inline XBRL Instance Document. - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB* Inline XBRL Taxonomy Extension Label Linkbase Document.

101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document.

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

* Filed herewith.

** This exhibit is furnished herewith and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

§ A management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 601 of Regulation S-K.

ITEM 16. Form 10-K Summary

None.

SIGNATURES

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

IHEARTMEDIA, INC.

By: /s/ Robert W. Pittman
Name: Robert W. Pittman
Title: Chairman and Chief Executive Officer
Date: February 25, 2021

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

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Robert W. Pittman</u> Robert W. Pittman	Chairman and Chief Executive Officer (Principal Executive Officer) and Director	February 25, 2021
<u>/s/ Richard J. Bressler</u> Richard J. Bressler	President, Chief Operating Officer, Chief Financial Officer (Principal Financial Officer) and Director	February 25, 2021
<u>/s/ Scott D. Hamilton</u> Scott D. Hamilton	Senior Vice President, Chief Accounting Officer (Principal Accounting Officer) and Assistant Secretary	February 25, 2021
<u>/s/ James A. Rasulo</u> James A. Rasulo	Director	February 25, 2021
<u>/s/ Gary Barber</u> Gary Barber	Director	February 25, 2021
<u>/s/ Brad Gerstner</u> Brad Gerstner	Director	February 25, 2021
<u>/s/ Sean Mahoney</u> Sean Mahoney	Director	February 25, 2021
<u>/s/ Cheryl Mills</u> Cheryl Mills	Director	February 25, 2021
<u>/s/ Kamakshi Sivaramakrishnan</u> Kamakshi Sivaramakrishnan	Director	February 25, 2021

**THIRD AMENDED AND RESTATED BYLAWS
OF
IHEARTMEDIA, INC.
(THE “CORPORATION”)**

(Amended and Restated February 23, 2021)

**ARTICLE I
OFFICES**

Section 1.1. Registered Office. The registered office of the Corporation within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the corporation or individual acting as the Corporation’s registered agent in Delaware.

Section 1.2. Additional Offices. The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the “*Board*”) may from time to time determine or as the business and affairs of the Corporation may require.

**ARTICLE II
STOCKHOLDERS MEETINGS**

Section 2.1. Annual Meetings. The annual meeting of stockholders shall be held at such place, either within or without the State of Delaware and time and on such date as shall be determined by the Board and stated in the notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a). At each annual meeting, the stockholders entitled to vote on such matters shall elect those directors of the Corporation to fill any term of a directorship that expires on the date of such annual meeting and may transact any other business as may properly be brought before the meeting in accordance with these Bylaws.

Section 2.2. Special Meetings. Except as otherwise required by law and subject to the rights, if any, of the holders of any outstanding series of the preferred stock of the Corporation (“*Preferred Stock*”), and to the requirements of applicable law, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board by the direction of a majority of the total number of directors that the Corporation would have if there were no vacancies on the Board. Only such business that is specified in the notice of the meeting shall be transacted at a properly called special meeting. Special meetings of stockholders shall be held at such place, either within or without the State of Delaware, and at such and time and on such date as shall be determined by the Board and stated in the Corporation’s notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a).

Section 2.3. Notices. Written notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given in the manner permitted by Section 9.3 to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, by the Corporation not less than 10 nor more than 60 days before the date of the meeting unless otherwise required by the General Corporation Law of the State of Delaware (the “*DGCL*”). If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation’s notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any

meeting of stockholders as to which notice has been given may be cancelled, by the Board upon public announcement (as defined in Section 2.7(c)) given before the date previously scheduled for such meeting.

Section 2.4. Quorum. Except as otherwise provided by applicable law, the Corporation's Fifth Amended and Restated Certificate of Incorporation, as the same may be amended or restated from time to time (the "*Certificate of Incorporation*") or these Bylaws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders of the Corporation, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.5. Voting of Shares.

(a) Voting Lists. The Secretary of the Corporation (the "*Secretary*") shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at such meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order and showing the address and the number and class of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If a meeting of stockholders is to be held solely by means of remote communication as permitted by Section 9.5(a), the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) Manner of Voting. At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxy holders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission (as defined in Section 9.3), provided that any such electronic transmission must either set forth or be submitted with information from which the Corporation can determine that the electronic transmission was authorized by the stockholder or proxy holder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(c) Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a

longer period. Proxies need not be filed with the Secretary until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority. No stockholder shall have cumulative voting rights.

(i) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(d) Required Vote. All matters presented to the stockholders at a meeting at which a quorum is present shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon (other than the election of directors (who shall be elected by a plurality of all votes cast)), unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(e) Inspectors of Election. The Board may, and shall if required by law, in advance of any meeting of stockholders, designate one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

Section 2.6. Adjournments. Any meeting of stockholders, annual or special, may be recessed or adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place. Notice need not be given of any such adjourned meeting if the date, time, and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the recessed or adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that properly could have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders

entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 9.2, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.7. Advance Notice for Business.

(a) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote at such annual meeting on the date of the giving of the notice provided for in this Section 2.7(a) and on the date of such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Notwithstanding anything in this Section 2.7(a) to the contrary, only persons nominated for election as a director to fill any term of a directorship that expires on the date of the annual meeting pursuant to Section 3.2 will be considered for election at such meeting. For the avoidance of doubt, the foregoing clause (iii) will be the exclusive means for a stockholder to submit business before an annual meeting of stockholders (other than proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "*Exchange Act*") and included in the notice of meeting given by or at the direction of the Board).

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iii), a stockholder's notice to the Secretary with respect to such business, to be timely, must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so received no earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or recess of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth, on the form provided to the stockholder upon written request to the Secretary and verification that the requesting party is a stockholder or is acting on behalf of a stockholder, as to each such matter such stockholder proposes to bring before the annual meeting, (A) a description in reasonable detail of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a proposal to amend these Bylaws, the language of the proposed amendment) and the reasons that such stockholder believes conducting such business at the annual meeting and taking such actions would be in the best interests of the Corporation and its stockholders, (B) the name and record address of such stockholder and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, and the name and address of any other Stockholder Associated Person, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder, by the beneficial owner, if any, on whose behalf the proposal is made, and by any other Stockholder Associated Person (including any shares of any class or series of the Corporation as to which such stockholder has a right to acquire beneficial ownership, whether such right is exercisable immediately or only after the passage of time), (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice, by or on behalf of, such stockholder and any Stockholder Associated Persons, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such Stockholder Associated Person, with respect to shares of stock of the Corporation, (E) any material interest of such

stockholder and any Stockholder Associated Person in such business, (F) any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person or any other person representing such stockholder has a right to vote any shares of the Corporation or which has the effect of increasing or decreasing the voting power of such stockholder or person; (G) any material pending or threatened legal proceeding involving the Corporation, any affiliate of the Corporation or any of their respective directors or officers, to which such stockholder or Stockholder Associated Person is a party; (H) any equity interests, including any convertible, derivative or short interests, in any principal competitor of the Corporation held by such stockholder or Stockholder Associated Person; (I) any performance-related fees (other than an asset-based fee) to which such person or any affiliate or immediate family member of such person may be entitled as a result of any increase or decrease in the value of shares of the Corporation or any derivative securities of the Corporation's equity; (J) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the annual meeting to bring such business before the meeting; (K) any other information related to such stockholder or Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies or consents (even if a solicitation is not involved) by such stockholder or Stockholder Associated Person in support of the business proposed to be brought before the meeting pursuant to Section 14 of the Exchange Act, and the rules, regulations and schedules promulgated thereunder; and (L) a statement as to whether such stockholder or any Stockholder Associated Person intends to deliver a proxy statement and/or form of proxy to the holders of at least the percentage of the Corporation's outstanding capital stock required to approve the proposal or otherwise to solicit proxies or votes from stockholders in support of the proposal. "**Stockholder Associated Person**" of any stockholder means (A) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (B) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or (C) any person directly or indirectly controlling, controlled by or under common control with such Stockholder Associated Person.

(iii) The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Exchange Act, and such stockholder has complied with the requirements of such rule for inclusion of such proposal in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairman of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(iv) In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only pursuant to Section 3.2.

(c) Public Announcement. For purposes of these Bylaws, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a

document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act (or any successor thereto).

(d) A stockholder providing notice of business proposed to be brought before an annual meeting pursuant to Section 2.7 or notice of any nomination to be made at an annual meeting pursuant to Section 3.2 must further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to Section 2.7 or Section 3.2, as applicable, is true and correct as of the record date for notice of the meeting and as of the date that is ten days prior to the meeting or any recess, adjournment or postponement thereof. Any such update and supplement must be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation, as promptly as practicable. Notwithstanding the foregoing, following the conclusion of the relevant time period to provide timely notice to the Company pursuant to Section 2.7 or Section 3.2, a stockholder will not be permitted to update the information provided or required to be provided in such notice to substitute or replace a nominee.

Section 2.8. Conduct of Meetings. The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the President or if the President is not a director, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairman of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9. Consents in Lieu of Meeting. Except as may be otherwise provided for or fixed pursuant to the Certificate of Incorporation relating to the rights of the holders of any outstanding series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected by a duly called annual or special meeting of such stockholders and may not be effected by written consent of the stockholders of the Corporation.

ARTICLE III DIRECTORS

Section 3.1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware.

Section 3.2. Advance Notice for Nomination of Directors.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (A) who is a stockholder of record entitled to vote in the election of directors on the date of the giving of the notice provided for in this Section 3.2 and on the date of such meeting and (B) who complies with the notice procedures set forth in this Section 3.2.

(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice to the Secretary must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so received no earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Corporation; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting or special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 3.2.

(c) Notwithstanding anything in Section 3.2(b) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased effective after the time period for notice of nominations would otherwise be due under Section 3.2(b) and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this Section 3.2 shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

(d) To be in proper written form, a stockholder's notice of a nomination of a person or persons for election as a director or directors to the Secretary must set forth, on the form provided to the stockholder upon written request to the Secretary and verification that the requesting party is a stockholder or is acting on behalf of a stockholder:

(i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially or of record by the person, (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (E) a completed questionnaire (in the form provided by the Secretary upon written request) with respect to the identity, background and qualification of the proposed nominee and the background of any other person or entity on whose behalf the nomination is being made, and (F) a written representation and agreement (in the form provided by the Secretary upon written request) that the proposed nominee (1) is qualified and if elected intends to serve as a director of the Company for the entire term for which such proposed nominee is standing for election, (2) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any

commitment or assurance to, any person or entity as to how the proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a “**Voting Commitment**”) that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with the proposed nominee’s ability to comply, if elected as a director of the Corporation, with the proposed nominee’s fiduciary duties under applicable law, (3) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (4) if elected as a director of the Corporation, the proposed nominee would be in compliance and will comply, with all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation, and (5) if elected, as a director of the Corporation, the proposed nominee would not result in a FCC Regulatory Limitation (as defined in the Certificate of Incorporation); and

(ii) as to the stockholder giving the notice (A) the name and record address of such stockholder as they appear on the Corporation’s books and the name and address of the beneficial owner, if any, on whose behalf the nomination is made, and the name and address of any other Stockholder Associated Person, (B) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and the beneficial owner, if any, on whose behalf the nomination is made, and by any other Stockholder Associated Person (including any shares of any class or series of the Corporation as to which such stockholder has a right to acquire beneficial ownership, whether such right is exercisable immediately or only after the passage of time), (C) a description of all direct and indirect compensation and other material agreements, arrangements and understandings during the past three years, and any arrangements or understandings relating to the nomination to be made by such stockholder, among such stockholder and any Stockholder Associated Person, each proposed nominee and any other person or persons (including their names), (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder’s notice, by or on behalf of, such stockholder and such any Stockholder Associated Persons, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such Stockholder Associated Person, with respect to shares of stock of the Corporation, (E) any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person or any other person representing such stockholder has a right to vote any shares of the Corporation or which has the effect of increasing or decreasing the voting power of such stockholder or person, (F) any material pending or threatened legal proceeding involving the Corporation, any affiliate of the Corporation or any of their respective directors or officers, to which such stockholder or Stockholder Associated Person is a party, (G) any equity interests, including any convertible, derivative or short interests, in any principal competitor of the Corporation held by such stockholder or Stockholder Associated Person, (H) any performance-related fees (other than an asset-based fee) to which such person or any affiliate or immediate family member of such person may be entitled as a result of any increase or decrease in the value of shares of the Corporation or any derivative securities of the Corporation’s equity, (I) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, (J) any other information relating to such stockholder and the beneficial owner, if any, on whose behalf the nomination is made that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules, regulations and schedules promulgated thereunder, and (K) a statement as to whether such stockholder or Stockholder Associated Person intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s outstanding capital stock required to elect such stockholder’s nominees or otherwise to solicit proxies or votes from stockholders in support of the nomination. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this [Section 3.2](#), that the information provided in a stockholder’s notice does not satisfy the information requirements of this [Section 3.2](#) or the election of the proposed nominee as a director of the Corporation would result in a FCC Regulatory Limitation (as defined in the Certificate of Incorporation), then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of

this [Section 3.2](#), if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(f) In addition to the provisions of this [Section 3.2](#), a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this [Section 3.2](#) shall be deemed to affect any rights of the holders of Preferred Stock to elect directors pursuant to the Certificate of Incorporation.

Section 3.3. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board, including for service on a committee of the Board, and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

ARTICLE IV BOARD MEETINGS

Section 4.1. Annual Meetings. The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this [Section 4.1](#).

Section 4.2. Regular Meetings. Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places (within or without the State of Delaware) as shall from time to time be determined by the Board.

Section 4.3. Special Meetings. Special meetings of the Board shall be called by the Chairman of the Board, Chief Executive Officer or President, or by the Secretary on the written request of at least a majority of directors of the Board assuming no vacancies on the Board, or the sole director, as the case may be, and shall be held at such time, date and place (within or without the State of Delaware) as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in [Section 9.3](#), to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent for next day delivery by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with [Section 9.4](#).

Section 4.4. Quorum; Required Vote. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.5. Consent In Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.6. Organization. The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or in the absence (or inability or refusal to act) of the President or if the President is not a director, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V COMMITTEES OF DIRECTORS

Section 5.1. Establishment. The Board may by resolution passed by a majority of the Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.2. Available Powers. Any committee established pursuant to Section 5.1, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation.

Section 5.3. Alternate Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

Section 5.4. Procedures. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these Bylaws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws.

ARTICLE VI OFFICERS

Section 6.1. Officers. The officers of the Corporation elected by the Board shall be a Chief Executive Officer, a Chief Financial Officer, a Secretary and such other officers (including without limitation, an executive Chairman of the Board, President, Vice Presidents, Assistant Secretaries, Treasurer and Assistant Treasurers) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI or such other authority as may be specifically conferred by the Board upon such election. Such officers shall also have such other powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer.

(a) Chairman of the Board. The Board of Directors may appoint a Chairman of the Board. If the Board of Directors appoints a Chairman of the Board, he or she shall perform such duties and possess such powers as are assigned to him by the Board of Directors, including as an officer of the Corporation if so designated. Unless otherwise provided by the Board of Directors, he or she shall preside at all meetings of the Board of Directors. The Chairman of the Board must be a director of the Corporation. The powers and duties of the Chairman of the Board shall not include supervision or control of the preparation of the financial statements of the Corporation (other than through participation as a member of the Board). The position of Chairman of the Board and Chief Executive Officer may be held by the same person.

(b) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters, except to the extent any such powers and duties have been prescribed to the Chairman of the Board pursuant to Section 6.1(a) above. In the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The position of Chief Executive Officer and President may be held by the same person.

(c) President. The President shall make recommendations to the Chief Executive Officer on all operational matters that would normally be reserved for the final executive responsibility of the Chief Executive Officer. In the absence (or inability or refusal to act) of the Chairman of the Board and Chief Executive Officer, the President (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The President shall also perform such duties and have such powers as shall be designated by the Board. The position of President and Chief Executive Officer may be held by the same person. If no Chief Executive Officer has been appointed, the President shall be the Chief Executive Officer.

(d) Vice Presidents. In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President. Any one or more of the Vice Presidents may be given an additional designation of rank or function.

(e) Secretary.

(i) The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. In the absence of the Secretary from any meeting, an Assistant Secretary, or if there be none or he or she be absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chairman of the Board, Chief Executive Officer or President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her

signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(ii) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(f) Assistant Secretaries. The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

(g) Chief Financial Officer. The Chief Financial Officer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation, which from time to time may come into the Chief Financial Officer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize).

(h) Treasurer. The Treasurer shall, in the absence (or inability or refusal to act) of the Chief Financial Officer, perform the duties and exercise the powers of the Chief Financial Officer.

(i) Assistant Treasurers. The Assistant Treasurer or, if there be more than one, the Assistant Treasurers in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Treasurer, perform the duties and have the powers of the Treasurer.

Section 6.2. Term of Office; Removal; Vacancies. The elected officers of the Corporation shall be appointed by the Board and shall hold office until their successors are duly elected and qualified by the Board or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or President may also be removed, with or without cause, by the Chief Executive Officer or President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or President may be filled by the Chief Executive Officer, or President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.3. Other Officers. The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable.

Section 6.4. Multiple Officeholders; Stockholder and Director Officers. Any number of offices may be held by the same person unless the Certificate of Incorporation or these Bylaws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

ARTICLE VII SHARES

Section 7.1. Certificated and Uncertificated Shares. The shares of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL.

Section 7.2. Multiple Classes of Stock. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights to be set forth in full or summarized on the face or back

of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 7.3. Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Chairman of the Board, Chief Executive Officer, the President or a Vice President and (b) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.4. Consideration and Payment for Shares.

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible property or any benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities, or any combination thereof.

(b) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.5. Lost, Destroyed or Wrongfully Taken Certificates.

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.6. Transfer Agent and Transfers of Stock.

(a) The Board of Directors may appoint one or more bank or trust companies organized under the laws of the United States or any state thereof to act as transfer agent or registrar, or both, in connection with the transfer of any class or series of securities of the Corporation

(b) Transfers of shares of stock of the Corporation shall be made only on the stock record of the Corporation by the holder of record thereof or by his, her or its attorney thereunto authorized by the power of attorney duly executed and filed with the Secretary of the Corporation or the transfer agent thereof. Certificated shares, if any, shall be transferred only upon surrender of the certificate or certificates representing such shares, properly endorsed or accompanied by a duly executed stock transfer power. Uncertificated shares shall be transferred by delivery of a duly executed stock transfer power. Registration of transfer of any shares shall be subject to applicable provisions of the Certificate of Incorporation and applicable law with respect to the transfer of such shares. The Board of Directors may make such additional rules and regulations, subject to any applicable requirement of law, as it may deem necessary and appropriate concerning the issue, transfer and registration of transfer of shares of stock of the Corporation.

(c) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.7. Registered Stockholders. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.8. Effect of the Corporation's Restriction on Transfer.

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

(b) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares prior to or within a reasonable time after the issuance or transfer of such shares.

Section 7.9. Regulations. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

**ARTICLE VIII
INDEMNIFICATION**

Section 8.1. Right to Indemnification. To the fullest extent permitted by applicable law, as the same exists or may hereafter be amended, the Corporation shall indemnify and hold harmless each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “*proceeding*”), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan (hereinafter an “*Indemnitee*”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, against all liability and loss suffered and expenses (including, without limitation, attorneys’ fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred by such Indemnitee in connection with such proceeding; provided, however, that, except as provided in Section 8.3 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify an Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 8.2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1, an Indemnitee shall also have the right to be paid by the Corporation to the fullest extent not prohibited by applicable law the expenses (including, without limitation, attorneys’ fees) incurred in defending or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an “*advancement of expenses*”); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an Indemnitee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon the Corporation’s receipt of an undertaking (hereinafter an “*undertaking*”), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified under this Article VIII or otherwise.

Section 8.3. Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or Section 8.2 is not paid in full by the Corporation within 60 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by an Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final judicial decision from which there is no further right to appeal (hereinafter a “*final adjudication*”) that, the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, shall be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

Section 8.4. Non-Exclusivity of Rights. The rights provided to any Indemnitee pursuant to this Article VIII shall not be exclusive of any other right, which such Indemnitee may have or hereafter acquire under applicable

law, the Certificate of Incorporation, these Bylaws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

Section 8.5. Insurance. The Corporation shall maintain insurance, at its expense, to protect itself and/or any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 8.6. Indemnification of Other Persons. This Article VIII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Indemnitees. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of Indemnitees under this Article VIII.

Section 8.7. Amendments. Any repeal or amendment of this Article VIII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VIII, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Indemnitees on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

Section 8.8. Certain Definitions. For purposes of this Article VIII, (a) references to “*other enterprise*” shall include any employee benefit plan; (b) references to “ *fines*” shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c) references to “*servicing at the request of the Corporation*” shall include any service that imposes duties on, or involves services by, a person with respect to any employee benefit plan, its participants, or beneficiaries; and (d) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interest of the Corporation” for purposes of Section 145 of the DGCL.

Section 8.9. Contract Rights. The rights provided to Indemnitees pursuant to this Article VIII shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, agent or employee and shall inure to the benefit of the Indemnitee’s heirs, executors and administrators.

Section 8.10. Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE IX MISCELLANEOUS

Section 9.1. Place of Meetings. If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these Bylaws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 9.5(a), then such meeting shall not be held at any place.

Section 9.2. Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 9.2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 9.3. Means of Giving Notice.

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by mail, or by a nationally recognized delivery service, (ii) by means of facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (i) if given by hand delivery, orally, or by telephone, when actually received by the director, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iv) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (v) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (vi) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of electronic transmission if given by a form of electronic transmission in compliance with applicable law. A notice to a stockholder shall be deemed given as follows: (i) if given by hand delivery, when actually received by the stockholder, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and (iv) if given by a form of electronic transmission in compliance with applicable law, (A) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (B) if by electronic mail, when directed to an

electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receive notice by electronic mail, (C) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (D) if by any other form of electronic transmission, when directed to the stockholder. Notwithstanding the foregoing, a notice may not be delivered by electronic transmission from and after the time that (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation and (2) such inability becomes known to the Secretary or an Assistant Secretary or to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability shall not invalidate any meeting or other action.

(c) Electronic Transmission. "**Electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by telex, facsimile telecommunication, electronic mail, telegram and cablegram.

(d) Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(e) Exceptions to Notice Requirements. Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 9.4. Waiver of Notice. Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these Bylaws, a written waiver of such notice, signed before or after the date of such

meeting by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.5. Meeting Attendance via Remote Communication Equipment.

(a) Stockholder Meetings. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders entitled to vote at such meeting and proxy holders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and, if entitled to vote, to vote on matters submitted to the applicable stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) Board Meetings. Unless otherwise restricted by applicable law, the Certificate of Incorporation or these Bylaws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.6. Dividends. The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 9.7. Reserves. The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 9.8. Contracts and Negotiable Instruments. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, any contract, bond, deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any restrictions imposed by the Board, the Chairman of the Board, Chief Executive Officer, President, the Chief Financial Officer, the Treasurer or any Vice President may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 9.9. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board.

Section 9.10. Seal. The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced. Notwithstanding the foregoing, no seal shall be required by virtue of this Section.

Section 9.11. Books and Records. The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 9.12. Resignation. Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. The resignation shall take effect at the time specified therein, or at the time of receipt of such notice if no time is specified or the specified time is earlier than the time of such receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.13. Surety Bonds. Such officers, employees and agents of the Corporation (if any) as the Chairman of the Board, Chief Executive Officer, President or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chairman of the Board, Chief Executive Officer, President or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

Section 9.14. Securities of Other Corporations. Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman of the Board, Chief Executive Officer, President, any Vice President or any officers authorized by the Board. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 9.15. Forum Selection. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this [Section 9.15](#).

Section 9.16. Amendments. The Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of the total number of directors present at a regular or special meeting of the Board at which there is a quorum or by unanimous written consent shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least a majority of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

~~SECOND~~THIRD AMENDED AND RESTATED BYLAWS OF

IHEARTMEDIA, INC. (THE “CORPORATION”)

(Amended and Restated ~~May 1~~February 23, 2019~~2021~~)

ARTICLE I OFFICES

Section 1.1. Registered Office. The registered office of the Corporation within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the corporation or individual acting as the Corporation’s registered agent in Delaware.

Section 1.2. Additional Offices. The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the “*Board*”) may from time to time determine or as the business and affairs of the Corporation may require.

ARTICLE II STOCKHOLDERS MEETINGS

Section 2.1. Annual Meetings. The annual meeting of stockholders shall be held at such place, either within or without the State of Delaware and time and on such date as shall be determined by the Board and stated in the notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a). At each annual meeting, the stockholders entitled to vote on such matters shall elect those directors of the Corporation to fill any term of a directorship that expires on the date of such annual meeting and may transact any other business as may properly be brought before the meeting in accordance with these Bylaws.

Section 2.2. Special Meetings. Except as otherwise required by law and subject to the rights, if any, of the holders of any outstanding series of the preferred stock of the Corporation (“*Preferred Stock*”), and to the requirements of applicable law, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board by the direction of a majority of the total number of directors that the Corporation would have if there were no vacancies on the Board. Only such business that is specified in the notice of the meeting shall be transacted at a properly called special meeting. Special meetings of stockholders shall be held at such place, either within or without the State of Delaware, and at such and time and on such date as shall be determined by the Board and stated in the Corporation’s notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 9.5(a).

Section 2.3. Notices. Written notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given in the manner permitted by Section 9.3 to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, by the Corporation not less than 10 nor more than 60 days before the date of the meeting unless otherwise required by the General Corporation Law of the State of Delaware (the “*DGCL*”). If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation’s notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any

meeting of stockholders as to which notice has been given may be cancelled, by the Board upon public announcement (as defined in Section 2.7(c)) given before the date previously scheduled for such meeting.

Section 2.4. Quorum. Except as otherwise provided by applicable law, the Corporation's Fifth Amended and Restated Certificate of Incorporation, as the same may be amended or restated from time to time (the "*Certificate of Incorporation*") or these Bylaws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders of the Corporation, the chairman of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.5. Voting of Shares.

(a) Voting Lists. The Secretary of the Corporation (the "*Secretary*") shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at such meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order and showing the address and the number and class of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation

2

to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If a meeting of stockholders is to be held solely by means of remote communication as permitted by Section 9.5(a), the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of meeting. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) Manner of Voting. At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxy holders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission (as defined in Section 9.3), provided that any such electronic transmission must either set forth or be submitted with information from which the Corporation can determine that the electronic transmission was authorized by the stockholder or proxy holder. The Board, in its discretion, or the chairman of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

a. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the Secretary until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority. No stockholder shall have cumulative voting rights.

i. A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile signature.

ii. A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such electronic transmission must either set forth

3

or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission authorizing another person or persons to act as proxy for a stockholder may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

b. Required Vote. All matters presented to the stockholders at a meeting at which a quorum is present shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon (other than the election of directors (who shall be elected by a plurality of all votes cast)), unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

c. Inspectors of Election. The Board may, and shall if required by law, in advance of any meeting of stockholders, designate one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

Section 2.6. Adjournments. Any meeting of stockholders, annual or special, may be recessed or adjourned by the chairman of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or

some other place. Notice need not be given of any such adjourned meeting if the date, time, and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the recessed or adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that properly could have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 9.2, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

4

Section 2.7. Advance Notice for Business.

(a) Annual Meetings of Stockholders. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote at such annual meeting on the date of the giving of the notice provided for in this Section 2.7(a) and on the date of such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Notwithstanding anything in this Section 2.7(a) to the contrary, only persons nominated for election as a director to fill any term of a directorship that expires on the date of the annual meeting pursuant to Section 3.2 will be considered for election at such meeting. For the avoidance of doubt, the foregoing clause (iii) will be the exclusive means for a stockholder to submit business before an annual meeting of stockholders (other than proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and the rules and regulations promulgated thereunder, the "*Exchange Act*") and included in the notice of meeting given by or at the direction of the Board).

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iii), a stockholder's notice to the Secretary with respect to such business, to be timely, must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so received no earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or recess of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) - To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth, on the form provided to the stockholder upon written request to the Secretary and verification that the requesting party is a stockholder or is acting on behalf of a stockholder, as to each such matter such stockholder proposes to bring before the annual meeting, (A) a description in reasonable detail of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a

5

proposal to amend these Bylaws, the language of the proposed amendment) and the reasons that such stockholder believes conducting such business at the annual meeting and taking such actions would be in the best

interests of the Corporation and its stockholders, (B) the name and record address of such stockholder and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, and the name and address of any other Stockholder Associated Person, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder, by the beneficial owner, if any, on whose behalf the proposal is made, and by any other Stockholder Associated Person (including any shares of any class or series of the Corporation as to which such stockholder has a right to acquire beneficial ownership, whether such right is exercisable immediately or only after the passage of time), (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice, by or on behalf of, such stockholder and any Stockholder Associated Persons, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such Stockholder Associated Person, with respect to shares of stock of the Corporation, (E) any material interest of such stockholder and any Stockholder Associated Person in such business, (F) any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person or any other person representing such stockholder has a right to vote any shares of the Corporation or which has the effect of increasing or decreasing the voting power of such stockholder or person; (G) any material pending or threatened legal proceeding involving the Corporation, any affiliate of the Corporation or any of their respective directors or officers, to which such stockholder or Stockholder Associated Person is a party; (H) any equity interests, including any convertible, derivative or short interests, in any principal competitor of the Corporation held by such stockholder or Stockholder Associated Person; (I) any performance-related fees (other than an asset-based fee) to which such person or any affiliate or immediate family member of such person may be entitled as a result of any increase or decrease in the value of shares of the Corporation or any derivative securities of the Corporation's equity; (J) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the annual meeting to bring such business before the meeting; (K) any other information related to such stockholder or Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies or consents (even if a solicitation is not involved) by such stockholder or Stockholder Associated Person in support of the business proposed to be brought before the meeting pursuant to Section 14 of the Exchange Act, and the rules, regulations and schedules promulgated thereunder; and (L) a statement as to whether such stockholder or any Stockholder Associated Person intends to deliver a proxy statement and/or form of proxy to the holders of at least the percentage of the Corporation's outstanding capital stock required to approve the proposal or otherwise to solicit proxies or votes from stockholders in support of the proposal. "*Stockholder Associated Person*" of any stockholder means (A) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (B) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or (C) any person directly or indirectly controlling, controlled by or under common control with such Stockholder Associated Person..

6

i. The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Exchange Act, and such stockholder has complied with the requirements of such rule for inclusion of such proposal in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairman of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

i. In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

a. Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only pursuant to Section 3.2.

b. Public Announcement. For purposes of these Bylaws, "*public announcement*" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act (or any successor thereto).

c. A stockholder providing notice of business proposed to be brought before an annual meeting pursuant to Section 2.7 or notice of any nomination to be made at an annual meeting pursuant to Section 3.2 must further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to Section 2.7 or Section 3.2, as applicable, is true and correct as of the record date for notice of the meeting and as of the date that is ten days prior to the meeting or any recess, adjournment or postponement thereof. Any such update and supplement must be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation, as promptly as practicable. Notwithstanding the foregoing, following the conclusion of the relevant time period to provide timely notice to the Company pursuant to Section 2.7 or Section 3.2, a stockholder will not be permitted to update the information provided or required to be provided in such notice to substitute or replace a nominee.

7

Section 2.8. Conduct of Meetings. The chairman of each annual and special meeting of stockholders shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the President or if the President is not a director, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairman of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these Bylaws or such rules and regulations as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following:

(a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairman of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9. Consents in Lieu of Meeting. Except as may be otherwise provided for or fixed pursuant to the Certificate of Incorporation relating to the rights of the holders of any outstanding series of Preferred Stock, any

action required or permitted to be taken by the stockholders of the Corporation must be effected by a duly called annual or special meeting of such stockholders and may not be effected by written consent of the stockholders of the Corporation.

ARTICLE III DIRECTORS

Section 3.1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware.

8

Section 3.2. Advance Notice for Nomination of Directors.

i. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (A) who is a stockholder of record entitled to vote in the election of directors on the date of the giving of the notice provided for in this Section 3.2 and on the date of such meeting and (B) who complies with the notice procedures set forth in this Section 3.2.

ii. In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice to the Secretary must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the opening of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder to be timely must be so received no earlier than the opening of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Corporation; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting or special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 3.2.

iii. Notwithstanding anything in Section 3.2(b) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased effective after the time period for notice of nominations would otherwise be due under Section 3.2(b) and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this Section 3.2 shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

9

i. To be in proper written form, a stockholder's notice of a nomination of a person or persons for election as a director or directors to the Secretary must set forth, on the form provided to the stockholder upon written request to the Secretary and verification that the requesting party is a stockholder or is acting on behalf of a stockholder:

1. as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially or of record by the person, (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (E) a completed questionnaire (in the form provided by the Secretary upon written request) with respect to the identity, background and qualification of the proposed nominee and the background of any other person or entity on whose behalf the nomination is being made, and (F) a written representation and agreement (in the form provided by the Secretary upon written request) that the proposed nominee (1) is qualified and if elected intends to serve as a director of the Company for the entire term for which such proposed nominee is standing for election, (2) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how the proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "**Voting Commitment**") that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with the proposed nominee's ability to comply, if elected as a director of the Corporation, with the proposed nominee's fiduciary duties under applicable law, (3) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (4) if elected as a director of the Corporation, the proposed nominee would be in compliance and will comply, with all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation, and (5) if elected, as a director of the Corporation, the proposed nominee would not result in a ~~violation of a~~ FCC Regulatory Limitation (as defined in the Certificate of Incorporation); and

2. as to the stockholder giving the notice (A) the name and record address of such stockholder as they appear on the Corporation's books and the name and address of the beneficial owner, if any, on whose behalf the nomination is made, and the name and address of any other Stockholder Associated Person, (B) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and the beneficial owner, if any, on whose behalf the nomination is made, and by any other Stockholder Associated Person (including any shares of any class or series of the Corporation as to which such stockholder has a right to acquire beneficial ownership, whether such right is exercisable immediately or only after the passage of time), (C) a description of all direct and indirect compensation and other material agreements, arrangements and understandings during the past three years, and any arrangements or understandings relating to the nomination to be made by such stockholder, among such stockholder and any Stockholder Associated Person, each proposed nominee and any other person or persons (including their names), (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, stock appreciation or similar rights, hedging transactions, and

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borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice, by or on behalf of, such stockholder and such any Stockholder Associated Persons, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such Stockholder Associated Person, with respect to shares of stock of the Corporation, (E) any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person or any other person representing such stockholder has a right to vote any shares of the Corporation or which has the effect of increasing or decreasing the voting power of such stockholder or person, (F) any material pending or threatened legal proceeding involving the Corporation, any affiliate of the Corporation or any of their respective directors or officers, to which such stockholder or Stockholder Associated Person is a party, (G) any equity interests, including any convertible, derivative or short interests, in any principal competitor of

the Corporation held by such stockholder or Stockholder Associated Person, (H) any performance-related fees (other than an asset-based fee) to which such person or any affiliate or immediate family member of such person may be entitled as a result of any increase or decrease in the value of shares of the Corporation or any derivative securities of the Corporation's equity, (I) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, (J) any other information relating to such stockholder and the beneficial owner, if any, on whose behalf the nomination is made that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules, regulations and schedules promulgated thereunder, and (K) a statement as to whether such stockholder or Stockholder Associated Person intends to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to elect such stockholder's nominees or otherwise to solicit proxies or votes from stockholders in support of the nomination. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

i. If the Board or the chairman of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this Section 3.2, that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 3.2 or the election of the proposed nominee as a director of the Corporation would result in a ~~violation of a~~ FCC Regulatory Limitation (as defined in the Certificate of Incorporation), then such nomination shall not be considered at the meeting in question. Notwithstanding the foregoing provisions of this Section 3.2, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

ii. In addition to the provisions of this Section 3.2, a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 3.2 shall be deemed to affect any rights of the holders of Preferred Stock to elect directors pursuant to the Certificate of Incorporation.

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Section 3.3. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have the authority to fix the compensation of directors. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board, including for service on a committee of the Board, and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

ARTICLE IV BOARD MEETINGS

Section 4.1. Annual Meetings. The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this Section 4.1.

Section 4.2. Regular Meetings. Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places (within or without the State of Delaware) as shall from time to time be determined by the Board.

Section 4.3. Special Meetings. Special meetings of the Board shall be called by the Chairman of the Board, ~~Chief Executive Officer~~ or President, or by the Secretary on the written request of at least a majority of directors

of the Board assuming no vacancies on the Board, or the sole director, as the case may be, and shall be held at such time, date and place (within or without the State of Delaware) as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in Section 9.3, to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent for next day delivery by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 9.4.

Section 4.4. Quorum; Required Vote. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

12

Section 4.5. Consent In Lieu of Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.6. Organization. The chairman of each meeting of the Board shall be the Chairman of the Board or, in the absence (or inability or refusal to act) of the Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or in the absence (or inability or refusal to act) of the President or if the President is not a director, a chairman elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V COMMITTEES OF DIRECTORS

Section 5.1. Establishment. The Board may by resolution passed by a majority of the Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each committee shall keep regular minutes of its meetings and report the same to the Board when required. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.2. Available Powers. Any committee established pursuant to Section 5.1, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation.

Section 5.3. Alternate Members. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

Section 5.4. Procedures. Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any

13

alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these Bylaws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these Bylaws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these Bylaws.

ARTICLE VI OFFICERS

Section 6.1. Officers. The officers of the Corporation elected by the Board shall be a Chief Executive Officer, a Chief Financial Officer, a Secretary and such other officers (including without limitation, an executive Chairman of the Board, President, Vice Presidents, Assistant Secretaries, Treasurer and Assistant Treasurers) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI or such other authority as may be specifically conferred by the Board upon such election. Such officers shall also have such other powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these Bylaws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer.

(a) Chairman of the Board. The Board of Directors may appoint a Chairman of the Board. If the Board of Directors appoints a Chairman of the Board, he or she shall perform such duties and possess such powers as are assigned to him by the Board of Directors, including as an officer of the Corporation if so designated. Unless otherwise provided by the Board of Directors, he or she shall preside at all meetings of the Board of Directors. The Chairman of the Board must be a director of the Corporation. The powers and duties of the Chairman of the Board shall not include supervision or control of the preparation of the financial statements of the Corporation (other than through participation as a member of the Board). The position of Chairman of the Board and Chief Executive Officer may be held by the same person.

(b) Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters, except to the extent any such powers and duties have been prescribed to the Chairman of the Board pursuant to Section 6.1(a) above. In the absence (or inability or refusal to act) of the

Chairman of the Board, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The position of Chief Executive Officer and President may be held by the same person.

+4

a. President. The President shall make recommendations to the Chief Executive Officer on all operational matters that would normally be reserved for the final executive responsibility of the Chief Executive Officer. In the absence (or inability or refusal to act) of the Chairman of the Board and Chief Executive Officer, the President (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The President shall also perform such duties and have such powers as shall be designated by the Board. The position of President and Chief Executive Officer may be held by the same person. If no Chief Executive Officer has been appointed, the President shall be the Chief Executive Officer.

b. Vice Presidents. In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President. Any one or more of the Vice Presidents may be given an additional designation of rank or function.

c. Secretary.

i. The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. In the absence of the Secretary from any meeting, an Assistant Secretary, or if there be none or he or she be absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chairman of the Board, Chief Executive Officer or President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

ii. The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

d. Assistant Secretaries. The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

e. Chief Financial Officer. The Chief Financial Officer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation, which from time to time may come into the Chief Financial Officer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize).

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f. Treasurer. The Treasurer shall, in the absence (or inability or refusal to act) of the Chief Financial Officer, perform the duties and exercise the powers of the Chief Financial Officer.

g. Assistant Treasurers. The Assistant Treasurer or, if there be more than one, the Assistant Treasurers in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Treasurer, perform the duties and have the powers of the Treasurer.

Section 6.2. Term of Office; Removal; Vacancies. The elected officers of the Corporation shall be appointed by the Board and shall hold office until their successors are duly elected and qualified by the Board or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or President may also be removed, with or without cause, by the Chief Executive Officer or President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or President may be filled by the Chief Executive Officer, or President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.3. Other Officers. The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable.

Section 6.4. Multiple Officeholders; Stockholder and Director Officers. Any number of offices may be held by the same person unless the Certificate of Incorporation or these Bylaws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

ARTICLE VII SHARES

Section 7.1. Certificated and Uncertificated Shares. The shares of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL.

Section 7.2. Multiple Classes of Stock. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

16

Section 7.3. Signatures. Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by (a) the Chairman of the Board, Chief Executive Officer, the President or a Vice President and (b) the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.4. Consideration and Payment for Shares.

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible

property or any benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities, or any combination thereof.

a. Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.5. Lost, Destroyed or Wrongfully Taken Certificates.

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

+7

Section 7.6. Transfer Agent and Transfers of Stock.

(a) The Board of Directors may appoint one or more bank or trust companies organized under the laws of the United States or any state thereof to act as transfer agent or registrar, or both, in connection with the transfer of any class or series of securities of the Corporation

(b) Transfers of shares of stock of the Corporation shall be made only on the stock record of the Corporation by the holder of record thereof or by his, her or its attorney thereunto authorized by the power of attorney duly executed and filed with the Secretary of the Corporation or the transfer agent thereof. Certificated shares, if any, shall be transferred only upon surrender of the certificate or certificates representing such shares, properly endorsed or accompanied by a duly executed stock transfer power. Uncertificated shares shall be transferred by delivery of a duly executed stock transfer power. Registration of transfer of any shares shall be subject to applicable provisions of the Certificate of Incorporation and applicable law with respect to the transfer of such shares. The Board of Directors may make such additional rules and regulations, subject to any applicable requirement of law, as it may deem necessary and appropriate concerning the issue, transfer and registration of transfer of shares of stock of the Corporation.

(c) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.7. Registered Stockholders. Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or

notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.8. Effect of the Corporation's Restriction on Transfer.

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

+8

(b) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares prior to or within a reasonable time after the issuance or transfer of such shares.

Section 7.9. Regulations. The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

ARTICLE VIII INDEMNIFICATION

Section 8.1. Right to Indemnification. To the fullest extent permitted by applicable law, as the same exists or may hereafter be amended, the Corporation shall indemnify and hold harmless each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "*proceeding*"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan (hereinafter an "*Indemnitee*"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, against all liability and loss suffered and expenses (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred by such Indemnitee in connection with such proceeding; provided, however, that, except as provided in Section 8.3 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify an Indemnitee in connection with a proceeding (or part thereof) initiated by such Indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 8.2. Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1, an Indemnitee shall also have the right to be paid by the Corporation to the fullest extent not

prohibited by applicable law the expenses (including, without limitation, attorneys' fees) incurred in defending or otherwise participating in any such proceeding in advance of its final disposition (hereinafter an "*advancement of*

expenses”); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an Indemnitee in his or her

19

capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such Indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon the Corporation’s receipt of an undertaking (hereinafter an “*undertaking*”), by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified under this Article VIII or otherwise.

Section 8.3. Right of Indemnitee to Bring Suit. If a claim under Section 8.1 or Section 8.2 is not paid in full by the Corporation within 60 days after a written claim therefor has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the Indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. In (a) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by an Indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (b) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final judicial decision from which there is no further right to appeal (hereinafter a “*final adjudication*”) that, the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including a determination by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the Indemnitee has not met such applicable standard of conduct, shall create a presumption that the Indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, shall be a defense to such suit. In any suit brought by the Indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

Section 8.4. Non-Exclusivity of Rights. The rights provided to any Indemnitee pursuant to this Article VIII shall not be exclusive of any other right, which such Indemnitee may have or hereafter acquire under applicable law, the Certificate of Incorporation, these Bylaws, an agreement, a vote of stockholders or disinterested directors, or otherwise.

Section 8.5. Insurance. The Corporation shall maintain insurance, at its expense, to protect itself and/or any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

20

Section 8.6. Indemnification of Other Persons. This Article VIII shall not limit the right of the Corporation to the extent and in the manner authorized or permitted by law to indemnify and to advance expenses to persons other than Indemnitees. Without limiting the foregoing, the Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation and to any other person who is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of Indemnitees under this Article VIII.

Section 8.7. Amendments. Any repeal or amendment of this Article VIII by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these Bylaws inconsistent with this Article VIII, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Indemnitees on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

Section 8.8. Certain Definitions. For purposes of this Article VIII, (a) references to “*other enterprise*” shall include any employee benefit plan; (b) references to “*fin*es” shall include any excise taxes assessed on a person with respect to an employee benefit plan; (c) references to “*serv*ing at the request of the Corporation” shall include any service that imposes duties on, or involves services by, a person with respect to any employee benefit plan, its participants, or beneficiaries; and (d) a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interest of the Corporation” for purposes of Section 145 of the DGCL.

Section 8.9. Contract Rights. The rights provided to Indemnitees pursuant to this Article VIII shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer, agent or employee and shall inure to the benefit of the Indemnitee’s heirs, executors and administrators.

Section 8.10. Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article VIII shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

24

ARTICLE IX MISCELLANEOUS

Section 9.1. Place of Meetings. If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these Bylaws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 9.5(a), then such meeting shall not be held at any place.

Section 9.2. Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of

stockholders entitled to vote in accordance with the foregoing provisions of this Section 9.2(a) at the adjourned meeting.

a. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 9.3. Means of Giving Notice.

(a) Notice to Directors. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by mail, or by a nationally recognized delivery service, (ii) by means of facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (i) if given by hand delivery, orally, or by telephone, when actually received by the director, (ii) if

~~22~~

sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iv) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (v) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (vi) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) Notice to Stockholders. Whenever under applicable law, the Certificate of Incorporation or these Bylaws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of electronic transmission ~~consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL~~ if given by a form of electronic transmission in compliance with applicable law. A notice to a stockholder shall be deemed given as follows: (i) if given by hand delivery, when actually received by the stockholder, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and (iv) if given by a form of electronic transmission ~~consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above~~ in compliance with applicable law, (A) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (B) if by electronic mail, when directed to an electronic mail address ~~at which~~ unless the stockholder has ~~consented~~ notified the Corporation in writing or by electronic transmission of an objection to receive notice by electronic mail, (C) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (D) if by any other form of electronic transmission, when directed to the stockholder. ~~A stockholder may revoke such stockholder's consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if~~ Notwithstanding the foregoing, a notice may not be delivered by electronic transmission from and after the time that (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation ~~in accordance with such consent~~ and (2) such inability becomes known to the Secretary or an Assistant Secretary or

to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability ~~as a revocation~~ shall not invalidate any meeting or other action.

a. Electronic Transmission. "*Electronic transmission*" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by telex, facsimile telecommunication, electronic mail, telegram and cablegram.

23

b. Notice to Stockholders Sharing Same Address. Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

c. Exceptions to Notice Requirements. Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 9.4. Waiver of Notice. Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these Bylaws, a written waiver of such notice, signed before or after the date of such meeting by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.5. Meeting Attendance via Remote Communication Equipment.

(a) Stockholder Meetings. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders entitled to vote at such meeting and proxy holders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and, if entitled to vote, to vote on matters submitted to the applicable stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) Board Meetings. Unless otherwise restricted by applicable law, the Certificate of Incorporation or these Bylaws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 9.6. Dividends. The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 9.7. Reserves. The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 9.8. Contracts and Negotiable Instruments. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, any contract, bond, deed, lease, mortgage or other instrument may be executed and delivered in the name and on behalf of the Corporation by such officer or officers or other employee or employees of the Corporation as the Board may from time to time authorize. Such authority may be general or confined to specific instances as the Board may determine. The Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer or any Vice President may execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation. Subject to any restrictions imposed by the Board, the Chairman of the Board

25

Chief Executive Officer, President, the Chief Financial Officer, the Treasurer or any Vice President may delegate powers to execute and deliver any contract, bond, deed, lease, mortgage or other instrument in the name and on behalf of the Corporation to other officers or employees of the Corporation under such person's supervision and authority, it being understood, however, that any such delegation of power shall not relieve such officer of responsibility with respect to the exercise of such delegated power.

Section 9.9. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board.

Section 9.10. Seal. The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced. Notwithstanding the foregoing, no seal shall be required by virtue of this Section.

Section 9.11. Books and Records. The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 9.12. Resignation. Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary. The resignation shall take effect at the time specified therein, or at the time of receipt of such notice if no time is specified or the specified time is earlier than the time of such receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.13. Surety Bonds. Such officers, employees and agents of the Corporation (if any) as the Chairman of the Board, Chief Executive Officer, President or the Board may direct, from time to time, shall be bonded for the faithful performance of their duties and for the restoration to the Corporation, in case of their death, resignation, retirement, disqualification or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under their control belonging to the Corporation, in such amounts and by such surety companies as the Chairman of the Board, Chief Executive Officer, President or the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Secretary.

Section 9.14. Securities of Other Corporations. Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman of the Board, Chief Executive Officer, President, any Vice President or any officers authorized by the Board. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 9.15. Forum Selection. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 9.15.

26

Section ~~9.15~~ 9.16. Amendments. The Board shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of a majority of the ~~Board or the full Board assuming no vacancies on the Board~~ total number of directors present at a regular or special meeting of the Board at which there is a quorum or by unanimous written consent shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the ~~stockholders; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation (a) prior to May 1, 2023 (the “Sunset Date”), the affirmative vote of the holders of at least 66-2/3% of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws and (b) on and after the Sunset Date, the affirmative vote of the holders of at least a majority of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the Bylaws.~~

Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 2/23/2021 12:18:56 PM	
Style name: L&W with Moves	
Intelligent Table Comparison: Active	
Original DMS: iw://US-DOCS/US-DOCS/119762464/1	
Modified filename: IHRT - Third A&R Bylaws CLEAN.docx	
Changes:	
Add	20
Delete	76
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<u>Move To</u>	0
Table Insert	0
Table Delete	0
<u>Table moves to</u>	0
<u>Table moves from</u>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	96

DESCRIPTION OF SECURITIES

The following description of the capital stock of iHeartMedia, Inc. (the “Company,” “we,” “us,” and “our”) and certain provisions of our Fifth Amended and Restated Certificate of Incorporation, as amended from time to time (the “Certificate”) and Second Amended and Restated Bylaws, as amended from time to time (the “Bylaws”) is a summary and is qualified in its entirety by reference to the full text of our Certificate and Bylaws and applicable provisions of the General Corporation Law of the State of Delaware (the “DGCL”). Our Certificate authorizes capital stock consisting of:

- 100,000,000 shares of undesignated preferred stock, par value \$0.001 per share;
- 1,000,000,000 shares of Class A common stock, par value \$0.001 per share; and
- 1,000,000,000 shares of Class B common stock, par value \$0.001 per share.

The Company also has registered Series A Preferred Stock Rights. We have no shares of preferred stock issued and outstanding. The following summary describes the material provisions of our capital stock and Series A Preferred Stock Rights.

Preferred Stock

Under the terms of our Certificate, our Board of Directors (the “Board”) is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our Board has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our Board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of our common stock by restricting dividends on the common stock, diluting the voting power of the common stock or subordinating the liquidation rights of the common stock.

Class A Common Stock

Holders of shares of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Subject to the terms of any one or more series or classes of preferred stock, holders of our Class A common stock will have the exclusive right to vote for the election of directors. There will be no cumulative voting rights in the election of directors. All matters presented to the stockholders at a meeting at which a quorum is present will be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon (other than the election of directors, who shall be elected by a plurality of all votes cast), unless the matter is one upon which, by applicable law, the Certificate, the Bylaws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

Holders of shares of our Class A common stock are entitled to receive dividends, on a per share basis, when and if declared by our Board out of funds legally available therefor and whenever any dividend is made on the shares of our Class B common stock subject to certain exceptions set forth in our Certificate.

The Company may not subdivide or combine (by stock split, reverse stock split, recapitalization, merger, consolidation or any other transaction) its shares of Class A common stock or Class B common stock without subdividing or combining its shares of Class B common stock or Class A common stock, respectively, in a similar manner.

Upon our dissolution, liquidation or winding up, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Class A common stock will be entitled to receive pro rata together with holders of our Class B common stock our remaining assets available for distribution.

Class A common stock certificates issued upon transfer or new issuances of Class A common stock shares will contain a legend stating that such shares of Class A common stock are subject to the provisions of our Certificate, including but not limited to provisions governing compliance with requirements of the Communications Act of 1934, as amended (the “Communications Act”) and regulations thereunder, including, without limitation, those concerning foreign ownership and media ownership.

Class B Common Stock

Holders of shares of our Class B common stock are not entitled to vote for the election of directors or, in general, on any other matter submitted to a vote of the Company’s stockholders, but are entitled to one vote per share on the following matters: (a) any amendment or modification of any specific rights or obligations of the holders of Class B common stock that does not similarly affect the rights or obligations of the holders of Class A common stock, in which case the holders of Class B Common Stock will be entitled to a separate class vote, with each share of Class B common stock having one vote; and (b) to the extent submitted to a vote of our stockholders, (i) the retention or dismissal of outside auditors by the Company, (ii) any dividends or distributions to our stockholders, (iii) any material sale of assets, recapitalization, merger, business combination, consolidation, exchange of stock or other similar reorganization of the Company or any of its subsidiaries, (iv) the adoption of any amendment to our certificate of incorporation, (v) other than in connection with any management equity or similar plan adopted by our Board, any authorization or issuance of equity interests, or any security or instrument convertible into or exchangeable for equity interests, in the Company or any of its subsidiaries, and (vi) the liquidation of the Company, in which case in respect to any such vote concerning the matters described in clause (b), the holders of Class B common stock are entitled to vote with the holders of the Class A common stock, with each share of common stock having one vote and voting together as a single class.

Holders of shares of our Class B common stock are generally entitled to convert shares of Class B common stock into shares of Class A common stock on a one-for-one basis, subject to the Company’s ability to restrict conversion in order to comply with the Communications Act and Federal Communications Commission (“FCC”) regulations.

Holders of shares of our Class B common stock are entitled to receive dividends when and if declared by our Board out of funds legally available therefor and whenever any dividend is made on the shares of our Class A common stock subject to certain exceptions set forth in our certificate of incorporation.

Upon our dissolution, liquidation or winding up, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Class B common stock will be entitled to receive pro rata with holders of our Class A common stock our remaining assets available for distribution.

Special Warrants

We have issued special warrants to purchase shares of Class A common stock or Class B common stock (the “Special Warrants”) in connection with a series of transactions that were designed to restructure our existing capital structure in connection with our voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (the “Reorganization”). The Special Warrants may be exercised by its holder to purchase one share of Class A

common stock or Class B common stock at an exercise price of \$0.001 per share, unless we in our sole discretion believe such exercise would, alone or in combination with any other existing or proposed ownership of common stock, result in, subject to certain exceptions, (a) such exercising holder owning more than 4.99% of our outstanding Class A common stock, (b) more than 22.5% of our capital stock or voting interests being owned directly or indirectly by foreign individuals or entities, (c) our exceeding any foreign ownership threshold set by the FCC pursuant to a declaratory ruling or specific approval requirement or (d) our violating any provision of the Communications Act or restrictions on ownership or transfer imposed by our certificate of incorporation or the decisions, rules and policies of the FCC. Any holder exercising Special Warrants must complete and timely deliver to the warrant agent the required exercise forms and certifications required under the special warrant agreement.

To the extent there are any dividends declared or distributions made with respect to the Class A common stock or Class B common stock, those dividends or distributions will also be made to holders of Special Warrants concurrently and on a *pro rata* basis based on their ownership of common stock underlying their Special Warrants on an as-exercised basis; *provided*, that no such distribution will be made to holders of Special Warrants if (x) the Communications Act or an FCC rule prohibits such distribution to holders of Special Warrants or (y) our FCC counsel opines that such distribution is reasonably likely to cause (i) us to violate the Communications Act or any applicable FCC rule or (ii) any such holder not to be deemed to hold a non-cognizable (under FCC rules governing foreign ownership) future equity interest in us; *provided further*, that, if any distribution of common stock or any other securities to a holder of Special Warrants is not permitted pursuant to clauses (x) or (y), we will cause economically equivalent warrants to be distributed to such holder in lieu thereof, to the extent that such distribution of warrants would not violate the Communications Act or any applicable FCC rules.

To the extent within our control, any tender or exchange offer subject to Sections 13 or 14 of the Exchange Act for Class A common stock, Class B common stock or Special Warrants will be made concurrently and on a *pro rata* basis (in the case of holders of Special Warrants, based upon their ownership of common stock underlying their Special Warrants on an as-exercised basis) to all holders of Class A common stock, Class B common stock and Special Warrants. Distributions to holders of Special Warrants and payments to holders of Special Warrants pursuant to a tender or exchange offer for Special Warrants subject to Sections 13 or 14 of the Exchange Act will be made in compliance with FCC ownership conditions.

The number of shares of our common stock to be received upon exercise of each special warrant is subject to adjustment from time to time. Such number will increase or decrease proportionally upon any increase or decrease in the number of shares of our common stock outstanding resulting from any subdivisions, splits, combination or reverse splits (except in connection with a change of control). We are not required to issue fractional shares in connection with the exercise of Special Warrants, and may either pay an amount in cash in lieu of such fractional shares or round the number of shares received to the nearest whole number. The exercise price is not subject to any adjustment.

Upon the occurrence of any reclassification or recapitalization whereby holders of our common stock are entitled to receive proceeds in cash, stock, securities or other assets or property with respect to or in exchange for common stock, holders who exercise Special Warrants are entitled to receive such proceeds commensurate with the number of shares of common stock they would have received if they had exercised their Special Warrants immediately prior to such reclassification or recapitalization. Upon a change of control in which the only consideration payable to holders of common stock is cash, each special warrant will be deemed to be exercised immediately prior to the consummation of such change of control and the holder will receive solely the cash consideration to which such holder would have been entitled as a result of such change of control. Upon a change of control in which the consideration payable to holders of common stock is other than only cash, at our option, each special warrant will be either (A) assumed by the party surviving such change of control and will continue to be exercisable for the kind and amount of consideration to which such holder would have been entitled as a result of such change of control had the special warrant been exercised immediately prior, or (B) if not assumed by the party surviving such change of control, deemed to be exercised immediately prior to the consummation of such change of control and the holder will receive the consideration to which such holder would have been entitled as a result of such Change of Control, less the exercise price, as though the special warrant had been exercised immediately prior.

The Special Warrants will expire on the earlier of the twentieth anniversary of the issuance date and the occurrence of a change in control of the Company.

Series A Preferred Stock Purchase Rights

On May 5, 2020, our board of directors (the “Board”) authorized and declared a dividend distribution of (i) one (1) Class A right (a “Class A Right” or “Series A Preferred Stock Purchase Right”) for each outstanding share of Class A Common Stock, par value \$0.001 per share, of the Company (the “Class A Common Stock”), (ii) one (1) Class B right (a “Class B Right”) for each outstanding share of Class B Common Stock, par value \$0.001 per share, of the Company (the “Class B Common Stock,” and together with the Class A Common Stock, the “Common Stock”) and (iii) one (1) Warrant right (a “Warrant Right,” and together with the Class A Rights and Class B Rights, the “Rights”) for each of the Company’s outstanding warrants, issued pursuant to the Joint Plan of Reorganization of the Company and certain of its affiliates, as confirmed on January 22, 2019, by order of the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Warrants”), to holders of record at the close of business on May 18, 2020 (the “Record Date”).

Each Class A Right entitles the registered holder to purchase from the Company, when exercisable and subject to adjustment, a unit consisting of one one-hundredth (1/100) of a share (a “Unit”) of Series A Junior Participating Preferred Stock, par value \$0.001 per share (the “Series A Preferred Stock”), at a purchase price of \$50.00 per Unit, subject to adjustment (the “Series A Purchase Price”). Each Class B Right entitles the registered holder to purchase from the Company, when exercisable and subject to adjustment, a Unit of Series B Junior Participating Preferred Stock, par value \$0.001 per share (the “Series B Preferred Stock,” and together with the Series A Preferred Stock, the “Preferred Stock”), at a purchase price of \$50.00 per Unit, subject to adjustment (the “Series B Purchase Price”). Each Warrant Right entitles the registered holder to purchase from the Company when exercisable and subject to adjustment, one (1) Warrant, at a purchase price of \$50.00 per Warrant, subject to adjustment (the “Warrant Purchase Price”).

As of February 22, 2021, there are 110,923,534 Series A Preferred Stock Purchase Rights, attached to the Class A Common Stock, Class B Common Stock and Warrants, outstanding.

Rights Certificates; Exercise Period; Term.

Initially, the Rights will be attached to all Common Stock and Warrant certificates representing shares and Warrants then outstanding (or, for book entry shares of Common Stock or Warrants, the Rights will be represented by notations in the respective book entry accounts), and no separate rights certificates (“Rights Certificates”) will be distributed. Subject to certain exceptions specified in the Rights Agreement, the Rights will separate from the Common Stock and Warrants and a distribution date for the Rights (the “Distribution Date”) will occur upon the earlier of the (i) tenth (10th) business day following a public announcement (or, if the tenth (10th) business day after such public announcement occurs before the Record Date, the close of business on the Record Date) that a person or group of affiliated or associated persons (such person or group being an “Acquiring Person”) has acquired beneficial ownership of ten percent (10%) or more of the outstanding shares of Class A Common Stock (or twenty percent (20%) or more of the outstanding shares of Class A Common Stock in the case of passive institutional investors reporting beneficial ownership on Schedule 13G (a “Schedule 13G Institutional Investor”) under the Exchange Act), other than as a result of (a) pre-existing beneficial ownership in excess of the applicable threshold (in which case such person shall become an Acquiring Person upon acquisition of an additional one percent (1%) of the outstanding shares of Class A Common Stock), (b) repurchases of Common Stock or securities convertible or exchangeable into Common Stock by the Company, (c) certain inadvertent actions by Schedule 13G Institutional Investors, and certain other stockholders or (d) certain other situations (as specified in the Rights Agreement) and (ii) tenth (10th) business day (or such later date as the Board may determine) following the commencement of a tender or exchange offer by any person (other than certain exempt persons specified in the Rights Agreement) that would result in a person or group becoming an Acquiring Person. The Rights Agreement defines beneficial ownership of Class A Common

Stock broadly to include, without limitation, shares of Class A Common Stock into which any shares of Class B Common Stock or Warrants beneficially owned by a potential Acquiring Person may be converted. For purposes of the Rights Agreement, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining the particular percentage of the then-outstanding shares of Class A Common Stock of which any person is the beneficial owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act, as in effect on May 5, 2020 and, for the avoidance of doubt, shares of Class A Common Stock into which any shares of Class B Common Stock or Warrants shall be deemed to be then-outstanding for the purpose of computing the percentage of outstanding Class A Common Stock beneficially owned by a potential Acquiring Person, but shall not be deemed to be then-outstanding for the purpose of computing the shares of Class A Common Stock beneficially owned by any other person. In determining beneficial ownership for purposes of such calculation, the definition described above shall be used and not the definition in Rule 13d-3 under the Exchange Act, and, for the avoidance of doubt, the definition of beneficial ownership of shares of Class A Common Stock then outstanding under the Rights Agreement shall include ownership of any shares of Class B Common Stock or any outstanding Warrants.

Until the Distribution Date, (i) the Class A Rights will be evidenced by the Class A Common Stock certificates, the Class B Rights will be evidenced by the Class B Common Stock certificates and the Warrant Rights will be evidenced by the Warrant certificates (or, for book entry shares of Common Stock or Warrants, by the notations in the respective book entry accounts) and will be transferred with, and only with, such Common Stock and Warrant certificates, (ii) new Common Stock and Warrant certificates issued after the Record Date will contain a notation incorporating the Rights Agreement by reference (for book entry shares of Common Stock and Warrants, this legend will be contained by the notations in book entry accounts) and (iii) the surrender for transfer of any certificates for Common Stock or Warrants outstanding will also constitute the transfer of the Rights associated with the Common Stock or Warrants represented by such certificates. Pursuant to the Rights Agreement, the Company reserves the right to require prior to the occurrence of a Triggering Event (as defined below) that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Preferred Stock or Warrants will be issued.

The Rights are not exercisable until the Distribution Date and will expire on May 5, 2021, unless the Rights are earlier redeemed, exchanged or terminated.

As soon as practicable after the Distribution Date, Rights Certificates will be mailed to holders of record of the Common Stock and Warrants (or notices will be provided to holders of book entry shares of Common Stock or Warrants) as of the close of business on the Distribution Date and, thereafter, the separate Rights Certificates alone will represent the Rights. Except as otherwise determined by the Board, only shares of Common Stock and Warrants issued prior to the Distribution Date will be issued with the Rights.

Flip-in Trigger.

In the event that a person or group of affiliated or associated persons becomes an Acquiring Person (a “Flip-In Event”), (i) each holder of a Class A Right will thereafter have the right to receive, upon exercise, Class A Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two (2) times the Series A Purchase Price, (ii) each holder of a Class B Right will thereafter have the right to receive, upon exercise, Class B Common Stock (or, in certain circumstances, cash, property or other securities of the Company) having a value equal to two (2) times the Series B Purchase Price and (iii) each holder of a Warrant Right will thereafter have the right to receive, upon exercise, Warrants (or in certain circumstances cash, property or other securities of the Company) having a value equal to two (2) times the Warrant Purchase Price. Notwithstanding any of the foregoing, following the occurrence of any Flip-In Event, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person or certain of its transferees will be null and void and any holder of any such Rights (including any purported transferees or subsequent holders) will be unable to exercise or transfer any such Rights. Rights are not exercisable following the occurrence of a Flip-In Event until such time as the Rights are no longer redeemable by the Board as set forth below.

Flip-over Trigger.

In the event that, at any time following a Flip-In Event, (i) the Company engages in a merger or other business combination transaction in which the Company is not the surviving corporation, (ii) the Company engages in a merger or other business combination transaction in which the Company is the surviving corporation and the Common Stock of the Company is changed or exchanged, or (iii) fifty percent (50%) or more of the Company's assets, cash flow or earning power is sold or transferred, each holder of a Right (except Rights which have previously been voided as set forth above) shall thereafter have the right to receive, upon exercise, in accordance with the terms of the Rights Agreement, common stock of the acquiring company having a value equal to two (2) times the exercise price of the Right. However, Rights are not exercisable until such time as the Rights are no longer redeemable by the Board as set forth below. The events set forth in this paragraph and in the preceding paragraph are referred to as the "Triggering Events."

Exchange Feature.

At any time after any person or group becomes an Acquiring Person and prior to the acquisition by such person or group of beneficial ownership of fifty percent (50%) or more of the outstanding shares of Class A Common Stock, the Board may exchange the Rights (other than Rights that have become null and void and nontransferable as described above), in whole or in part, at an exchange ratio of (i) one (1) share of Class A Common Stock per Class A Right, or, if the Company has insufficient authorized Common Stock, one (1) Unit of Series A Preferred Stock (or, among other things, of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges) per Class A Right, (ii) one (1) share of Class B Common Stock per Class B Right, or, if the Company has insufficient authorized Common Stock, one (1) Unit of Series B Preferred Stock (or, among other things, of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges), per Class B Right and (iii) one (1) Warrant per Warrant Right (or, among other things, a warrant having equivalent rights preferences and privileges) (in each case, subject to adjustment). The Board may also authorize the creation of a trust in order to facilitate the exchange of Common Stock and Warrants for the Rights.

Certain Adjustments.

In order to preserve the actual or potential economic value of the Rights, the number of Preferred Shares, Warrants or other securities issuable upon exercise of the Right, the Purchase Price, the Redemption Price and the number of Rights associated with each outstanding share of Common Stock or Warrant are all subject to adjustment by the Board pursuant to certain customary anti-dilution provisions.

Redemption Rights.

At any time prior to the earlier to occur of (i) ten (10) business days following a Flip-In Event (or, if a Flip-In Event shall have occurred prior to the Record Date, the close of business on the tenth (10th) business day following the Record Date) and (ii) the expiration of the Rights Agreement, the Board may redeem all but not less than all of the then-outstanding Rights at a price of \$0.001 per Right (payable in cash, Common Stock or Warrants (as applicable) or other consideration deemed appropriate by the Board), subject to adjustment as provided in the Rights Agreement (the "Redemption Price"). Immediately upon the action of the Board ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Amendment of Rights.

Subject to certain exceptions specified in the Rights Agreement, for so long as the Rights are then redeemable, the terms of the Rights and the Rights Agreement may be amended without the approval of any holder of the Rights.

Subject to certain exceptions specified in the Rights Agreement, after the Rights are no longer redeemable, the provisions of the Rights Agreement may be amended by the Company, including to shorten or lengthen any time period under the Rights Agreement, so long as no such amendment adversely affects the interests of the holders of the Rights.

Certain Anti-Takeover Effects.

The Rights are not intended to prevent a takeover of the Company and should not interfere with any merger or other business combination approved by the Board. However, the Rights may cause substantial dilution to a person or group that acquires beneficial ownership of ten percent (10%) (or twenty percent (20%) in the case of a Schedule 13G Institutional Investor) or more of the outstanding Class A Common Stock. As a result, the overall effect of the Rights may be to render more difficult or discourage a merger, tender offer or other business combination involving the Company that is not supported by the Board.

Miscellaneous.

Until a Right is exercised, the holder thereof, as such, will have no separate rights as a stockholder of the Company, including the right to vote or to receive dividends in respect of the Rights. While the distribution of the Rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock or Warrants, as applicable (or such other consideration as the Board may select), or for common stock of an acquiring company or in the event of the redemption of the Rights as set forth above.

Forum Selection

Our Certificate includes a forum selection clause that provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against the company or any director or officer of the company arising pursuant to any provision of the DGCL, our certificate of incorporation or our Bylaws or (4) any other action asserting a claim against the Company or any director or officer of the Company that is governed by the internal affairs doctrine. The forum selection clause in our Certificate is subject to a number of exceptions, including actions that are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery. Section 27 of the Exchange Act vests exclusive federal jurisdiction for all claims brought to enforce any duty or liability created under the Exchange Act. Therefore, our forum selection clause will not apply to any such claim.

In addition, our Bylaws provide that the federal district courts of the United States are the exclusive forum for any complaint raising a cause of action arising under the Securities Act of 1933, as amended.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the forum selection provisions of our Certificate and Bylaws described above. Although we believe our forum selection clauses will benefit us by providing increased consistency in the application of Delaware law or the Securities Act, as applicable, for these specified types of actions and proceedings, they may have the effect of discouraging lawsuits against us or our directors and officers.

Anti-Takeover Provisions

Certain provisions in our Certificate, Bylaws and the DGCL contain provisions are intended to enhance the likelihood of continuity and stability in the composition of our Board. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our Board to

maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of us by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of our common stock held by stockholders. These provisions include:

Classified Board of Directors. Our Board is divided into three classes of directors, with the classes as nearly equal in number as possible. Beginning at our 2023 annual meeting of stockholders, our Board will no longer be classified. The classification of directors has the effect of making it more difficult for stockholders to change the composition of our Board.

Action by Written Consent. Our certificate of incorporation prohibits our stockholders from acting by written consent. Our stockholders may only take action at a duly called annual or special meeting of stockholders.

Special Meetings of Stockholders. Except as required by law, special meetings of our stockholders may be called at any time only by or at the direction of a majority of our Board. Our Bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of us.

Advance Notice Procedures. Our Bylaws establish advance notice procedures for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our Board or by a stockholder who was a stockholder of record on the record date for the meeting and who complies with the advance notice procedures. Although the Bylaws do not give our Board the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Removal of Directors; Vacancies. Subject to the rights of holders of any outstanding shares of our preferred stock, our directors may be removed, but only for cause, upon the affirmative vote of holders of a majority of the shares entitled to vote thereon, voting as a single class.

Supermajority Approval Requirements. The Company is expressly authorized to adopt, amend, alter or repeal, in whole or in part, our Certificate. Notwithstanding the foregoing, prior to May 1, 2022, any amendment, alteration, rescission or repeal of Articles XI, V, VI, VIII, IX or X of our Certificate, which are generally described herein, require the affirmative vote of at least 66 2/3% in voting power of the outstanding shares of our stock entitled to vote generally in the election of directors. Following May 1, 2022, any amendment, alteration, rescission or repeal of Articles XI, V, VI, VIII, IX or X of our Certificate require the affirmative vote of at least a majority in voting power of the outstanding shares of our stock entitled to vote generally in the election of directors.

The combination of the classification of our Board, the lack of cumulative voting and the supermajority voting requirements will make it more difficult for our existing stockholders to replace our Board as well as for another party to obtain control of us by replacing our Board. Because our Board has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management.

Section 203 of the DGCL

We are governed by the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder unless:

- prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the Company outstanding at the time the transaction commenced, excluding shares owned by persons who are directors and also officers and by specified employee stock plans; or
- at or subsequent to the date of the transaction, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

A “business combination” includes mergers, asset sales, or other transactions resulting in a financial benefit to the stockholder. In general, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the Company’s outstanding voting stock. These provisions may have the effect of delaying, deferring, or preventing a change in our control.

Restrictions relating to FCC Regulations

Pursuant to our certificate of incorporation, we may restrict the ownership, or proposed ownership, of shares of our Class A common stock or Class B common stock (collectively, our “capital stock”), or Special Warrants by any person or entity if such ownership or proposed ownership (a) is or could be inconsistent with, or in violation of, any provision of the Federal Communications Laws (as hereinafter defined), (b) limits or impairs or could limit or impair any of our business activities or proposed business activities under the Federal Communications Laws or (c) subjects or could subject us to any regulation under the Federal Communications Laws to which we would not be subject but for such ownership or proposed ownership (clauses (a), (b) and (c) collectively, “FCC Regulatory Limitations”). The term “Federal Communications Laws” means any law of the United States now or hereafter in effect (and any regulation thereunder), including, without limitation, the Communications Act and regulations thereunder, pertaining to the ownership and/or operation or regulating the business activities of (x) any television or radio station, cable television system or other medium of mass communications or (y) any provider of programming content to any such medium.

If we believe that the ownership or proposed ownership of shares of our capital stock of by any person or entity may result in a FCC Regulatory Limitation, such person or entity must promptly furnish to us such information as we request. If (a) any person or entity from whom information is requested does not comply, or (b) we conclude that a stockholder’s ownership or proposed ownership of, or that a stockholder’s exercise of any rights of ownership with respect to, shares of our capital stock results or could result in a FCC Regulatory Limitation, then, in the case of either clause (a) or clause (b), we may (w) refuse to permit the transfer of shares of our capital stock to a proposed stockholder or refuse to permit the conversion of shares, (x) suspend those rights of stock ownership the exercise of which causes or could cause such FCC Regulatory Limitation, (y) redeem such shares of our capital stock held by such stockholder, and/or (z) exercise any and all appropriate remedies, at law or in equity, in any court of competent jurisdiction, against any such stockholder or proposed transferee, with a view towards obtaining such information or preventing or curing any situation which causes or could cause a FCC Regulatory Limitation. Any refusal to transfer, suspension of rights or refusal to convert pursuant to clauses (w) and (x), respectively, of the immediately preceding sentence will remain in effect until the requested information has been received and we have determined that such transfer, conversion, or the exercise of such suspended rights, as the case may be, will not result in a FCC Regulatory Limitation.

The terms and conditions of redemption pursuant to the preceding paragraph are as follows:

- the redemption price of any shares to be redeemed shall be equal to the fair market value of such shares;

- the redemption price of the shares may be paid in (x) any debt or equity securities of the Company, any subsidiary of the Company or any other corporation or other entity, or any combination thereof (the “redemption securities”), having such terms and conditions as shall be approved by the Board and which, together with any cash to be paid as part of the redemption price, in the opinion of any nationally recognized investment banking firm selected by the Board, has a value, at the time notice of redemption is given at least equal to the fair market value of the shares to be redeemed, assuming the redemption securities were fully distributed and subject only to normal trading activity, (y) cash or (z) any combination of redemption securities or cash;
- if less than all such shares are to be redeemed, the shares to be redeemed shall be selected in such manner as shall be determined by the Board, which may include selection of the most recently purchased shares thereof, selection by lot or selection in any other manner determined by the Board;
- at least 15 days’ written notice of the redemption date will be given to the record holders of the shares selected to be redeemed (unless waived in writing by any such holder);
- from and after the redemption date, any and all rights of whatever nature in respect of the shares selected for redemption will cease and terminate and the holders of such shares shall thenceforth be entitled only to receive the cash or redemption securities payable upon redemption; and
- such other terms and conditions as the Board shall reasonably determine are required by law.

Corporate Opportunity Doctrine

To the fullest extent of law, the Company renounces and waives any interest or expectancy of the Company in being offered an opportunity to participate in, directly or indirectly, any potential transactions, matters or business opportunities presented to any of its officers, directors or stockholders, other than those officers, directors or stockholders who are employees of the Company. None of its respective officers, directors or stockholders shall be liable to the Company or any of its subsidiaries for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such person pursues, acquires or participates in such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Company, unless, in the case of any such person who is a director or officer of the Company, such business opportunity is expressly offered to such director or officer in writing solely in his or her capacity as a director or officer of the Company.

The doctrine of corporate opportunity shall not apply to the Company or any of its officers or directors in circumstances where its application would conflict with any fiduciary duties or contractual obligations or to any other corporate opportunity with respect to any of the officers or directors of the Company unless such corporate opportunity is offered to such person solely in his or her capacity as an officer or director of the Company and such opportunity is one the Company is financially able and legally and contractually permitted to undertake and would otherwise be reasonable for the Company to pursue.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors’ fiduciary duties, subject to certain exceptions. Our certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions is to eliminate the rights of us and

our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

Our Bylaws provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification and advancement provisions that are included in our certificate of incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock will be Computershare Trust Company.

Listing

Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol "IHRT."

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, iHeartMedia Management Services, Inc. (“Company”) and Michael McGuinness (“Employee”) entered into an Employment Agreement effective September 5, 2019 (“Agreement”);

WHEREAS, the parties desire to amend the above-referenced Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties enter into this First Amendment to Employment Agreement (“First Amendment”).

1. This First Amendment is effective January 1, 2021.
2. Section 1 (Term) of the Agreement is amended to extend the initial Employment Period to December 31, 2024. Further, the Notice of Non-Renewal Period is amended to the period between June 1st and July 1st prior to the end of the then applicable Employment Period.
3. Section 3(a) (Base Salary) of the Agreement is amended to increase the Base Salary to Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00).
4. Section 3(c) (Annual Bonus) of the Agreement is amended to increase the Target to 110% of Employee’s annual Base Salary.
5. This First Amendment represents the complete and total understanding of the parties with respect to the content thereof, and cannot be modified or altered except if done so in writing, and executed by all parties. All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment on the date written below and upon full execution by all parties, this Agreement shall be effective as set forth in Section 1 above.

EMPLOYEE:

/s/ Michael McGuinness Date: 1/4/21
Michael McGuinness

COMPANY:

/s/ Richard J. Bressler Date: 1/5/21
Richard J. Bressler
President, Chief Operating Officer and
Chief Financial Officer

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, iHeartMedia Management Services, Inc. (“Company”) and Paul M. McNicol (“Employee”) entered into an Employment Agreement effective July 11, 2016, and a First Amendment effective May 1, 2019 “(collectively, the “Agreement”);

WHEREAS, the parties desire to amend the above-referenced Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties enter into this Second Amendment to Employment Agreement (“Second Amendment”).

1. This Second Amendment is effective upon complete execution by the parties.
2. Section 1 (Term of Employment) of the Agreement is deleted in its entirety and replaced as follows, and all references in the Employment Agreement to Renewal or Non-Renewal are hereby deleted:

This Agreement commences on July 11, 2016, and ends on December 31, 2021, unless otherwise terminated in accordance with the provisions herein (the “Employment Period”). Provided, however, that commencing on January 1, 2022, the Employment Period shall be extended for one additional year (the “Option Period”) if no later than October 1, 2021, Company shall have given written notice to Employee that Company elects, in its sole discretion, to extend this Agreement for such additional one-year period. The term “Employment Period” as utilized in this Agreement, shall refer to the Employment Period as so extended, if applicable. All terms and conditions of this Agreement shall remain the same during any Option Period.

In the event Company chooses not to exercise the Option Period, Employee shall be placed in a consulting capacity in accordance with the terms of Section 11 of the Employment Agreement, through December 31, 2022.

3. Effective January 1, 2021, Section 2(a) (Title and Duties) of the Agreement is deleted in its entirety and replaced as follows:
 - (a) **Title and Duties.** Employee’s title is Executive Vice-President and Advisor to the General Counsel, CEO and President, COO and CFO of the Company. Employee will perform job duties as determined by the CEO and in support of the General Counsel.
4. Effective January 1, 2021, Section 3(a) (Base Salary) of the Agreement is amended to reduce Employee’s Base Salary to Five Hundred Thousand Dollars (\$500,000.00).
5. Effective January 1, 2021, Section 3(c) (Annual Bonus) of the Agreement is amended to add the following sentence to the end of the paragraph:

Eligibility for any Annual Bonus shall be determined at the discretion of Company’s CEO.

6. Section 3(d) (Long Term Incentive) of the Agreement is amended to add the following to the end of the paragraph:

In the event Employee is placed in a consulting status due to Company choosing not to exercise the Option Period as outlined in Section 1, such transition by Company to consulting shall be considered a Qualifying Termination pursuant to the terms of any applicable grant agreements and equity plan(s) Employee received, and all equity awards shall be controlled by the terms of the applicable grant agreements and equity plan(s).

7. This Second Amendment represents the complete and total understanding of the parties with respect to the content thereof, and cannot be modified or altered except if done so in writing, and executed by all parties. All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment on the date written below and upon full execution by all parties, this Agreement shall be effective as set forth in Section 1 above.

EMPLOYEE:

/s/ Paul M. McNicol Date: 12/22/2020
Paul M. McNicol

COMPANY:

/s/ Richard J. Bressler Date: 12/21/2020
Richard J. Bressler
President, Chief Operating Officer and
Chief Financial Officer

Exhibit 21: Subsidiaries of Registrant, iHeartMedia, Inc.

Name	State of Incorporation
Austin Tower Company	TX
Broader Media Holdings, LLC	DE
The Black Effect, LLC	DE
iHM Licenses, LLC	DE
Christal Radio Sales, Inc.	DE
Critical Mass Media, Inc.	OH
iHeartCommunications, Inc.	TX
iHeartMedia + Entertainment, Inc.	NV
iHeartMedia Capital I, LLC	DE
iHeartMedia Capital II, LLC	DE
iHeartMedia Management Services, Inc.	TX
iHeart Operations, Inc.	DE
iHM Identity, Inc.	TX
Jelli, Inc.	DE
Katz Communications, Inc.	DE
Katz Media Group, Inc.	DE
Katz Millennium Sales & Marketing, Inc.	DE
Katz Net Radio Sales, Inc.	DE
Los Angeles Broadcasting Partners, LLC	DE
M Street Corporation	WA
Premiere Networks, Inc.	DE
Stuff Media, LLC	DE
Tower FM Consortium, LLC	TX
TTWN Media Networks, LLC	MD
TTWN Networks, LLC	DE
Unified Enterprises Corp.	DE
Big Money Players Network, LLC	DE
Voxnest, Inc.	DE
Spreaker, Inc.	DE
BlogTalkRadio, Inc.	DE

Name	Country of Incorporation
Aircheck India Pvt. Ltd.	India
Media Monitors (M) Sdn. Bhd.	Malaysia
Media Monitors Dominican Republic	Panama
Radio Computing Services (Africa) Pty Ltd.	South Africa
Radio Computing Services (India) Pvt. Ltd.	India
Radio Computing Services (NZ) Ltd.	New Zealand
Radio Computing Services (SEA) Pte Ltd.	Singapore
Radio Computing Services (Thailand) Ltd.	Thailand
Radio Computing Services (UK) Ltd.	United Kingdom
Radio Computing Services Canada Ltd.	Canada
Radio Computing Services of Australia Pty Ltd.	Australia
Radiojar SA	Greece
RCS Europe SARL	France
RCS Radio Computing China, Inc.	China
RCS Works Mena DMCC	Dubai
RCS Technologies Greece	Greece
V-Labs, S.r.L	Italy

Exhibit 23: CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-231573) pertaining to the 2019 Incentive Equity Plan of iHeartMedia, Inc. of our reports dated February 25, 2021, with respect to the consolidated financial statements and schedule of iHeartMedia, Inc., and the effectiveness of internal control over financial reporting of iHeartMedia, Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2020.

/s/ Ernst & Young LLP
San Antonio, Texas
February 25, 2021

EXHIBIT 31.1 - CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert W. Pittman, certify that:

1. I have reviewed this Annual Report on Form 10-K of iHeartMedia, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ Robert W. Pittman

Robert W. Pittman

Chairman and Chief Executive Officer

EXHIBIT 31.2 - CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard J. Bressler, certify that:

1. I have reviewed this Annual Report on Form 10-K of iHeartMedia, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2021

/s/ Richard J. Bressler

Richard J. Bressler

President and Chief Financial Officer

EXHIBIT 32.1 – CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-K”) of iHeartMedia, Inc. (the “Company”). The undersigned hereby certifies that to his knowledge, the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 25, 2021

By: /s/ Robert W. Pittman
Name: Robert W. Pittman
Title: Chairman and Chief Executive Officer

EXHIBIT 32.2 – CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Annual Report on Form 10-K for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-K”) of iHeartMedia, Inc. (the “Company”). The undersigned hereby certifies that to his knowledge, the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 25, 2021

By: /s/ Richard J. Bressler
Name: Richard J. Bressler
Title: President and Chief Financial Officer