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 001-36558

Townsquare Media, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-1996555**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Manhattanville Road	
Suite 202	
Purchase, New York	**10577**
(Address of Principal Executive Offices)	(Zip Code)

(203) 861-0900
Registrant's telephone number, including area code

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	TSQ	The New York Stock Exchange

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

None

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

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

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

The aggregate market value of the registrant’s voting and non-voting common stock held by non-affiliates of the registrant was $60,857,199 based upon the closing price on the New York Stock Exchange on June 30, 2020, the last business day of the registrant’s most recently completed second fiscal quarter. For this computation, the registrant has excluded the market value of all shares of its common stock held by directors and officers of the registrant and certain other stockholders; such exclusion shall not be deemed to constitute an admission that any such person is an “affiliate” of the registrant.

As of March 11, 2021, the registrant had 16,098,760 outstanding shares of common stock consisting of: (i) 14,447,123 shares of Class A common stock, par value $0.01 per share; (ii) 815,296 shares of Class B common stock, par value $0.01 per share; and (iii) 836,341 shares of Class C common stock, par value $0.01 per share. The registrant also had 162,696 warrants to purchase Class A common stock outstanding as of that date.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement relating to its 2021 annual meeting of stockholders (the “2021 Proxy Statement”), to be filed with the Securities and Exchange Commission are incorporated by reference in Part III, Items 10 to 14 of this Annual Report on Form 10-K as indicated herein.

townsquare

IS A COMMUNITY-FOCUSED DIGITAL MEDIA, DIGITAL MARKETING SOLUTIONS AND RADIO COMPANY PRINCIPALLY FOCUSED ON BEING THE PREMIER LOCAL ADVERTISING AND MARKETING SOLUTIONS PROVIDER IN SMALL AND MID-SIZED MARKETS.

TOWNSQUARE MEDIA, INC.

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`MARKET, RANKING AND OTHER INDUSTRY DATA

In this Annual Report on Form 10-K ("Annual Report") of Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, "we," "us," "our," "Company," or "Townsquare") we rely on and refer to information and statistics regarding our industry, the size of certain markets and our position within the sectors in which we compete. Some of the market and industry data contained in this Annual Report is based on independent industry publications or other publicly available information, while other information is based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources listed in this Annual Report, our management's knowledge and experience in the markets in which we operate, and information obtained from our customers, suppliers and other contacts in the markets in which we operate. Although we believe that this information is reliable as of its respective dates, it involves uncertainties and is subject to change, including as a result of the factors discussed under "Forward-Looking Statements" and "Risk Factors" in this Annual Report.

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are owned by us or licensed by us. We also own or have the rights to copyrights that protect the content of our products. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this Annual Report are listed without the ©, ® and ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks, trade names and copyrights. This Annual Report may include trademarks, service marks or trade names of other companies. Our use or display of other parties' trademarks, service marks, trade names or products is not intended to, and does not imply a relationship with, or endorsement or sponsorship of us by, the trademark, service mark or trade name owners.

FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this Annual Report are forward-looking statements. Forward-looking statements often discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, 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 “aim,” “anticipate,” “estimate,” “expect,” “forecast,” “outlook,” “potential,” “project,” “projection,” “plan,” “intend,” “seek,” “believe,” “may,” “could,” “would,” “will,” “should,” “can,” “can have,” “likely,” the negatives thereof and other words and terms. For example, all statements we make relating to our estimated and projected earnings, revenue, 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 a variety of risks and uncertainties that may cause actual results to differ materially from those that we expected, including:

- the impact of general economic conditions in the United States, or in the specific markets in which we currently do business, including as a result of the COVID-19 pandemic;
- the impact of the COVID-19 pandemic, the extent of which will depend on future actions and outcomes that are highly uncertain and cannot be predicted, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic and financial market effects of the pandemic, the containment measures and the pace of the economic and financial market recovery;
- cancellations, disruptions or postponements of advertising schedules in response to national or world events, including the COVID-19 pandemic;
- the impact of several material weaknesses in internal control over financial reporting that have been identified;
- industry conditions, including existing competition and future competitive technologies;
- the popularity of radio as a broadcasting and advertising medium;
- our ability to develop and maintain digital technologies and hire and retain technical and sales talent;
- our dependence on key personnel;
- our capital expenditure requirements;
- our continued ability to identify suitable acquisition targets and consummate and integrate any future acquisitions;
- legislative or regulatory requirements;
- risks and uncertainties relating to our leverage and changes in interest rates;
- our ability to obtain financing at times, in amounts and at rates considered appropriate by us;
- our ability to access the capital markets as and when needed and on terms that we consider favorable to us; and
- other factors discussed in the section entitled “Risk Factors”.

Further, many of the factors discussed in the section entitled “Risk Factors” are more likely to occur and be further intensified due to the impact of the COVID-19 pandemic. While we believe that our expectations reflected in forward-looking statements are reasonable, we caution that it is 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 are disclosed under “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Annual Report, as well as other risks discussed from time to time in our filings with the SEC. 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 we anticipate or affect us or our operations in the way we expect and you should not rely upon forward-looking statements as a prediction of future events. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance.

The cautionary statements referred to in this section also should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our behalf. The forward-looking statements included in this Annual Report are made only as of the date hereof or as of the date specified herein. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

ELECTRONIC ACCESS TO COMPANY REPORTS

Our investor website can be accessed at www.townsquaremedia.com under the "Equity Investors" section. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are available free of charge on our investor website promptly after we electronically file those materials with, or furnish those materials to, the SEC. We also use the "Equity Investors" section of our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Investors are urged to monitor our investor website for announcements of material information relating to us. No information contained on any of our websites is intended to be included as part of, or incorporated by reference into, this Annual Report.

PART I

ITEM 1. BUSINESS

Description of Business

Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, "we," "us," "our," "Company," or "Townsquare") is a community-focused digital media, digital marketing solutions and radio company focused outside the Top 50 markets in the U.S. We own and operate 322 radio stations and more than 330 local websites in 67 U.S. markets, a digital marketing services subscription business providing websites, search engine optimization, social platforms and online reputation management ("Townsquare Interactive") for approximately 22,750 small to medium sized businesses, a proprietary digital programmatic advertising technology with an in-house demand and data management platform ("Townsquare Ignite," or "Ignite"), an e-commerce offering, and we own and operate numerous local live events each year. Many of our radio stations are considered market leaders and we also participate in the digital, mobile, video and social media arena. Almost all of our radio stations have local companion websites that utilize the station brands and are populated with proprietary, original content created or curated by our local media personalities. In addition, we create, promote and produce a diverse range of live events, including concerts, expositions and other experiential events within our radio markets. Our brands include local media assets such as *WYRK*, *KLAQ*, *K2* and *NJ101.5*; iconic local events such as the *WYRK's Taste of Country,* the *Boise Music Festival*, the *Red Dirt BBQ & Music Festival* and *Taste of Fort Collins*; and leading tastemaker music and entertainment websites such as *XXLmag.com*, *TasteofCountry.com* and *Loudwire.com*.

Our integrated and diversified product and service offerings enable local, regional and national advertisers to target audience engagement across multiple platforms, including on-air, online and at live events. We believe our product and service offerings, combined with our leading market position in small and mid-sized markets, enable us to generate higher total net revenue per audience member than radio station owners focused on larger markets.

Our Segments

The Company has identified three operating segments, which are Advertising, including broadcast and digital advertising products and solutions, Townsquare Interactive, our digital marketing solutions subscription business and Live Events, including concerts, expositions and other experiential events.

Advertising

Our Advertising segment includes the broadcast operations of our radio stations, together with our owned and operated websites and the various digital advertising solutions we offer, including Townsquare Ignite, our digital programmatic advertising platform. Our primary sources of net revenue are the sale of advertising on our radio stations, owned and operated websites, radio stations' online streams and mobile applications. Additionally, we offer precision customer targeting solutions to advertisers through Ignite. Combining first and third party audience and geographic location data, Ignite is able to hyper-target audiences for our local, regional and national advertisers, providing them the ability to reach a high percentage of their online audience. Ignite delivers these solutions across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions.

Our sales of advertisements are primarily affected by the demand for advertising from local, regional and national advertisers and the advertising rates we charge. Advertising demand and rates are based primarily on our ability to attract audiences to our various products in the demographic groups targeted by advertisers, as measured by various services on a periodic basis. We endeavor to develop strong audience loyalty and believe that the diversification of formats on our radio stations and websites helps to insulate our radio stations and websites from the effects of changes in musical tastes of the public. We believe that the sale of our online and mobile advertisements, which currently have rates per advertisement that are less than those of terrestrial radio advertisements, has not negatively impacted our terrestrial radio advertising net revenue. Should a significant and sudden shift in demand for these products toward online and mobile occur, there could be a material adverse impact on our financial condition and results of operations if we are unable to increase rates accordingly. However, we believe that as a result of our strong brands and quality online and mobile offerings we are well positioned to increase rates as demand increases for these products.

Townsquare Interactive

Townsquare Interactive offers digital marketing solutions, on a subscription basis, to small and mid-sized local and regional businesses in small and mid-sized markets across the United States, including but importantly not limited to the markets in which we operate radio stations. Our primary source of Townsquare Interactive net revenue is traditional and mobile-enabled website development and hosting services, e-commerce solutions, search engine organic traffic and online directory optimization services, online reputation monitoring, social media management, appointment scheduling services, email marketing services, and website retargeting often packaged together as a comprehensive digital marketing solution.

Live Events

Our primary source of Live Events net revenue is ticket sales. Our Live Events also generate substantial net revenue through the sale of sponsorships, food and other concessions, merchandise and other ancillary products and services. Live Event ticket pricing is based on consumer demand for each event and the geographic location and target audience demographic of each event. Unforeseen events such as inclement weather conditions can have an adverse impact on our net revenue. In certain cases, we mitigate this risk with insurance policies, which cover a portion of lost revenue as a result of unforeseen events including inclement weather. Legislative and regulatory responses to the COVID-19 pandemic required us to cancel nearly all scheduled live events beginning in March 2020.

Overall

We strive to maximize our net revenue by managing our advertising inventory and adjusting prices based on supply and demand, and by broadening our base of advertisers and subscribers. Our selling and pricing activities are based on demand for our advertising inventory and, in general, we respond to this demand by varying prices rather than by varying our target inventory levels. The optimal number of advertisements available for sale depends on the platform and in the case of our radio stations, their online streams and mobile applications, the programming format of a particular radio station. We seek to broaden our base of advertisers in each of our markets by providing a wide array of audience demographic segments, thereby providing each of our potential advertisers with an effective means of reaching a targeted demographic group.

Our advertising contracts are generally short-term. In the media industry, companies, including ours, sometimes utilize barter agreements that exchange advertising time for goods or services such as travel or lodging, instead of cash.

Our most significant expenses are sales personnel, programming, digital, marketing and promotional, engineering, and general and administrative expenses. We strive to control these expenses by closely monitoring and managing each of our local markets and through efficiencies gained from the centralization of finance, accounting, legal and human resources functions and management information systems. We also use our scale and diversified geographic portfolio to negotiate favorable rates with vendors where feasible.

A portion of our expenses are variable. These variable expenses primarily relate to sales costs, such as commissions, as well as certain programming costs, such as music license fees, and certain costs related to production. Marketing and promotions expenses are discretionary and are primarily incurred in an effort to maintain and/or increase our audience share. Other programming, digital, engineering and general and administrative expenses are primarily fixed costs.

Competitive Strengths

We believe that we are well-positioned to capitalize on the following competitive strengths to achieve growth in our future performance:

National Scale and Expertise, on a Local Level, in Small and Mid-Sized Markets.

Our scale, national reach and expertise in media and entertainment provides significant competitive advantages in our small and mid-sized markets.

Large-Market Products, Technology and Practices Deployed in Small and Mid-Sized Markets.

Our flexible and customized content management system, digital advertising products and delivery capabilities, mobile applications, digital marketing solutions capabilities, digital programmatic advertising platform, data analytics and strategic insights platform, online video content and repeatable live event templates allow us to deliver world-class products in small and mid-sized markets. We believe that with our scale we can offer superior solutions for advertisers and audiences alike as compared to many of our local competitors.

National Scale with Local Focus.

We believe we are the largest and best-capitalized owner and operator of radio stations focused solely on small and mid-sized markets in the United States. This national scale allows us to have greater relevance to, and recognition from, our advertising clients while sharing best practices for strategy and operations across our asset portfolio.

Captive Local Audience Drives Superior Opportunity in Small and Mid-Sized Markets.

The competitive and economic environments found in small and mid-sized markets, particularly the markets where we have an established presence, provide significant advantages to us and, we believe, reduce volatility in our financial results.

Attractive Competitive Landscapes.

There are fewer and less well-capitalized, local media competitors across our small and mid-sized markets relative to larger markets. In 43 of our 67 local markets, we do not compete against any of the five largest English language national radio competitors, as measured by number of radio stations owned. We believe this competitive landscape allows our brands to gain a greater share of audience and advertising expenditures in our markets than what is generally achieved by peers operating in large markets.

Stable, Locally Significant Institutions.

We have assembled our radio station assets and most of our live events operations across a collection of small and mid-sized markets, supported by stable, locally significant institutions such as universities, military bases, state capitals, regional medical centers and retail hubs. We believe these stabilizing institutions further reduce the volatility of advertising spending in our markets.

#1 or #2 Revenue Market Share in Nearly All of Our Markets.

Our brands, in the aggregate, capture the largest or the second largest radio revenue share in 64 of our 67 markets, and in 47 markets we are ranked number one. This leading market share position is indicative of our audience reach and engagement as well as our relevance to advertisers in our markets.

Strong Relationships with Local and Regional Advertisers.

In the year ended December 31, 2020, we generated approximately 80% of our revenue from a broad array of local and regional advertisers in a number of industries, including automotive dealers, banking and mortgage service providers, furniture and home furnishings retailers, food and beverage service providers, healthcare service providers and media and telecommunications service providers. We generate a majority of our local advertising revenue by selling directly to local advertisers, as well as to local and regional advertising agencies which affords us the opportunity to better present our products, cross-sell products and more directly influence their advertising expenditure decisions.

Geographic Diversification with Strength in Regional Clusters.

Our assets are geographically diversified, which helps to mitigate potential regional economic volatility and inclement weather events. By clustering our markets in the Northeast, Upper Midwest, Texas and Mountain West regions we are able to create compelling audience coverage for regional advertisers and benefit from economies of scale.

Diversified and Integrated Product Offering.

Our diversified product offering substantially differentiates us from our competition. This diversification allows us to provide superior solutions to our audience and advertisers, underpins our growth strategy and, we believe, helps to mitigate the risks associated with advertising revenue concentration.

Audience Engagement In and Out-of-Home, Across Multiple Platforms.

We offer our audience the ability to access our branded content on-air, online and on-site across multiple distribution channels. We believe that leveraging technology to make our branded content experiences accessible on any device and in multiple locations strengthens our audience engagement.

Targeted Audience Reach, Closer to the Point of Sale, for Local, Regional and National Advertisers.

A significant portion of our audience engagement occurs when our audience is out-of-home, particularly in the car, at the workplace or at our live events. Our audience frequently interacts with our content in close proximity to point of purchase, thereby amplifying the impact of our advertisers.

Launch Point for Non-Radio Products.

Our radio reach and engagement provide a powerful foundation from which we are able to grow our websites, social media presence, online radio streams, mobile applications, digital marketing solutions, programmatic digital advertising platform and live events. We believe that the increased interaction with consumers across these products and platforms in turn reinforces consumer loyalty and affinity toward our radio brands and enables us to develop and grow complementary products in our markets.

Diversified Revenue Base.

We generate revenue from a diversified base of products and services, advertisers and markets. In the year ended December 31, 2020, approximately 46% of our net revenue was derived from sources other than the sale of terrestrial radio station advertising. For the year ended December 31, 2020, no advertising category, market, or state represented more than 20% of revenue. No single customer accounted for more than approximately 1% of revenue for the years ended December 31, 2020 and 2019.

Monetization of Our Audience Relationships.

We believe that our diversified and integrated product and service offerings, combined with our leading market position in small and mid-sized markets based on radio revenue share, enables us to generate higher total revenue per audience member than radio station owners focused on larger markets.

Influential Local and National Brands.

Strong Brand Recognition with Deep Local Heritage.

We believe our brands are well positioned, both to defend their competitive position in the radio medium and to expand their competitive position online, on social media platforms, mobile devices, voice activated smart speakers, and in live events, which will allow for greater audience reach and deeper, more frequent interaction with our audience.

Original and Nationally Oriented Digital Brands Attract Significant Audience.

In addition to our heritage brands, we established several original brands that have experienced significant audience growth since their inception and attract a large, stable and engaged audience.

Focus On Providing Original Entertainment, Music and Lifestyle Media Experiences to Our Audience.

We believe that our focus on providing original entertainment, music and lifestyle media experiences to our audience is a key driver of our powerful audience reach and engagement metrics.

Market Leadership in High-Quality, Locally-Focused Content.

In our markets, we are among the largest providers of locally-focused content available to consumers. The quality and availability of our locally-focused content allows our brands to distinguish themselves from other local offerings, attract larger audiences and build a loyal audience. Several of our competitors, particularly in print media, have reduced the amount of original local content they produced or created pay-walls that restrict access to their digital content. We believe these trends will continue and will provide an advantage to our offerings as compared to other local media offerings.

Expertise in Music and Entertainment.

We believe that our expertise in the creation of music and entertainment content represents the foundation of our audience value proposition and is, in part, responsible for many of the strong metrics evidencing our broad and deep audience engagement, our ability to attract employees who excel at content production, and our success with advertisers seeking to reach the valuable consumers attracted by our premium content.

Attractive Radio Industry Fundamentals.

The local media industry is an important medium for advertisers to reach targeted local consumers and for consumers to engage with relevant local content and events. Radio is a significant component of total local advertising spend as it remains a highly relevant and important medium for consumers.

Stable and Engaged Audience Base.

Despite the increased number of alternative media, terrestrial radio has experienced negligible audience fragmentation over the past 50 years and remains a significant source of daily media exposure. According to Nielsen Holdings N.V. (“Nielsen”), terrestrial radio broadcasts reached approximately 85% of American adults ages 12+ each week as of December 2020, a level that has remained largely consistent since 1970.

Trusted and Socially-Influential Local Media Personalities.

Research suggests that radio personalities are trusted by their audience and are socially influential. As reported in the Katz Media Group, Our Media, 2019 survey, 81% of listeners considered their favorite personality to be like a friend, family member or acquaintance. Additionally, 83% value and trust their favorite personality’s opinion. According to Jacobs Media’s Tech Survey 2020, 72% of listeners feel a connection with their home radio station, and 59% say radio personalities are the main reason they listen to the radio.

Cost-Effective Value Proposition to Advertisers.

Given the stability of its audience, its broad reach and its relatively low cost as compared to competing advertising media such as television, we believe radio continues to offer an attractive value proposition to advertisers. The price point for radio advertising on a cost per thousand basis is lower than most other local media that deliver similar scale. This makes radio more affordable and accessible for the type of small and mid-sized businesses typically found in our markets.

Free Delivery of Local Content to End-Users.

Terrestrial radio's free content distribution model provides an effective competitive advantage against other mediums, particularly those that deploy a subscription-based business model or rely on costs associated with internet connectivity or bandwidth use. In many of our markets, radio represents the only local content available to consumers free of charge.

Key Provider of Safety Information and Charitable Support in the Communities We Serve.

Our radio stations and local websites, together with our employees, play a vital role in the communities we serve by providing emergency information in times of crisis and by supporting a wide variety of charitable endeavors. During weather and other emergencies, government officials rely on our radio stations to disseminate critical, occasionally life-saving, information. Our radio stations and local websites also routinely support charity and community events through on-air and digital promotions to bolster fundraising activities and emergency relief efforts. These efforts further strengthen our position with both our audience and our advertisers.

Reliable and Substantial Cash Flow Generation.

Our business enjoys strong cash flow generation owing to the relatively limited capital needs of our operations. During the year ended December 31, 2020, we recorded $14.9 million of capital expenditures, which represented 4.0% of net revenue during the same period. In addition, we benefit from certain tax attributes that generate tax deductions which have historically limited the amount of cash taxes we pay.

Strong, Experienced and Incentivized Management Team.

We have an experienced senior management team with a proven, multi-disciplinary track record of delivering results for stakeholders.

Operating Strategy

The principal features of our operating strategy are:

Solidify Our Position in Our Markets.

Our market positioning is supported by the demonstrable and consistent positive results our products produce for advertisers.

Continue to Build Our Premium Portfolio of Brands.

Our branding strategy is fundamental to growing our audience and revenue. Across our markets, we have a large portfolio of distinct local brands that resonate with and appeal to our audiences. Many of our brands have several decades of heritage in our markets. Consumers associate our brands with high quality, locally-relevant content and entertainment. We intend to continue to invest in marketing and promotions in support of our brands and to actively participate in community events to increase our local market presence.

Deepen Relationships with Advertisers to Increase Share of Advertising Spend.

We are committed to growing our sales force, training our sales personnel and investing in our business to allow us to deepen relationships with our advertisers, including developing new products that will allow our content, and our advertisers, to reach a broader audience more frequently and in more locations. Over time, we believe we can capture a greater share of the advertising expenditure in our markets across all mediums.

Continue to Develop New Products That Foster Interaction with Our Audience Across Multiple Mediums and Increase Monetization Opportunities.

Our audience reach, combined with our direct relationship with local advertisers in our markets, positions us to launch and monetize new products and services, further diversifying and growing our revenue. The natural synergies between our products allow us to leverage our operating structure and further monetize existing audience and advertiser relationships. In the past, we have introduced a mobile streaming application (radioPup), an e-commerce product (Seize the Deal), a digital marketing solutions platform (Townsquare Interactive), a programmatic digital advertising platform (Townsquare Ignite), and mobile applications for individual stations and brands. In addition to delivering revenue growth, these products and services which we continue to develop, frequently appeal to potential customers in our markets who may not access our radio products, thereby increasing our overall customer base and market share. We intend to continue to develop new digital products and offerings and to better monetize our digital audience.

Focus on Differentiated Live and Local Content.

We generally provide a larger proportion of live and local content relative to other local media companies in our markets. We believe such live and local content is more engaging to our audience and differentiates our offerings in an increasingly crowded media landscape, mitigating the threat of audience attrition. Many competing audio media offerings, including Spotify, Pandora and SiriusXM, do not offer local content in our markets. We intend to continue providing audiences with this differentiated content and enjoy the advantages it provides us with our audience and our advertisers.

Capitalize on Strong Positions and Brands in Country, News/Talk/Sports, and Rock Formats.

As of March 5, 2021, we own 70 radio stations formatted with Country content, 68 formatted with News/Talk/Sports content and 61 formatted with Rock content, representing approximately 22%, 21%, and 19% of our radio stations, respectively. The majority of our radio stations airing these formats capture the largest audience among radio stations airing similar content in their respective markets, as ranked by Nielsen or other ratings services. We create audio programming, online content and live events which leverage our strength in these formats, together with the strength of our brands. We intend to continue to use our expertise and knowledge in these formats to share best practices and optimize content across our portfolio in order to maximize audience engagement within these formats.

Leverage Scalable Infrastructure and Continue to Improve Operating Efficiencies Across Our Company.

Our various media products share common, largely fixed-cost operating infrastructure, resulting in significant economies of scale. We also negotiate vendor contracts with key suppliers on a centralized basis, which further reduces costs. As a result, as we grow our revenue, a significant majority of each incremental dollar of revenue is converted into incremental earnings.

Acquisition Strategy

The principal features of our acquisition strategy are:

Prudently Pursue Attractively-Valued Acquisition Opportunities.

We have a successful track record of sourcing and integrating acquisitions. We intend to continue to pursue attractively-priced acquisitions of radio stations, digital properties, and live events. We target assets that have strong brands, enjoy leading market share positions, generate strong cash flow, and generally possess traits consistent with our existing assets. In addition, acquiring assets allows us to achieve additional economies of scale, share best practices across a broader platform, and further diversify our revenue base across our properties and geographies.

Add to Our Portfolio of Attractive Radio Station Clusters.

Since our Company's founding by members of the current senior management team in 2010, we have expanded our radio station portfolio from 60 to 322 by completing more than 10 radio transactions. Radio station ownership in the United States remains significantly fragmented with over 3,000 owners operating over 10,000 commercial radio stations. While current Federal Communication Commission ("FCC") ownership limitations restrict our ability to acquire incremental radio stations in many of our markets, there remain a large number of markets with characteristics that are consistent with Townsquare's acquisition criteria, in which we have no presence today. Given our acquisition track record, we are viewed by many sellers of radio stations to be a potential buyer, which has afforded us the opportunity to review the majority of stations sold in recent years. We expect to remain active, and disciplined from a valuation perspective, in the radio station marketplace. For information regarding certain of our recent acquisitions and dispositions, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Overview of our Performance - Changes to our Business."

Augment the Growth of Our Digital Product Offerings Through Acquisitions.

In addition to our radio acquisition activity, since 2010 we have executed acquisitions of digital assets, which have further extended our multi-product, cross-platform offering and provided geographic and revenue diversification. The acquired assets included certain assets of AOL Music and *XXL*. We strive to leverage our existing platform in combination with the acquired assets to drive operating efficiencies and financial performance. We expect to continue to consider opportunities in the digital acquisition marketplace.

Evaluate New Product Opportunities.

We have evaluated a number of acquisition opportunities in other sectors that we view as adjacent and complementary to our existing asset portfolio. We expect to continue to consider such opportunities and potentially take action, in the event that we find an opportunity that provides a natural extension to our core competencies, further diversifies our revenue and demonstrates a risk-reward profile that meets our stringent financial return requirements.

Sources of Revenue

We generate revenue by providing multiple products and services across a range of media platforms. We approach our media products holistically, maximizing our revenue potential by pursuing integrated cross-platform sales and solutions for our advertising clients. Specifically, we offer advertisers cross-platform packages that incorporate our audience reach across radio, websites, social media, online video, mobile, voice activated smart speakers, digital marketing solutions, e-commerce and live events.

Our revenue is generated primarily through the integrated sale of the following products and solutions:

- Spot radio advertisements sold to local, regional and national advertisers that air on our radio stations via terrestrial radios, computers, mobile devices, connected devices such as cars and TVs, and voice activated smart speakers.
- Sponsorships, live reads and endorsements in our radio programming, website content, video channels and social media sold to local, regional and national advertisers.
- Remote broadcasts of our radio stations at advertisers' places of business sold to local and regional advertisers.
- Barter-based auctions sold to local and regional advertisers.
- Display, sponsorship and video advertising, including custom developed digital advertisement products on our radio station websites, owned and operated, and affiliated national websites, mobile applications, social media platforms, YouTube channels, email newsletters and digital programmatic advertising platform, to local, regional and national advertisers.
- Advertising and sponsorships in our radio stations' online radio streams accessible on computing devices, voice activated smart speakers, and mobile devices through our mobile streaming application, radioPup, or individual station mobile applications, sold to local, regional and national advertisers.

- Sponsored video content, including branded content series, often featuring musicians or other celebrities, and distributed across our portfolio of local and/or national digital properties and social media channels, sold to local, regional and national advertisers.
- Traditional and mobile-enabled website development and hosting services, e-commerce solutions, search engine and online directory optimization services, online reputation monitoring, social media management, appointment scheduling services, email marketing services, and website retargeting sold to local and regional small and mid-sized businesses.
- E-Commerce offerings, including daily deals, ongoing deals and auctions sold to local and regional advertisers.
- Admission tickets, merchandise, food and other concessions, and other ancillary products and services sold to our audience.
- Sponsorships, exhibit space and activations sold to our local, regional and national advertisers.
- Licenses of our brands and content, sold to other media companies.

We believe we are positioned to generate revenue growth by increasing audience interaction with our radio and digital assets and live events, as well as increasing our share of advertising with new and existing advertisers.

Customers

No single customer accounts for more than approximately 1% of revenue in any of the years ended December 31, 2020 and 2019. A significant percentage of our advertising revenue is generated from the sale of advertising to the automotive, financial services, health services, entertainment, and retail industries.

Our Industry

The local media industry is an important medium for advertisers to reach targeted local consumers and for consumers to engage with relevant local content and events. According to SNL Kagan forecasts, local advertising spending across all U.S. major media categories totaled $92.9 billion in 2020. Since 2015, U.S. local advertising has increased at a 4.8% compound annual growth rate and is projected to grow at a 6.3% compound annual growth rate through 2025. In 2020, local advertising spending on radio and digital, among our target categories, totaled $66.8 billion. Since 2015, U.S. local advertising spending on radio and digital has increased at a 14.1% compound annual growth rate and is projected to grow at a 9.0% compound annual growth rate through 2025.

Advertising

Radio. The primary source of revenue for radio broadcasting companies is the sale of advertising time to local, regional and national spot advertisers, and national network advertisers. According to SNL Kagan, over the past 5 years radio advertising has generally represented approximately 4.4% to 6.0% of the overall U.S. advertising market, and has typically followed macroeconomic growth trends. In 2020, radio advertising revenue reached $11.2 billion of which $8.2 billion was from local radio advertising. The radio industry has a stable and engaged audience base and continues to be one of the core methods for advertisers to reach their targeted audience. According to Nielsen, terrestrial radio broadcasts reached approximately 85% of American adults age 12+ each week as of December 2020, a level that has remained largely consistent since 1970.

Digital. The primary source of revenue for national and local websites, accessed either from a PC, tablet or mobile device, is the sale of search ads, display ads and video advertising directly to advertisers and indirectly through advertising networks and exchanges. According to SNL Kagan forecasts, in 2020 digital advertising revenue reached $122.0 billion of which $58.7 billion was local. Since 2015, local digital advertising has represented one of the fastest growing local media advertising categories with a compound annual growth rate of 19.7%, outpacing national advertising which grew at 13.0%. Local digital advertising is projected to grow at a compound annual growth rate of

10.0% through 2025 and continue to gain market share on national digital advertising which is projected to grow at 6.0%.

Townsquare Interactive

The primary source of revenue for Townsquare Interactive is the sale of digital marketing solutions, on a subscription basis, to small and mid-sized local and regional businesses in small and mid-sized markets across the United States, including the markets in which we operate radio stations. Our digital marketing solutions include traditional and mobile-enabled website development and hosting services, e-commerce platforms, search engine and online directory optimization services, online reputation monitoring, social media management and website retargeting.

Live Events

The primary source of revenue for live events is the sale of tickets to attendees and sponsorships, event marketing, and activation opportunities sold to local, regional and national advertisers. According to IBIS World, total revenue from the U.S. live event industry, which includes the production, management and promotion of live events and performances, including concerts, sporting events and public appearances, grew to $37.8 billion in 2019 (pre-pandemic), from $29.3 billion in 2015, which represented a 6.6% compound annual growth rate. In 2020, revenue from the U.S. live event industry decreased 39.9% to $22.7 billion, as the COVID-19 pandemic and measures taken to contain it resulted in the cancellation of a large number of live events beginning March 2020. According to Pollstar, North American concert tour gross revenues as measured by the top 100 grossing North American tours, totaled $0.8 billion in 2020, down from $3.7 billion in 2019 and $2.8 billion in 2015. For 2020 it was solely the pre-pandemic box office results that determined the ranking of top touring artists.

Competition

The local media industry is very competitive. The success of each of our radio stations, digital properties, live events, and digital marketing services depends largely upon each product's ability to attract audiences, pricing, the number of local media competitors and the overall demand for advertising and digital marketing services within individual markets. We mitigate these competitive pressures by focusing on small to mid-sized markets, where there are fewer and less well-capitalized local media competitors across all mediums, including radio stations, broadcast television stations, pay television networks, locally-focused websites, live events, outdoor advertising, newspapers, magazines and directories. The lack of competition often allows our brands to garner a greater share of both the local audience and advertising expenditures in our markets.

Advertising

Radio - Our radio stations compete directly for audiences and advertising revenue with other radio stations within their respective markets as well as with other alternative mediums including satellite radio, television, print and digital media. Additionally, online music services have begun to sell advertising locally, creating additional competition for both audience and advertisers. By building strong brands with a loyal audience consisting of specific demographic groups in each of our markets, we are able to attract advertisers seeking to reach those particular audiences.

Factors that affect a radio station's competitive position include its brand identity and audience loyalty, management experience, the radio station's audience rank in its local market (which is highly affected by the competitive radio landscape in a market and format changes that occur from time to time), transmitter power and location, assigned frequency, audience characteristics, local program acceptance, and the number and characteristics of other radio stations and other advertising media in the market area. We attempt to improve our competitive position in each market by constantly researching and improving the content of our radio stations and websites, implementing advertising campaigns aimed at the demographic groups for which our radio stations target content and managing our sales efforts to attract a larger share of advertising dollars for each radio station individually.

Local Digital Content - Our local websites compete for audiences and advertisers directly with other local radio station websites, television station websites, newspaper websites, online directories, local sections of national digital properties, blogs and other types of locally focused websites, as well as all national and international websites. We attempt to improve our competitive position, maximize our audience and grow our revenue by focusing on high quality, differentiated local content and by providing innovative and effective advertising integrations for our customers.

National Digital Content - Our national digital assets compete for audience and advertisers with a diverse and large pool of advertising, media and internet companies. We expect that this competition will persist in the future as a result of the continuing maturation of the industry and a lack of significant barriers to entry. Our continued success will depend upon a number of factors, including the quality of content on our owned and operated websites, the ability to manage search engine optimization efforts to direct traffic to these websites, our sales efforts and the ability to remain price competitive.

Townsquare Interactive

The market for local online marketing solutions is highly fragmented, dynamic and competitive. These solutions are also rapidly evolving, creating opportunity for new competitors to enter the market. Our competitors include large internet marketing providers, offline media companies such as yellow page publishers, newspaper and television companies, as well as other local small and medium-sized business marketing providers. While some of our competitors enjoy substantial competitive advantages, such as greater name recognition, longer operating histories and larger marketing budgets, as well as substantially greater financial, technical and other resources, we believe we compete favorably and our product capabilities meet customer requirements due to our secure, reliable and integrated technology platform, cost-effective customer acquisition strategies, customer service and support, brand awareness and reputation, and overall customer satisfaction.

Live Events

Our live events compete for audiences and sponsorships with both national competitors, such as Live Nation and AEG, and a variety of local or regional competitors, including promoters and event marketing companies. Additionally, we compete with venue operators, including arenas, theaters and casinos, which bring in live entertainment directly.

Seasonality

Our net revenue varies throughout the year. Typically, we expect that our first calendar quarter will produce the lowest net revenue for the year, as advertising expenditures generally decline following the winter holidays. However, due to the COVID-19 pandemic, the seasonality of our net revenue was materially impacted and our second quarter produced our lowest net revenue for 2020. During even-numbered years, net revenue generally includes increased advertising expenditures by political candidates, political parties and special interest groups. Political spending is typically highest during the fourth quarter. Our operating results in any period may be affected by the incurrence of advertising and promotion expenses that typically do not have an effect on net revenue generation until future periods, if at all.

Macroeconomic Indicators

The COVID-19 pandemic has materially and adversely impacted the U.S. economy and financial markets, with legislative and regulatory responses including unprecedented monetary and fiscal policy actions across all sectors, and there is significant uncertainty as to the timing of stabilization and recovery. The extent of the COVID-19 impact will depend on future actions and outcomes, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the short-term and long-term economic impact of the outbreak (including the effect on advertising activity, consumer discretionary spending and our employees in the markets in which we operate), the actions taken to mitigate the impact of the pandemic, and the pace of economic and financial market recovery when the COVID-19 pandemic subsides, among others.

The COVID-19 pandemic and measures taken to contain it have subjected our business, results of operations, financial condition, stock price and liquidity to a number of material risks and uncertainties, all of which may continue or worsen. Our operations had performed strongly in the first two months of 2020 before the effects of COVID-19 began to impact our operations in early March 2020, as the challenges that COVID-19 created for advertisers and consumers has materially and adversely impacted our net revenues since mid-March. In particular, our clients canceled a significant amount of advertising, and we experienced a material decline in the purchase of new advertising by our clients. In addition, we canceled a large number of our live events. While our Advertising revenue and Live Events revenue significantly declined, Townsquare Interactive continued its revenue growth.

We continue to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. We took certain proactive initiatives to preserve financial flexibility, mitigate the impact of the recent and uncertain decline in net revenue, as well as position us for growth as advertising demand rebounds.

The Company also instituted immediate actions to address the impacts to its consolidated financial position, consolidated results of operations, and liquidity, including significantly reducing our non-essential capital expenditures and reducing our workforce through the termination or layoff of approximately 135 full-time employees. We instituted wage reduction efforts, such as the temporary suspension of the Company's match on employee contributions to the Company's defined contribution plan and the deferral of the payment of certain payroll taxes until December 31, 2021 and 2022 under the Coronavirus Aid, Relief, and Economic Security ("CARES Act"). Additionally, our board of directors determined to cease payment of quarterly cash dividends, following the payment of our first quarter dividend of $2.1 million on May 15, 2020.

The U.S. federal government responded to the COVID-19 pandemic on March 18, 2020 by enacting the Families First Coronavirus Response Act ("FFCRA") and on March 27, 2020, the CARES Act. In addition to the deferral of the payment of certain payroll taxes until December 31, 2021 and 2022 noted above, the CARES Act amends the Tax Cut and Jobs Act of 2017 by modifying the amount of allowable interest expense deductions, allowing five-year carryback of net operating losses, and characterizing qualified improvement property as 15-year property eligible for bonus depreciation. The Company has availed itself of all applicable credits and deferrals, however neither the FFCRA nor the CARES Act has had a material impact on our financial condition, results of operations or liquidity.

The full extent of the impact of the COVID-19 pandemic on our operational and financial performance will depend on future developments, including the duration and spread of the outbreak, and the impact on our clients, employees and the markets in which we operate, all of which remain uncertain and cannot be predicted. As a result of the pandemic, there is a reasonable possibility that actual results could differ from estimates and such differences could be material to the financial position and results of operations, specifically impairment testing of intangible assets, valuation and impairment testing of long-lived tangible assets, the present value of leasing arrangements and the Company's calculation of allowance for doubtful accounts. At this point, the full extent to which the pandemic will impact our financial condition or results of operations is uncertain, but it has been and may continue to be material.

Employees

Starting in late March, the majority of our employees began working remotely, with the exception of much of our on-air broadcast staff, whom remained in studio as our business is considered essential. Beginning in May 2020, the Company began re-opening offices when restrictions were lifted in each of the states and counties within which the Company operates and as of the third quarter of 2020, most of the Company's radio station employees had returned to work in the office, while most of our digital and TSI employees continue to work from home. Due to the nature of the Company's products and services, remote operations have not had a material impact on results to date. We have implemented health and safety policies in accordance with applicable law, which include routine disinfection of all surfaces, limited and restricted use of common areas, the wearing of masks and provision of hand sanitizer and gloves and social distancing measures employed while in our office spaces.

As of December 31, 2020, we employed 2,257 full and part-time employees. None of our employees are covered by collective bargaining agreements and we consider our relations with our employees to be satisfactory.

We employ individuals in a large variety of roles. On occasion, in order to protect our interests, we enter into employment agreements with certain of our employees, including members of senior management, product leaders, local market presidents and selected sales personnel and local media personalities. We do not believe that the loss of any one these individuals, excluding certain key members of our senior management, would have a material adverse effect on our financial condition or results of operations, taken as a whole. Our risks related to losing key members of our senior management are more fully described in the section titled "Risk Factors."

Federal Regulation of Radio Broadcasting

General

The ownership, operation and sale of radio stations, including those licensed to us, are subject to the jurisdiction of the FCC, which acts under authority of the Communications Act of 1934, as amended (the "Communications Act"). The Telecommunications Act of 1996 amended the Communications Act and directed the FCC to change certain of its broadcast rules. Among its other regulatory responsibilities, the FCC issues permits and licenses to construct and operate radio stations; assigns broadcast frequencies; determines whether to approve changes in ownership or control of radio station licenses; regulates transmission equipment, operating power and other technical parameters of radio stations; adopts and implements regulations and policies that directly or indirectly affect the ownership, operation and employment practices of radio stations; regulates some forms of radio broadcast content; and has the authority under the Communications Act to impose penalties for violations of its rules.

The following is a brief summary of certain provisions of the Communications Act and relevant FCC rules and published policies (collectively, the "Communications Laws"). This description does not purport to be comprehensive and reference should be made to the Communications Laws, public notices, and decisions issued by the FCC for further information concerning the nature and extent of federal regulation of radio stations. Failure to observe the provisions of the Communications Laws can result in the imposition of various sanctions, including monetary forfeitures and the grant of a "short-term" (less than the maximum term) license renewal. For particularly egregious violations, the FCC may deny a radio station's license renewal application, revoke a radio station's license, or deny applications in which an applicant seeks to acquire additional broadcast properties.

License Renewal

Radio broadcast licenses are generally renewed for terms of eight years. Licenses are renewed by filing an application with the FCC. Petitions to deny license renewal applications may be filed by interested parties, including members of the public. While we are not currently aware of any facts that would prevent the renewal of our licenses to operate our radio stations, there can be no assurance that any of our licenses will be renewed for a full term.

Service Areas

Each class of FM station has the right to broadcast with a certain amount of power from an antenna located at a certain height. The most powerful FM radio stations are Class C FM radio stations, which may operate with the equivalent of up to 100 kilowatts of effective radiated power ("ERP") at an antenna height of up to 1,968 feet above average terrain. These radio stations typically provide service to large areas that cover one or more counties. There are also Class C0, C1, C2 and C3 FM radio stations which may operate with progressively less power and/or antenna height. Class B FM stations operate with the equivalent of up to 50 kilowatts ERP at an antenna height of up to 492 feet above average terrain. Class B radio stations typically serve large metropolitan areas and their outer suburban areas. There are also Class B1 radio stations that can operate with up to 25 kilowatts ERP at an antenna height of up to 328 feet above average terrain. Class A FM radio stations may operate with the equivalent of 6 kilowatts ERP at an antenna height of up to 328 feet above average terrain, and generally serve smaller cities and towns or suburbs of larger cities.

The area served by an AM radio station is determined by a combination of frequency, transmitter power, antenna orientation and soil conductivity. The effective service area of an AM radio station is determined based on the radio station's power, operating frequency, antenna patterns and its day/night operating modes. The area served by an FM radio station is determined by a combination of transmitter power and antenna height, with radio stations divided into eight classes according to these technical parameters, as set forth above.

The following table sets forth, as of February 26, 2021 the market, call letters, cities of license, frequencies, FCC license expiration dates, and our markets' population rankings as reported by Nielsen, of all our owned radio stations, booster stations and FM translators, and all stations operated under Time Brokerage Agreements ("TBAs") or Local Marketing Agreements ("LMAs").

Owned/Operated Stations

Market	Station	City of License	Frequency	License Expiration Date
Abilene, TX (#229)	KEAN-FM	Abilene, TX	105.1	August 1, 2021
	KEYJ-FM	Abilene, TX	107.9	August 1, 2021
	KMWX(FM)	Abilene, TX	92.5	August 1, 2021
	KSLI(AM)	Abilene, TX	1280	August 1, 2021
	KULL(FM)	Abilene, TX	100.7	August 1, 2021
	KYYW(AM)	Abilene, TX	1470	August 1, 2021
	K234DA(FX)(2)	Abilene, TX	94.7	August 1, 2021
Albany-Schenectady-Troy, NY (#67)	WGNA-FM	Albany, NY	107.7	June 1, 2022
	WQSH(FM)	Cobleskill, NY	103.5	June 1, 2022
	WPBZ-FM	Rensselaer, NY	103.9	June 1, 2022
	WQBK-FM	Malta, NY	105.7	June 1, 2022
	WTMM-FM	Mechanicville, NY	104.5	June 1, 2022
	W256BU(FX)(2)	Albany, NY	99.1	June 1, 2022
Amarillo, TX (#168)	KATP(FM)	Amarillo, TX	101.9	August 1, 2021
	KIXZ(AM)	Amarillo, TX	940	August 1, 2021
	KMXJ-FM	Amarillo, TX	94.1	August 1, 2021
	KPRF(FM)	Amarillo, TX	98.7	August 1, 2021
	KXSS-FM	Amarillo, TX	96.9	August 1, 2021
Atlantic City-Cape May, NJ (#156)	WENJ(FM)	Millville, NJ	97.3	June 1, 2022
	WFPG(FM)	Atlantic City, NJ	96.9	June 1, 2022
	WPGG(AM)	Atlantic City, NJ	1450	June 1, 2022
	WPUR(FM)	Atlantic City, NJ	107.3	June 1, 2022
	WSJO(FM)	Egg Harbor City, NJ	104.9	June 1, 2022
	W238CZ(FX)(2)	Atlantic City, NJ	95.5	June 1, 2022
Augusta-Waterville, ME (#242)	WEBB(FM)	Waterville, ME	98.5	April 1, 2022
	WJZN(AM)	Augusta, ME	1400	April 1, 2022
	WMME-FM	Augusta, ME	92.3	April 1, 2022
	WTVL(AM)	Waterville, ME	1490	April 1, 2022
	W240DH(FX)(2)	Augusta, ME	95.9	April 1, 2022
Bangor, ME (#213)	WEZQ(FM)	Bangor, ME	92.9	April 1, 2022
	WBZN(FM)	Old Town, ME	107.3	April 1, 2022
	WDEA(AM)	Ellsworth, ME	1370	April 1, 2022
	WQCB(FM)	Brewer, ME	106.5	April 1, 2022
	WWMJ(FM)	Ellsworth, ME	95.7	April 1, 2022
Battle Creek, MI (Not Rated "NR")	WBCK(FM)	Battle Creek, MI	95.3	October 1, 2028
	WBXX(FM)	Marshall, MI	104.9	October 1, 2028
Billings, MT (NR)	KBUL(AM)	Billings, MT	970	April 1, 2021
	KCHH(FM)	Worden, MT	95.5	April 1, 2021
	KCTR-FM	Billings, MT	102.9	April 1, 2021
	KKBR(FM)	Billings, MT	97.1	April 1, 2021
	KMHK(FM)	Billings, MT	103.7	April 1, 2021
	K236AB(FX)(2)	Billings, MT	95.1	April 1, 2021
	K277DS(FX)(2)	Billings, MT	103.3	Construction Permit

Binghamton, NY (#194)	WAAL(FM)	Binghamton, NY	99.1	June 1, 2022
	WHWK(FM)	Binghamton, NY	98.1	June 1, 2022
	WNBF(AM)	Binghamton, NY	1290	June 1, 2022
	WWYL(FM)	Chenango Bridge, NY	104.1	June 1, 2022
	WYOS(AM)	Binghamton, NY	1360	June 1, 2022
	W221EJ(FX)(2)	Binghamton, NY	92.1	Construction Permit
Bismarck, ND (#241)	KACL(FM)	Bismarck, ND	98.7	April 1, 2021
	KBYZ(FM)	Bismarck, ND	96.5	April 1, 2021
	KKCT(FM)	Bismarck, ND	97.5	April 1, 2021
	KLXX(AM)	Bismarck-Mandan, ND	1270	April 1, 2021
	KUSB(FM)	Hazelton, ND	103.3	April 1, 2021
Boise, ID (#86)	KAWO(FM)	Boise, ID	104.3	October 1, 2021
	KCIX(FM)	Garden City, ID	105.9	October 1, 2021
	KFXD(AM)	Boise, ID	630	October 1, 2021
	KIDO(AM)	Nampa, ID	580	October 1, 2021
	KSAS-FM	Caldwell, ID	103.5	October 1, 2021
	KXLT-FM	Eagle, ID	107.9	October 1, 2021
	K298CN(FX)(2)	Boise, ID	107.5	October 1, 2021
	K288HG(FX)(2)	Boise, ID	105.5	October 1, 2021
Bozeman, MT (NR)	KISN(FM)	Belgrade, MT	96.7	April 1, 2021
	KMMS-FM	Bozeman, MT	95.1	April 1, 2021
	KMMS(AM)	Bozeman, MT	1450	April 1, 2021
	KPRK(AM)	Livingston, MT	1340	April 1, 2021
	KXLB(FM)	Churchill, MT	100.7	April 1, 2021
	KZMY(FM)	Bozeman, MT	103.5	April 1, 2021
	K254AL(FX)(2)	Livingston, MT	98.7	April 1, 2021
	K236CY(FX)(2)	Bozeman, MT	94.5	April 1, 2021
Buffalo-Niagara Falls, NY (#59)	WBLK(FM)	Depew, NY	93.7	June 1, 2022
	WBUF(FM)	Buffalo, NY	92.9	June 1, 2022
	WMSX(FM)	Buffalo, NY	96.1	June 1, 2022
	WYRK(FM)	Buffalo, NY	106.5	June 1, 2022
Casper, WY (NR)	KKTL(AM)	Casper, WY	1400	October 1, 2021
	KRNK(FM)	Casper, WY	96.7	October 1, 2021
	KRVK(FM)	Vista West, WY	107.9	October 1, 2021
	KTRS-FM	Casper, WY	104.7	October 1, 2021
	KTWO(AM)	Casper, WY	1030	October 1, 2021
	KWYY(FM)	Midwest, WY	95.5	October 1, 2021
	K236CX(FX)(2)	Casper, WY	95.1	Construction Permit
	K270CT(FX)(2)	Casper, WY	101.9	Construction Permit
Cedar Rapids, IA (#200)	KDAT(FM)	Cedar Rapids, IA	104.5	February 1, 2029
	KHAK(FM)	Cedar Rapids, IA	98.1	February 1, 2029
	KRNA(FM)	Iowa City, IA	94.1	February 1, 2029
Cheyenne, WY (#251)	KGAB(AM)	Orchard Valley, WY	650	October 1, 2021
	KIGN(FM)	Burns, WY	101.9	October 1, 2021
	KLEN(FM)	Cheyenne, WY	106.3	October 1, 2021
	K258DN(FX)(2)	Orchard Valley, WY	99.5	Construction Permit
Danbury, CT (#196)	WINE(AM)	Brookfield, CT	940	April 1, 2022
	WRKI(FM)	Brookfield, CT	95.1	April 1, 2022
	WDBY(FM)	Patterson, NY	105.5	June 1, 2022
	WDBY-FM1(2)	Brookfield, CT	105.5	June 1, 2022

Dubuque, IA (NR)	KLYV(FM)	Dubuque, IA	105.3	February 1, 2029
	KXGE(FM)	Dubuque, IA	102.3	February 1, 2029
	WDBQ(AM)	Dubuque, IA	1490	February 1, 2029
	WDBQ-FM	Galena, IL	107.5	December 1, 2028
	WJOD(FM)	Asbury, IA	103.3	February 1, 2029
Duluth-Superior, MN, WI (#206)	KKCB(FM)	Duluth, MN	105.1	April 1, 2021
	KLDJ(FM)	Duluth, MN	101.7	April 1, 2021
	WEBC(AM)	Duluth, MN	560	April 1, 2021
	KBMX(FM)	Proctor, MN	107.7	April 1, 2021
	WWPE(FM)	Hermantown, MN	92.1	April 1, 2021
	W293CT(FX)[(2)]	Duluth, MN	106.5	April 1, 2021
El Paso, TX (#77)	KLAQ(FM)	El Paso, TX	95.5	August 1, 2021
	KROD(AM)	El Paso, TX	600	August 1, 2021
	KSII(FM)	El Paso, TX	93.1	August 1, 2021
Evansville, IN (#164)	WDKS(FM)	Newburgh, IN	106.1	August 1, 2028
	WGBF(AM)	Evansville, IN	1280	August 1, 2028
	WGBF-FM	Henderson, KY	103.1	August 1, 2028
	WJLT(FM)	Evansville, IN	105.3	August 1, 2028
	WKDQ(FM)	Henderson, KY	99.5	August 1, 2028
Faribault/Owatonna, MN (NR)	KDHL(AM)	Faribault, MN	920	April 1, 2021
	KQCL(FM)	Faribault, MN	95.9	April 1, 2021
	KRFO(AM)	Owatonna, MN	1390	April 1, 2021
	KRFO-FM	Owatonna, MN	104.9	April 1, 2021
	K234DB(FX)[(2)]	Owatonna, MN	94.7	Construction Permit
	K250CD(FX)[(2)]	Faribault, MN	97.9	April 1, 2021
Flint, MI (#140)	WCRZ(FM)	Flint, MI	107.9	October 1, 2028
	WFNT(AM)	Flint, MI	1470	October 1, 2028
	WLCO(AM)	Lapeer, MI	1530	October 1, 2028
	WQUS(FM)	Lapeer, MI	103.1	October 1, 2028
	WRCL(FM)	Frankenmuth, MI	93.7	October 1, 2028
	WWBN(FM)	Tuscola, MI	101.5	October 1, 2028
Ft. Collins-Greeley, CO (#105)	KKPL(FM)	Cheyenne, WY	99.9	October 1, 2021
	KMAX-FM	Wellington, CO	94.3	April 1, 2021
	KTRR(FM)	Loveland, CO	102.5	April 1, 2021
	KUAD-FM	Windsor, CO	99.1	April 1, 2021
Grand Junction, CO (NR)	KEKB(FM)	Fruita, CO	99.9	April 1, 2021
	KBKL(FM)	Grand Junction, CO	107.9	April 1, 2021
	KMXY(FM)	Grand Junction, CO	104.3	April 1, 2021
	KKNN(FM)	Delta, CO	95.1	April 1, 2021
	KEXO(AM)	Grand Junction, CO	1230	April 1, 2021
	K243CP(FX)[(2)]	Grand Junction, CO	96.5	Construction Permit
Grand Rapids, MI (#68)	WFGR(FM)	Grand Rapids, MI	98.7	October 1, 2028
	WGRD-FM	Grand Rapids, MI	97.9	October 1, 2028
	WLHT-FM	Grand Rapids, MI	95.7	October 1, 2028
	WNWZ(AM)	Grand Rapids, MI	1410	October 1, 2028
	WTRV(FM)	Walker, MI	100.5	October 1, 2028
	W285FO(FX)[(2)]	Grand Rapids, MI	104.9	October 1, 2028
Kalamazoo, MI (#183)	WKFR-FM	Battle Creek, MI	103.3	October 1, 2028
	WKMI(AM)	Kalamazoo, MI	1360	October 1, 2028

	WRKR(FM)	Portage, MI	107.7	October 1, 2028
	W273AR(FX)[(2)]	Paw Paw, MI	102.5	October 1, 2028
Killeen-Temple, TX (#135)	KSSM(FM)	Copperas Cove, TX	103.1	August 1, 2021
	KUSJ(FM)	Harker Heights, TX	105.5	August 1, 2021
	KLTD(FM)	Temple, TX	101.7	August 1, 2021
	KTEM(AM)	Temple, TX	1400	August 1, 2021
	KOOC(FM)	Belton, TX	106.3	August 1, 2021
	K232FU(FX)[(2)]	Temple, TX	94.3	Construction Permit
Lafayette, LA (#112)	KPEL-FM	Breaux Bridge, LA	96.5	June 1, 2028
	KHXT(FM)	Erath, LA	107.9	June 1, 2028
	KMDL(FM)	Kaplan, LA	97.3	June 1, 2028
	KPEL(AM)	Lafayette, LA	1420	June 1, 2028
	KROF(AM)	Abbeville, LA	960	June 1, 2028
	KTDY(FM)	Lafayette, LA	99.9	June 1, 2028
	K277DQ(FX)[(2)]	Lafayette, LA	103.3	Construction Permit
Lake Charles, LA (#211)	KHLA(FM)	Jennings, LA	92.9	June 1, 2028
	KLCL(AM)	Lake Charles, LA	1470	June 1, 2028
	KJMH(FM)	Lake Arthur, LA	107.5	June 1, 2028
	KNGT(FM)	Lake Charles, LA	99.5	June 1, 2028
	KJEF(AM)	Jennings, LA	1290	June 1, 2028
	KTSR(FM)	De Quincy, LA	92.1	June 1, 2028
Lansing-East Lansing, MI (#127)	WFMK(FM)	East Lansing, MI	99.1	October 1, 2028
	WMMQ(FM)	East Lansing, MI	94.9	October 1, 2028
	WVFN(AM)	East Lansing, MI	730	October 1, 2028
	WITL-FM	Lansing, MI	100.7	October 1, 2028
	WJIM(AM)	Lansing, MI	1240	October 1, 2028
	WJIM-FM	Lansing, MI	97.5	October 1, 2028
Laramie, WY (NR)	KCGY(FM)	Laramie, WY	95.1	October 1, 2021
	KOWB(AM)	Laramie, WY	1290	October 1, 2021
Lawton, OK (NR)	KLAW(FM)	Lawton, OK	101.3	June 1, 2021
	KVRW(FM)	Lawton, OK	107.3	June 1, 2021
	KZCD(FM)	Lawton, OK	94.1	June 1, 2021
Lubbock, TX (#165)	KFMX-FM	Lubbock, TX	94.5	August 1, 2021
	KFYO(AM)	Lubbock, TX	790	August 1, 2021
	KKAM(AM)	Lubbock, TX	1340	August 1, 2021
	KKCL-FM	Lorenzo, TX	98.1	August 1, 2021
	KQBR(FM)	Lubbock, TX	99.5	August 1, 2021
	KZII-FM	Lubbock, TX	102.5	August 1, 2021
	K280GU(FX)[(2)]	Lubbock, TX	103.9	Construction Permit
Lufkin-Nacogdoches, TX (NR)	KVLL-FM	Wells, TX	94.7	August 1, 2021
	KYKS(FM)	Lufkin, TX	105.1	August 1, 2021
	KAFX-FM	Diboll, TX	95.5	August 1, 2021
	KSFA(AM)	Nacogdoches, TX	860	August 1, 2021
	KTBQ(FM)	Nacogdoches, TX	107.7	August 1, 2021
	K283CW(FX)[(2)]	Nacogdoches, TX	104.5	Construction Permit
Missoula, MT (NR)	KYSS-FM	Missoula, MT	94.9	April 1, 2021
	KGVO(AM)	Missoula, MT	1290	April 1, 2021

	KMPT(AM)	East Missoula, MT	930	April 1, 2021
	KBAZ(FM)	Hamilton, MT	96.3	April 1, 2021
	KLYQ(AM)	Hamilton, MT	1240	April 1, 2021
	KAMM-FM	Frenchtown, MT	101.5	April 1, 2021
	KENR(FM)	Superior, MT	107.5	April 1, 2021
	KENR-FM1(2)	Missoula, MT	107.5	April 1, 2021
	K251CH(FX)(2)	Seeley Lake, MT	98.1	April 1, 2021
	K252FP(FX)(2)	Missoula, MT	98.3	April 1, 2021
	K259DD(FX)(2)	East Missoula, MT	99.7	April 1, 2021
Monmouth-Ocean, NJ (#55)	WADB(AM)	Asbury Park, NJ	1310	June 1, 2022
	WCHR-FM	Manahawkin, NJ	105.7	June 1, 2022
	WJLK(FM)	Asbury Park, NJ	94.3	June 1, 2022
	WOBM(AM)	Lakewood Township, NJ	1160	June 1, 2022
	WOBM-FM	Toms River, NJ	92.7	June 1, 2022
	W281CK(FX)(2)	Lakewood Township, NJ	93.5	June 1, 2022
	W244EE(FX)(2)	Asbury Park, NJ	96.7	Construction Permit
New Bedford-Fall River, MA (NR)	WBSM(AM)	New Bedford, MA	1420	April 1, 2022
	WFHN(FM)	Fairhaven, MA	107.1	April 1, 2022
	W258DR(FX)(2)	New Bedford, MA	99.5	Construction Permit
Odessa-Midland, TX (#162)	KBAT(FM)	Monahans, TX	99.9	August 1, 2021
	KODM(FM)	Odessa, TX	97.9	August 1, 2021
	KNFM(FM)	Midland, TX	92.3	August 1, 2021
	KZBT(FM)	Midland, TX	93.3	August 1, 2021
	KMND(AM)	Midland, TX	1510	August 1, 2021
	K236CP(FX)(2)	Lubbock, TX	95.1	August 1, 2021
Oneonta, NY (NR)	WBKT(FM)	Norwich, NY	95.3	June 1, 2022
	WCHN(AM)	Norwich, NY	970	June 1, 2022
	WDHI(FM)	Delhi, NY	100.3	June 1, 2022
	W232AS(FX)(2)	Oneonta, NY	94.3	June 1, 2022
	WDLA(AM)	Walton, NY	1270	June 1, 2022
	WDLA-FM	Walton, NY	92.1	June 1, 2022
	WDOS(AM)	Oneonta, NY	730	June 1, 2022
	WIYN(FM)	Deposit, NY	94.7	June 1, 2022
	WKXZ(FM)	Norwich, NY	93.9	June 1, 2022
	W232AT(FX)(2)	Norwich, NY	94.3	June 1, 2022
	W257BE(FX)(2)	Hamilton, NY	99.3	June 1, 2022
	WSRK(FM)	Oneonta, NY	103.9	June 1, 2022
	WTBD-FM	Delhi, NY	97.5	June 1, 2022
	WZOZ(FM)	Oneonta, NY	103.1	June 1, 2022
Owensboro, KY (NR)	WBKR(FM)	Owensboro, KY	92.5	August 1, 2028
	WOMI(AM)	Owensboro, KY	1490	August 1, 2028
	W256CF(FX)(2)	Owensboro, KY	99.1	August 1, 2028
	W279DV(FX)(2)	Owensboro, KY	103.7	Construction Permit
Pittsfield, MA (NR)	WBEC(AM)	Pittsfield, MA	1420	April 1, 2022
	WBEC-FM	Pittsfield, MA	95.9	April 1, 2022
	WNAW(AM)	North Adams, MA	1230	April 1, 2022
	WSBS(AM)	Great Barrington, MA	860	April 1, 2022
	WUPE(AM)	Pittsfield, MA	1110	April 1, 2022
	WUPE-FM	North Adams, MA	100.1	April 1, 2022
	W231AK(FX)(2)	Great Barrington, MA	94.1	April 1, 2022

	W277CJ(FX)[2]	Pittsfield, MA	103.3	April 1, 2022
	W234DD(FX)[2]	North Adams, MA	94.7	April 1, 2022
Portland, ME (#99)	WBLM(FM)	Portland, ME	102.9	April 1, 2022
	WCYY(FM)	Biddeford, ME	94.3	April 1, 2022
	WHOM(FM)	Mount Washington, NH	94.9	April 1, 2022
	WJBQ(FM)	Portland, ME	97.9	April 1, 2022
Portsmouth-Dover-Rochester, NH (#122)	WSHK(FM)	Kittery, ME	105.3	April 1, 2022
	WOKQ(FM)	Dover, NH	97.5	April 1, 2022
	WSAK(FM)	Hampton, NH	102.1	April 1, 2022
	WPKQ(FM)	North Conway, NH	103.7	April 1, 2022
	W250AB(FX)[2]	Manchester, NH	97.9	April 1, 2022
Poughkeepsie, NY (#167)	WRRB(FM)	Arlington, NY	96.9	June 1, 2022
	WCZX(FM)	Hyde Park, NY	97.7	June 1, 2022
	WPDA(FM)	Jeffersonville, NY	106.1	June 1, 2022
	WKXP(FM)	Kingston, NY	94.3	June 1, 2022
	WRRV(FM)	Middletown, NY	92.7	June 1, 2022
	WEOK(AM)	Poughkeepsie, NY	1390	June 1, 2022
	WPDH(FM)	Poughkeepsie, NY	101.5	June 1, 2022
	WZAD(FM)	Wurtsboro, NY	97.3	June 1, 2022
	W239AC(FX)[2]	Middletown, NY	95.7	June 1, 2022
Presque Isle, ME (NR)	WBPW(FM)	Presque Isle, ME	96.9	April 1, 2022
	WOZI(FM)	Presque Isle, ME	101.9	April 1, 2022
	WQHR(FM)	Presque Isle, ME	96.1	April 1, 2022
Quad Cities, IA-IL (#155)	KJOC(FM)	Bettendorf, IA	93.5	February 1, 2029
	KBOB(AM)	Davenport, IA	1170	February 1, 2029
	KIIK-FM	De Witt, IA	104.9	February 1, 2029
	WXLP(FM)	Moline, IL	96.9	December 1, 2028
	KBEA-FM	Muscatine, IA	99.7	February 1, 2029
	K281DB(FX)[2]	Davenport, IA	104.1	Construction Permit
Quincy, IL-Hannibal, MO (NR)	KHMO(AM)	Hannibal, MO	1070	February 1, 2029
	KICK-FM	Palmyra, MO	97.9	February 1, 2029
	KRRY(FM)	Canton, MO	100.9	February 1, 2029
	WLIQ(AM)	Quincy, IL	1530	December 1, 2028
Richland-Kennewick-Pasco, WA (NR)	KEYW(FM)	Pasco, WA	98.3	February 1, 2022
	K254DP(FX)[2]	Pasco, WA	98.7	February 1, 2022
	KFLD(AM)	Pasco, WA	870	February 1, 2022
	KOLW(FM)	Basin City, WA	97.5	February 1, 2022
	KORD-FM	Richland, WA	102.7	February 1, 2022
	KXRX(FM)	Walla Walla, WA	97.1	February 1, 2022
Rochester, MN (#212)	KFIL-FM	Chatfield, MN	103.1	April 1, 2021
	KFIL(AM)	Preston, MN	1060	April 1, 2021
	KDOC-FM	Eyota, MN	103.9	April 1, 2021
	KOLM(AM)	Rochester, MN	1520	April 1, 2021
	KROC(AM)	Rochester, MN	1340	April 1, 2021
	KROC-FM	Rochester, MN	106.9	April 1, 2021
	KWWK(FM)	Rochester, MN	96.5	April 1, 2021
	KDCZ(FM)	St. Charles, MN	107.7	April 1, 2021
	KFNL-FM	Spring Valley, MN	104.3	April 1, 2021

	KYBA(FM)	Stewartville, MN	105.3	April 1, 2021
	K285EL(FX)(2)	Rochester, MN	104.9	April 1, 2021
	K293CV(FX)(2)	Rochester, MN	106.5	April 1, 2021
	K245CX(FX)(2)	Rochester, MN	96.9	April 1, 2021
Rockford, IL (#161)	WXXQ(FM)	Freeport, IL	98.5	December 1, 2028
	WKGL-FM	Loves Park, IL	96.7	December 1, 2028
	WROK(AM)	Rockford, IL	1440	December 1, 2028
	WZOK(FM)	Rockford, IL	97.5	December 1, 2028
	W241DF(FX)(2)	Rockford, IL	96.1	Construction Permit
San Angelo, TX (#245)	KELI(FM)	San Angelo, TX	98.7	August 1, 2021
	KGKL(AM)	San Angelo, TX	960	August 1, 2021
	KGKL-FM	San Angelo, TX	97.5	August 1, 2021
	KKCN(FM)	Ballinger, TX	103.1	August 1, 2021
	KKCN-FM1(2)	San Angelo, TX	103.1	August 1, 2021
	KNRX(FM)	Sterling City, TX	96.5	August 1, 2021
	KNRX-FM1(2)	San Angelo, TX	96.5	August 1, 2021
Sedalia, MO (NR)	KSDL(FM)	Sedalia, MO	92.3	February 1, 2029
	KSIS(AM)	Sedalia, MO	1050	February 1, 2029
	KXKX(FM)	Knob Noster, MO	105.7	February 1, 2029
Shelby, MT (NR)	KSEN(AM)	Shelby, MT	1150	April 1, 2021
	KZIN-FM	Shelby, MT	96.7	April 1, 2021
Shreveport, LA (#146)	KEEL(AM)	Shreveport, LA	710	June 1, 2028
	KXKS-FM	Shreveport, LA	93.7	June 1, 2028
	KRUF(FM)	Shreveport, LA	94.5	June 1, 2028
	KVKI-FM	Shreveport, LA	96.5	June 1, 2028
	KWKH(AM)	Shreveport, LA	1130	June 1, 2028
	KTUX(FM)	Carthage, TX	98.9	August 1, 2021
	K269GO(FX)(2)	Shreveport, LA	101.7	June 1, 2028
	K277DO(FX)(2)	Shreveport, LA	103.3	Construction Permit
Sioux Falls, SD (#179)	KSOO(AM)	Sioux Falls, SD	1000	April 1, 2021
	KKLS-FM	Sioux Falls, SD	104.7	April 1, 2021
	KIKN-FM	Salem, SD	100.5	April 1, 2021
	KXRB(AM)	Sioux Falls, SD	1140	April 1, 2021
	KKRC-FM	Sioux Falls, SD	97.3	April 1, 2021
	KYBB(FM)	Canton, SD	102.7	April 1, 2021
	KXRB-FM	Brandon, SD	100.1	April 1, 2021
	KSOO-FM	Lennox, SD	99.1	April 1, 2021
	K245DH(FX)(2)	Sioux Falls, SD	96.9	Construction Permit
	K272FZ(FX)(2)	Sioux Falls, SD	102.3	Construction Permit
St. Cloud, MN (#184)	KLZZ(FM)	Waite Park, MN	103.7	April 1, 2021
	KMXK(FM)	Cold Spring, MN	94.9	April 1, 2021
	KXSS(AM)	Waite Park, MN	1390	April 1, 2021
	KZRV(FM)	Sartell, MN	96.7	April 1, 2021
	WJON(AM)	St. Cloud, MN	1240	April 1, 2021
	WWJO(FM)	St. Cloud, MN	98.1	April 1, 2021

	W230DG(FX)(2)	Waite Park, MN	93.9	Construction Permit
	W237EU(FX)(2)	St. Cloud, MN	95.3	April 1, 2021
Texarkana, TX-AR (NR)	KKYR-FM	Texarkana, TX	102.5	August 1, 2021
	KOSY(AM)	Texarkana, AR	790	June 1, 2028
	KPWW(FM)	Hooks, TX	95.9	August 1, 2021
	KYGL(FM)	Texarkana, AR	106.3	June 1, 2028
	KMJI(FM)	Ashdown, AR	93.3	June 1, 2028
	K298DB(FX)(2)	Texarkana, AR	107.5	Construction Permit
Trenton, NJ (#152)	WKXW(FM)	Trenton, NJ	101.5	June 1, 2022
	WCHR(AM)	Flemington, NJ	1040	June 1, 2022
	WNJE(AM)	Trenton, NJ	920	June 1, 2022
	WPST(FM)	Trenton, NJ	94.5	June 1, 2022
Tuscaloosa, AL (#205)	WQRR(AM)	Reform, AL	101.7	April 1, 2028
	WFFN(FM)	Coaling, AL	95.3	April 1, 2028
	WTBC(AM)	Tuscaloosa, AL	1230	April 1, 2028
	WTSK(AM)	Tuscaloosa, AL	790	April 1, 2028
	WTUG-FM	Northport, AL	92.9	April 1, 2028
	W261BT(FX)(2)	Tuscaloosa, AL	100.1	April 1, 2028
	W265CG(FX)(2)	Tuscaloosa, AL	100.9	April 1, 2028
	W227DD(FX)(2)	Brent, AL	93.3	April 1, 2028
	WALJ(FM)	Northport, AL	105.1	April 1, 2028
Twin Falls-Sun Valley, ID (NR)	KEZJ-FM	Twin Falls, ID	95.7	October 1, 2021
	KLIX(AM)	Twin Falls, ID	1310	October 1, 2021
	KLIX-FM	Twin Falls, ID	96.5	October 1, 2021
	KSNQ(FM)	Twin Falls, ID	98.3	October 1, 2021
	K241DD(FX)(2)	Twin Falls, ID	96.1	Construction Permit
Tyler-Longview, TX (#141)	KISX(FM)	Whitehouse, TX	107.3	August 1, 2021
	KNUE(FM)	Tyler, TX	101.5	August 1, 2021
	KTYL-FM	Tyler, TX	93.1	August 1, 2021
	KKTX-FM	Kilgore, TX	96.1	August 1, 2021
Utica/Rome, NY (#172)	WFRG-FM	Utica, NY	104.3	June 1, 2022
	WIBX(AM)	Utica, NY	950	June 1, 2022
	WLZW(FM)	Utica, NY	98.7	June 1, 2022
	WOUR(FM)	Utica, NY	96.9	June 1, 2022
	WODZ-FM	Rome, NY	96.1	June 1, 2022
	W295DI(FX)(2)	Utica, NY	106.9	Construction Permit
Victoria, TX (NR)	KIXS(FM)	Victoria, TX	107.9	August 1, 2021
	KLUB(FM)	Bloomington, TX	106.9	August 1, 2021
	KQVT(FM)	Victoria, TX	92.3	August 1, 2021
	KTXN-FM(1)(2)	Victoria, TX	98.7	August 1, 2021
Waterloo-Cedar Falls, IA (#230)	KOEL(AM)	Oelwein, IA	950	February 1, 2029
	KOEL-FM	Oelwein, IA	92.3	February 1, 2029
	KKHQ-FM	Cedar Falls, IA	98.5	February 1, 2029
	KCRR(FM)	Grundy Center, IA	97.7	February 1, 2029
Wichita Falls, TX (#237)	KBZS(FM)	Wichita Falls, TX	106.3	August 1, 2021

	KNIN-FM	Wichita Falls, TX	92.9	August 1, 2021
	KWFS(AM)	Wichita Falls, TX	1290	August 1, 2021
	KWFS-FM	Wichita Falls, TX	102.3	August 1, 2021
	K242DG(FX)[(2)]	Wichita Falls, TX	96.9	August 1, 2021
Yakima, WA (NR)	KATS(FM)	Yakima, WA	94.5	February 1, 2022
	KDBL(FM)	Toppenish, WA	92.9	February 1, 2022
	KFFM(FM)	Yakima, WA	107.3	February 1, 2022
	KIT(AM)	Yakima, WA	1280	February 1, 2022
	KMGW(FM)	Naches, WA	99.3	February 1, 2022
	KUTI(AM)	Yakima, WA	1460	February 1, 2022
	K232CV(FX)[(2)]	Ellensburg, WA	94.3	February 1, 2022
	K267CV(FX)[(2)]	Yakima, WA	101.3	Construction Permit

(1) Townsquare Media Victoria, LLC programs KTXN-FM pursuant to an LMA.

(2) Our station count of 322 excludes the booster, LMA and TBA stations, as well as FM translators listed above. "(FX)" is used to identify FM translator stations. The "FM1" suffix after a call sign means the station is a booster station, rebroadcasting the programming of the station listed above it with the same four-letter call sign.

Regulatory Approvals

The Communications Laws prohibit the assignment or transfer of control of a broadcast license without the prior approval of the FCC. In determining whether to grant an application for assignment or transfer of control of a broadcast license, the Communications Act requires the FCC to find that the assignment or transfer would serve the public interest. The FCC considers a number of factors in making this determination, including (i) compliance with various rules limiting common ownership of media properties, (ii) the financial and "character" qualifications of the assignee or transferee (including those parties holding an "attributable" interest in the assignee or transferee), (iii) compliance with the Communications Act's foreign ownership restrictions, and (iv) compliance with other Communications Laws, including those related to content and filing requirements.

As discussed in greater detail below, the FCC may also review the effect of proposed assignments and transfers of broadcast licenses on economic competition and diversity. See "Antitrust and Market Concentration Considerations."

Ownership Matters

The Communications Act restricts us from having more than one-fourth of our equity owned or voted by non-U.S. persons, foreign governments or non-U.S. entities, without prior approval from the FCC.

The Communications Laws also restrict the number of radio stations one person or entity may own, operate or control in a local market.

None of these rules requires any change in our current ownership of radio stations. The Communications Laws could limit the number of additional radio stations that we may acquire in the future in our existing markets as well as new markets.

The FCC generally applies its rules and its broadcast multiple ownership rules by considering the "attributable" or cognizable interests held by a person or entity. With some exceptions, a person or entity will be deemed to hold an attributable interest in a radio station if the person or entity serves as an officer, director, partner, stockholder, member, or, in certain cases, a debt holder of a company that owns that station. Whether that interest is attributable and thus subject to the FCC's multiple ownership rules is determined by the FCC's attribution rules. If an interest is attributable, the FCC treats the person or entity who holds that interest as an "owner" of the radio station in question, and that interest thus counts against the person in determining compliance with the FCC's ownership rules.

With respect to a partnership (or limited liability company), only the interest of a general partner (or managing member) is attributable if the entity's organizational documents include certain terms. With respect to a corporation, officers, directors and persons or entities that directly or indirectly hold 5.0% or more of the corporation's voting stock (20.0% or more of such stock in the case of insurance companies, investment companies, bank trust departments and certain other "passive investors" that hold such stock for investment purposes only) generally are attributed with ownership of the radio stations, television stations and daily newspapers owned by the corporation. As discussed below, participation in an LMA or a Joint Sales Agreement ("JSA") also may result in an attributable interest. See "Local Marketing Agreements" and "Joint Sales Agreements."

The following interests generally are not attributable:

1. debt instruments, non-voting stock, and options and warrants for voting stock, partnership interests, or membership interests that have not yet been exercised; Non-voting equity and debt interests which, in the aggregate, constitute more than 33.0% of a radio station's "enterprise value" (which consists of the total equity and debt capitalization) are considered attributable in certain circumstances;

2. limited partnership or limited liability company membership interests where (a) the limited partner or member is not "materially involved" in the media-related activities of the partnership or limited liability company, and (b) the limited partnership agreement or limited liability company agreement expressly "insulates" the limited partner or member from such material involvement by inclusion of provisions specified in FCC rules; and

3. holders of less than 5.0% of an entity's voting stock.

In November 2017, as part of its periodic review of broadcast ownership rules required by the Communications Act, the FCC adopted an Order on Reconsideration and Notice of Proposed Rulemaking ("Order") addressing its ownership rules. The Order eliminated the newspaper/broadcast cross-ownership prohibition, including the ban on common ownership of newspapers and radio stations within the same market. The Order also eliminated the radio/television cross-ownership rule. However, on September 23, 2019, a three-judge panel of the U.S. Court of Appeals for the Third Circuit overturned the FCC's 2017 decision and sent the proceeding back to the FCC for further consideration. On November 20, 2019, the full Third Circuit denied requests for rehearing en banc of the three-judge panel's September decision. On December 20, 2019, the FCC issued an order stating that certain rules that the FCC eliminated in 2017 were now reinstated as a result of the Third Circuit decision, including the newspaper/broadcast cross-ownership prohibition and the radio/television cross-ownership rule. In the meantime, the FCC and some industry groups asked the U.S. Supreme Court to review the Third Circuit decision. On October 2, 2020 the Supreme Court agreed to accept the case for review. Following that Supreme Court action, briefs were submitted by the various parties and the Supreme Court held oral argument on January 19, 2021. The Supreme Court is expected to decide the case during April 2021.

Content and Operation

The Communications Act requires broadcasters to serve the "public interest." To satisfy that obligation, broadcasters are required by the Communications Laws to present content that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness. Complaints from audiences concerning a radio station's content may be filed at any time and will be considered by the FCC both at the time they are filed and in connection with a licensee's renewal application. FCC rules also require broadcasters to provide equal employment opportunities ("EEO") in the hiring of new personnel, to abide by certain procedures in advertising employment opportunities, to make information available on employment opportunities on their websites (if they have one), and to maintain certain records concerning their compliance with EEO rules. The FCC will entertain individual complaints concerning a broadcast licensee's failure to abide by the EEO rules and also conducts random audits on broadcast licensees' compliance with EEO rules. We have been the subject of several EEO audits. To date, none of those audits has disclosed any major violation that would have a material adverse effect on our operations. Radio stations also must follow provisions in the Communications Laws that regulate a variety of other activities, including political advertising, the broadcast of obscene or indecent content, sponsorship identification, the broadcast of contests and lotteries, and technical operations (including limits on radio frequency radiation).

Local Marketing Agreements

A number of radio stations, including certain of our radio stations, have entered into LMAs (also known as Time Brokerage Agreements). In a typical LMA, the licensee of a radio station makes available, for a fee, airtime on its radio station to a party which supplies content to be broadcast during that airtime and collects revenue from advertising aired during such content. LMAs are subject to compliance with the antitrust laws and the Communications Laws, including the requirement that the licensee must maintain independent control over the radio station and, in particular, its personnel, content and finances. The FCC has held that such agreements do not violate the Communications Laws as long as the licensee of the radio station receiving content from another station maintains ultimate responsibility for, and control over radio station operations and otherwise ensures compliance with the Communications Laws.

A radio station that brokers more than 15.0% of the weekly content hours on another radio station in its market will be considered to have an attributable ownership interest in the brokered radio station for purposes of the FCC's ownership rules. As a result, a radio station may not enter into a LMA that allows it to program more than 15.0% of the weekly content hours of another radio station that it could not own under the FCC's multiple ownership rules.

Joint Sales Agreements

From time to time, radio stations enter into JSAs. A typical JSA authorizes one radio station to sell another radio station's advertising time and retain the revenue from the sale of that airtime. A JSA typically includes a periodic payment to the radio station whose airtime is being sold (which may include a share of the revenue being collected from the sale of airtime). Like LMAs, JSAs are subject to compliance with antitrust laws and the Communications Laws, including the requirement that the licensee must maintain independent control over the radio station and, in particular, its personnel, content and finances. The FCC has held that such agreements do not violate the Communications Laws as long as the licensee of the radio station whose time is being sold by another station maintains ultimate responsibility for, and control over, radio station operations and otherwise ensures compliance with the Communications Laws.

Under the Communications Laws, a radio station owner that sells more than 15.0% of the weekly advertising time of another radio station in the same market will be attributed with the ownership of that other station. In that situation, a station cannot have a JSA with another station in the same market if the FCC's ownership rules would otherwise prohibit common ownership of the radio stations.

Antitrust and Market Concentration Considerations

Potential future acquisitions, to the extent they meet specified size thresholds, will be subject to applicable waiting periods and possible review under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), by the Department of Justice ("DOJ") or the Federal Trade Commission ("FTC"), either of whom can be required to evaluate a transaction to determine whether that transaction should be challenged under the federal antitrust laws. Transactions are subject to the HSR Act only if the acquisition price or fair market value of the radio stations to be acquired is above a certain threshold that increases periodically ($92.0 million, effective March 4, 2021). Our acquisitions have not met this threshold. Acquisitions that are not required to be reported under the HSR Act may still be investigated by the DOJ or the FTC under the antitrust laws before or after consummation. At any time before or after the consummation of a proposed acquisition, the DOJ or the FTC could take such action under the antitrust laws as it deems necessary, including seeking to enjoin the acquisition or seeking divestiture of the business acquired or certain of our other assets. The DOJ has reviewed numerous radio station acquisitions where an operator proposes to acquire additional radio stations in its existing markets or multiple radio stations in new markets and has challenged a number of such transactions. Some of these challenges have resulted in consent decrees requiring the sale of certain radio stations, the termination of LMAs or other relief. In general, the Department of Justice has more closely scrutinized radio mergers and acquisitions resulting in local market shares in excess of 35.0% of local radio advertising revenue, depending on format, signal strength and other factors. There is no precise numerical rule, however, and certain transactions resulting in more than 35.0% revenue shares have not been challenged, while certain other transactions may be challenged based on other criteria such as audience shares in one or more demographic groups as well as the percentage of revenue share. We estimate that we have more than a 35.0% share of radio advertising revenue in many of our markets.

The DOJ enforces the antitrust laws in the broadcasting industry and there can be no assurance that one or more of any future acquisitions will not be the subject of an investigation or enforcement action by the DOJ. Similarly, there can be no assurance that the DOJ, the FTC or the FCC will not prohibit such acquisitions, require that they be restructured, or require that we divest radio stations we already own in connection with an acquisition. In addition, private parties may under certain circumstances bring legal action to challenge an acquisition.

As part of its review of certain radio station acquisitions, the DOJ has stated publicly that it believes that commencement of operations under LMAs, JSAs and other similar agreements customarily entered into in connection with radio station ownership assignments and transfers prior to the expiration of the waiting period under the HSR Act could violate the HSR Act. Accordingly, our policy is not to commence operation under an LMA, a JSA, or similar agreement of any affected radio station to be acquired until the waiting period under the HSR Act has expired or been terminated.

Formation and Form of Organization

Townsquare Media, LLC, a Delaware limited liability company, was formed on February 26, 2010. In connection with our initial public offering, on July 25, 2014, Townsquare Media, LLC, converted to Townsquare Media, Inc., a Delaware corporation.

SUMMARY RISK FACTORS

The following is a summary of the principal risks that make an investment in our company speculative or risky, all of which are more fully described in the Risk Factors section below. This summary should be read in conjunction with the Risk Factors section and should not be relied upon as an exhaustive summary of the material risks facing our business.

We face risks and uncertainties related to the COVID-19 pandemic and the measures taken to contain it have had a material adverse effect on our business and revenues to date and may have a material adverse effect on our business, financial condition, results of operations, stock price, and liquidity in the future.

We are also subject to risks and uncertainties related to general economic conditions and our business, many of which are beyond our control, including that:

- Decreased spending by advertisers, decline in attendance of our live events and changes in the economy may have a material adverse effect on our business.

- Our business, financial condition and results of operations may be adversely affected if we are unable to acquire certain broadcast rights or our broadcast rights contracts are not renewed on sufficiently favorable terms.

- Our results are dependent on radio advertising revenue, which can vary from even to odd-numbered years based on the volatility and unpredictability of political advertising revenue.

- If we are unable to retain our digital audience, our business will be adversely affected.

- Our digital businesses are dependent on technology and technical and sales talent.

- The rates we charge for in-stream and mobile advertisements are currently less than those we charge for terrestrial radio advertisements.

- The failure or destruction of transmitter and other facilities that we depend upon to distribute our content could materially adversely affect our business, financial condition and results of operations.

- We may lose key on-air talent to competing radio stations or other types of media competitors. Our success is also dependent upon audience acceptance of our content, particularly our radio programs and live events, which is difficult to predict.

- Increases in or new royalties could adversely impact our business, financial condition and results of operations.

- Our substantial indebtedness could have an adverse impact on us.

- We may be adversely affected by the occurrence of extraordinary events, such as terrorist attacks, pandemics or natural disasters.

- Capital requirements necessary to operate our business or consummate acquisitions could pose risks.

We also face risks and uncertainties related to our industry and competition, including that:

- We may lose audience ratings, market share and advertising revenue to competing radio stations or other types of media competitors.

- To remain competitive, we must respond to changes in technology, services and standards that characterize our industry.

- Our future revenue and earnings growth will be significantly impacted by our digital lines of business, which are subject to significant competition and rapidly changing technology.

- We face intense competition in the live events industry, and we may not be able to maintain or increase our current revenue, which could adversely affect our business, financial condition and results of operations.

Additionally, we are subject to risks related to our acquisitions, such as:

- Due to various market and financial conditions, we may not be able to successfully complete future acquisitions or future dispositions of our radio stations.

We are also subject to risks related to our financial reporting and accounting, including the material weaknesses in our internal control over financial reporting we identified and the risks posed by potential future asset impairment of our FCC licenses and/or goodwill.

We are also subject to risks and uncertainties related to technology that may also affect our business, including that:

- New technologies could block our ads, which would harm our business.

- A security breach or a cyber-attack could adversely affect our business.

Our business depends upon licenses issued by and is subject to the rules and regulations of the FCC and other government entities, and our business is subject to risks associated therewith, including that:

- Our business depends upon licenses issued by the FCC, and if licenses were not renewed or we were to be out of compliance with FCC regulations and policies, our business could be materially impaired.

- The FCC has been vigorous in its enforcement of its rules and regulations, including its indecency and sponsorship identification rules, violations of which could have a material adverse effect on our business.

Our status as a smaller reporting company may subject us and our stockholders to certain risks.

ITEM 1A. RISK FACTORS

An investment in Townsquare involves a variety of risks and uncertainties. The following factors and other factors discussed in this Annual Report could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report or presented elsewhere in future SEC reports or statements made by our management from time to time. These factors may have a material adverse effect on our business, financial condition, operating results and cash flows, and should be carefully considered. We may update these factors in our future periodic reports.

Risks Related to COVID-19

The impact of the COVID-19 pandemic, or the impact of any future pandemic, is uncertain and difficult to predict, but the COVID-19 pandemic and the measures taken to contain it has had a material adverse effect on our business and revenues to date and may have a material adverse effect on our business, financial condition, results of operations, stock price, and liquidity in the future.

The COVID-19 pandemic has materially and adversely impacted the U.S. economy and financial markets, with legislative and regulatory responses including unprecedented monetary and fiscal policy actions across all sectors, and there is significant uncertainty as to timing of stabilization and recovery. Our business, results of operations and financial condition were adversely affected by the COVID-19 pandemic in 2020. The COVID-19 pandemic and measures taken to contain it have subjected our business, results of operations, financial condition, stock price and liquidity to a number of material risks and uncertainties, all of which may continue or worsen, including, but not limited to:

- advertising revenue makes up the majority of our revenue, and, like other broadcast companies and similar businesses that depend on advertising spend, we have experienced, and may continue to experience, a significant decline in this revenue stream;

- as a result of the COVID-19 pandemic, we have been forced to postpone or cancel a large number of our live events, which has had, and may continue to have, a significant negative impact on our live events revenue;

- the COVID-19 pandemic has resulted in significantly reduced U.S. economic activity and significantly increased unemployment since early March, which could lead to a prolonged economic recession; consumer discretionary spending has been significantly curtailed and may worsen, all of which adversely impacts our customers' businesses, financial condition, and liquidity and therefore our ability to sell advertising and our other products and services at acceptable rates or at all;

- even when certain government and regulatory restrictions are lifted, consumer discretionary spending, attendance at live events and customer advertising may continue to be challenged due to fear, uncertainty and the increased challenges for businesses to re-start. Any prolonged reduction in actual revenues and anticipated reduction in projected revenues may require us to evaluate our intangible assets or goodwill for impairment;

- the potential negative impact on the health of our employees, particularly if a significant number of them are impacted, could affect our ability to ensure business continuity during the period of disruption related to the pandemic and could increase our health benefits expense. The outbreak has forced many of our on-site and management office employees to work remotely, which may adversely impact our ability to effectively manage our business and maintain our financial reporting processes and related controls, as well as introduce operational risk, including an increased vulnerability to potential cyber security attacks;

- the financial markets and our stock price have also been adversely impacted by the COVID-19 pandemic, and the negative financial impact of the COVID-19 pandemic could result in difficulty accessing debt or equity capital on attractive terms, or at all, funding business operations, complying with the covenants and obligations under any existing or future debt, including meeting required payments of principal and interest or repaying outstanding debt, as well as negatively affect our credit rating, and could present similar difficulties to our clients as well as challenging their ability to meet their payment obligations to us and our and their ability to comply with our agreements;

- as a result of the impact of the COVID-19 pandemic on our business and cash flows, our board of directors has determined to cease payment of quarterly cash dividends. The decision to declare and pay dividends on our common stock in the future, as well as the timing, amount, and composition of any such future dividends, will continue to be at the sole discretion of our board of directors and will depend on our earnings, liquidity, financial condition, capital requirements, contractual prohibitions, or other limitations under our debt, state law and such other factors as our board of directors deems relevant; and

- our operations have been affected by the COVID-19 pandemic. We have taken actions, including significantly reducing our non-essential capital expenditures, reducing our workforce and other wage reduction efforts, and we continue to evaluate opportunities for managing our operating expenses and conserving our financial resources. Our future strategies, prospects and plans for growth may also be negatively impacted by the COVID-19 pandemic.

Taken individually, or together in any combination, the above could cause a material adverse effect on our business, financial condition, results of operations, and liquidity, although the extent of the potential effect will depend on future actions and outcomes, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the short-term and long-term economic impact of the outbreak (including the effect on advertising activity, consumer discretionary spending and our employees in the markets in which we operate), the actions taken to mitigate the impact of the virus, including the distribution and effectiveness of vaccines, and the pace of economic and financial market recovery when the COVID-19 pandemic subsides, among others. Further, many of the Risk Factors described in this report are more likely to occur and be further intensified as a result of the impact of the COVID-19 pandemic.

Risks Related to Economic Conditions and Our Business

Decreased spending by advertisers, decline in attendance of our live events and changes in the economy may have a material adverse effect on our business.

Because a substantial majority of our net revenue is generated from the sale of local, regional and national advertising on our radio stations, digital properties and at our live events, a downturn in the economy or reduction in consumer confidence in the U.S. economy may have a material adverse impact on our business, financial condition and results of operations, as advertisers generally reduce their spending during such periods. Furthermore, because a substantial portion of our revenue is derived from local advertisers, our ability to generate advertising revenue in specific markets (including concentrations in and around the Northeast, Upper Midwest, Texas and the Mountain West) could be adversely affected by local or regional economic downturns. A downturn in the U.S. economy could also adversely affect our advertising revenue and our results of operations.

In addition, a significant percentage of our advertising revenue is generated from the sale of advertising to the automotive, financial services and retail industries. These industries, among others, have been adversely affected by prior downturns in the economy, and may be adversely affected by any future downturns in the economy, and a significant decrease in advertising revenue from advertisers in these industries in the future could have a material adverse effect on our business, financial condition and results of operations.

A decline in attendance at or reduction in the number of concerts, expositions and other experiential events and other forms of entertainment may have an adverse effect on revenue and operating income from our live events business. In addition, during periods of economic slowdown and recession, many consumers have historically reduced their discretionary spending and advertisers have reduced their advertising expenditures. Consumer discretionary spending is sensitive to many factors such as employment, fuel and energy prices, inflation and general economic conditions, and as a result, the risks associated with our live events business may become more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in attendance at our live events. The impact of economic slowdowns on our business is difficult to predict, but they may result in reductions in ticket sales, sponsorships and our ability to generate revenue from live events or grow our live events business.

Our business, financial condition and results of operations may be adversely affected if we are unable to acquire certain broadcast rights or our broadcast rights contracts are not renewed on sufficiently favorable terms.

The acquisition of broadcast rights is highly competitive, and we may be adversely impacted by certain exclusive content rights held by our competitors. We sometimes enter into broadcast rights contracts in the ordinary course of business for both the acquisition and distribution of media content and products, including contracts for both the acquisition and distribution of content rights for sporting events and other programs, and contracts relating to content produced by third parties on our radio stations. If we are unable to renew these contracts, as they expire, on acceptable terms, we may lose these rights, the related content and the related revenue. Even if these contracts are renewed, the cost of obtaining content rights may increase (or increase at faster rates than in the past) or the revenue from distribution of content may be reduced (or increase at slower rates than in the past). The impact of broadcast rights contracts and the terms of the contracts on our results will depend on a number of factors beyond our control, including the strength of advertising markets, effectiveness of marketing efforts, the size of audiences, and the related contract expenses and costs. There can be no assurance that revenue from content based on these rights will exceed the cost of the rights plus the other costs of producing and distributing the content.

Our results are dependent on radio advertising revenue, which can vary from even to odd-numbered years based on the volatility and unpredictability of political advertising revenue.

Approximately 4.3% and 0.7% of our net revenue for the years ended December 31, 2020 and 2019, respectively, consisted of political advertising revenue. Political advertising revenue from elections, which is generally greater in even-numbered years and especially the years in which the U.S. President is elected, has the potential to create fluctuations in our operating results on a year-to-year basis. For example, during 2020, we had political advertising revenue of $16.0 million, as compared to $3.1 million in 2019. In addition, political advertising revenue is dependent on the level of political ad spend and competitiveness of local, state and national elections within each local market.

If we are unable to retain our digital audience, our business will be adversely affected.

The increasing number of digital media options available on the internet, through social networking tools and through mobile and other devices distributing news and other content is expanding consumer choice significantly. Faced with a multitude of media choices and a dramatic increase in accessible information, consumers may place greater value on when, where, how and at what price they consume digital content than they do on the source or reliability of such content. The increasing popularity of news aggregation websites and customized news feeds (often free to users) may reduce our traffic levels by creating a disincentive for the audience to visit our websites or use our mobile applications. In addition, the undifferentiated presentation of some of our content in aggregation with other content may lead audiences to fail to distinguish our content from the content of other providers. Our reputation for quality journalism and content are important in competing for revenue in this environment and are based on consumer and advertiser perceptions. If consumers fail to differentiate our content from other content providers in digital media, or if the quality of our journalism or content is perceived as less reliable, we may not be able to increase our online traffic sufficiently or retain a base of frequent visitors to our local and national digital properties.

Online traffic is also driven by internet search results, including search results provided by Google, the primary search engine directing traffic to our websites. Search engines frequently update and change the methods for directing search queries to websites or change methodologies or metrics for valuing the quality and performance of internet traffic on delivering cost-per-click advertisements. Any such changes could decrease the amount of revenue that we generate from online advertisements. The failure to successfully manage search engine optimization efforts across our business could result in a significant decrease in traffic to our various websites, which could result in substantial decreases in conversion rates and repeat business, as well as increased costs if we were to replace free traffic with paid traffic, any or all of which would adversely affect our business, financial condition and results of operations.

We may not be able to create sufficient advertiser interest in our digital properties or to maintain or increase the advertising rates of the inventory on our digital properties. Even if we maintain traffic levels, the market position of our brands may not be enough to counteract a significant downward pressure on advertising rates.

Our digital businesses are dependent on technology and technical and sales talent.

Future success and growth in our digital businesses will depend upon our continued ability to develop and maintain technology and identify, hire, develop, motivate and retain highly skilled technical and sales talent. Competition for employees with these skill sets is intense and our continued ability to compete effectively depends, in part, upon our ability to attract new employees. We will also need to be able to balance the costs of recruiting and retaining these employees with profitable growth. If we are unable to do so, our business, financial condition or results of operations may be adversely affected.

The rates we charge for in-stream and mobile advertisements are currently less than those we charge for terrestrial radio advertisements.

The rates we charge for in-stream and mobile advertisements are currently less than those we charge for terrestrial radio advertisements. Listeners are increasingly shifting toward online radio streams and mobile applications. If we are unable to sufficiently increase the rates we charge for in-stream and mobile advertisements, a significant shift in listeners could have a material adverse impact on our business, financial condition and results of operations.

The failure or destruction of transmitter and other facilities that we depend upon to distribute our content could materially adversely affect our business, financial condition and results of operations.

We use studios, satellite systems, transmitter facilities and the internet to originate and/or distribute our content. We rely on third-party contracts and services to operate our origination and distribution facilities. These third-party contracts and services include, but are not limited to, electrical power, satellite downlinks, telecom circuits and internet connectivity. Distribution may be disrupted due to one or more third parties losing their ability to provide particular services to us, which could adversely affect our distribution capabilities. A disruption can be caused as a result of any number of events such as local disasters (accidental or environmental), various acts of terrorism, war or armed conflict, power outages, major telecom and internet connectivity failures or satellite failures. Our ability to distribute content to our radio station audience and/or network affiliates may be disrupted for an undetermined period of time until alternate facilities are engaged and put on-line. Furthermore, until we fix issues that arise or third-party services resume when applicable, the inability to originate or distribute content could have a material adverse effect on our business, financial condition and results of operations.

We may lose key on-air talent to competing radio stations or other types of media competitors.

The success of our radio stations is significantly impacted by our on-air talent, and we compete for on-air talent with other radio stations and radio station groups, radio networks, and other providers of syndicated content and other media such as broadcast television, cable television, satellite television, the internet and satellite radio. Our employees and other on-air talent are subject to change and may be lost to competitors or for other reasons, and the contracts we have with certain talent generally are limited in duration. Any adverse changes in particular programs or on-air talent generally could have a material adverse effect on our ratings and our ability to attract advertisers, which could negatively impact our business, financial condition or results of operations.

Our success is dependent upon audience acceptance of our content, particularly our radio programs and live events, which is difficult to predict.

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

Ratings for broadcast radio stations and traffic or visitors to a particular website are also factors that are weighed when advertisers determine which outlets to use and in determining the advertising rates that the outlet receives. Poor ratings or traffic levels can lead to a reduction in pricing and advertising revenue. For example, if there is an event causing a change of programming at one of our radio stations, there could be no assurance that any replacement programming would generate the same level of ratings, revenue or profitability as the previous programming. In addition, changes in ratings methodology and technology could adversely impact our ratings and negatively affect our advertising revenue. In each market, there has been a compression in the relative ratings of all radio stations in the market, enhancing the competitive pressure within the market for advertising dollars. Because of the competitive factors we face, we cannot assure investors that we will be able to maintain or increase our current audience ratings and advertising revenue, which could have an adverse impact on our business, financial condition and results of operations.

Our live events business depends in part on our ability to anticipate the tastes of consumers and to offer events that appeal to them. Since we rely on unrelated parties to perform at certain of our live events, any lack of availability of popular artists could limit our ability to generate revenue. In addition, our live events business typically plans and makes certain commitments to future events up to 18 months in advance of the event, and often agrees to pay an artist or other service providers or venues a fixed guaranteed deposit amount prior to our receiving any revenue as is standard in the live events industry. Therefore, if the public is not receptive to the event, or we or an artist cancel the event, we may incur a loss for the event depending on the amount of the fixed guaranteed or incurred costs relative to any revenue earned, as well as revenue we could have earned at the event. For certain events, we have cancellation insurance policies in place to cover a portion of our losses but this coverage may not be sufficient and is subject to deductibles. Furthermore, consumer preferences change from time to time, and our failure to anticipate, identify or react to these changes could result in reduced demand for our live events, which would adversely affect our business, financial condition and results of operations.

If we lose key members of our senior management team, our business could be disrupted and our financial performance could suffer. Our business depends upon the continued efforts, abilities and expertise of our senior management team.

The leadership, skills and experience of our senior management team are critical to our operations, and the loss of one or more members of our senior management team could have a material adverse effect on our business, financial condition and results of operations, including impairing our ability to execute and evolve our business strategy. We believe that our future success will depend greatly on our continued ability to attract, retain and motivate highly skilled and qualified personnel.

Increases in or new royalties could adversely impact our business, financial condition and results of operations.

We pay royalties to song composers and publishers through four professional rights organizations (“PROs”), which currently are Broadcast Music, Inc. (“BMI”), the American Society of Composers, Authors and Publishers (“ASCAP”), SESAC, Inc. (“SESAC”) and Global Music Rights, Inc. (“GMR”), for the performance of music on our radio stations and websites. We also pay royalties to Sound Exchange for music streamed on our websites. Royalty rates are subject to adjustment and it is possible that our royalty rates associated with obtaining rights to use musical compositions and sound recordings in our programming content could increase as a result of private negotiations, regulatory rate-setting processes, or administrative and court decisions. In addition, the emergence of one or more new PROs could increase the royalties we pay.

From time to time, Congress considers legislation that could require that radio broadcasters pay performance royalties to record labels and recording artists. The proposed legislation has been the subject of considerable debate and activity by the radio broadcast industry and other parties that could be affected. We cannot predict whether any proposed legislation will become law. The proposed legislation would add an additional layer of royalties to be paid directly to record labels and artists. It is currently unknown what proposed legislation, if any, will become law, however such an additional royalty could have an adverse effect on our business, financial condition and results of operations.

The Department of Justice has been considering whether to reform or terminate the long-standing consent decrees that govern music licensing by ASCAP and BMI. Additionally, there has been litigation concerning whether these consent decrees require full-work licensing, resulting in a ruling by a federal appeals court that they do not. The reformation or termination of these consent decrees and the resolution of the full-work licensing issue each could lead to the increase of our royalty rates associated with obtaining rights to use musical compositions and sound recordings in our programming content.

Our substantial indebtedness could have an adverse impact on us.

We have a significant amount of indebtedness. As of December 31, 2020, we had $543.4 million of outstanding indebtedness, net of deferred financing costs of $2.4 million, with annual cash interest expense requirements of approximately $28.5 million which represented 89.5% of cash flow from operating activities for continuing operations. On January 6, 2021, we completed the sale of $550.0 million aggregate principal amount 6.875% senior secured notes due 2026 (the “2026 Notes”) at an issue price of 100.0%. The Company used the net proceeds from the 2026 Notes Offering to repay the term loans under our Senior Secured Credit Facility (the “Term Loans”) and to redeem all of our 6.5% Unsecured Senior Notes (the “2023 Notes”). Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to pay amounts due in respect of our indebtedness. We may incur substantial additional amounts of indebtedness, as well as incur significant non-debt obligations, which could further exacerbate the risks associated with such indebtedness. Our substantial indebtedness could have other significant effects on our business.

For example, it could:

- increase our vulnerability to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- restrict us from taking advantage of opportunities to grow our business;
- make it more difficult to satisfy our financial obligations;
- place us at a competitive disadvantage compared to our competitors that have less debt obligations; and
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, the execution of our own business strategy or other general corporate purposes on satisfactory terms or at all.

In addition, the agreements evidencing or governing our current indebtedness do contain, and the agreements evidencing or governing our future indebtedness may contain, restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our ability to comply with those covenants depends on our future operating performance and cash flow, which are in turn subject to prevailing economic conditions, increases or decreases in advertising spending, changes in the highly competitive industry in which we operate, which may be rapid, and other factors, many of which are beyond our control. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness, which would have a material adverse effect on our business.

Interest is payable on the 2026 Notes semi-annually in cash in arrears on February 1 and August 1 of each year, commencing on August 1, 2021. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. If we cannot make scheduled payments on our indebtedness, we will be in default under one or more of the agreements governing our indebtedness, and, as a result, we could be forced into bankruptcy or liquidation.

We may be adversely affected by the occurrence of extraordinary events, such as terrorist attacks, pandemics or natural disasters.

The occurrence of extraordinary events, such as terrorist attacks, natural disasters, contagious disease outbreaks or pandemics (for example, the coronavirus that surfaced in Wuhan, China), intentional or unintentional mass casualty incidents or similar events may substantially impact our operations in specific, geographic areas, as well as nationally, may directly affect our employees, including our key employees, and may decrease the use of and demand for advertising, and the attendance at our live events, which may decrease our revenue or expose us to substantial liability. The occurrence of future terrorist attacks, military actions by the U.S., contagious disease outbreaks or pandemics or other unforeseen similar events cannot be predicted, and their occurrence can be expected to negatively affect the economies where we do business in general and specifically in the market for advertising or live events. In addition, an act of God or a natural disaster could adversely impact any one or more of the markets where we do business, thereby impacting our business, financial condition and results of operations.

Poor weather and personal injuries or accidents may adversely affect expenses and attendance at our live events, which could negatively impact our financial performance from period to period.

We produce, promote and/or ticket many live events. Weather conditions surrounding these events affect sales of tickets, concessions and merchandise, among other things, particularly at our outdoor live events. Poor weather conditions can have a material effect on our results of operations particularly because we produce, promote and/or ticket a finite number of events. Due to weather conditions, we may be required to cancel or reschedule an event to another available day or a different venue, which would increase our costs for the event and could negatively impact the attendance at the event, as well as food, beverage, and merchandise sales. Poor weather can affect current periods as well as successive events in future periods, any of which could adversely affect our business, financial condition and results of operations. For certain events, we have cancellation insurance policies in place to cover a portion of our losses but this coverage may not be sufficient and is subject to deductibles.

There are inherent risks involved with producing live events. As a result, personal injuries and accidents have, and may, occur from time to time, which could subject us to claims and liabilities for personal injuries. Incidents in connection with our live events at any of our venues that we own or rent, could also result in claims, reducing operating income or reducing attendance at our events, which could cause a decrease in our revenue. While we maintain insurance policies that provide coverage within limits that are sufficient, in management's judgment, to protect us from material financial loss for personal injuries sustained by persons at our venues or events or accidents in the ordinary course of business, there can be no assurance that such insurance will be adequate at all times and in all circumstances.

Capital requirements necessary to operate our business or consummate acquisitions could pose risks.

Our business requires a certain level of capital expenditures. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could be forced to reduce or delay investments and capital expenditures, adversely impacting our business, financial condition and results of operations. In addition, we may be required to increase our debt and/or issue equity securities in order to consummate an acquisition, and we may not have sufficient cash flows and capital resources to consummate one or more acquisitions. In addition, our ability to obtain financing depends on a number of other factors, many of which are also beyond our control, such as interest rates and national and local business conditions. If the cost of obtaining needed financing is too high or the terms of such financing are otherwise unacceptable in relation to the acquisition opportunity we are presented with, we may decide to forego that opportunity. Additional indebtedness could increase our leverage and make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures.

Risks Related to Our Industry and Competition

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

We operate in a highly competitive industry. Our radio operations compete for audiences and advertising market share with other radio stations and radio station groups, radio networks, other syndicated content and other media such as broadcast television, newspapers, magazines, cable television, satellite television, the internet, internet radio, satellite radio, outdoor advertising, mobile devices and other portable digital audio players. We also compete for advertising dollars with other large companies, such as Facebook, Google and Amazon. Any adverse change in a particular market or in the relative market positions of the radio stations located in a particular market, or any adverse change in audiences' preferences could have a material adverse effect on our ratings or revenue. Other radio broadcasting companies may enter the markets in which we operate or may operate in the future, offer syndicated content that competes with our content, or try to acquire distribution rights of media content and products or on-air talent that we use or have under contract, and these companies may be larger and have more financial resources than we do.

In addition, from time to time, other radio stations may change their format or content, or a radio station may adopt a format to compete directly with us for audiences and advertisers. These tactics could result in lower ratings, lower market share and lower advertising revenue or increased promotion and other expenses and, consequently, lower earnings and cash flow for us. Audience preferences as to format or content may also shift due to demographic changes, personnel or other content changes, a decline in broadcast listening trends or other reasons. We may not be able to adapt to these changes or trends, any of which could have a material adverse impact on our business, financial condition and results of operations. If we elect to make significant changes to our format or content to respond to changes in audience preferences or competition in a number of markets, such changes could utilize significant management resources, capital and time to implement and our new format and content may not be successful.

We face substantial competition for advertising revenue in our various markets from free and paid newspapers, magazines, websites, digital platforms and applications, television, radio, other forms of media, direct marketing and online advertising networks and exchanges. Competition for advertising is generally based on audience levels and demographics, price, service and advertising results. It has intensified as a result of the continued development of digital media and in recent years, advertisers have shifted dollars toward digital, putting downward pressure on our broadcast revenue. If this trend continues, we may experience a decline in broadcast revenue as a result. In addition, competition from all of these media and services affects our ability to attract and retain advertisers and consumers and to maintain or increase our advertising rates.

To remain competitive, we must respond to changes in technology, services and standards that characterize our industry.

The radio broadcasting and digital advertising industries are subject to technological change, evolving industry standards and the emergence of new media technologies and trends. We may not have the resources to acquire new technologies or to introduce new services that could compete with these new technologies and may allow us to adapt to new trends.

Various new media technologies and services have been or are being developed or introduced, including:

- satellite-delivered digital audio radio service, which resulted in subscriber-based satellite radio services with numerous niche formats;
- audio content by cable systems, direct-broadcast satellite systems, personal communications systems, content available over the internet and other digital audio broadcast formats;
- in-band on-channel digital radio, which provides multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services;
- Low-Power FM radio stations, which are non-commercial FM radio broadcast outlets, that serve small, localized areas;
- applications that permit users to listen to programming on a time-delayed basis and to fast-forward through programming and/or advertisements (e.g. podcasts);

- iPhone/iPod/iPad and similar mobile devices;
- gaming consoles, in-home entertainment and enhanced automotive platforms;
- voice activated smart speakers; and
- streaming internet services such as Spotify and Pandora.

The radio broadcasting industry historically has grown despite the introduction of new technologies for the delivery of entertainment and information, including the introduction of new technologies used in automobiles, as a result, in part, of a growing population, greater use of the automobile and increased commuter times. We cannot guarantee that this historical growth will continue. Some of the technologies, particularly satellite digital audio radio service and internet radio, compete for the consumer's attention in the car, workplace, outdoors and elsewhere.

In addition, we cannot predict the effect, if any, that competition arising from new technologies may have on the radio broadcasting and digital advertising industries or on our business, financial condition and results of operations, some of which could result in the imposition of significant costs and expenses not previously part of our business operations.

Our future revenue and earnings growth will be significantly impacted by our digital lines of business.

We invest significant capital and employee resources in Townsquare Interactive, our digital marketing solutions business, and Townsquare Ignite, our programmatic digital advertising business. These digital business lines are subject to significant competition, rapidly changing technology, and evolving standards. As we continue to grow these lines of business and to expand into new markets, we will also face new sources of competition, including, in certain of these markets, from companies with longer operating histories, established customer bases, greater brand recognition and more financial, technical, marketing, and related resources. We will need to cultivate new relationships with customers, third party providers and other partners in each of these markets. We may not be able to compete successfully against current and future competitors, and our business, results of operations and financial condition will be harmed if we fail to meet these competitive pressures. In addition, there can be no assurance that our digital technologies we use or develop will be adequate, or that we will be able to establish our proprietary right to the technologies we rely upon.

The ability to grow Townsquare Interactive depends in large part on maintaining and expanding our subscriber base. To do so, we must convince prospective subscribers of the benefits of our technology platform and existing subscribers of the continuing value of our products and services. Most of our contracts with subscribers are terminable upon short or no notice. The digital marketing solutions sector is highly competitive. We believe our solutions are well positioned to serve the SMBs in the small and mid-sized markets upon which we focus. However, if our net subscriber base decreases, our business, financial condition and operating results will be adversely affected.

We face intense competition in the live events industry, and we may not be able to maintain or increase our current revenue, which could adversely affect our business, financial condition and results of operations.

The live events industry is highly competitive, and we may not be able to maintain or increase our current revenue due to such competition. The live events industry competes with other forms of music and non-music entertainment for consumers' discretionary spending and within this industry we compete with other venues to win contracts and book talent, and, in the markets in which we promote music concerts, we face competition from other promoters and venue operators. Our competitors may engage in more extensive development efforts, undertake more far-reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to existing and potential customers, talent, and venues. Our competitors may develop services, advertising options or venues that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. In addition, although many live events formats are annual in nature, there is risk that they will reach the end of their product life cycle as consumer tastes evolve and we will not be able to develop new events that cater to new consumer preferences. Finally, it is possible that new competitors may emerge and rapidly acquire significant market share.

Risks Related to Acquisitions

There are risks associated with our acquisition strategy.

We may continue to grow in part by acquiring radio stations, digital properties, live events or other businesses in the future. We cannot predict whether we will be successful in pursuing these acquisitions or what the consequences of these acquisitions will be. Any acquisitions in the future may be subject to various conditions, such as compliance with FCC and antitrust regulatory requirements.

The FCC requirements include:

- approval of license assignments and transfers;
- limits on the number of radio stations a broadcaster may own in a given local market; and
- other rules and policies, such as the ownership attribution rules, that could limit our ability to acquire radio stations in certain markets where one or more of our stockholders, officers or directors have other media interests.
- The antitrust regulatory requirements include:
- filings with the DOJ and the FTC under the HSR Act, where applicable;
- expiration or termination of any applicable waiting period under the HSR Act; and
- possible review by the DOJ or the FTC of antitrust issues under the HSR Act or otherwise.

Completion of any acquisition may be approved by regulatory authorities subject to our compliance with certain conditions. These conditions may be onerous, and may include the requirement that we divest certain assets, which may include radio stations we already own or we propose to acquire. We cannot be certain whether we would be willing to satisfy any of these conditions or whether they can be satisfied, the timing thereof, or the potential impact on us any such conditions may have. In addition, the FCC has in the past asserted the authority to review levels of local radio market concentration as part of its acquisition approval process, even where proposed assignments would comply with the numerical limits on local radio station ownership in the FCC's rules and the Communications Act.

Our acquisition strategy involves numerous other risks, including risks associated with:

- identifying acquisition candidates, competing for such acquisitions and negotiating definitive purchase agreements on satisfactory terms, and the related costs of these activities;
- integrating operations, systems, and other internal controls, and managing a large and geographically diverse group of assets;
- unsatisfactory returns on investment or an inability to achieve anticipated synergies on a timely basis or at all;
- diverting our management's attention from other business concerns;
- entry into new markets and geographic areas where we have limited or no experience;
- retaining key employees, customers, suppliers or other third party relationships of the acquired businesses;
- assumption of known and unknown liabilities, some of which may be difficult or impossible to quantify;
- non-cash impairment charges or other accounting charges relating to the acquired assets;
- tax costs or inefficiencies; and

- a diminishing number of properties available for sale in appropriately sized and located markets.

We cannot be certain that we will be able to successfully integrate any recent or future acquisitions or manage the resulting business effectively, or that any acquisition will achieve the benefits that we anticipate. In addition, we are not certain that we will be able to acquire properties at valuations as favorable as those of previous acquisitions. Depending upon the nature, size and timing of potential future acquisitions, we may be required to raise additional financing or issue additional securities in order to consummate additional acquisitions. Our debt agreements, as may be in place at any time, may not permit us to consummate an acquisition or access the necessary additional financing because of certain covenant restrictions. Furthermore, we cannot be certain that additional capital will be available to us or, if available, that capital would be on terms acceptable to our management team.

Due to various market and financial conditions, we may not be able to successfully complete future acquisitions or future dispositions of our radio stations, or achieve the related benefits we anticipate.

We pursue strategic acquisitions when such acquisitions are strategic and financially additive and meet our overall business needs. We engage in strategic sales of our assets from time to time, as it makes financial sense to do so and meets our overall business needs. We have also been required by the FCC to divest radio stations. However, due to financial and economic market conditions, both in the radio industry and in the overall U.S. economy, as well as antitrust, FCC and other regulatory requirements, our consummation of future acquisitions or dispositions, including those requiring radio station divestitures, is uncertain and may be difficult. In addition, we cannot be certain that we will be able to successfully integrate any recent or future acquisitions or manage the resulting business effectively, or that any acquisition or disposition will achieve the benefits that we anticipate.

Risks Related to Our Financial Reporting and Accounting

We have identified several material weaknesses in our internal control over financial reporting. If we are unable to remediate the material weaknesses, or if we experience additional material weaknesses in the future, our business may be harmed.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on the effectiveness of our system of internal control. Our 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 reporting purposes in accordance with U.S. GAAP. As a public company, we are required to comply with the Sarbanes-Oxley Act and other rules that govern public companies. In particular, we are required to certify our compliance with Section 404 of the Sarbanes-Oxley Act, which requires us to furnish annually a report by management on the effectiveness of our internal control over financial reporting.

We were previously an emerging growth company and our auditor previously was not required to make a formal assessment of the effectiveness of our internal control over financial reporting in our 2018 Annual Report. Because we ceased to be an “emerging growth company” as of the end of the year ended December 31, 2019 and are not a non-accelerated filer, we are now subject to Section 404(b) of the Sarbanes-Oxley Act, which requires that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting for the first time in our Annual Report for the year ended December 31, 2019, and again in this Annual Report, among additional requirements.

Management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2020 and concluded that our internal control over financial reporting was not effective as of December 31, 2020 due to the material weaknesses described under “Item 9A. Controls and Procedures” in this Annual Report. For similar reasons, management also concluded our disclosure controls and procedures were not effective as of December 31, 2020. We have taken and continue to take steps to remediate our material weaknesses.

Remediation efforts place a significant burden on management and add increased pressure to our financial resources and processes. If we are unable to successfully remediate our existing material weaknesses or any additional material weaknesses in our internal control over financial reporting are identified in the future, our business may be harmed. Such harm may include: (i) failure to accurately report our financial results, to prevent fraud or to meet our SEC reporting obligations on a timely basis or at all; (ii) material misstatements in our Consolidated Financial Statements and harm to our operating results and investor confidence; and (iii) a material adverse effect on the trading price of our stock. In addition, the foregoing could subject us to sanctions or investigations by the NYSE, the SEC or other regulatory authorities, and result in the breach of covenants in our debt agreements, any of which could have a material adverse impact on our operations, financial condition, results of operations, liquidity and our stock's trading price.

Further, there are inherent limitations in the effectiveness of any control system, including the potential for human error and the possible circumvention or overriding of controls and procedures. Additionally, judgments in decision-making can be faulty and breakdowns can occur because of a simple error or mistake. An effective control system can provide only reasonable, not absolute, assurance that the control objectives of the system are adequately met. Finally, projections of any evaluation or assessment of effectiveness of a control system to future periods are subject to the risks that, over time, controls may become inadequate because of changes in an entity's operating environment or deterioration in the degree of compliance with policies or procedures.

We identified certain misstatements to our previously issued financial statements and previously restated certain of our consolidated financial statements, which has created additional risks and uncertainties that may have a material adverse effect on our business, financial position and results of operations.

In our Annual Report on Form 10-K for the year ended December 31, 2019, we restated our previously issued consolidated financial statements as of December 31, 2018 and 2017 and for the years ended December 31, 2018 and 2017, and restated our unaudited quarterly financial data of the first three quarters of the year ended December 31, 2019, and each quarter of the year ended December 31, 2018. We had concluded that these previous periods should be restated to correct; (i) an error in the projected cash flows that were utilized in our FCC license valuation model, which resulted in the understatement of specified impairment charges, (ii) the tax treatment of the loss on the 2018 sale of North American Midway Entertainment, (iii) recognizing a valuation allowance against our federal net operating loss carryforwards, (iv) the elimination of deferred tax assets related to stock-based compensation and (v) the calculation of basic loss per common share and the related impacts to our consolidated financial statements.

As a result of these errors and the restatement, we became subject to a number of additional risks and uncertainties and unanticipated costs for accounting, legal and other fees and expenses. We may become subject to legal proceedings brought by regulatory or governmental authorities, or subject to other legal proceedings, as a result of the errors or the related restatement, which could result in a loss of investor confidence and other reputational harm, the loss of key employees, additional defense and other costs. Any of the foregoing impacts, individually or in aggregate, may have a material adverse effect on our business, financial position and results of operations.

Future losses could be caused by future asset impairment of our FCC licenses and/or goodwill.

Under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 350, "Intangibles-Goodwill and Other," goodwill and indefinite-lived intangibles, including FCC licenses, are not amortized but instead are tested for impairment at least annually, or more frequently if events or circumstances indicate that there may be an impairment. Impairment is measured as the excess of the carrying value of the goodwill or intangible asset over its fair value. Intangible assets that have finite useful lives continue to be amortized over their useful lives and are also measured for impairment if events or circumstances indicate that they may be impaired. Impairment losses are recorded as operating expenses.

As of December 31, 2020, our FCC licenses and goodwill comprised approximately 36.0% and 20.6% of our consolidated total assets, respectively. The valuation of intangible assets is subjective and based on estimates rather than precise calculations. If actual future results are not consistent with the assumptions and estimates used, we may be exposed to impairment charges in the future. The fair value measurements for both our goodwill and indefinite-lived intangible assets use significant unobservable inputs which reflect our own assumptions about the estimates that market participants would use in measuring fair value including assumptions about risk.

Given the current economic environment and the potential negative impact on our business, there can be no assurance that our estimates and assumptions regarding the period and strength of the current economic recovery, made for the purpose of our non-amortizable intangible fair value estimates, will prove to be accurate.

Interim and/or annual impairment testing, as applicable, could result in future impairment losses. The fair value of FCC licenses and goodwill is primarily dependent on the expected future cash flows of our business. If actual market conditions and operational performance underlying the intangible assets were to deteriorate, or if facts and circumstances change that would more likely than not reduce the estimated fair value of the FCC licenses or goodwill below their adjusted carrying amounts, the Company may be required to recognize additional non-cash impairment charges in future periods, which could have a material impact on the Company's business, financial condition and results of operations.

Refer to Note 7, *Goodwill and Other Intangible Assets* for additional information.

Risks Related to Technology

New technologies could block our ads, which would harm our business.

Technologies have been developed that can block the display of our ads and that provide tools to users to opt out of our advertising products. Most of our revenue from our digital businesses are derived from fees paid to us by advertisers in connection with the display of ads on web pages for our users. As a result, such technologies and tools could adversely affect our operating results.

A security breach or a cyber-attack could adversely affect our business.

A security breach or cyber-attack of our computer systems could interrupt or damage our operations or harm our reputation. A security breach could occur both from external sources, including malicious attacks and third party service provider vulnerabilities, as well as internal sources, such as employee error, failures in our security measures or vulnerabilities in our networks or code base. Any security breaches of our computer systems, including repeated or sustained attacks or disruptions, could interrupt delivery of services to customers, potentially increasing costs and reducing revenue. If third parties or our employees are able to penetrate our network security or otherwise misappropriate personal information or contact information of our customers, audience, business partners or advertisers, or if we give third parties or our employees improper access to such data, we could be subject to liability. This liability could include identity theft or other similar fraud-related claims. This liability could also include claims for other misuses or losses of personal information, including for unauthorized marketing purposes. Even in the absence of bad actors, unidentified vulnerabilities or glitches in our systems could result in loss of business critical data or otherwise compromise the confidentiality, integrity or availability of such data. Other liabilities could include claims alleging misrepresentation of our privacy and data security practices. We could also be subject to regulatory or private rights of action in certain jurisdictions.

The number and scale of cyber-attacks causing significant business disruptions, such as global ransomware attacks, are increasing and could pose a risk to our ability to deliver our services and operate our business. Any future ransomware or other cyber-attack could disrupt our service delivery for an indeterminate period of time, as well as compromise or destroy personal and business-critical data and information within our control. Recovering from such an attack may require significant resources to restore business operations and our services, including personnel time and capital costs. In some cases, recovery of such data may not be possible. If a security breach results in the exposure or unauthorized disclosure of personal information, we could incur additional costs associated with data breach notification and remediation expenses, investigation costs, regulatory penalties and fines, and legal proceedings. Our insurance coverage may not be adequate to cover all the costs related to such breaches or attacks.

We rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential consumer information. Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. A party who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations.

We may be required to expend capital and other resources to protect against such security breaches or cyber-attacks or to alleviate problems caused by such breaches or attacks. Our security measures are designed to protect against security breaches and cyber-attacks but may not be adequate, implemented properly, or appropriately complied with internally to prevent a security breach or cyber-attack. No network or system can ever be completely secure. Our failure to prevent such security breaches and cyber-attacks could subject us to liability, adversely affect our results of operations and damage our reputation.

Our engagement of third party service providers increases our exposure to security and data privacy risks.

Select business operations, including online advertising, analytics engines and data storage, rely on partnerships with third party service providers, the operations, practices, and processes of which are outside our control. Despite due diligence in engaging these third parties and efforts to contractually protect our interests, we cannot guarantee that these third parties will adequately protect the personal information that we share with, or that is collected on our behalf by, such third parties or that such third parties will fully or sufficiently comply with all applicable data protection laws and contractual obligations. The failure of our third party service providers to adequately protect the personal information we process could result in a security breach of such personal information, potentially exposing us to the liability of a data breach or mishandling of personal information. Even where personal information is not involved, a successful cyber-attack on one of our third party service providers could result in a disruption to our operations and impact revenues.

Under recent developments in data protection laws, particularly the European Union's General Data Protection Regulation, we may be liable for the compliance of any third parties engaged to process personal information on our behalf with applicable data protection laws. More recently, California enacted the California Consumer Privacy Act (the "CCPA") that, among other things, requires covered companies to provide new disclosures to California consumers, and afford such consumers new abilities to opt-out of certain sales of personal information and, in some cases, delete such personal information. If any of our third party service providers fail to comply with applicable laws, we may face additional exposure and liability on behalf of such providers. While we attempt to control against such outcomes through our vetting of third party service providers and with appropriate contractual obligations, we cannot ensure our third party service providers will fully comply with all such obligations. Moreover, the regulatory landscape is constantly evolving and subject to ongoing interpretations and guidance from regulatory authorities. The costs of compliance with, and other burdens imposed by, the GDPR and CCPA and other privacy laws could have an adverse impact on our business, results of operations and financial condition.

We rely on third parties to provide the technologies necessary to deliver content, advertising and services to our audience, and any change in the licensing terms, costs, availability, or acceptance of these formats and technologies could adversely affect our business.

We rely on third parties to provide the technologies that we use to deliver content, advertising, and services. There can be no assurance that these providers will continue to license their technologies or intellectual property to us on reasonable terms, or at all. Providers may change the fees they charge users or otherwise change their business model in a manner that slows the widespread acceptance of their technologies. In order for our services to be successful, there must be a large base of users of the technologies necessary to deliver our content, advertising and services. We have limited or no control over the availability or acceptance of those technologies, and any change in the licensing terms, costs, availability, or user acceptance of these technologies could adversely affect our business.

Certain components of our online business depend on continued and unimpeded access to the internet by us and our audience. Internet access providers may be able to block, degrade, or charge for access to certain of our products and services, which could lead to additional expenses and the loss of our audience and advertisers.

Certain of our products and services depend on the ability of our audience to access the internet, and certain of our products require significant bandwidth to work effectively. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies and government-owned service providers. Some of these providers may take measures that could degrade, disrupt, or increase the cost of, access to certain of our products by restricting or prohibiting the use of their infrastructure to support or facilitate our offerings, or by charging increased fees to us or our audience to provide or access our offerings. Such interference could result in a loss of existing audience and advertisers, and increased costs, and could impair our ability to attract new audience and advertisers, thereby harming our revenue and growth.

Risks Related to Governmental Regulation and Legislation

Our business depends upon licenses issued by the FCC, and if licenses are not renewed or we are out of compliance with FCC regulations and policies, our business could be materially impaired.

The radio industry is subject to extensive regulation by the FCC under the Communications Act. Our radio stations depend upon maintaining their broadcasting licenses issued by the FCC, which are currently issued for a maximum term of eight years and are renewable. Interested parties may challenge a renewal application. On rare occasions, the FCC has revoked licenses, not renewed them, or renewed them with significant qualifications, including renewals for less than a full term of eight years. In the last renewal cycle, the FCC granted all of the license renewal applications that were filed for our radio stations. Our latest license renewal cycle began in 2019. We cannot be certain that our current or future license renewal applications will be approved, or that the renewals will not include conditions or qualifications that could adversely affect our business, financial condition and results of operations, result in material impairment and adversely affect our liquidity and financial condition. If any of our FCC licenses are not renewed, it would prevent us from operating the affected radio station and generating revenue from it. Further, the FCC has a general policy restricting the transferability of a radio station license while a renewal application for that radio station is pending. In addition, we must comply with extensive FCC regulations and policies governing the ownership and operation of our radio stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to consummate future transactions. The FCC's rules governing our radio station operations impose costs on our operations and changes in those rules could have an adverse effect on our business. The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. If the FCC relaxes these technical requirements, it could impair the signals transmitted by our radio stations and could have a material adverse effect on our business. Moreover, governmental regulations and policies may change over time, and the changes may have a material adverse impact upon our business, financial condition and results of operations. For further details on federal regulation of radio broadcasting, see "Business-Federal Regulation of Radio Broadcasting."

The FCC has been vigorous in its enforcement of its rules and regulations, including its indecency and sponsorship identification rules, violations of which could have a material adverse effect on our business.

The FCC's rules prohibit the broadcast of obscene material at any time and indecent material between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating the prohibition against broadcasting indecent material because of the vagueness of the FCC's definition of indecent material, coupled with the spontaneity of live content. The FCC vigorously enforces its indecency rules against the broadcasting industry as a whole and violations of these rules may result in fines or, in some instances, revocation of a FCC license. The FCC's focus on the indecency regulatory scheme, against the broadcast industry generally, may encourage third parties to oppose our license renewal applications.

Furthermore, in recent years the FCC has increased its enforcement of regulations requiring a radio station to include an on-air announcement which identifies the sponsor of all advertisements and other matter broadcast by any radio station for which any money, service or other valuable consideration is received. Fines for such violations can be substantial as they are dependent on the number of times a particular advertisement is broadcast.

We cannot predict whether Congress will consider or adopt further legislation in this area. In the ordinary course of business, we or the FCC may receive complaints and we may become subject to FCC inquiries or proceedings related to our stations' broadcasts or operations, and any resulting settlement with or fines from the FCC, revocation of any of our radio station licenses or denials of license renewal applications, could have a material adverse effect on our business, financial condition and results of operations.

We are required to obtain prior federal approval for each station acquisition, which approvals may be subject to our compliance with certain conditions, possibly including asset divestitures, which may be material.

Acquisitions have been and may continue to be, a critical component of our overall strategy. The acquisition of a radio station requires the prior approval of the FCC and may require approvals by other governmental agencies, such as the DOJ or the FTC. To obtain that approval, a proposed acquirer is required to file a transfer of control or assignment of license application with the FCC. The Communications Act and FCC rules allow members of the public and other interested parties to file petitions to deny or other objections to the FCC with respect to the grant of any transfer or assignment application. The FCC could rely on those objections or its own initiative to deny a transfer or assignment application or to require changes in the transaction, including the divestiture of radio stations and other assets, as a condition to having the application granted. Although we do not currently expect such divestitures to be material to our financial position or results of operations, no assurances can be provided that we would not be required to divest additional radio stations in connection with obtaining such approval, or that any such required divestitures would not be material to our financial position or results of operations. The FCC could also change its existing rules and policies to reduce the number of radio stations that we would be permitted to acquire in some markets. For these and other reasons, there can be no assurance that the FCC will approve potential future acquisitions that we deem material to our business. See "-*There are risks associated with our acquisition strategy*" for additional information regarding FCC and other regulatory approvals required for acquisitions**.**

We may be adversely affected by the FCC's actions with respect to Revitalization of AM Radio.

In October 2015, the FCC released a First Report and Order and Further Notice of Proposed Rulemaking titled "Revitalization of AM Radio Service," enacting several modifications to its technical rules for AM radio stations. Included in the order is the elimination of a rule which requires certain AM stations to reduce nighttime interference when seeking to modify their facilities. Also included is a relaxation of the FCC's requirements for AM stations to provide their communities of license with a specific level of signal coverage, with the intended purpose of permitting AM stations to change the locations of their transmitting facilities. As a result of these rule changes, it is possible that some of our stations may experience increased nighttime interference from other stations in connection with facility modifications. It is also possible that stations owned by others and not serving our markets could move into our markets and become new competitors and cause interference to our stations or translators. Another aspect of the FCC's revitalization order was exclusive AM filing windows in 2016 to allow AM stations to move a FM translator up to 250 miles to rebroadcast that AM station's signal, and windows in 2017 and 2018 exclusively for AM stations to apply for a new FM translator construction permit. As a result of these filing windows many broadcast companies, including our Company, have constructed and are operating new FM broadcast translator stations, or have construction permits to do so in the future, and thereby rebroadcast certain of their AM stations in the FM band. We cannot predict at this time to what extent these new FM broadcast translator stations will impact our Company.

The information we collect and process is of increasing business importance and new or changing federal, state or international privacy legislation or regulation create uncertainty for our continued use of the information we collect and process.

In the course of our ordinary business operations, we may collect personal information and non-personal information that is critical or commercially-useful to our business, including personal information related to our employees, audience, advertisers, contractors, and customers. As a result of our digital expansion efforts and third party partnerships, the volume, sensitivity, and business importance of the information we collect and use is increasing. We collect this information directly from individuals, through passive tracking technology such as "cookies" and indirectly through third parties engaged to provide services on our behalf. In addition to the risk that a security breach may compromise this information, this information may include personal information such as names, contact information, credit card information, geolocation and demographic information that is subject to specific data protection and privacy laws.

We are subject to federal, state and international data protection and privacy laws and regulations that require us to comply with specific consumer protection, information security and data protection and privacy requirements. The legal and regulatory landscape continues to evolve, with new laws being enacted or coming into force. Additionally, we are now required to comply with the CCPA, which requires us to update both our internal and external policies and procedures to meet our compliance obligations under CCPA. Compliance with CCPA may require that we change or amend activities that involve personal information, which may impact business operations or our ability to effectively use personal information in our control. Furthermore, as mentioned under "— *Our engagement of third party service providers increases our exposure to security and data privacy risks*" above, such requirements include allowing consumers to limit our use of their personal information, or delete it entirely.

Regulatory enforcement actions and interpretations of new data protection and privacy laws and regulations may change how these requirements apply to our business and collection, use, storage, and disclosure of personal information, creating uncertainty regarding the continued viability of information-reliant business activities. Certain interpretations or implementation of new data protection and privacy laws, as well as the evolving legal and regulatory landscape, could harm our business, including negatively impacting the cost of doing business or our ability to engage in certain business practices. Furthermore, recent disclosures of major data breaches and company data collection, use and disclosure practices to which large segments of the consumer population have objected may result in both increased interest in U.S. federal data privacy legislation as well as changes to consumer privacy expectations and demands. Such shifts may restrict our ability to collect and/or process personal information in a particular way or derive economic value from personal, and even non-personal, information.

We have implemented and are implementing policies and procedures to comply with applicable data protection and privacy laws and regulations, but such measures may not always be effective, particularly as the legal landscape continues to evolve, and regulatory guidance is often ambiguous or inconsistent. Some of our internal processes are manual and rely on employees to follow and adhere to our policies and procedures, which can result in employee error and internal compliance failures. Any failure or perceived failure by us to comply with our policies or applicable data protection and privacy laws and regulations could result in regulatory enforcement actions against us, proceedings by governmental entities, consumers or others (including our contractual third parties), and loss in brand value and reputation. Such results could possibly require us to incur costs for defending against proceedings or paying regulatory fines or penalties and responding to such outcomes could consume considerable management focus and internal resources, decrease demand for our services, or increase the costs of, or otherwise limit, our ability to do business.

New or changing federal, state or international privacy legislation or regulation could hinder the growth of our internet properties.

A variety of federal and state laws govern the collection, use, retention, sharing and security of consumer data that our internet properties use to operate certain services and to deliver certain advertisements to its customers, as well as the technologies used to collect such data. Not only are existing privacy-related laws in these jurisdictions evolving and subject to potentially disparate interpretation by governmental entities, new legislative proposals affecting privacy are now pending at both the federal and state level in the U.S. Changes to the interpretation of existing law or the adoption of new privacy-related requirements could hinder the growth of our internet presence. Also, a failure or perceived failure to comply with such laws or requirements or with our own policies and procedures could result in significant liabilities, including a possible loss of consumer or investor confidence or a loss of customers or advertisers, and could adversely affect our business, financial condition and results of operations. Furthermore, the oversight required to monitor and adapt to the ever-changing regulatory landscape could consume considerable management focus and internal resources, or increase the costs of, or otherwise limit, our ability to do business.

Risks Related to Our Smaller Reporting Company Status

We are a smaller reporting company and intend to avail ourselves of certain reduced disclosure requirements applicable to smaller reporting companies, which could make our common stock less attractive to investors.

We are a smaller reporting company, as defined in the Exchange Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not smaller reporting companies, including reduced disclosure obligations regarding executive compensation. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We intend to take advantage of certain of these reporting exemptions until we are no longer a smaller reporting company. We will remain a smaller reporting company until the aggregate market value of our outstanding common stock held by non-affiliates as of the last business day of our most recently completed second fiscal quarter is $250 million or more and annual revenue as of our most recently completed fiscal year is $100 million or more, or the aggregate market value of our outstanding common stock held by non-affiliates as of the last business day of our most recently completed second fiscal quarter is $700 million or more, regardless of annual revenue.

General Risk Factors

The public market for our Class A Common Stock may be volatile.

We cannot assure you that the market price of our Class A common stock will not fluctuate significantly in response to a number of factors, many of which we cannot control, including those described under “Risks Related to Economic Conditions and Our Business” and the following:

- our announcement of earnings or operational guidance or changes to such guidance;
- changes in financial estimates by any securities analysts who follow our Class A common stock, our failure to meet these estimates or failure of those analysts to initiate or maintain coverage of our Class A common stock;
- publications of research reports about us or the industries in which we compete, and downgrades by any securities analysts who follow our Class A common stock or such industries;
- future sales or buybacks of our common stock by us, significant stockholders or our other affiliates;
- market conditions or trends in our industry or the economy as a whole and, in particular, in the advertising sales environment;
- investors’ perceptions of our prospects;
- announcements by us or our competitors of significant contracts, acquisitions, joint ventures or capital commitments; and
- changes in key personnel.

Many of the factors above are beyond our control and may cause the market price of our common stock to decline, regardless of our financial performance and condition and prospects. Declines in our stock price may limit our ability to use our common stock as consideration in acquisitions, or our interest or ability to consummate a public equity offering.

In addition, the stock market has experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs, and our resources and the attention of management could be diverted from our business.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, 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, subject to limited exceptions, the Court of Chancery of the State of Delaware will be 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 us arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our by-laws, or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine. This provision is not intended to apply to claims arising under the Securities Act and the Exchange Act. To the extent the provision could be construed to apply to such claims, there is uncertainty as to whether a court would enforce the provision in such respect, and our stockholders will not be deemed to have waived compliance with federal securities laws and the rules and regulations thereunder. 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 described above. This choice of forum provision 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 employees, 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 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.

Any future cash dividends will be at the discretion of our board of directors and other factors. You may not receive any return on investment unless you are able to sell your Class A common stock for a price greater than your purchase price.

As a result of the economic circumstances and uncertainty created by the COVID-19 pandemic, our board of directors has determined to cease payment of quarterly cash dividends. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon results of operations, financial condition, contractual restrictions, including agreements governing our indebtedness, any potential indebtedness we may incur, restrictions imposed by applicable law and other factors our board of directors deems relevant. Accordingly, if you purchase shares, realization of a gain on your investment may depend on the appreciation of the price of our Class A common stock, which may never occur.

Provisions of our certificate of incorporation could have the effect of preventing the Company from having the benefit of certain business opportunities that it may otherwise be entitled to pursue.

Our certificate of incorporation provides that certain funds managed by Oaktree and its affiliates are not required to offer corporate opportunities of which they become aware to us and could, therefore, offer such opportunities instead to other companies, including affiliates of Oaktree. In the event that Oaktree obtains business opportunities from which we might otherwise benefit but chooses not to present such opportunities to us, these provisions of our certificate of incorporation could have the effect of preventing us from pursuing transactions or relationships that would otherwise be in the best interests of our stockholders.

Anti-takeover provisions in our certificate of incorporation or bylaws may delay, discourage or prevent a change in control.

Our certificate of incorporation and bylaws contain provisions that may delay, discourage or prevent a merger or acquisition that a stockholder may consider favorable. As a result, stockholders may be limited in their ability to obtain a premium for their shares.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

The types of properties required to support our business include offices, radio station studios as well as transmitter and tower sites. In each of our markets our radio station studios and offices are generally co-located. Transmitter and tower sites are also generally co-located. The location of our towers is generally chosen so as to provide optimal signal coverage, within the confines of FCC broadcast rules.

As of December 31, 2020, we owned 46 facilities containing broadcast studios and 282 towers in our 67 markets. Where we do not own studios or towers, we lease these facilities. In addition, we lease various office facilities across the U.S. for our corporate, digital marketing solutions, and e-commerce operations, including a space in Purchase, New York for our principal corporate office. We also lease venues to host our live events from time to time.

We do not anticipate any difficulties in renewing any facility leases or in leasing alternative or additional space, if required. We own or lease substantially all of our other equipment, consisting principally of transmitting antennae, transmitters, studio equipment, certain live event production equipment and general office equipment. Where we do not own necessary equipment, we lease that equipment. In some cases, we lease the equipment in addition to our owned equipment.

No single property is material to our operations. We believe that our properties are generally in good condition and suitable for our operations; however, we continually look for opportunities to upgrade our operations. We continuously evaluate how to optimize our capital allocation as it relates to our properties.

Item 3. Legal Proceedings

There is no current material pending litigation to which we are a party and no material legal proceedings were terminated, settled or otherwise resolved during the fourth quarter of the year ended December 31, 2020. In the normal course of business, the Company is subject to various regulatory proceedings, lawsuits, claims and other matters related to intellectual property, personal injury, employee, or other matters. These matters are subject to many uncertainties and outcomes are not predictable with assurance. However, we do not believe that the ultimate resolution of these matters will have a material adverse effect on our financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Shares of our Class A common stock, par value $0.01 per share, trade under the symbol "TSQ" on the NYSE. There is no established public trading market for our Class B common stock or our Class C common stock.

Holders

On March 11, 2021 the Company had 156 Class A common stockholders of record, 4 Class B common stockholders of record and 2 Class C common stockholders of record. A substantially greater number of holders are beneficial owners whose shares are held of record by banks, brokers and other financial institutions.

Dividend Policy

In 2018 the Company paid its first cash dividend of $0.075 per share, and has paid equivalent dividends on a quarterly basis through the second quarter of 2020. Each quarterly dividend payment was approximately $2.1 million in the aggregate. The final dividend payment was made to shareholders of record as of April 2, 2020 on May 15, 2020. Due to the economic circumstances and uncertainty created by the COVID-19 pandemic, our board of directors determined to cease payment of quarterly cash dividends following the May 2020 dividend payment. Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our results of operations, financial condition, capital requirements and other factors that our board of directors deems relevant.

In addition, since we are a holding company, substantially all of the assets shown on our Consolidated Balance Sheets are held by our subsidiaries. Accordingly, our earnings, cash flow and ability to pay dividends largely depend upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us.

Recent Sale of Unregistered Securities

None.

Issuer Purchase of Equity Securities

There were no repurchases of our common stock during the quarter ended December 31, 2020.

On January 24, 2021,the Company entered into a stock repurchase agreement with certain affiliates of Oaktree Capital Management L.P. ("Oaktree") to repurchase 606,484 shares of the Company's Class A common stock, par value $0.01 per shares, 2,151,373 shares of the Company's Class B common stock, par value $0.01 per share, and 7,242,143 warrants to purchase Class A Common Stock, or such greater number of securities as the Company may elect. On March 9, 2021, the repurchase was consummated and the Company elected to repurchase all of the outstanding securities held by Oaktree, including 1,595,224 shares of Class A Common Stock, 2,151,373 shares of Class B Common Stock and 8,814,980 warrants for an aggregate purchase price of $80.4 million, or $6.40 per security.

In connection with the closing under the stock repurchase agreement, on March 8, 2021, the Company and Oaktree entered into a settlement agreement (the "Settlement Agreement"), pursuant to which, among other things, the Company agreed to pay $4.5 million to Oaktree as follows: (i) $1.5 million on April 1, 2021; (ii) $1.0 million on July 1, 2021; (iii) $1.0 million on October 1, 2021; and (iv) $1.0 million on November 10, 2021. The Settlement Agreement also includes customary mutual releases from claims, demands, and damages related to the stock repurchase agreement.

Item 6. Selected Financial Data

This Item is not required as we are a smaller reporting company.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis is intended to provide the reader with an overall understanding of our financial condition, results of operations, cash flows and sources and uses of cash. This section also includes general information about our business and a discussion of our management's analysis of certain trends, risks and opportunities in our industry. In addition, we also provide a discussion of accounting policies that require critical judgments and estimates. This discussion should be read in conjunction with our Consolidated Financial Statements and related notes appearing elsewhere in this Annual Report. The following discussion contains forward-looking statements and our actual results could differ materially from those discussed in the forward-looking statements as a result of a number of factors, including those set forth in the sections entitled "Risk Factors" and "Forward-Looking Statements" and elsewhere in this Annual Report.

Note About Forward-Looking Statements

This report includes estimates, projections, statements relating to our business plans, objectives and expected operating results that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements often discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. See the section of this Annual Report titled, "Forward-Looking Statements" above for further information regarding forward-looking statements.

OUR BUSINESS

Townsquare is a community-focused digital media, digital marketing solutions and radio company focused outside the Top 50 markets in the U.S. We own and operate 322 radio stations and more than 330 local websites in 67 U.S. markets, a digital marketing subscription business (Townsquare Interactive) providing websites, search engine optimization, social platforms and online reputation management for approximately 22,750 small to medium sized businesses, a proprietary digital programmatic advertising technology with an in-house demand and data management platform (Townsquare Ignite), an e-commerce offering, and we own and operate numerous local live events each year. Many of our radio stations are considered market leaders and we also participate in the digital, mobile, video and social media arena. Almost all of our radio stations have local companion websites that utilize the station brands and are populated with proprietary, original content created or curated by our local media personalities. In addition, we create, promote and produce a diverse range of live events, including, concerts, expositions and other experiential events within and beyond our radio markets.

Our integrated and diversified product and service offerings enable local, regional and national advertisers to target audience engagement across multiple platforms, including on-air, online and at live events. Advertising revenue for our businesses is highly correlated to changes in gross domestic product ("GDP") as dollars spent on advertising has historically trended in line with, and in our experience often lags, changes in GDP. According to the U.S. Department of Commerce estimate as of January 28, 2021, U.S. GDP decreased 3.5% for the year ended December 31, 2020. We believe our product and service offerings, combined with our leading market position in small and mid-sized markets, enable us to generate higher total net revenue per audience member than radio station owners focused on larger markets.

Our primary sources of net revenue are the sale of advertising on our radio stations, owned and operated websites, radio stations' online streams and mobile applications. Our sales of advertisements are primarily affected by the demand for advertising from local, regional and national advertisers and the advertising rates we charge. Advertising demand and rates are based primarily on our ability to attract audiences to our various products in the demographic groups targeted by advertisers, as measured principally by various services on a periodic basis. We endeavor to develop strong audience loyalty and believe that the diversification of formats on our radio stations and websites helps to insulate our radio stations and websites from the effects of changes in musical tastes of the public with respect to any particular format. We believe that the sale of our online and mobile advertisements, which currently have rates per advertisement that are less than those of terrestrial radio advertisements, has not negatively impacted our terrestrial radio advertising net revenue. Should a significant and sudden shift in demand for these products toward online and mobile occur, there could be a material adverse impact on our financial condition and results of operations if we are unable to increase rates accordingly. However, we believe that as a result of our strong brands and high quality online and mobile offerings we are well positioned to increase rates as demand increases for these products.

In addition, we offer precision customer targeting solutions to advertisers through Townsquare Ignite, our digital programmatic advertising platform. Combining first and third party audience and geographic location data, Ignite is able to hyper-target audiences for our local, regional and national advertisers, providing them the ability to reach a high percentage of their online audience. Ignite delivers these solutions across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions.

We also offer digital marketing solutions through Townsquare Interactive, on a subscription basis, to small and mid-sized local and regional businesses in small and mid-sized markets across the United States, including the markets in which we operate radio stations. Our digital marketing solutions include traditional and mobile-enabled website development and hosting services, e-commerce platforms, search engine and online directory optimization services, online reputation monitoring, social media management, and website retargeting.

Our primary source of live events net revenue is ticket sales. Our live events also generate substantial net revenue through the sale of sponsorships, food and other concessions, merchandise and other ancillary products and services. Live event ticket pricing is based on consumer demand for each event and the geographic location and target audience demographic of each event. Unforeseen events such as inclement weather conditions can have an adverse impact on our net revenue. In certain cases, we mitigate this risk with insurance policies, which cover a portion of lost revenue as a result of unforeseen events including inclement weather.

We strive to maximize our net revenue by managing our advertising inventory and adjusting prices based on supply and demand and by broadening our base of advertisers and subscribers. Our selling and pricing activity is based on demand for our advertising inventory and, in general, we respond to this demand by varying prices rather than by varying our target inventory levels. The optimal number of advertisements available for sale depends on the platform and in the case of our radio stations, their online streams and mobile applications, the programming format of a particular radio station. Each of our advertising products has a general target level of available inventory. We seek to broaden our base of advertisers in each of our markets by providing a wide array of audience demographic segments across our platforms, thereby providing each of our potential advertisers with an effective means of reaching a targeted demographic group.

Our advertising contracts are generally short-term. In the media industry, companies, including ours, sometimes utilize barter agreements that exchange advertising time for goods or services such as travel or lodging, instead of cash.

Our most significant expenses are sales personnel, programming, digital development, marketing and promotional, engineering, and general and administrative expenses. We strive to control these expenses by closely monitoring and managing each of our local markets and through efficiencies gained from the centralization of finance, accounting, legal and human resources functions and management information systems. We also use our scale and diversified geographic portfolio to negotiate favorable rates with vendors where feasible.

A portion of our expenses are variable. These variable expenses primarily relate to sales costs, such as commissions, as well as certain programming costs, such as music license fees, and certain costs related to production. Marketing and promotions expenses are discretionary and are primarily incurred in an effort to maintain and/or increase our audience share. Other programming, digital, engineering and general and administrative expenses are primarily fixed costs.

The Company has identified three operating segments, which are Advertising, including broadcast and digital advertising products and solutions, Townsquare Interactive, our digital marketing solutions subscription business and Live Events, including concerts, expositions and other experiential events.

OVERVIEW OF OUR PERFORMANCE

Changes In Our Business

On May 22, 2020, the Company entered into an Asset Purchase Agreement to acquire certain assets and liabilities related to a radio broadcast station in the Duluth, Minnesota market for $0.4 million. The acquisition closed on October 9, 2020 and consideration was paid with cash on hand. Refer to Note 4, *Acquisitions*, in the accompanying Notes to Consolidated Financial Statements for additional information.

On May 22, 2019, the Company entered into an Asset Purchase Agreement to acquire certain assets and liabilities related to a radio broadcast station in Tuscaloosa, AL for $0.7 million. The acquisition closed on July 31, 2019 and consideration was paid with cash on hand. Refer to Note 4, *Acquisitions*, in the accompanying Notes to Consolidated Financial Statements for additional information.

During the first quarter of 2019, management concluded that the Company should exit its music festival business, which consisted of four multi-day music festivals (the "Music Festivals"). On May 24, 2019, the Company closed on the sale of the Music Festivals for $10.0 million. Upon the sale, the Company and the purchaser of the Music Festivals entered into a production services agreement which required the Company to operate the 2019 festivals on the purchaser's behalf. The Company acted as an independent contractor while performing the services and earned a fixed percentage of profits from the festivals. Accordingly, the assets, liabilities and results of operations of this business have been presented as discontinued operations on the Consolidated Balance Sheets as of December 31, 2019 and in the Consolidated Statements of Operations for the years ended December 31, 2019. Refer to Note 5, *Divestitures and Discontinued Operations*, in the accompanying Notes to Consolidated Financial Statements for additional information.

COVID-19 Pandemic Impact

The COVID-19 pandemic has materially and adversely impacted the U.S. economy and financial markets, with legislative and regulatory responses including unprecedented monetary and fiscal policy actions across all sectors, and there is significant uncertainty as to the timing of stabilization and recovery. The extent of the COVID-19 impact will depend on future actions and outcomes, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the short-term and long-term economic impact of the outbreak (including the effect on advertising activity, consumer discretionary spending and our employees in the markets in which we operate), the actions taken to mitigate the impact of the pandemic, and the pace of economic and financial market recovery when the COVID-19 pandemic subsides, among others.

The COVID-19 pandemic and measures taken to contain it have subjected our business, results of operations, financial condition, stock price and liquidity to a number of material risks and uncertainties, all of which may continue or worsen. Our operations had performed strongly in the first two months of 2020 before the effects of COVID-19 began to impact our operations in early March 2020, as the challenges that COVID-19 created for advertisers and consumers has materially and adversely impacted our net revenues since mid-March. In particular, our clients canceled a significant amount of advertising, and we experienced a material decline in the purchase of new advertising by our clients. In addition, we canceled a large number of our live events. While our Advertising revenue and Live Events revenue significantly declined, Townsquare Interactive continued its revenue growth.

See Part I, Item 1A., "Risk Factors" for additional information on the current and potential impacts of COVID-19 and related risks and uncertainties to our business, results of operations, financial condition, liquidity, and stock price. We continue to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. See "Liquidity and Capital Resources - COVID-19 Response" for certain proactive initiatives we have taken to preserve financial flexibility, mitigate the impact of the recent and uncertain decline in net revenue, as well as position us for growth as advertising demand rebounds.

Highlights of Our Financial Performance

Certain key financial developments in our business for the year ended December 31, 2020 as compared to 2019 are summarized below:

- Net revenue for the year ended December 31, 2020 as compared with the year ended December 31, 2019 decreased $60.1 million, or 13.9%, primarily driven by a decrease of $54.3 million in our Advertising net revenue as a result of advertising cancellations and declines in the purchase of new advertising and a $14.6 million decline in our Live Events net revenue as a result of the cancellation of live events, both primarily due to the COVID-19 pandemic, offset by an increase of $8.8 million in our Townsquare Interactive segment, due to additional net subscribers in 2020.

- Excluding revenue related to political advertising of $16.0 million and $3.1 million for the years ended December 31, 2020 and 2019, respectively, net revenue for the year ended December 31, 2020 as compared with the year ended December 31, 2019 decreased $73.0 million, or 17.0%.

- Operating loss increased $37.8 million from an operating loss of $37.1 million for the year ended December 31, 2019 to an operating loss of $75.0 million for the year ended December 31, 2020, an increase of 101.9%. Operating loss for the year ended December 31, 2020 was impacted by a decrease of $60.1 million in net revenue as discussed above; an increase of $2.9 million in business realignment cost compared to the same period in 2019, primarily due to COVID-19 related reductions in workforce; an increase in transaction costs of $1.1 million, primarily due to fees incurred related to the amendment of our $320.0 million term loan facility (the "Term Loans") during the second quarter of 2020; partially offset by a decrease in direct operating expenses of $18.1 million and a decrease of $5.7 million in depreciation and amortization expense. Our Advertising segment reported an operating loss of $55.3 million which represents a decrease of $44.0 million from the year ended December 31, 2019, due to the decrease in net revenue discussed above, partially offset by a decrease in direct operating expenses of $13.5 million. Our Live Events segment reported an operating loss of $1.1 million, as compared to operating income of $2.8 million for the year ended December 31, 2019, reflecting the cancellation of live events in 2020 as a result of the COVID-19 pandemic.

- The increases in the Advertising and Live Events segments operating losses were offset by Townsquare Interactive's operating income of $20.5 million, an increase of $1.9 million from 2019, primarily due to growth in net subscribers, and a decrease of $8.1 million in corporate costs and other reconciling items, primarily due to lower compensation costs.

- Cash and cash equivalents decreased to $83.2 million from $84.7 million as of December 31 2020, and 2019, respectively.

Consolidated Results of Operations

Year Ended December 31, 2020 compared to Year Ended December 31, 2019

The following table summarizes our historical consolidated results of operations:

($ in thousands)	Year Ended December 31,			
Statement of Operations Data:	**2020**	**2019**	**$ Change**	**% Change**
Net revenue	$ 371,338	$ 431,408	$ (60,070)	(13.9)%
Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	282,347	300,425	(18,078)	(6.0)%
Depreciation and amortization	20,107	25,836	(5,729)	(22.2)%
Corporate expenses	26,885	28,599	(1,714)	(6.0)%
Stock-based compensation	2,084	2,592	(508)	(19.6)%
Transaction costs	2,653	1,518	1,135	74.8 %
Business realignment costs	3,089	166	2,923	1,760.8 %
Impairment of goodwill	—	69,034	(69,034)	(100.0)%
Impairment of long-lived and intangible assets	109,058	39,664	69,394	175.0 %
Impairment of investments	—	617	(617)	(100.0)%
Net loss on sale and retirement of assets	83	92	(9)	(9.8)%
Total operating costs and expenses	**446,306**	**468,543**	**(22,237)**	**(4.7)%**
Operating loss	**(74,968)**	**(37,135)**	**(37,833)**	**101.9 %**
Other expense (income):				
Interest expense, net	31,420	33,860	(2,440)	(7.2)%
Gain on repurchase of debt	(1,159)	—	(1,159)	**
Other (income) expense, net	(820)	1,073	(1,893)	(176.4)%
Loss from continuing operations before tax	**(104,409)**	**(72,068)**	**(32,341)**	**44.9 %**
Income tax benefit	(23,858)	(14,564)	(9,294)	63.8 %
Net loss from continuing operations	(80,551)	(57,504)	(23,047)	40.1 %
Net loss from discontinued operations, net of tax	—	(8,150)	8,150	(100.0)%
Net loss	**$ (80,551)**	**$ (65,654)**	**$ (14,897)**	**(22.7)%**

***Percent change not meaningful.*

Segment Results

The following table presents the Company's reportable segment net revenue and direct operating expenses for each of the years ended December 31, 2020 and 2019, respectively (in thousands):

	Net Revenue				Direct Operating Expenses			
	For the Year Ended December 31,				For the Year Ended December 31,			
	2020	2019	$ Change	% Change	2020	2019	$ Change	% Change
Advertising	$ 298,499	$ 352,814	$ (54,315)	(15.4)%	$ 230,849	$ 244,322	$ (13,473)	(5.5)%
Townsquare Interactive	70,360	61,517	8,843	14.4 %	49,259	42,351	6,908	16.3 %
Live Events	2,479	17,077	(14,598)	(85.5)%	2,239	13,752	(11,513)	(83.7)%
Total	**$ 371,338**	**$ 431,408**	**$ (60,070)**	**(13.9)%**	**$ 282,347**	**$ 300,425**	**$ (18,078)**	**(6.0)%**

Net Revenue

Net revenue for the year ended December 31, 2020 decreased by $60.1 million, or 13.9%, as compared to the same period in 2019. The decrease in Advertising revenue was the result of advertising cancellations and a material decline in the purchase of new advertising by our clients primarily due to the impact of the COVID-19 pandemic. The impact of the advertising cancellations and declines in new advertising were partially offset by a $12.9 million increase in political advertising revenue for the 2020 election cycle. Our Live Events segment revenue decreased $14.6 million, or 85.5%, in 2020, as compared to 2019 driven by the cancellation of events due to the COVID-19 pandemic. Our Townsquare Interactive segment revenue increased $8.8 million, or 14.4% as compared to 2019, primarily due to the addition of approximately 3,750 net subscribers in the year ended December 31, 2020.

Direct Operating Expenses

Direct operating expenses for the year ended December 31, 2020 decreased by $18.1 million, or 6.0%, when compared with the same period in 2019. Our Advertising direct operating expenses for year ended December 31, 2020 decreased $13.5 million, or 5.5%, as compared to the same period in 2019. This decrease was primarily driven by lower compensation, partially offset by higher operating expenses due to the COVID-19 pandemic. Our Live Events segment reported direct operating expenses of $2.2 million, a decline of $11.5 million from the year ended December 31, 2019, primarily driven by the cancellation of live events as a result of the COVID-19 pandemic. Our Townsquare Interactive segment reported an increase in direct operating expenses of $6.9 million from $42.4 million for the year ended December 31, 2019 to $49.3 million for the same period in 2020. The increase in direct operating expenses from the prior year for our Townsquare Interactive segment was due to the increase in headcount to support subscriber and revenue growth.

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2020 was $20.1 million representing a decrease of $5.7 million or 22.2% compared to $25.8 million for same period of 2019. The decrease is primarily due to higher amortization expense in 2019 of capitalized software development costs due to significant projects that were placed in service in 2019 and 2018, with no comparable projects placed in service in 2020.

Corporate Expenses

Corporate expenses are of a general corporate nature or managed on a corporate basis. These costs (net of allocations to the business segments) primarily represent corporate stewardship and administration activities. Corporate expenses for the year ended December 31, 2020 decreased $1.7 million, or 6.0%, as compared to the year ended December 31, 2019, primarily due to lower compensation costs, partially offset by an increase in professional fees.

Stock-based Compensation

Stock-based compensation expense for the year ended December 31, 2020, as compared with the same period ended December 31, 2019, decreased $0.5 million or 19.6%, primarily due to the timing of options that vested in January 2019, with no comparable activity during 2020.

Transaction Costs

Transaction costs for the year ended December 31, 2020 increased $1.1 million or 74.8%, primarily due to fees incurred as a result of the amendment of the Company's Term Loans related to a waiver of any default under the credit agreement, as more fully described in Note 9, *Long-term Debt*.

Business Realignment Costs

Business realignment costs for the year ended December 31, 2020 were $3.1 million, primarily due to employee-related costs incurred as a result of headcount reductions in response to the COVID-19 pandemic.

Impairment of Goodwill

In early 2019, we implemented changes to our reportable operating segments, which followed changes in the information reviewed by our CEO and Chief Operating Decision Maker ("CODM"). As a result of these changes, the Company's traditional broadcast operations were assigned to a standalone reporting unit, Local Advertising, representing a component of our Advertising reportable operating segment for the purposes of our annual goodwill impairment test. In conjunction with our annual goodwill impairment test we determined that the carrying value of our Local Advertising reporting unit exceeded its fair value as of our impairment assessment date, primarily as a result of this change. Prior to the change in reportable operating segments, the results of our traditional broadcast operations were aggregated with our digital advertising products and solutions, including Townsquare Interactive and Townsquare Ignite for the purposes of our annual goodwill impairment test. Accordingly, the Company recognized a $69.0 million goodwill impairment charge as of December 31, 2019.

No goodwill impairment charges were recognized during the year ended December 31, 2020.

The key assumptions used to determine the estimated fair value of each reporting unit are predicated on our market positioning and the ability to provide diversified and integrated product and service offerings. In the event our operating strategy faces challenges in the business environments in which each of our reporting units operate, a resulting change in the key assumptions (e.g., long-term financial projections) could have a negative impact on the estimated fair value of our reporting units, and it is possible the Company could recognize additional future impairment charges.

Impairment of Intangible and Long-Lived Assets

Total impairment charges pertaining to FCC licenses for the year ended December 31, 2020 were $107.1 million. These charges were based upon interim impairment evaluations of our FCC licenses performed at June 30, 2020 and March 31, 2020, in which we incurred impairment charges of $28.7 million and $78.4 million, respectively, as compared to $39.4 million of impairment charges for the year ended December 31, 2019. These charges were due to declines in the purchase of advertising by our clients and changes in the market data utilized in determining the discount rate applied in the valuation of our FCC licenses which drove an increase in the weighted average cost of capital. The changes in data were driven by an increase in market volatility and industry bond yields, a direct result of the impact of the COVID-19 pandemic on market and economic conditions.

Unfavorable changes in key assumptions utilized in the impairment assessment of our FCC licenses may affect future testing results. For example, keeping all other assumptions constant, a 100-basis point increase in the weighted average cost of capital would cause the estimated fair values of our FCC licenses to decrease by $56.2 million as of December 31, 2020. Assumptions used to estimate the fair value of our FCC licenses are also dependent upon the expected performance and growth of our traditional broadcast operations. In the event our broadcast revenue experiences further actual or anticipated declines, including as a result of the COVID-19 pandemic, such declines will have a negative impact on the estimated fair value of our FCC licenses, and the Company could recognize additional impairment charges, which could be material.

The Company also recorded total impairment charges related to long-lived assets in certain markets during the year ended December 31, 2020 of $2.0 million.

Impairment of Investment

During the year ended December 31, 2019, our impairment testing indicated an adverse impact on one of our equity investments and as a result we recorded a $0.6 million impairment charge for the year ended December 31, 2019.

No investment impairment charges were recognized during the year ended December 31, 2020.

Other Expense (Income)

The primary component of Other expense (income) in the years ended December 31, 2020 and 2019 is interest expense, net. The following table illustrates the components of our interest expense, net for the periods indicated (in thousands):

	Year Ended December 31,	
	2020	**2019**
Unsecured Senior Notes	$ 17,892	$ 18,080
Term Loans	12,055	15,437
Revolver	351	—
Capital leases and other	26	9
Deferred financing costs	1,645	1,450
Interest income	(549)	(1,116)
Interest expense, net	**$ 31,420**	**$ 33,860**

Income Tax Benefit

We recognized an income tax benefit of $23.9 million for the year ended December 31, 2020. Our effective tax rate associated with our income from continuing operations for the period was approximately 22.9%. Our effective tax rate may vary significantly from period to period, and can be influenced by many factors. These factors include, but are not limited to, changes to statutory rates in the jurisdictions where we have operations and changes in the valuation of deferred tax assets and liabilities. The difference between the effective tax rate and the federal statutory rate of 21% for the year ended December 31, 2020 primarily relates to state and local income taxes and certain expenses that are not deductible for income tax purposes.

Net Loss from Discontinued Operations, Net of Tax

Net loss from discontinued operations, net of tax includes both the results of operations for these businesses, as well as the gain or loss recognized upon their ultimate sale. The components of net loss from discontinued operations, net of tax for the year ended December 31, 2019 are related to the sale of our Arizona Bridal Shows and Music Festivals businesses.

Liquidity and Capital Resources

(in thousands)	Year Ended December 31, 2020		2019	
Cash and cash equivalents	$	83,229	$	84,667
Restricted cash		494		494
Cash provided by operating activities	$	31,488	$	39,990
Cash used in investing activities		(14,036)		(5,881)
Cash used in financing activities		(18,890)		(10,344)
Net (decrease) increase in cash and cash equivalents	**$**	**(1,438)**	**$**	**23,765**

We fund our working capital requirements through a combination of cash flows from our operating, investing, and financing activities. Based on current and anticipated levels of operations and conditions in our markets and industry, we believe that our cash on hand and cash flows from our operating, investing, and financing activities, will enable us to meet our working capital, capital expenditures, debt service, and other funding requirements for at least one year from the date of this report. These historical sources of funds have been and could continue to be impacted by the COVID-19 pandemic. Future capital requirements may be materially different than those currently planned in our budgeting and forecasting activities and depend on many factors, some of which are beyond our control. In particular during the period of uncertainty related to the COVID-19 pandemic, we have focused on and will continue to monitor our liquidity.

As of December 31, 2020, we had $543.4 million of outstanding indebtedness, net of deferred financing costs of $2.4 million. On January 6, 2021, we completed the private offering and sale of $550.0 million aggregate principal amount of 6.875% senior secured notes due 2026 (the "2026 Notes"), as discussed under "*2021 Financing Transactions"* below. The proceeds from the 2026 Notes, together with cash on hand, was used to repay borrowings under our Senior Secured Credit Facility and to redeem all of the outstanding 2023 Notes on January 14, 2021. Following the January 6, 2021 issuance our 2026 Notes, we expect our debt service requirements to be approximately $38.0 million over the next twelve months. For the year ended December 31, 2019, we were required to make an excess cash flow payment of $9.9 million under our Term Loan agreement, which was paid in the second quarter of 2020. In addition, as of December 31, 2020, we had $83.2 million of cash and cash equivalents, $58.6 million of receivables from customers, which historically have had an average collection cycle of approximately 55 days. We have observed an increase in collection times during the COVID-19 pandemic, which has increased the average collection cycle to approximately 62 days as of December 31, 2020 and has also resulted in increases to our allowance for doubtful accounts. We had restricted cash of $0.5 million and $0.5 million as of December 31, 2020 and 2019, that was held as collateral in connection with certain agreements. From time to time, such restricted funds could be returned to us or we could be required to pledge additional cash.

Our anticipated uses of cash in the near-term include working capital needs, debt payments, other obligations, and capital expenditures. However, our ability to fund our working capital needs, debt payments, other obligations, capital expenditures, and to comply with financial covenants under our debt agreements, depends on our future operating performance and cash flow, which are in turn subject to prevailing economic conditions, increases or decreases in advertising spending, changes in the highly competitive industry in which we operate, which may be rapid, and other factors, many of which are beyond our control. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders, while the incurrence of debt financing would result in debt service obligations. Such debt instruments also could introduce covenants that might restrict our operations. We cannot assure you that we could obtain additional financing on favorable terms or at all.

On January 24, 2021,the Company entered into a stock repurchase agreement with certain affiliates of Oaktree Capital Management L.P. ("Oaktree") to repurchase 606,484 shares of the Company's Class A common stock, par value $0.01 per shares, 2,151,373 shares of the Company's Class B common stock, par value $0.01 per share, and 7,242,143 warrants to purchase Class A Common Stock, or such greater number of securities as the Company may elect. On March 9, 2021, the repurchase was consummated and the Company elected to repurchase all of the outstanding securities held by Oaktree, including 1,595,224 shares of Class A Common Stock, 2,151,373 shares of Class B Common Stock and 8,814,980 warrants for an aggregate purchase price of $80.4 million, or $6.40 per security. In connection with the closing under the stock repurchase agreement, on March 8, 2021, the Company and Oaktree entered into a settlement agreement (the "Settlement Agreement"), pursuant to which, among other things, the Company agreed to pay $4.5 million to Oaktree as follows: (i) $1.5 million on April 1, 2021; (ii) $1.0 million on July 1, 2021; (iii) $1.0 million on October 1, 2021; and (iv) $1.0 million on November 10, 2021. The Settlement Agreement also includes customary mutual releases from claims, demands, and damages related to the stock repurchase agreement.

Additionally, on a continuing basis, we evaluate and consider strategic acquisitions and divestitures to enhance our strategic and competitive position as well as our financial performance. Any future acquisitions, joint ventures or other similar transactions will likely require additional capital, which may not be available to us on acceptable terms, if at all. We also routinely monitor the changes in the financial condition of our customers and the potential impact on our results of operations.

COVID-19 Response

In response to the ongoing challenges and uncertainty in the U.S. economy and financial markets, and the Company's business, resulting from the COVID-19 pandemic, we have taken proactive initiatives to preserve financial flexibility and liquidity and mitigate the impact of the recent and uncertain decline in net revenue to operate through this period of disruption, as well as position us for growth when the U.S. general economy and advertising demand rebounds. See "COVID-19 Pandemic Impact" and Part I, Item 1A., "Risk Factors" for additional information on the current and potential impacts of COVID-19 and related risks and uncertainties to our business, results of operations, financial condition, liquidity, and stock price.

On March 17, 2020, we borrowed $50.0 million, constituting all amounts then available under our Revolving Credit Facility. On June 5, 2020, the Company repaid all amounts outstanding under the Revolving Credit Facility, with $50.0 million of available borrowing capacity following the repayment.

We have also instituted immediate actions to address the impact to our consolidated financial position, results of operations and liquidity, including reducing our non-essential capital expenditures, and reducing our workforce through the termination or layoff of approximately 135 full-time employees. We also instituted other wage reduction efforts, such as the temporary suspension of the Company's match on employee contributions to the Company's defined contribution plan.

We have applied all applicable credits and deferrals under the Coronavirus Aid, Relief, and Economic Security Act enacted March 27, 2020 (the "CARES Act"), including the deferral of the payment of certain payroll taxes until December 31, 2021 and 2022 and the other tax benefits. The CARES Act has not had a material impact on our financial condition, results of operations or liquidity. Additionally, our board of directors determined to cease payment of quarterly cash dividends, following the payment of our first quarter dividend of $2.1 million on May 15, 2020.

During the second half of 2020, we experienced some recovery in advertising revenues from the declines that were observed quarter and into the second quarter of 2020, however it remained materially below the levels we experienced in the same period of 2019. COVID-19 pandemic impact will depend on future actions and outcomes, which are highly uncertain and cannot be predicted with scope, severity and duration of the outbreak, the short-term and long-term economic impact of the outbreak (including the continued effect consumer discretionary spending and our employees in the markets in which we operate), further actions taken to mitigate the impact of economic and financial market recovery when the COVID-19 pandemic subsides, among others.

Operating Activities

Net cash provided by operating activities decreased $8.5 million for the year ended December 31, 2020 to $31.5 million. This decrease was primarily related to the increase in net loss, partially offset by less cash used in discontinued operations, as well as changes in working capital. Changes in working capital are primarily due to decreases in accounts receivable and increases in accrued expenses as a result of higher music license fees and payroll tax accruals, partially offset by lower accounts payable, due to the timing of collections and payments, as compared to the year ended December 31, 2019.

Investing Activities

Net cash used in investing activities was $14.0 million for the year ended December 31, 2020, compared to $5.9 million of net cash used in investing activities for 2019. Net cash used in investing activities for the years ended December 31, 2020 and 2019 from continuing operations was $14.0 million and $17.0 million, respectively. The decrease in net cash used in investing activities from continuing operations was due to a $4.7 million decrease in capital expenditures, partially offset by lower proceeds related to the sales of assets in 2020.

Financing Activities

Cash flows used in financing activities during the year ended December 31, 2020 were $18.9 million, as compared to net cash used in financing activities of $10.3 million in 2019. The increase in net cash used in financing activities was due to the required $9.9 million 2019 excess free cash flow payment on our Term Loan and the May 2020 voluntary repurchase of $4.7 million of our 2023 Notes for $3.6 million, partially offset by decreases in dividend payments of $4.1 million and lower cash distributions to our non-controlling interests.

Financing Facilities

The following is a discussion of significant factors affecting our liquidity and use of capital resources as of and for the years ended December 31, 2020 and 2019. On January 14, 2021, the net proceeds from the 2026 Notes, together with cash on hand, was used to repay all borrowings under our Senior Secured Credit Facility and to redeem all of the outstanding 2023 Notes, as as discussed under "*2021 Financing Transactions"* below.

2023 Unsecured Senior Notes

In April 2015, the Company issued $300.0 million of 6.5% Unsecured Senior Notes (the "2023 Notes") due in 2023. On May 19, 2020, the Company voluntarily repurchased $4.7 million of its 2023 Notes at a market price below par, plus accrued interest, which were then canceled. During the years ended December 31, 2016 and 2018, we repurchased $19.9 million and $1.9 million, respectively of the 2023 Notes at a market price below par, including accrued interest, and canceled the repurchased notes.

The 2023 Notes mature on April 1, 2023, with interest payable on April 1 and October 1 of each year. Prior to maturity, the Company may redeem all or part of the 2023 Notes at specified redemption premiums as set forth in the indenture, together with any accrued and unpaid interest thereon. Additionally, if the Company experiences certain change of control events, holders of the 2023 Notes may require the Company to repurchase all or part of their notes at 101% of the principal amount thereof.

The 2023 Notes rank equally with all of the Company's existing and future senior debt, are senior to all of the Company's existing and future subordinated debt, and are guaranteed on a senior basis by certain of the Company's direct and indirect wholly-owned subsidiaries.

The 2023 Notes indenture contains restrictive covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional debt or issue preferred stock; create liens; create restrictions on the Company's subsidiaries' ability to make payments to the Company; pay dividends and make other distributions in respect of the Company's and its subsidiaries' capital stock; make certain investments or certain other restricted payments; guarantee indebtedness; designate unrestricted subsidiaries; sell certain kinds of assets; enter into certain types of transactions with affiliates; and effect mergers and consolidations.

As of December 31, 2020, the aggregate principal amount outstanding under the 2023 Notes was $273.4 million and we were in compliance with all of the covenants under the 2023 Notes indenture.

Senior Secured Credit Facility

In April 2015, we entered into a Senior Secured Credit Facility, including a seven year $275.0 million term loan facility and a five year $50.0 million Revolving Credit Facility.

Term Loans

In September 2015, we incurred an additional $45.0 million in Term Loans under the Senior Secured Credit Facility. Our Term Loans mature on April 1, 2022. Since our amendment of the Senior Credit Facility on February 8, 2017, the Term Loans incur interest based on an applicable margin of 300 basis points of LIBOR plus 3.00% with a LIBOR floor of 1.0%.

Based on our results of operations for the year ended December 31, 2019 we made an excess free cash flow payment of $9.9 million on June 15, 2020. We were not required to make an excess free cash flow payment in 2019, based on our financial performance during the year ended December 31, 2018.

As of December 31, 2020, the balance of the Term Loans was $272.4 million with a current interest rate of 4.0%.

Revolving Credit Facility

In April 2019, we amended our existing Senior Secured Credit Facility to, among other things, extend the maturity date of the existing revolving credit facility by two years to April 1, 2022, coterminous with the Term Loans maturity date (with a springing maturity six months inside of the maturity date of the Term Loans) and to amend certain asset sale provisions. The Revolving Credit Facility has an interest rate based either on LIBOR and an applicable margin of 250 basis points, or an alternative base rate and an applicable margin of 150 basis points. The Revolving Credit Facility also carries an unused commitment fee equal to 0.50% per annum.

On March 17, 2020, the Company borrowed all amounts available, $50.0 million, under the Revolving Credit Facility as a precautionary measure due to the unknown extent of the impact the COVID-19 pandemic would have on the U.S. economy and the Company's business. On June 5, 2020, the Company repaid all amounts outstanding under the Revolving Credit Facility, with $50.0 million of available borrowing capacity following the repayment. As of December 31, 2020, there were no borrowings under the Revolving Credit Facility.

Restrictions and Covenants

Borrowings under the Senior Secured Credit Facility are subject to mandatory prepayments equal to the net proceeds to the Company of any asset sales, as well as half of the annual excess free cash flow as defined in the credit agreement (subject to certain reductions). Borrowings are guaranteed by each of the Company's direct and indirect subsidiaries, and subject to certain exceptions, are secured by substantially all of the tangible and intangible assets of the Company and its subsidiaries.

The Senior Secured Credit Facility contains covenants that, among other things, limit or restrict the ability of the Company and its subsidiaries to incur additional indebtedness or liens; engage in mergers or other fundamental changes; sell certain property or assets; pay dividends or other distributions; make acquisitions, investments, loans and advances; prepay certain indebtedness including the 2023 Notes; change the nature of its business; engage in certain transactions with affiliates and incur restrictions on interactions between the Company and its subsidiaries, or limit actions in relation to the Senior Secured Credit Facility. In addition, the Senior Secured Credit Facility contains a requirement that, at the end of each calendar quarter, if we have drawn at least 30%, or $15 million, of the commitments under the Revolving Credit Facility, we must have a first lien leverage ratio (as defined under the Senior Secured Credit Facility) on such date of no greater than 3.75:1.00. As a result of our borrowings on March 17, 2020 under the Revolving Credit Facility, we became subject to this requirement. On June 5, 2020, the Company repaid all amounts outstanding under the Revolving Credit Facility.

On April 13, 2020, the Company entered into Amendment No.5 to the Senior Secured Credit Facility, which extended the time period for delivery of the Company's audited financial statements for the fiscal year ended December 31, 2019 and certain related information and documentation until June 15, 2020, and also waived any default under the credit agreement resulting from the failure to comply with Section 6.1(c) of the credit agreement in connection with the failure to deliver the financial statements and related information required to be delivered on April 6, 2020. As of December 31, 2020, we were in compliance with all our covenants under the Senior Secured Credit Facility.

2021 Financing Transactions

2026 Secured Senior Notes

On January 6, 2021, the Company completed the private offering and sale of the 2026 Notes at an issue price of 100.0%. The net proceeds from the 2026 Notes, together with cash on hand, was used to repay borrowings under the Senior Secured Credit Facility and to redeem all of the outstanding 2023 Notes on January 14, 2021, and to pay the premium, fees and expenses related thereto.

The 2026 Notes bear interest at a rate of 6.875% and mature on February 1, 2026. Interest is payable on the 2026 Notes semi-annually on February 1 and August 1 of each year, commencing on August 1, 2021. The 2026 Notes rank equally with all of the Company's future senior debt, are senior to all of the Company's future subordinated debt and any future junior lien indebtedness and unsecured indebtedness of the Company or guarantors. Obligations under the 2026 Notes are guaranteed by each of the Company's direct and indirect subsidiaries, and subject to certain exceptions, are secured by substantially all of the tangible and intangible assets of the Company and its subsidiaries. The 2026 Notes and the related guarantees are structurally subordinated to any existing and future indebtedness, other liabilities and preferred stock of the Company's subsidiaries that do not guarantee the 2026 Notes.

At any time prior to February 1, 2023, the Company may redeem the 2026 Notes in whole or in part, at its option, at a redemption price equal to 100% of the principal amount of the 2026 Notes plus an "applicable premium," as set forth in the 2026 Notes indenture and accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time on or after February 1, 2023, the Company may redeem the 2026 Notes at the redemption prices set forth in the 2026 Notes indenture, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to February 1, 2023, the Company may redeem up to 40% of the aggregate principal amount of the 2026 Notes with the net cash proceeds of one or more equity offerings, at a price equal to 106.875% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. If the Company experiences certain change of control events, holders of the 2026 Notes may require it to repurchase all or part of their 2026 Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Company intends to enter into a new senior secured asset-based revolving credit facility (any such facility, the "New ABL Facility"). The Company intends to use the New ABL Facility to finance the working capital needs and other general corporate purposes of the Company and its subsidiaries. There can be no assurance that the Company will be able to negotiate a definitive agreement or that it will be able to close the New ABL Facility. If the Company enters into any New ABL Facility, from and after the entry into any such New ABL Facility, the 2026 Notes and the related guarantees will be secured on a first priority basis.

The 2026 Notes indenture contains restrictive covenants that limit the ability of the Company and its restricted subsidiaries to, among other things: incur additional indebtedness; declare or pay dividends, redeem stock or make other distributions to stockholders; make investments; create liens or use assets as security in other transactions; merge or consolidate, or sell, transfer, lease or dispose of substantially all of their assets; enter into transactions with affiliates; sell or transfer certain assets; and agree to certain restrictions on the ability of restricted subsidiaries to make payments to the

Company. Certain of these covenants will be suspended if the 2026 Notes are assigned an investment grade rating by Standard & Poor's Investors Ratings Services, Moody's Investors Service, Inc. or Fitch Ratings, Inc. and no event of default has occurred and is continuing.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements or transactions.

Impact of Inflation

We do not believe inflation has a significant impact on our operations. However, there can be no assurance that future inflation would not have an adverse impact on our financial condition and results of operations.

Critical Accounting Estimates

Our Consolidated Financial Statements have been prepared in conformity with Generally Accepted Accounting Principles ("GAAP"), which requires us to make estimates and assumptions that affect the amounts and disclosures reported in our Consolidated Financial Statements and accompanying notes. Accounting estimates and assumptions described in this section are those we consider to be the most critical to an understanding of our financial statements because they inherently involve significant judgments and uncertainties. For all of these estimates, we note that future events rarely develop exactly as forecasted, and the best estimates routinely require adjustment. Actual results could differ from such estimates. The following discussion summarizes our critical accounting estimates. Circumstances arising from the COVID-19 pandemic in the future may require our estimates to change, however, as new events occur and additional information is obtained, any such changes will be recognized in the consolidated financial statements. Actual results could differ from such estimates, and any such differences may be material to our financial statements. Significant accounting policies used in the preparation of our Consolidated Financial Statements are discussed in our Notes to Consolidated Financial Statements.

Allowance for Doubtful Accounts

We reduce the carrying amount of accounts receivable by a valuation allowance that reflects our best estimate of the accounts that will not be collected. In addition to reviewing delinquent accounts receivable, we consider many factors in estimating our general allowance including historical data, collection experience, customer types, creditworthiness and economic trends. From time to time, we may adjust our assumptions for anticipated changes in any of those or other factors expected to affect collectability. We charge off account balances against the allowance when it is probable the receivable will not be recovered.

Long-lived assets

We record long-lived assets, including property, plant and equipment and capitalized software, at cost. For acquisitions of property, plant or equipment purchased as part of a business combination, the assets are valued at fair market value, as discussed below. We depreciate and amortize long-lived assets using useful lives determined by us based on historical experience and other information available to us. When we determine that 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 evaluate the potential impairment of long-lived assets at least annually or whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. To determine whether impairment may exist, we group our long-lived assets at the geographic market level (i.e., the lowest level for which there are identifiable cash flows), and then perform our evaluation based on various analyses, including the projection of undiscounted cash flows. If the carrying amount of an asset, or asset group, is determined to exceed its estimated fair value, an impairment loss is recognized, and the assets are written down to estimated fair value.

Acquisitions and Business Combinations

We allocate the total cost of acquisitions to the underlying identifiable net assets, based on their respective estimated fair values at the date of acquisition with limited exceptions allowed by GAAP. Acquisition costs are generally expensed as incurred and restructuring costs associated with a business combination are generally expensed subsequent to the acquisition date. Goodwill represents the excess of the purchase price over the fair value of net assets acquired, including the amounts assigned to identifiable intangible assets. 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. In addition, we may establish liabilities related to acquired liabilities and qualifying restructuring costs and contingencies based on assumptions made at the time of acquisition. We evaluate these reserves on a regular basis to determine the adequacies of the amounts.

Goodwill arising from an acquisition is tested on an annual basis, or when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. We have elected to perform our annual goodwill impairment testing as of December 31st. Recoverability of goodwill is evaluated by comparison of the fair value of a reporting unit with its carrying value. For purposes of testing the carrying value of the Company's goodwill for impairment, the fair value of goodwill for each reporting unit contains significant assumptions incorporating variables that are based on past experiences and judgments about future performance using industry information. These variables would include, but are not limited to: (1) forecasted revenue growth rates; (2) profit margin; (3) estimated capital expenditures and working capital requirements during the projection period; (4) risk-adjusted discount rate; and (5) expected growth rates in perpetuity to estimate terminal values. These variables are susceptible to changes in estimates, which could result in significant changes to the fair value of the goodwill. Impairment of goodwill is calculated by comparing the fair value as described above to the carrying value of goodwill.

We continually monitor and evaluate business and competitive conditions that affect our operations and reflect the impact of these factors in our financial projections. If permanent or sustained changes in business or competitive conditions occur, they can lead to revised projections that could potentially give rise to impairment charges.

For further discussion of impairment charges, see Note 7, *Goodwill and Other Intangible Assets,* in our Notes to Consolidated Financial Statements.

Indefinite-lived intangible assets

We test for impairment of our indefinite-lived intangible assets on an annual basis, as of December 31st, or when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. The most significant intangible asset we have is our FCC licenses, which have been deemed to have an indefinite life. The fair value of our FCC licenses is estimated to be the price that we would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

We evaluate the fair value of our FCC licenses at the unit of account level. Each market's broadcasting licenses are combined into a single unit of accounting, in our case geographic markets, for purposes of testing for impairments.

We utilize a discounted cashflow method to perform our impairment test. Under this method, the income that is attributable to each FCC license is isolated and is based upon modeling a hypothetical "greenfield" build-up to a "normalized" enterprise that, by design, lacks inherent goodwill and assumes that the only asset of the hypothetical start-up business is the license. 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. The cash flows generated in the greenfield method are presumed to emanate from the one asset, or the FCC license, that exists at time zero. This cash flow stream is discounted to arrive at a value for the FCC license.

For further discussion of impairment charges, see Note 7, *Goodwill and Other Intangible Assets,* in our Notes to Consolidated Financial Statements.

Leases

We determine if an arrangement is a lease at inception. The most significant estimates we use in accounting for leases include:

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. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the future minimum lease payments over the lease term. As our leases do not provide an implicit rate, in determining the net present value of lease payments, management used judgment in order to estimate the appropriate incremental borrowing rate, which is the rate incurred to borrow equivalent funds on a collateralized basis over a similar term in a similar economic environment.

Fair market value of leased asset - Equipment residual values are determined at the inception of the lease using estimates of fair value at the end of the lease term. Residual value estimates impact the determination of whether a lease is classified 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. Fair value estimates of equipment at the end of the lease term are based on historical renewal experience, used equipment markets, competition and technological changes.

For further discussion of our lease commitments, see Note 10, *Lease and Other Commitments,* in our Notes to Consolidated Financial Statements.

Stock-based Compensation

We measure and recognize stock-based compensation expense related to stock-based transactions, including employee awards, based on the fair value of the award on the grant date. The fair values of restricted stock awards are determined based on the fair market value of our common stock at the time of grant. We estimate the fair value of option awards using the Black-Scholes option-pricing model. This model requires assumptions including the fair value of our common stock, expected volatility, expected term of the award, expected dividend yield and risk-free interest rate. Stock-based compensation expense is recognized as the equity awards vest. We account for forfeitures as a reduction of compensation cost in the period when such forfeitures occur.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

We evaluate the need for valuation allowances to reduce the deferred tax assets to realizable amounts. Management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. When appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized.

We follow the provisions of ASC Topic 740, *Accounting for Income Taxes*. ASC Topic 740 clarifies the accounting for uncertainties in income taxes recognized in an enterprise's financial statements. ASC Topic 740 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 provides guidance on derecognition, classification, interest and penalties, disclosures and transition. As required by the uncertain tax position guidance in ASC Topic 740, we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Our policy is to recognize interest and penalties accrued on unrecognized tax benefits as part of income tax expense.

Contingencies and Litigation

On an ongoing basis, we evaluate our exposure related to contingencies and litigation and record a liability when available information indicates that a liability is probable and estimable. We also disclose significant matters that are reasonably possible to result in a loss that is expected to be material to our operations or financial results or are probable but not estimable.

New Accounting Standards and Accounting Changes

For a discussion of accounting standards updates that have been adopted or will be adopted in the future, please refer to Note 2, *Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

This Item is not required as we are a Smaller reporting company.

Item 8. Financial Statements and Supplementary Data

The information in response to this item is included in our Consolidated Financial Statements, together with the reports thereon of BDO USA, LLP, beginning on page F-1 of this Annual Report on Form 10-K, which follows the signature page hereto.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2020. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives.

Based on the evaluation performed as of December 31, 2020, as a result of the material weaknesses in internal control over financial reporting that are described below in Management's Report on Internal Control Over Financial Reporting, our Chief Executive Officer and Chief Financial Officer determined that our disclosure controls and procedures were not effective as of such date.

Management's 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 Exchange Act Rules 13a-15(f) and 15d-15(f). A company's internal control over financial reporting is a process designed by, or under the supervision of, its Chief Executive Officer and Chief Financial Officer, and effected by such company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) 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

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

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2020, based on the framework set forth in *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2020 due to the material weaknesses described below.

Material Weaknesses in Internal Control over Financial Reporting

Management has determined that the Company continues to have the following material weaknesses in its internal control over financial reporting:

- *Control Activities* - Management did not have adequate selection and development of effective control activities, general controls over technology and effective policies and procedures. These deficiencies attributed to the following individual control activities:

  - *Ineffective Information Technology General Controls* - The Company's information technology general controls over certain key IT systems were not designed properly and did not operate effectively. Specifically: (i) user access controls did not restrict users' access privileges commensurate with their assigned authority and responsibility; (ii) user access reviews were not performed sufficiently throughout the period related to certain key IT systems

  - *Ineffective detective controls over Revenue Recognition* - a lack of effectively designed and implemented detective controls over recorded revenue, including procedures over the existence, completeness and accuracy of data used to support accounts related to revenue and accounts receivable included in the financial statement close process.

  - *Income Tax* - Inadequate design and controls over the documentation and review relating to income tax accounting and disclosures for the significant components of deferred tax assets and liabilities and assessment of the company's valuation allowance.

  - *Inadequate design and maintenance of effective detective controls over Period end Financial Reporting, including review controls over journal entries, reconciliations and account analyses* - lack of effectively designed and implemented monitoring controls to detect potential misstatements to period end financial statements.

These material weaknesses, individually or in the aggregate, could result in misstatements of accounts or disclosures that would each result in a material misstatement of the interim or annual Consolidated Financial Statements that would not be prevented or detected.

Remediation Plans

Management is actively engaged in the implementation of remediation plans to address the controls contributing to the material weaknesses. The remediation actions include, but are not limited to, the following:

Information Technology General Controls - Enhance internal IT policies and communication procedures to ensure all IT systems are subjecting to periodic user access reviews and re-assess user access privileges for certain users to ensure conflicts of duties are appropriately mitigated through monitoring controls. In addition, the Company plans to transfer financial system ownership to the Corporate IT team to alleviate conflicts of interest.

Ineffective Controls Over Revenue - Evaluation of the design and implementation of process-level controls over the existence, completeness, and accuracy of data included in various reports and spreadsheets that support revenue accounts within the Consolidated Financial Statements.

Income Tax: Enhancing specific review procedures over the income tax provision and related disclosures, including strengthening the Company's documentation standards and technical oversight.

Period End Financial Reporting - Redesign controls to enhance procedures and control precision levels to detect potential misstatements in period end financial statements.

We believe these measures will remediate the control deficiencies, but management is assessing the need for any additional steps to remediate the underlying causes that give rise to these material weaknesses. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. There is no assurance that additional remediation steps will not be necessary. Our independent registered public accounting firm, BDO USA, LLP, independently assessed the effectiveness of our internal control over financial reporting as of December 31, 2020, as stated in the firm's attestation report, which appears on page F-4.

Notwithstanding the identified material weaknesses, Management believes the Consolidated Financial Statements included in this Form 10-K fairly present, in all material respects, our results of operations and cash flows for the year ended December 31, 2020 and our financial condition as of such date, in accordance with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

In addition to the ongoing remediation efforts described above, the Company concluded that seven of the material weaknesses identified in the 2019 Form 10-K, "*Entity Level Activities", "Ineffective controls over the calculation of Earnings Per Share", "Lack of Approval of Cash Disbursements", "Ineffective controls over the assessment of Lease renewal options", "Ineffective controls over the Annual Goodwill Impairment Assessment", "Ineffective controls over the Annual Intangibles Impairment Assessment",* and *"Ineffective controls over Internally Developed Software"* have been remediated (the "Remediated Material Weaknesses"). Except as noted, there were no changes in our internal control over financial reporting during the quarter ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During the quarter ended December 31, 2020, the Company completed the implementation of the following remedial measures designed to address the Remediated Material Weaknesses and as part of the Company's ongoing remediation efforts with respect to previously disclosed material weaknesses.

Entity Level Controls - Enhanced reporting structure and increased the number of qualified resources in roles of internal control over financial reporting. Established formal risk assessment procedures to identify and monitor changes in the organization that could have an impact on internal control over financial reporting and established a governance committee and procedures to monitor internal control oversight and performance.

Annual Goodwill Impairment Assessment – Implemented enhanced control and review activities for the identification of reporting units, allocation of cash flows and the review of key assumptions in the Company's assessment of its Goodwill.

Annual Intangibles Impairment Assessment – Implemented enhanced control and review activities for the allocation of cash flows and review of key assumptions in the Company's assessment of its FCC licenses.

Cash Disbursements – Implemented a payments software that routes invoices to appropriate business owners for approval prior to disbursement by Accounts Payable.

Lease Renewal Options: Established formal processes and controls to assess renewal options of lease agreements to determine reasonable certainty of extension and to quantify the impact of such extension on the Company's right of use assets and liabilities.

Calculation of Earnings Per Share- Enhanced key spreadsheet calculations, established formal and repeatable review procedures and maintained evidence of review over the Company's EPS disclosures and calculations of basic earnings per share for the outstanding warrants utilizing the two-class method.

Internally Developed Software – Enhanced control process documentation and redesigned controls to enhance communication procedures to determine when completed internally developed software have been placed into service.

Inherent Limitations on Effectiveness of Controls

There are inherent limitations in the effectiveness of any control system, including the potential for human error and the possible circumvention or overriding of controls and procedures. Additionally, judgments in decision-making can be faulty and breakdowns can occur because of a simple error or mistake. An effective control system can provide only reasonable, not absolute, assurance that the control objectives of the system are adequately met. Accordingly, the management of the Company, including its Chief Executive Officer and Chief Financial Officer, does not expect that the control system can prevent or detect all error or fraud. Finally, projections of any evaluation or assessment of effectiveness of a control system to future periods are subject to the risks that, over time, controls may become inadequate because of changes in an entity's operating environment or deterioration in the degree of compliance with policies or procedures.

PART III

Item 9B. Other Information

None.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the information in the 2021 Proxy Statement under the caption "Directors, Executive Officers and Corporate Governance."

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the information in the 2021 Proxy Statement under the captions "Executive and Director Compensation" and "Directors, Executive Officers and Corporate Governance - Corporate Governance - Compensation Committee Interlocks and Insider Participation."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to the information in the 2021 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management."

Securities Authorized for Issuance Under Equity Compensation Plan

The following table summarizes information, as of December 31, 2020, relating to equity compensation plans of the Company pursuant to which equity securities of the Company are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	11,234,078	$7.92	162,233
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	**11,234,078**	**$7.92**	**162,233**

On January 27, 2021, an amendment to the Company's 2014 Omnibus Incentive Plan (the "Plan") was approved to increase the number of shares of common stock available for grant under the 2014 Incentive Plan from 12,000,000 shares to 27,000,000 shares.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to the information in the 2021 Proxy Statement under the captions "Directors, Executive Officers, and Corporate Governance" and "Certain Relationships and Related Transactions."

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to the information in the 2021 Proxy Statement under the caption "Other Audit Committee Matters."

Item 15. Exhibits, Financial Statement Schedules

(a) (1)-(2) *Financial Statements*. The financial statements and financial statement schedule listed in the Index to Consolidated Financial Statements appearing on page F-1 of this Annual Report on Form 10-K are filed as a part of this report. All other schedules for which provision is made in the applicable accounting regulations of the SEC have been omitted either because they are not required under the related instructions or because they are not applicable.

Exhibit Number	Exhibit Description	Filed/Furnished Herewith	Form	Period Ending	Exhibit/Appendix Number	Filing Date
3.1	Certificate of Incorporation of Townsquare Media, Inc.		S-1/A		3.1	7/14/2014
3.2	Bylaws of Townsquare Media, Inc.		S-1/A		3.2	7/14/2014
4.1	Indenture dated as of April 1, 2015, among Townsquare Media, Inc., the guarantors named therein and Wilmington Trust, National Association, as trustee		8-K		4.1	4/1/2015
4.2	Form of 6.500% Senior Note due 2023		8-K		4.2	4/1/2015
4.3	Warrant Agreement, dated as of July 25, 2014, by and among Townsquare Media, Inc., the persons set forth on Schedule I thereto, and any other registered holders of the Warrant Certificates (as defined therein) from time to time party thereto		8-K		10.2	7/31/2014
4.4	Indenture, dated as of January 6, 2021, among the Company, the guarantors named therein and Wilmington Trust, National Association, as trustee and notes collateral agent.		8-K		4.1	1/6/2021
4.5	Form of 6.875% Senior Note due 2026		8-K		4.2	1/6/2021
4.6	Description of Securities Registered Pursuant to Section 12 of the Exchange Act of 1934	X				
10.1.1	Credit Agreement dated as of April 1, 2015, among Townsquare Media, Inc., Royal Bank of Canada, as administrative agent and collateral agent, and the lenders and financial institutions party thereto		8-K		10.1	4/1/2015
10.1.2	Guarantee and Security Agreement dated as of April 1, 2015, among Townsquare Media, Inc., the guarantors party thereto and Royal Bank of Canada, as administrative and collateral agent		8-K		10.2	4/1/2015
10.1.3	Incremental Amendment Agreement No. 1, dated as of September 1, 2015, among Townsquare Media, Inc. and Royal Bank of Canada as administrative agent and Incremental Term Lender		10-Q/A	9/30/2015	10.2	11/9/2015
10.1.4	Amendment No. 2, dated as of February 8, 2017, to the Credit Agreement, dated as of April 1, 2015, among Townsquare Media, Inc., Royal Bank of Canada, as administrative agent, and the other parties thereto.		10-K	12/31/2016	10.4	3/13/2017

Exhibit Number	Exhibit Description	Filed/Furnished Herewith	Form	Period Ending	Exhibit/Appendix Number	Filing Date
10.1.5	Amendment No. 3, dated October 20, 2017, to the Credit Agreement, dated as of April 1, 2015 (as amended by the Incremental Amendment Agreement No. 1 dated as of September 1, 2015 and Amendment No. 2 dated as of February 8, 2017) (the "Credit Agreement"), among Townsquare Media, Inc., each lender from time to time party thereto, Royal Bank of Canada, as administrative agent and collateral agent.		10-Q	9/30/2017	10.5	11/7/2017
10.1.6	Amendment No. 4, dated April 30, 2019, to the Credit Agreement, dated as of April 1, 2015 (as amended by the Incremental Amendment Agreement No. 1 dated as of September 1, 2015, Amendment No. 2 dated as of February 8, 2017 and Amendment No. 3 dated as of October 20, 2017), among Townsquare Media, Inc., each lender from time to time party thereto, Royal Bank of Canada, as administrative agent and collateral agent.		10-Q	3/31/2019	10.1	5/7/2019
10.1.7	Amendment No. 5, dated April 13, 2020, to the Credit Agreement, dated as of April 1, 2015, as amended, among Townsquare Media, Inc., each lender from time to time party thereto, and Royal Bank of Canada, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on April 17, 2020)		8-K		10.1	4/17/2020
10.2.1 *	Employment Agreement, between Townsquare Media, Inc. and Bill Wilson, dated October 16, 2017.		8-K		10.1	10/19/2017
10.2.2 *	Employment Agreement Amendment, dated April 27/2018 to Employment Agreement, dated October 16, 2017, by and between Townsquare Media, Inc. and Bill Wilson.		8-K		10.1	5/3/2018
10.2.3 *	Second Amendment, dated December 9, 2019, to the Employment Agreement, dated October 16, 2017, as amended on April 24, 2019, by and between Townsquare Media, Inc. and Bill Wilson.		8-K		10.1	12/13/19
10.3.1 *	Letter Agreement, between Townsquare Media, Inc. and Steven Price, dated October 16, 2017.		8-K		10.3	10/19/2017
10.3.2 *	Amendment to Letter Agreement, dated December 9, 2019, to the Letter Agreement, dated October 16/2017, and between Townsquare Media, Inc. and Steven Price.		8-K		10.4	12/13/2019
10.4.1 *	Employment Agreement, between Townsquare Media, Inc. and Stuart Rosenstein, dated October 16, 2017.		8-K		10.4	10/19/2017
10.4.2 *	Amendment to Employment Agreement, dated December 9, 2019, to the Employment Agreement, dated October 16, 2017, by and between Townsquare Media, Inc. and Stuart Rosenstein		8-K		10.2	12/13/2019

Exhibit Number	Exhibit Description	Filed/Furnished Herewith	Form	Period Ending	Exhibit/Appendix Number	Filing Date
10.5.1 *	Employment Agreement, between Townsquare Media, Inc. and Erik Hellum, dated October 25, 2017.		10-K	12/31/2018	10.10	3/12/2019
10.5.2 *	Amendment to Employment Agreement, dated December 9, 2019, to the Employment Agreement, dated October 25, 2017, by and between Townsquare Media, Inc. and Erik Hellum.		8-K		10.3	12/13/2019
10.7.1 *	2014 Omnibus Incentive Plan		S-1/A		10.8	7/14/2014
10.7.2 *	Amendment to 2014 Omnibus Incentive Plan		8-K		10.2	1/28/2021
10.7.3 *	Form of Option Grant Agreement		S-1/A		10.9	7/14/2014
10.7.4 *	Form of Option Grant at IPO		S-1/A		10.10	7/21/2014
10.7.5 *	Restricted Stock Award Agreement between Townsquare Media, Inc. and Bill Wilson, dated May 31, 2018		8-K		10.1	6/4/2018
10.7.6 *	Form of Restricted Stock Award Agreement		10-Q	9/30/2018	10.1	11/6/2018
10.8 *	Form of Indemnification Agreement		S-1/A		10.11	7/14/2014
10.9	Second Amended and Restated Registration Agreement, dated as of July 29, 2014, by and among Townsquare Media, Inc., OCM POF IV AIF GAP Holdings, L.P., OCM PF/FF Radio Holdings PT, L.P. and the other persons signatory thereto		8-K		10.3	7/31/2014
10.10	Stockholders Agreement, dated as of July 29, 2014, by and among Townsquare Media, Inc., OCM POF IV GAP Holdings, L.P., OCM PF/FF Radio Holdings PT, L.P., FiveWire Media Ventures, LLC, Steven Price, Stuart Rosenstein, Alex Berkett, Scott Schatz and Dhruv Prasad.		8-K		10.4	7/31/2014
10.11	Registration Agreement, dated as of August 16, 2016, by and between Townsquare Media, Inc. and Madison Square Garden Investments, LLC		10-Q	9/30/2016	10.1	11/8/2016
10.12	Agreement of Purchase and Sale by and among North American Fairs, LLC, Townsquare Live Events, LLC and Danny Huston, dated May 24, 2018.		8-K		10.1	5/29/2018
10.13	Stock Repurchase Agreement dated January 24, 2021 by and between Townsquare Media, Inc. and certain affiliates of Oaktree Capital Management L.P.		8-K		10.1	1/28/2021
10.14	Settlement Agreement, dated as of March 8, 2021, by and among Townsquare Media, Inc., OCM POF IV AIF GAP Holdings, L.P., OCM PF/FF Radio Holdings PT, L.P., Oaktree FF Investment Fund, L.P., Second Street Holdings 1, L.P., Second Street Holdings 2, L.P., Second Street Holdings 3, L.P., Second Street Holdings 4, L.P., Second Street Holdings 5, L.P., Second Street Holdings 6, L.P., Second Street Holdings 7, L.P., and Second Street Holdings 8, L.P		8-K		10.1	3/10/2021

Exhibit Number	Exhibit Description	Filed/Furnished Herewith	Form	Period Ending	Exhibit/Appendix Number	Filing Date
16.1	Letter to Securities and Exchange Commission from RSM US LLP, dated June 19, 2019		8-K		16.1	6/19/2019
21.1	List of Subsidiaries of Townsquare Media, Inc.	X				
23.1	Consent of BDO USA, LLP	X				
31.1	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended	X				
31.2	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended	X				
32.1	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350	X				
32.2	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350	X				
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	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X				

* Management contract or compensatory plan or arrangement.

(b) Exhibits. See Exhibits above.

(c) Financial Statement Schedules. Schedule II - Valuation and Qualifying Accounts

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 Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on the 16th day of March 2021.

TOWNSQUARE MEDIA, INC.

By: /s/ Stuart Rosenstein
Name: Stuart Rosenstein
Title: Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	
/s/ Bill Wilson Bill Wilson	Chief Executive Officer and Director (Principal Executive Officer)	March 16, 2021
/s/ Stuart Rosenstein Stuart Rosenstein	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 16, 2021
/s/ Robert Worshek Robert Worshek	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 16, 2021
/s/ Steven Price Steven Price	Executive Chairman and Director	March 16, 2021
/s/ B. James Ford B. James Ford	Director	March 16, 2021
/s/ Gary Ginsberg Gary Ginsberg	Director	March 16, 2021
/s/ Stephen Kaplan Stephen Kaplan	Director	March 16, 2021
/s/ David Lebow David Lebow	Director	March 16, 2021
/s/ David Quick David Quick	Director	March 16, 2021

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

The following Consolidated Financial Statements of Townsquare Media, Inc., are included in Item 8:

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
Townsquare Media, Inc.
Purchase, New York

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Townsquare Media, Inc. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the accompanying index (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, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

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 (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated March 16, 2021 expressed an adverse opinion thereon.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed its accounting method for leases during the year ended December 31, 2019 due to the adoption of Topic 842, Leases.

Emphasis of a Matter- COVID-19

As more fully described in Notes 1, 2, 7, and 12 to the consolidated financial statements, the Company has been negatively impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 review of the consolidated 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 consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of this 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 separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

FCC Broadcast License Impairment Test

As described in Note 7 to the consolidated financial statements, the FCC licenses totaled approximately $277 million as of December 31, 2020. Management conducts an annual impairment test as of December 31, or when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable, using a discounted cash flow method, the Greenfield method, that assumes that a hypothetical buyer develops indefinite-lived intangible assets and builds a new operation with similar attributes from scratch, while incurring start-up costs during the build-up phase. The determination of the fair value of the FCC licenses requires management to make significant estimates and assumptions related to discount rates, forecasts of future revenue, margins, market share, and the length of the build-up phase, which may be affected by future economic and market conditions.

We identified the valuation of the FCC licenses during the annual impairment assessment as a critical audit matter. The principal considerations for our determination were the significant judgments by management when developing the fair value of the licenses, primarily due to the sensitivity of the respective fair values to the underlying assumptions applied in the Greenfield method.

The primary procedures we performed to address this critical audit matter included:

- Evaluating the reasonableness of the significant assumptions used by management by:
  - Comparing the forecasts of future revenue, margins, and market share to historical results and third-party industry projections for the broadcast industry, where applicable, and;
  - Comparing the length of the build-up phase to that of recent acquisitions for consistency.
- Testing the completeness and accuracy of the underlying data supporting the significant assumptions and estimates, and;
- Utilizing personnel with specialized skills and knowledge in valuation to assist in i) assessing the appropriateness of the valuation method utilized, ii) testing the mathematical accuracy of the Company’s calculations, and iii) evaluating the reasonableness of the discount rate used in the Greenfield method.

/s/ BDO USA, LLP

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

New York, New York
March 16, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
Townsquare Media, Inc.
Purchase, New York

Opinion on Internal Control over Financial Reporting

We have audited Townsquare Media, Inc.'s (the "Company's") internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We do not express an opinion or any other form of assurance on management's statements referring to any corrective actions taken by the Company after the date of management's assessment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the accompanying index (collectively referred to as "the consolidated financial statements"), and our report dated March 16, 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 Item 9A, Management's 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 U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting 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, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Several material weaknesses regarding management's failure to design and maintain controls have been identified and described in management's assessment. The material weaknesses related to control activities include a) inadequate selection and development of effective control activities, b) inadequate selection and development of general controls over information technology, and c) inadequate deployment of activity level control activities through policies and procedures. These material weaknesses contributed to additional material weaknesses in the control activities as the Company did not design and maintain effective controls over a) the financial reporting close process, b) accounting for revenue arrangements, and c) accounting for income taxes. These material weakness were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2020 consolidated financial statements, and this report does not affect our report dated March 16, 2021 on those consolidated financial statements.

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/ BDO USA, LLP

New York, New York
March 16, 2021

TOWNSQUARE MEDIA, INC.
CONSOLIDATED BALANCE SHEETS
(in Thousands, Except Share and Per Share Data)

	At December 31, 2020		2019	
ASSETS				
Current assets:				
Cash and cash equivalents	$	83,229	$	84,667
Accounts receivable, net of allowance of $7,051 and $2,604, respectively		58,634		67,463
Prepaid expenses and other current assets		12,428		9,241
Total current assets		**154,291**		**161,371**
Property and equipment, net		111,871		114,142
Intangible assets, net		281,160		388,029
Goodwill		157,947		157,947
Investments		11,501		8,275
Operating lease right-of-use-assets		48,290		49,503
Other assets		2,948		638
Restricted cash		494		494
Total assets	**$**	**768,502**	**$**	**880,399**
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$	9,056	$	14,790
Current portion of long-term debt		—		9,929
Deferred revenue		8,847		8,086
Accrued compensation and benefits		12,462		10,714
Accrued expenses and other current liabilities		21,427		15,358
Operating lease liabilities, current		7,517		7,690
Financing lease liabilities, current		64		17
Accrued interest		6,350		4,558
Liabilities of discontinued operations		33		423
Total current liabilities		**65,756**		**71,565**
Long-term debt, less current portion (net of deferred financing costs of $2,369 and $3,840, respectively)		543,428		546,711
Deferred tax liability		10,326		34,347
Operating lease liability, net of current portion		44,661		44,957
Financing lease liabilities, net of current portion		130		31
Other long-term liabilities		3,446		352
Total liabilities		**667,747**		**697,963**
Stockholders' equity:				
Class A common stock, par value $0.01 per share; 300,000,000 shares authorized; 14,436,065 and 14,314,092 shares issued and outstanding, respectively		144		143
Class B common stock, par value $0.01 per share; 50,000,000 shares authorized; 2,966,669 and 3,011,634 shares issued and outstanding, respectively		30		30
Class C common stock, par value $0.01 per share; 50,000,000 shares authorized; 1,636,341 and 1,636,341 shares issued and outstanding, respectively		17		17
Total common stock		191		190
Additional paid-in capital		369,672		367,540
Accumulated deficit		(272,602)		(188,034)
Non-controlling interest		3,494		2,740
Total stockholders' equity		100,755		182,436
Total liabilities and stockholders' equity	**$**	**768,502**	**$**	**880,399**

See Notes to Consolidated Financial Statements

TOWNSQUARE MEDIA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in Thousands, Except Per Share Data)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Net revenue	$ 371,338	$ 431,408
Operating costs and expenses:		
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	282,347	300,425
Depreciation and amortization	20,107	25,836
Corporate expenses	26,885	28,599
Stock-based compensation	2,084	2,592
Transaction costs	2,653	1,518
Business realignment costs	3,089	166
Impairment of goodwill	—	69,034
Impairment of long-lived and intangible assets	109,058	39,664
Impairment of investments	—	617
Net loss on sale and retirement of assets	83	92
Total operating costs and expenses	**446,306**	**468,543**
Operating loss	**(74,968)**	**(37,135)**
Other expense (income):		
Interest expense, net	31,420	33,860
Gain on repurchase of debt	(1,159)	—
Other (income) expense, net	(820)	1,073
Loss from continuing operations before tax	**(104,409)**	**(72,068)**
Income tax benefit	(23,858)	(14,564)
Net loss from continuing operations	(80,551)	(57,504)
Net loss from discontinued operations, net of tax	—	(8,150)
Net loss	**$ (80,551)**	**$ (65,654)**
Net (loss) income attributable to:		
Controlling interests	(82,470)	(67,763)
Non-controlling interests	1,919	2,109
Net loss	(80,551)	(65,654)
Basic (loss) income per share:		
Continuing operations attributable to common shares	$ (4.46)	$ (3.36)
Continuing operations attributable to participating shares	$ 0.08	$ 0.30
Discontinued operations attributable to common shares	$ —	$ (0.44)
Discontinued operations attributable to participating shares	$ —	$ —
Diluted income (loss) per share:		
Continuing operations	$ (4.46)	$ (3.36)
Discontinued operations	$ —	$ (0.44)
Weighted average shares outstanding:		
Basic attributable to common shares	18,647	18,549
Basic attributable to participating shares	8,978	8,978
Diluted	18,647	18,549
Cash dividend declared per share	$ 0.075	$ 0.30

See Notes to Consolidated Financial Statements

TOWNSQUARE MEDIA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Thousands)

	Year Ended December 31, 2020	2019
Cash flows from operating activities:		
Net loss	$ (80,551)	$ (65,654)
Loss from discontinued operations	—	(8,150)
Loss from continuing operations	(80,551)	(57,504)
Adjustments to reconcile loss from continuing operations to net cash flows from operating activities		
Depreciation and amortization	20,107	25,836
Amortization of deferred financing costs	1,566	1,443
Lease related amortization	10,947	—
Net deferred taxes and other	(24,206)	(15,028)
Provision for doubtful accounts	6,970	1,598
Stock-based compensation expense	2,084	2,592
Trade activity, net	(8,740)	(11,113)
Gain on repurchase of debt	(1,159)	—
Gain on insurance recoveries	(1,206)	—
Write-off of deferred financing cost	79	7
Impairment of goodwill, intangible and long-lived assets	109,058	108,698
Impairment on investment	—	617
Net loss on sale and retirement of assets	83	92
Other	30	76
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	171	(6,419)
Prepaid expenses and other assets	(3,143)	8,719
Accounts payable	(5,141)	2,387
Accrued expenses	11,454	(5,958)
Accrued interest	1,792	(6)
Other long-term liabilities	(8,317)	(8,568)
Net cash provided by operating activities - continuing operations	31,878	47,469
Net cash used in operating activities - discontinued operations	(390)	(7,479)
Net cash provided by operating activities	**31,488**	**39,990**
Cash flows from investing activities:		
Purchase of investments	(400)	—
Acquisition of intangibles	(241)	(787)
Purchase of property and equipment	(14,948)	(19,676)
Proceeds from insurance recoveries	1,396	42
Proceeds from sale of investments	—	573
Proceeds from sale of assets	157	2,883
Net cash used in investing activities - continuing operations	(14,036)	(16,965)
Net cash provided used in investing activities - discontinued operations	—	11,084
Net cash used in investing activities	**(14,036)**	**(5,881)**
Cash flows from financing activities:		
Repayment of term loans	(9,951)	—
Borrowings under the revolving credit facility	50,000	—
Repayment of borrowings under the revolving credit facility	(50,000)	—
Proceeds from stock options exercised	49	—
Repurchase of stock	—	(400)
Dividend payments	(4,201)	(8,278)
Repurchase of notes	(3,573)	—
Deferred financing cost	—	(571)
Cash distribution to non-controlling interests	(1,165)	(2,586)
Sale of non-controlling interests	—	1,500
Repayments of capitalized obligations	(49)	(9)
Net cash used in financing activities - continuing operations	(18,890)	(10,344)
Net cash used in financing activities - discontinued operations	—	—
Net cash used in financing activities	**(18,890)**	**(10,344)**
Cash, cash equivalents and restricted cash:		
Net (decrease) increase in cash, cash equivalents and restricted cash	**(1,438)**	**23,765**
Beginning of period	85,161	61,396
End of period	**$ 83,723**	**$ 85,161**

See Notes to Consolidated Financial Statements

TOWNSQUARE MEDIA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in Thousands)

	Year Ended December 31, 2020		Year Ended December 31, 2019	
Supplemental Disclosure of Cash Flow Information:				
Cash payments:				
Interest	$	28,516	$	33,522
Income taxes		1,561		818
Supplemental Disclosure of Non-cash Activities:				
Investments acquired in exchange for advertising	$	2,827	$	2,270
Property and equipment acquired in exchange for advertising		4,811		—
Investments rights acquired in exchange for advertising		906		—
Accrued capital expenditures		69		—
Deferred payment for software licenses		853		—
Accrued transaction costs		860		—
Dividends declared, but not paid during the period		22		2,164
Supplemental Disclosure of Cash Flow Information relating to Leases:				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$	10,988	$	11,506
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	$	10,717	$	12,714
Reconciliation of cash, cash equivalents, and restricted cash reported in the statement of financial position				
Cash and cash equivalents	$	83,229	$	84,667
Restricted cash included in other long-term assets		494		494
	$	83,723	$	85,161

See Notes to Consolidated Financial Statements

TOWNSQUARE MEDIA, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in Thousands, except Share Data)

	Shares of Common Stock								
	Class A	Class B	Class C						
	Shares	Shares	Shares	Warrants	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Non-controlling Interest	Total
Balance at December 31, 2018	**14,297,066**	**3,011,634**	**1,636,341**	**8,977,676**	**$ 190**	**$ 365,835**	**$ (111,804)**	**$ 1,287**	**$ 255,508**
Net (loss) income	—	—	—	—	—	—	(67,763)	2,109	(65,654)
Dividend declared	—	—	—	—	—	—	(8,383)	—	(8,383)
Issuance of restricted stock	67,026	—	—	—	1	(1)	—	—	—
Stock-based compensation	—	—	—	—	—	2,495	—	—	2,495
Share repurchases	(50,000)	—	—	—	(1)	(315)	(84)	—	(400)
Disposal of subsidiary	—	—	—	—	—	(474)	—	1,930	1,456
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	(2,586)	(2,586)
Balance at December 31, 2019	**14,314,092**	**3,011,634**	**1,636,341**	**8,977,676**	**$ 190**	**$ 367,540**	**$ (188,034)**	**$ 2,740**	**$ 182,436**
Net (loss) income	—	—	—	—	—	—	(82,470)	1,919	(80,551)
Dividend declared	—	—	—	—	—	—	(2,098)	—	(2,098)
Common stock issued under share-based compensation plan	5,646	—	—	—	—	49	—	—	49
Issuance of restricted stock	71,362	—	—	—	1	(1)	—	—	—
Conversion of common shares	44,965	(44,965)	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	2,084	—	—	2,084
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	(1,165)	(1,165)
Balance at December 31, 2020	**14,436,065**	**2,966,669**	**1,636,341**	**8,977,676**	**$ 191**	**$ 369,672**	**$ (272,602)**	**$ 3,494**	**$ 100,755**

See Notes to Consolidated Financial Statements

Note 1. Organization and Basis of Presentation

Nature of Business

Townsquare Media, Inc. (together with its consolidated subsidiaries, except as the context may otherwise require, "we," "us," "our," "Company," or "Townsquare") is a radio, digital media, entertainment and digital marketing solutions company principally focused on being the premier local advertising and marketing solutions platform in small and mid-sized markets across the United States. We own and operate 322 radio stations and more than 330 local websites in 67 U.S. markets, a digital marketing solutions company (Townsquare Interactive) serving approximately 22,750 small to medium sized businesses, a proprietary digital programmatic advertising platform (Townsquare Ignite), an e-commerce offering, and numerous local live events each year. Many of our radio stations are considered market leaders and we also participate in the digital, mobile, video and social media arena. Almost all of our radio stations have local companion websites that utilize the station brands and are populated with proprietary, original content created or curated by our local media personalities. In addition, we create, promote and produce a diverse range of live events, including, concerts, expositions and other experiential events within and beyond our radio markets. Our brands include local media assets such as *WYRK*, *KLAQ*, *K2* and *NJ101.5*; iconic local and regional events such as *WYRK's Taste of Country,* the *Boise Music Festival*, the *Red Dirt BBQ & Music Festival* and *Taste of Fort Collins*; and leading tastemaker music and entertainment websites such as *XXLmag.com*, *TasteofCountry.com* and *Loudwire.com*.

The Company's operations are organized internally by the types of products and services provided, which represent the Company's three operating segments. The Advertising segment includes broadcast and digital advertising products and solutions, the Townsquare Interactive segment includes the results of our digital marketing solutions business, and the Live Events segment which includes concerts, expositions and other experiential events. The Company's activities are predominately within the United States, which represents one geographic region for segment reporting. See Note 14, *Segment Reporting,* in our Notes to Consolidated Financial Statements for further information.

The COVID-19 pandemic has materially and adversely impacted the U.S. economy and financial markets, with legislative and regulatory responses including unprecedented monetary and fiscal policy actions across all sectors, and there continues to be uncertainty as to timing of stabilization and recovery. The COVID-19 pandemic and measures taken to contain it have subjected our business, results of operations, financial condition, stock price and liquidity to a number of material risks and uncertainties, all of which may continue or worsen. The effects of the COVID-19 pandemic began to impact our operations in early March 2020, and included significant advertising cancellations and material declines in the purchase of new advertising by our clients. Declines in forecasted traditional broadcast revenue in the markets we operate in contributed to impairments to the carrying values of our FCC license intangible assets during the three months ended March 31, 2020. The Company realized an additional impairment charge during the three months ended June 30, 2020, primarily driven by changes in assumptions utilized in determining the discount rate applied in the valuation of our FCC licenses due to increases in the weighted average cost of capital as a direct result of the impact of the COVID-19 pandemic on market and economic conditions and the corresponding impacts to our risk premium. Additionally, the Company canceled nearly all scheduled live events beginning in March 2020.

The Company also instituted immediate actions to address the potential impact to its consolidated financial position, consolidated results of operations, and liquidity, including significantly reducing our non-essential capital expenditures, and reducing our workforce through the termination or layoff of approximately 135 full-time employees. We have instituted wage reduction efforts, such as the temporary suspension of the Company's match on employee contributions to the Company's defined contribution plan and the deferral of the payment of certain payroll taxes until December 31, 2021 and 2022 under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Additionally, our board of directors has determined to cease payment of quarterly cash dividends, following the payment of our first quarter dividend of $2.1 million on May 15, 2020.

During the second half of 2020, we experienced some recovery in advertising revenues from the declines that were observed during the end of the first quarter and into the second quarter of 2020, however it remained materially below the levels we experienced in the same period of 2019. The full extent of the COVID-19 pandemic impact will depend on future actions and outcomes, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the outbreak, the short-term and long-term economic impact of the outbreak (including the continued effect on advertising activity, consumer discretionary spending and our employees in the markets in which we operate), further actions taken to mitigate the impact of the virus, and the pace of economic and financial market recovery when the COVID-19 pandemic subsides, among others.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation: The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries that it controls. All intercompany accounts and transactions have been eliminated in consolidation.

Discontinued Operations Presentation: Due to the Company's decision in March of 2019 to exit and subsequently sell its Music Festivals business, the Company has reported the results of the Music Festivals within discontinued operations, net of taxes in the Company's Consolidated Financial Statements for the year ended December 31, 2020 and 2019. See Note 5, *Divestitures and Discontinued Operations*, for further discussion.

Use of Estimates: The preparation of Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates inherent in the preparation of the accompanying consolidated financial statements include assumptions used in determining the fair value of assets and liabilities acquired in a business combination, impairment testing of intangible assets, valuation and impairment testing of long-lived tangible assets, the present value of leasing arrangements, share-based payment expense and the calculation of allowance for doubtful accounts and income taxes.

Concentrations of Credit Risk: Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. The credit risk is limited due to the large number of customers comprising the Company’s customer base and their dispersion across several different geographic areas of the country. No single customer accounts for more than approximately 1% of revenue for the years ended December 31, 2020 and 2019.

Cash and cash equivalents: The Company maintains its cash balances principally at large financial institutions throughout the United States. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation. Balances in these accounts may at times exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company considers only those investments which are highly liquid, readily convertible to cash, and that mature within three months from date of purchase to be cash equivalents. As of December 31, 2020 and 2019, cash equivalents were comprised of money market funds of $55.6 million and $54.8 million, valued using Level 1 inputs.

Restricted cash: Restricted cash includes the collateral account for the Company’s corporate credit cards and a stand-by letter of credit issued in favor of a landlord for one of our leases, and are classified in non-current assets in the Consolidated Balance Sheets. From time to time, such restricted funds could be returned to us or we could be required to pledge additional cash. We had restricted cash of $0.5 million and $0.5 million as of December 31, 2020 and 2019, respectively.

Accounts Receivable and Allowance for Doubtful Accounts: Accounts receivable are recorded at the invoiced amount and are reduced by a valuation allowance that reflects management’s best estimate of the accounts that will not be collected. In addition to reviewing delinquent accounts receivable, management considers many factors in estimating its general allowance including historical data, collection experience, customer types, creditworthiness and economic trends. From time to time, management may adjust its assumptions for anticipated changes in any of those or other factors expected to affect collectability. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

Property and Equipment: Property and equipment are recorded at cost and depreciated over their estimated useful life. Property and equipment acquired in a business combination are recorded at their estimated fair value at the date of acquisition under the acquisition method of accounting. Major additions or improvements are capitalized, while repairs and maintenance are charged to expense.

Depreciation expense on property and equipment is recorded using the straight-line method. The estimated useful lives for depreciation are as follows:

Property Type	**Depreciation Period in Years**
Buildings and improvements	10 to 39 years
Broadcasting equipment	3 to 20 years
Computer and office equipment	3 to 5 years
Furniture and fixtures	5 to 10 years
Transportation equipment	2 to 5 years
Software development costs	1 to 2 years
Leasehold improvements	Shorter of the useful life or remaining term of lease

The above depreciable lives are used for new property and equipment. Used property and equipment may have a useful life that is less than that of an acquired fixed asset that is new, depending on its condition. Upon sale or disposition of an asset, the cost and related accumulated depreciation are removed from the accounts and any loss or gain is recognized in net loss (gain) on sale and retirement of assets in the Consolidated Statements of Operations.

Software Development Costs: In accordance with Accounting Standards Codification ("ASC") Topic 350, *Internally Developed Software,* we incurred and capitalized software development costs of $4.7 million during each of the years ended December 31, 2020 and 2019. Certain costs incurred for software development during the application development stage are capitalized while costs incurred during the preliminary and post-implementation stages are expensed in the period incurred. Capitalized costs are amortized over the project's estimated useful life. Software development costs consist primarily of salary and benefits for the Company's development and technical support staff, contractors' fees and other costs associated with the development and localization of products and services.

Acquisitions and Business Combinations: The Company accounts for its business acquisitions under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*. The total cost of acquisitions is allocated to the underlying identifiable net assets, based on their respective estimated fair values at the date of acquisition. Goodwill represents the excess of the purchase price over the fair value of net assets acquired, including the amounts assigned to identifiable intangible assets. 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.

Intangible Assets: Intangible assets consist principally of Federal Communication Commission ("FCC") broadcast licenses and other definite-lived intangible assets. FCC licenses, which have been recorded at their estimated fair value as of the date of acquisition, have an indefinite useful life and therefore are not amortized. The fair value of our FCC licenses is estimated to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Costs associated with other definite-lived intangible assets are being amortized using the straight-line method over their estimated remaining useful lives, which range from 3 to 11 years, as of December 31, 2020.

We have selected December 31st as the annual testing date for impairment of FCC licenses. We evaluate our FCC licenses annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. We evaluated the fair value of our FCC licenses at the unit of account level. Each market's broadcasting licenses were combined into a single unit of accounting for purposes of testing for impairments, which was geographic market.

We utilized a discounted cashflow method to perform our impairment test. Under this method, the income that is attributable to each FCC license is isolated and is based upon modeling a hypothetical "greenfield" build-up to a "normalized" enterprise that, by design, lacks inherent goodwill and assumes that the only asset of the hypothetical start-up business is the license. 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. The cash flows generated in the greenfield method are presumed to emanate from the one asset, or the FCC license, that exists at time zero. This cash flow stream is discounted to arrive at a value for the FCC license.

The key assumptions using the greenfield method are market revenue growth rates, market share, profit margin and duration and profile of 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 within a market. The projections incorporated into our license valuations take into consideration the then current economic conditions. Each of these assumptions may change in the future based upon changes in general economic conditions, audience behavior, consummated transactions, and numerous other variables that may be beyond our control.

Below are some of the key assumptions used in our 2020 impairment assessments:

	December 31, 2020	
Discount Rate	10.4% - 11.4%	
Long-term Revenue Growth Rate	0.0%	
	Low	High
Mature Market Share*	20.6 %	96.0 %
Operating Profit Margin	18.0 %	48.0 %

Below are some of the key assumptions used in our 2019 annual impairment assessments:

	December 31, 2019	
Discount Rate	11.0%	
Long-term Revenue Growth Rate	0.0%	
	Low	High
Mature Market Share*	13.3 %	91.7 %
Operating Profit Margin	20.0 %	50.0 %

* Excludes markets that Company results and forecasts were inputs into the valuation due to lack of reliable third party data where mature market share was estimated at 100%.

Based on the results of the Company's annual impairment evaluation of its FCC licenses performed at December 31, 2020, no impairment charges were incurred during the fourth quarter of 2020. Based upon interim impairment evaluations of our FCC licenses performed at June 30, 2020 and March 31, 2020, we incurred impairment charges of $28.7 million and $78.4 million, respectively, for FCC licenses in 35 and 46, respectively, of our 67 local markets for the three months ended June 30, 2020 and March 31, 2020, respectively. For the year ended December 31, 2019 we incurred impairment charges of $39.4 million, for FCC licenses in 34 of our 67 local markets. Charges related to the impairment of the Company's FCC licenses are included in our Advertising segment results.

Assumptions used to estimate the fair value of our FCC licenses are dependent upon the expected performance and growth of our traditional broadcast operations. In the event our broadcast revenues experience further actual or anticipated declines, such declines will have a negative impact on the estimated fair value of our FCC licenses, and it is possible the Company will recognize additional impairment charges.

Goodwill: The acquisition method of accounting requires that the excess of purchase price paid over the estimated fair value of identifiable tangible and intangible net assets of acquired businesses be recorded as goodwill. Under the provisions of ASC Topic 350, *Intangibles-Goodwill and Other,* goodwill is not amortized, but is reviewed for impairment at least on an annual basis at December 31, or when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable.

The Company evaluates goodwill for impairment at the reporting unit level and has determined appropriate reporting units. The most significant reporting is comprised of the components representing the local advertising businesses of all geographic markets, “Local Advertising”, which are aggregated into one reporting unit for testing. Our other reporting units include: (i) national digital assets, “National Digital”, which consists of music and entertainment focused national websites, (ii) Townsquare Ignite, our digital programmatic advertising platform, (iii) Analytical Services, which is an attribution and analytics platform dedicated to tracking broadcast media, (iv) Townsquare Interactive, which is our subscription based digital marketing solutions offered to small and mid-sized local and regional business, and (v) Live Events, which includes the operations of our national events including other expos, lifestyle and active events which occur outside of our 67 distinct markets.

Recoverability of goodwill is evaluated by comparison of the fair value of a reporting unit with its carrying value. For purposes of testing the carrying value of the Company's goodwill for impairment, the fair value of goodwill for each reporting unit contains significant assumptions incorporating variables that are based on past experiences and judgments about future performance using industry information. These variables would include, but are not limited to: (1) forecasted revenue growth rates; (2) profit margin; (3) estimated capital expenditures and working capital requirements during the projection period; (4) risk-adjusted discount rate; and (5) expected growth rates in perpetuity to estimate terminal values. These variables are susceptible to changes in estimates, which could result in significant changes to the fair value of the goodwill. Impairment of goodwill is calculated by comparing the fair value as described above to the carrying value of goodwill.

The Company also performs a reasonableness test on the fair value results for goodwill by comparing the carrying value of the Company’s assets to the Company’s enterprise value based on its market capitalization.

For 2020, in assessing whether goodwill was impaired in connection with its annual impairment testing performed as of December 31st, the Company performed a quantitative assessment for each of its reporting units. The Company compared the fair value of each of its reporting units, determined based upon discounted estimated future cash flows, to the carrying amount at December 31, 2020, including goodwill. Based upon such assessment, we determined that it was more likely than not that the fair value of each of our reporting units exceeded their respective carrying amounts. The fair values of our National Digital, Townsquare Ignite, Analytical Services, Townsquare Interactive and Live Events reporting units were in excess of their respective carrying values by approximately 138%, 231%, 795%, 300% and 118%, respectively. The fair values of each of our reporting units were determined using a weighted average market and income approach. The income approach requires several assumptions including future sales growth, EBITDA (earnings before interest, taxes, depreciation and amortization) margins, capital expenditures, and discount rates which are the basis for the information used in the discounted cash flow model. The weighted-average cost of capital used in testing our reporting units for impairment ranged from 8.4% - 14.5% with a perpetual growth rates ranging from (4.5)% to 7.3%.

For 2019, in connection with performing our annual goodwill impairment assessment, we recognized an aggregate $69.0 million non-cash goodwill impairment charge related to the Local Advertising reporting unit, primarily as a result of moving our traditional broadcast operations to a stand-alone reporting unit in conjunction with a change in reportable operating segments in 2019. Prior to our change in reportable operating segments in 2019, the results of our traditional broadcast operations were aggregated with our digital advertising products and solutions, including Townsquare Interactive and Townsquare Ignite for the purposes of our annual goodwill impairment test. The fair values of our National Digital, Townsquare Ignite, Analytical Services, Townsquare Interactive and Live Events reporting units were in excess of their respective carrying values by approximately 125%, 277%, 559%, 267% and 273%, respectively. Following the recognition of the non-cash goodwill impairment charge, the local advertising businesses reporting unit had no goodwill as of December 31, 2019. The fair values of each of our reporting units was determined using a weighted average market and income approach. The weighted-average cost of capital used in testing our reporting units for impairment ranged from 8% - 12% with a perpetual growth rates of ranging from (4.2)% to 15.4%.

The key assumptions used to determine the estimated fair value of each reporting unit are predicated on our market positioning and the ability to provide diversified and integrated product and service offerings. In the event our operating strategy faces challenges in the business environments in which each of our reporting units operate, a resulting change in the key assumptions (e.g., long-term financial projections) could have a negative impact on the estimated fair value of our reporting units, and it is possible the Company could recognize additional impairment charges.

In January 2019, management concluded that the Company should exit its Music Festival business and commenced an active search for a buyer. As a result of these actions, the Music Festival business met the criteria for assets held for sale which required the Company to measure its long-lived assets at the lower of carrying value or fair value less costs to sell. During the first quarter of 2019, management received indications of fair value. This assessment resulted in a $10.0 million impairment charge against the assets of the disposal group which was recorded in discontinued operations for the year ended December 31, 2019.

See Note 7, *Goodwill and Other Intangible Assets,* for further details related to the results of our impairment testing for each of the years ended December 31, 2020 and 2019, respectively.

Investments: Long-term investments consist of minority holdings in companies that management believes are synergistic with Townsquare. As management does not exercise significant control over operating and financial policies of the investees, the investments are not consolidated or accounted for under the equity method of accounting. The initial valuation of the equity securities were based upon a combination of valuation analysis using observable inputs categorized as Level 2 and performing discounted cash flows analysis, using unobservable inputs categorized as Level 3 within the ASC 820 framework. In accordance with ASC 321, *Investments - Equity Securities*, the Company measures its equity securities at cost minus impairment, as their fair values are not readily determinable and the investments do not qualify for the net asset value per share practical expedient. The Company monitors its investments for any subsequent observable price changes in orderly transactions for the identical or a similar investment of the same investee, at which time the Company would adjust the then current carrying values of the related investment. Additionally, the Company evaluates its investments for any indicators of impairment. For the year ended December 31, 2020, the Company recorded no impairment charges. For the year ended December 31, 2019, the Company recorded impairment charges of $0.6 million. Impairment charges are included in caption *Impairment of investments*, in the Company's Consolidated Statement of Operations.

Deferred Financing Costs: Deferred financing costs related to the issuance of debt are capitalized and are amortized over the life of the instrument in such a way as to result in a constant rate of interest when applied to the amount outstanding at the beginning of any given period (the interest method). The amortization of these costs is recorded as interest expense, net in the Consolidated Statements of Operations. Unamortized deferred financing costs as of December 31, 2020 and 2019 have been deducted from the long-term debt balance in the Consolidated Balance Sheets.

Impairment of Long-Lived Assets: Long-lived assets (including property, equipment and intangible assets subject to amortization) to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of a long-lived asset group may not be recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposal of the asset group. If it were determined that the carrying amount of an asset was not recoverable, an impairment loss would be recorded. The Company determines the fair value of its long-lived assets based upon the market value of similar assets, if available, or independent appraisals, if necessary. Long-lived assets to be disposed of and/or held for sale are reported at the lower of carrying amount or fair value, less cost to sell. The fair value of assets held for sale is determined in the same manner as described for assets held and used. We recognized total impairment charges related to long-lived assets in certain markets during the year ended December 31, 2020 of $2.0 million. We recognized an impairment charge of $0.1 million during the year ended

December 31, 2019 related to the sale of one of our Tuscaloosa, AL stations. Long-lived asset impairment charges are included in caption *Impairment of long-lived and intangible assets*, in the Company's Consolidated Statements of Operations.

Business Realignment Costs: As part of the Company's COVID-19 response, the Company instituted immediate actions to address the potential financial impacts of the pandemic, one of which included reducing our workforce through the termination or layoff of approximately 135 full-time employees. In 2019, management elected to restructure the Company's programming and traffic departments, and incurred certain expenses related to a senior management restructuring. The related compensation costs for termination benefits provided to the impacted employees are included as a component of business realignment costs.

The Company recorded the following business realignment costs for the years ended December 31, 2020 and 2019 (in thousands):

	December 31, 2020	December 31, 2019
Compensation costs	$ 2,648	$ 166
Other	441	—
Total	**$ 3,089**	**$ 166**

Self-Insurance Liabilities: The Company is self-insured for medical liability. In addition, the Company has stop loss coverage in excess of certain defined limits. Liabilities associated with the risks that are retained by the Company are estimated, in part, by considering claims experience, severity factors and other assumptions. For any legal costs expected to be incurred in connection with a loss contingency, the Company recognizes the expense as incurred.

Revenue Recognition: Broadcast revenue for commercial broadcasting advertisements is recognized when the commercial is broadcast. Revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for advertisers that use agencies. Digital marketing solutions revenue, under the brand name Townsquare Interactive, is recognized as a contract liability until the terms of a customer contract are satisfied, which generally occurs with the transfer of control as the Company satisfies its contractual performance obligation over time. Digital revenue is derived primarily from the sale of internet-based advertising campaigns to local and national advertisers and is recognized over the duration of the campaigns. Live events revenue and other non-broadcast advertising revenue are recognized as events are conducted. Deferred revenue consists primarily of advance ticket sales on events scheduled to take place at dates in the future and digital subscriptions in which payment is received in advance of the service month.

Barter Transactions: Barter transactions (advertising provided in exchange for goods and services) are reported at the estimated fair value of the products or services received. Revenue from barter transactions is recognized when advertisements are broadcast. Merchandise or services received is charged to expense when received or utilized. If merchandise or services are received prior to the broadcast of the advertising, a liability is recorded. If advertising is broadcast before the receipt of the goods or services, a receivable is recorded. Total revenues recognized related to barter transactions were $17.7 million and $27.9 million for the years ended December 31, 2020 and 2019, respectively.

Leases: The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, operating lease liabilities, current and operating lease liability, net of current portion on our Consolidated Balance Sheets. Finance leases are included in property and equipment, net, financing lease liabilities, current and financing lease liabilities, net of current portion on our Consolidated Balance Sheets.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date, adjusted by the deferred rent liabilities at the adoption date. ROU assets may also include any initial direct costs incurred and any lease payments made at or before the lease commencement date, less lease incentives received.

Our lease arrangements may contain lease and non-lease components. We elected to combine lease and non-lease components. In determining the present value of the future lease payments, we consider only payments that are fixed and determinable at commencement date, including non-lease components. Variable components such as utilities and maintenance costs are expensed as incurred. As our leases do not provide an implicit rate, in determining the net present value of lease payments, management used judgment in order to estimate the appropriate incremental borrowing rate, which is the rate incurred to borrow equivalent funds on a collateralized basis over a similar term in a similar economic environment. Lease terms include periods under options to extend or terminate the lease when we are reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

We also elected to apply the short-term lease measurement and recognition exemption in which ROU assets and lease liabilities are not recognized for leases with a term of 12 months or less.

ROU assets for operating leases are periodically reviewed for impairment losses. The Company uses the long-lived assets impairment guidance to determine whether a ROU asset is impaired, and if so, the amount of the impairment loss to recognize. We monitor for events or changes in circumstances that require a reassessment of one of our leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero.

Local Marketing Agreements: At times, the Company enters into Local Marketing Agreements (“LMAs”), also known as Time Brokerage Agreements (“TBAs”). In a typical LMA, the licensee of a radio station makes available, for a fee, airtime on its radio station to a party which supplies content to be broadcast during that airtime and collects revenue from advertising aired during such content. LMAs are subject to compliance with the antitrust laws and the Communications Act of 1934, as amended, and relevant FCC rules and published policies (“Communication Laws”), including the requirement that the licensee must maintain independent control over the radio station and, in particular, its personnel, content and finances. The FCC has held that such agreements do not violate the Communications Laws as long as the licensee of the radio station receiving content from another station maintains ultimate responsibility for, and control over radio station operations and otherwise ensures compliance with the Communications Laws.

As of December 31, 2020, the Company operated two non-owned radio stations under LMAs. The total net revenue for the contractual portion of the LMA of the radio stations and its total expenses for the contractual portion of the LMA were immaterial.

Financial Instruments: ASC 825, *Disclosures about Fair Value of Financial Instruments*, requires the Company to disclose estimated fair values for its financial instruments. Management has reviewed its cash and cash equivalents, accounts receivable, other current assets, accounts payable and accrued expenses and has determined that their carrying values approximate their fair value due to the short maturity of these instruments. The fair value of the Company’s long-term debt is disclosed in Note 9, *Long-Term Debt.*

Fair Value Measurements: ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The fair value framework under ASC 820 provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identified assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 assets include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets that are not active; and inputs other than quoted prices that are observable such as models.

- Level 3: Inputs are unobservable inputs for the asset or liability. Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Advertising and Promotion Costs: Costs of media advertising (including barter) and associated production costs are expensed to direct operating expenses the first time the advertising takes place. The Company recorded advertising expenses of $0.6 million and $3.2 million, for the years ended December 31, 2020 and 2019, respectively.

Income Taxes: Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

The Company also evaluates the need for valuation allowances to reduce the deferred tax assets to realizable amounts. Management evaluates all positive and negative evidence and uses judgment regarding past and future events, including operating results, to help determine when it is more likely than not that all or some portion of the deferred tax assets may not be realized. When appropriate, a valuation allowance is recorded against deferred tax assets to offset future tax benefits that may not be realized.

The Company follows the provisions of ASC Topic 740, *Accounting for Income Taxes*. ASC Topic 740 clarifies the accounting for uncertainties in income taxes recognized in an enterprise's financial statements. ASC Topic 740 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740 provides guidance on derecognition, classification, interest and penalties, disclosures and transition. As required by the uncertain tax position guidance in ASC Topic 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company's policy is to recognize interest and penalties accrued on unrecognized tax benefits as part of income tax expense. The Company's Federal income tax returns and various state tax returns remain subject to examination by taxing authorities for all years after 2016.

Stock-based compensation: Stock-based compensation expense related to stock-based transactions, including employee awards, is measured and recognized in the Consolidated Financial Statements based on the fair value of the award on the grant date. The fair values of restricted stock awards are determined based on the fair market value of our common stock at the time of grant. The fair value of option awards is estimated using the Black-Scholes option-pricing model. This model requires assumptions including the fair value of the Company's common stock, expected volatility, expected term of the award, expected dividend yield and risk-free interest rate. Stock-based compensation expense is recognized as the equity awards vest. Share-based awards may be subject to forfeiture if certain employment conditions are not met. The Company accounts for forfeitures as they occur.

Contingencies: In accordance with ASC Topic 450, *Contingencies*, the Company records a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. The Company monitors the stage of progress of its litigation matters and relates that to an accrual for estimated losses to determine if any adjustments are required.

In the normal course of business, the Company is subject to various regulatory proceedings, lawsuits, claims and other matters. Additionally, from time to time the Company is engaged in various legal proceedings related to its intellectual property, employees or other matters. Although such matters are subject to many uncertainties and outcomes are not predictable with assurance, as of December 31, 2020 and 2019, management does not believe any such matters are material to the Company's consolidated results of operations or financial condition.

Accounting Developments

Recently Adopted Accounting Standards

In August 2018, the FASB issued ASU 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*, which requires a customer in a cloud computing arrangement that is a service contract to follow the internal-use software guidance in Topic 350, Intangibles - Goodwill and Other to determine which implementation costs to capitalize as assets or expense as incurred. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted and an entity can elect to apply the new guidance on a prospective or retrospective basis. The Company adopted this standard effective January 1, 2020, which did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurements (Topic 820): Disclosure framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which eliminates, adds and modifies certain disclosure requirements for fair value measurements, including eliminating the requirements to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, and requiring disclosure of the range and weighted average rate used to develop significant unobservable inputs for Level 3 fair value measurements. The new guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption, either of the entire standard or only the provisions that eliminate or modify requirements, is permitted. The Company adopted this standard effective January 1, 2020, which did not have a material impact on the Company's consolidated financial statements.

Recently Issued Standards That Have Not Yet Been Adopted

In March 2020, the FASB issued ASU 2020-04*, Facilitation of the Effects of Reference Rate Reform on Financial Reporting (Topic 848),* which is intended to provide temporary optional expedients and exceptions to U.S. GAAP guidance on contracts, hedge accounting and other transactions affected by the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. This ASU is effective for all entities beginning on March 12, 2020 and the Company may elect to apply the amendments prospectively through December 31, 2022. The adoption of this standard is not expected to have a material impact on the Company's Consolidated Financial Statements.

In January 2020, the FASB issued ASU 2020-01, *Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)-Clarifying the Interactions between Topic 321, Topic 323, and Topic 815,* which clarifies certain interactions between the guidance to account for certain equity securities under Topic 321, the guidance to account for investments under the equity method of accounting in Topic 323, and the guidance in Topic 815, which could change how an entity accounts for an equity security under the measurement alternative or a forward contract or purchased option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting or the fair value option in accordance with Topic 825, *Financial Instruments*. If a company is applying the measurement alternative for an equity investment under ASC 321 and must transition to the equity method because of an observable transaction, it will remeasure its investment immediately before transition. The new guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted, including early adoption in an interim period, (1) for public business entities for periods for which financial statements have not yet been issued and (2) for all other entities for periods for which financial statements have not yet been made available for issuance. The adoption of this standard is not expected to have a material impact on the Company's Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, *Accounting Standards Update 2019-12—Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. The new guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption of the amendments is permitted, including adoption in any interim period for (1) public business entities for periods for which financial statements have not yet been issued and (2) all other entities for periods for which financial statements have not yet been made available for issuance. The adoption of this standard is not expected to have a material impact on the Company's Consolidated Financial Statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which adds a new Topic 326 to the Codification and removes the thresholds that companies apply to measure credit losses on financial instruments measured at amortized cost, such as loans, receivables, and held-to-maturity debt securities. The guidance will remove all recognition thresholds and will require companies to recognize an allowance for credit losses for the difference between the amortized cost basis of a financial instrument and the amount of amortized cost that the company expects to collect over the instrument's contractual life. The new guidance is effective for smaller reporting companies for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption, either of the entire standard or only the provisions that eliminate or modify requirements, is permitted. The Company expects to adopt the new guidance in the first quarter of 2023. The Company is continuing to assess the impact on its Consolidated Financial Statements, if any.

Note 3. Revenue Recognition

The following tables present a disaggregation of our revenue by reporting segment and revenue from political sources and all other sources (in thousands):

	Year Ended December 31, 2020			
	Advertising	**Townsquare Interactive**	**Live Events**	**Total**
Net Revenue (ex Political)	$ 282,493	$ 70,360	$ 2,479	$ 355,332
Political	16,006	—	—	$ 16,006
Net Revenue	**$ 298,499**	**$ 70,360**	**$ 2,479**	**$ 371,338**

	Year Ended December 31, 2019			
	Advertising	**Townsquare Interactive**	**Live Events**	**Total**
Net Revenue (ex Political)	$ 349,711	$ 61,517	$ 17,077	$ 428,305
Political	3,103	—	—	$ 3,103
Net Revenue	**$ 352,814**	**$ 61,517**	**$ 17,077**	**$ 431,408**

Revenue from contracts with customers is recognized as an obligation until the terms of a customer contract are satisfied; generally this occurs with the transfer of control as we satisfy contractual performance obligations over time. Our contractual performance obligations include the broadcast of commercials on our owned and operated radio stations, digital sales of internet based advertising campaigns, digital marketing solutions, and the operation of live events. Revenue is measured at contract inception as the amount of consideration we expect to receive in exchange for transferring goods or providing services. Our contracts are at a fixed price at inception and do not include any variable consideration or financing components by normal course of business practice. Sales, value add, and other taxes that are collected concurrently with revenue producing activities are excluded from revenue.

The primary sources of net revenue are the sale of advertising on our radio stations, owned and operated websites, radio stations' online streams, and mobile applications. We offer precision customer targeting solutions to advertisers through Townsquare Ignite, our digital programmatic advertising platform. We also offer digital marketing solutions under the brand name Townsquare Interactive, on a subscription basis, to small and mid-sized local and regional businesses in small and mid-sized markets across the United States, including the markets in which we operate radio stations. In addition, we offer a diverse range of live events which we create, promote, and produce. This includes concerts, expositions and other experiential events within and beyond our markets. Our live events also generate substantial net revenue through the sale of sponsorships, food and other concessions, merchandise and other ancillary products and services.

Political net revenue includes the sale of advertising on our owned and operated radio stations from contracts with political advertisers. Contracted performance obligations under political contracts consist of the broadcast of advertisements across our locally owned and operated radio stations. Management views political revenue separately because political is episodic based on the election cycle and local issues calendars.

Net revenue for broadcast commercials and digital advertisements are recognized as the commercials are broadcast and digital advertisements are placed and the contractual performance obligations for Townsquare services are satisfied. We measure progress towards the satisfaction of our contractual performance obligations via the output produced in accordance with the contractual arrangement (the broadcast of commercials or the placement of digital advertisements). We recognize the associated contractual revenue as the delivery takes place.

Our advertising contracts are short-term (less than one year) and payment terms are generally net 30-60 days for traditional customer contracts and net 60-90 days for national agency customer contracts. Our billing practice is to invoice customers on a monthly basis for services delivered to date (representing the right to invoice). Our contractual arrangements do not include rights of return and do not include any significant judgments by nature of the products and services.

Net revenue from digital subscription-based contractual performance obligations is recognized ratably over time as our performance obligations are satisfied. Subscription-based service fees are typically billed in advance of the month of service at a fixed monthly fee that is contractually agreed upon at contract inception. The measure of progress in such arrangements is the number of days of successful delivery of the contracted service.

Live events net revenue is recognized as events are conducted and our contractual performance obligations are satisfied. Our live events are primarily single day events, but some are multi-day in duration. We measure progress towards the satisfaction of contractual performance obligations on a daily basis, measured by the successful delivery of the event and honoring customer admissions and vendor event commitments. Live event ticket purchase prices are due at the point of purchase and are nonrefundable. Live event tickets are often sold in advance of the events; in the case of advanced ticket sales, we defer the recognition of consideration received until we satisfy the future performance obligation. Live event contractual arrangements do not include any variable consideration, financing components, or significant judgments.

For all customer contracts, we evaluate whether we are the principal (i.e., report revenue on a gross basis) or the agent (i.e., report revenue on a net basis). Generally, we report revenue for advertising placed on Townsquare properties on a gross basis (the amount billed to our customers is recorded as revenue, and the amount paid to our publishers is recorded as a cost of revenue). We are the principal because we control the advertising inventory before it is transferred to our customers. Our control is evidenced by our sole ability to monetize the advertising inventory, being primarily responsible to our customers, having discretion in establishing pricing, or a combination of these factors. We also generate revenue through agency relationships in which revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for advertisers that use agencies.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers (in thousands):

	December 31, 2020	December 31, 2019
Receivables	$ 58,634	$ 67,463
Short-term contract liabilities (deferred revenue)	$ 8,847	$ 8,086
Contract acquisition costs	$ 4,824	$ 4,037

We receive payments from customers based upon contractual billing schedules; accounts receivable is recorded when the right to consideration becomes unconditional. Contract receivables are recognized in the period the Company provides services when the Company's right to consideration is unconditional. Payment terms vary by the type and location of our customer and the products or services offered. Payment terms for amounts invoiced are typically net 30-60 days. The term between invoicing and when payment is due is not significant.

We record contract liabilities when cash payments are received or due in advance of satisfying our performance obligations. Our contract liabilities include cash payments received or due in advance related to event ticket sales for events scheduled to take place over the course of the current year and digital subscriptions in which payment is received in advance of the service month. These contract liabilities are recognized as revenue as the related performance obligations are satisfied. The increase in our contract liabilities balance from December 31, 2019 is primarily driven by cash payments received or due in advance of satisfying our performance obligations, offset by $6.8 million of recognized revenue for the year ended December 31, 2020. For the year ended December 31, 2019, we recognized $7.4 million of revenue that was previously included in our deferred revenue balance. No significant changes in the time frame of the satisfaction of contract liabilities have occurred during the year ended December 31, 2020.

We capitalize certain contract acquisition costs consisting primarily of commissions paid when contracts are signed (previously such costs were expensed as incurred). Our capitalized contract acquisition costs include amounts related to sales commissions paid for contract acquisition costs related to signed contracts with perceived durations exceeding one year. For these contracts, we defer the related sales commission costs and amortize such costs to expense consistent with how the related revenue is recognized over the duration of the contracts. We have evaluated the average customer contract duration (initial term and any renewals) to determine the appropriate amortization period for these contractual arrangements. We had a balance of $4.8 million and $4.0 million in deferred costs as of December 31, 2020 and 2019, respectively, included as a component of prepaid expenses and other current assets. During the year ended December 31, 2020 we recognized $2.7 million of amortization related to the December 31, 2019 balance. During the year ended December 31, 2019 we recognized $1.8 million of amortization related to balances generated in prior periods. No impairment losses have been recognized or changes made to the time frame for performance of the obligations related to deferred contract assets during the years ended December 31, 2020 or 2019, respectively.

Arrangements with Multiple Performance Obligations

In contracts with multiple performance obligations, we identify each performance obligation and evaluate whether the performance obligations are distinct within the context of the contract at contract inception. When multiple performance obligations are identified, we identify how control transfers to the customer for each distinct contract obligation and determine the period when the obligations are satisfied. If obligations are satisfied in the same period, no allocation of revenue is deemed to be necessary. In the event performance obligations within a bundled contract do not run concurrently, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers or by using expected cost-plus margins. Performance obligations that are not distinct at contract inception are combined.

Practical Expedients and Exemptions

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed as amounts related to those performance obligations with expected durations of greater than one year are at a fixed price per unit and do not include any upfront or minimum payments requiring any estimation or allocation of revenue.

Note 4. Acquisitions

Acquisitions

On May 28, 2020, Townsquare Media Duluth, LLC entered into an Asset Purchase Agreement to acquire the assets associated with the radio broadcast station WWAX-FM for $0.4 million. The acquisition closed on October 9, 2020, and consideration was paid with cash on hand.

On May 22, 2019, the Company entered into an Asset Purchase Agreement to acquire certain assets and liabilities related to a radio broadcast station in Tuscaloosa, AL for $0.7 million and $0.1 million in transaction fees. The acquisition closed on July 31, 2019 and consideration was paid with cash on hand.

Note 5. Divestitures and Discontinued Operations

On June 4, 2019, the Company entered into an Asset Purchase Agreement to sell a radio broadcast station in Tuscaloosa, AL for $0.1 million. In connection with the transaction, which closed on July 31, 2019, we recorded an impairment charge against the long lived asset disposal group of $0.2 million, which is included in the caption *Impairment of long lived and intangible assets* in the Company's Consolidated Statements of Operations for the year ended December 31, 2019.

Divestitures Reported as Discontinued Operations

During the first quarter of 2019, management concluded that the Company should exit its Music Festivals business. On May 24, 2019, the Company closed on the sale of its Music Festivals to a subsidiary of Live Nation for $10.0 million. As part of the transaction, it was mutually agreed upon that the Company would operate the 2019 Music Festivals under a production services agreement for a pre-determined share of "Net Profits" as defined in the agreement. The Company realized approximately $0.4 million in operating income during 2019 related to the operation of the 2019 Music Festivals, as outlined within the agreement. The Company has recorded a net gain on the disposal of the Music Festivals of $0.6 million which is included in Net loss from discontinued operations, net of tax in the Company's Consolidated Statements of Operations for the year ended December 31, 2019.

On March 18, 2019, the Company closed on the sale of its Arizona Bridal Shows for $2.0 million. The Company realized a gain in connection with the sale of $1.5 million, which is included in Net loss from discontinued operations, net of tax in the Company's Consolidated Statements of Operations for the year ended December 31, 2019.

The following table shows the components of assets and liabilities that are related to discontinued operations in the Company's Consolidated Balance Sheets (in thousands):

	December 31, 2020	December 31, 2019
Accounts payable	$ 1	$ 31
Accrued expenses and other current liabilities	32	392
Current liabilities of discontinued operations[(1)]	**$ 33**	**$ 423**

[(1)] The current liabilities of discontinued operations as of December 31, 2020 includes certain costs associated with the Music Festivals business which will be paid out within the next twelve months and primarily relate to employee costs.

The following table shows the components of operations that are related to discontinued operations in the Company's Consolidated Statements of Operations (in thousands):

	December 31, 2020	December 31, 2019
Net revenue	$ —	$ 20,368
Discontinued operating costs and expenses:		
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	—	22,968
Depreciation and amortization	—	207
Stock-based compensation	—	(97)
Impairment of goodwill	—	9,814
Transaction costs	—	238
Loss from discontinued operations before tax	—	**(12,762)**
Gain on sale of discontinued operations before tax	—	2,057
Income tax benefit	—	2,555
Loss from discontinued operations, net of tax	**$** —	**$ (8,150)**

Note 6. Property and Equipment, Net

Property and equipment consisted of the following (in thousands):

	December 31, 2020	December 31, 2019
Land and improvements	$ 21,512	$ 21,423
Buildings and leasehold improvements	54,471	51,025
Broadcast equipment	90,324	86,910
Computer and office equipment	20,480	18,432
Furniture and fixtures	21,657	20,799
Transportation equipment	19,918	18,574
Software development costs	30,721	25,999
Total property and equipment, gross	259,083	243,162
Less: Accumulated depreciation and amortization	(147,212)	(129,020)
Total property and equipment, net	**$ 111,871**	**$ 114,142**

Depreciation and amortization expense for property and equipment was $19.1 million and $24.9 million for the years ended December 31, 2020 and 2019, respectively. For the year ended December 31, 2020, the Company recorded $1.2 million in non-cash impairment charges, primarily related to long-lived assets within the San Angelo, TX market and the Live Events business. There were $0.1 million in impairment charges related to long-lived assets for the year ended December 31, 2019. The Company had no material right of use assets related to it finance leases as of December 31, 2020.

Note 7. Goodwill and Other Intangible Assets, Net

Indefinite-lived assets consist of FCC broadcast licenses and goodwill. FCC licenses represent a substantial portion of the Company's total assets. The FCC licenses are renewable in the ordinary course of business, generally for a maximum of eight years. The fair value of FCC licenses is primarily dependent on the future cash flows of the radio markets and other assumptions, including, but not limited to, forecasted revenue growth rates, profit margins and a risk-adjusted discount rate. The Company has selected December 31st as the annual testing date.

The Company evaluates its FCC licenses for impairment annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. Due to the then current and expected future economic and market conditions surrounding the COVID-19 pandemic during the early part of 2020 and the results of the impairment assessment performed as of December 31, 2019, the Company also quantitatively evaluated the fair value of its FCC licenses at March 31, 2020 and June 30, 2020.

Based on the results of the Company's annual impairment evaluation of its FCC licenses performed at December 31, 2020, no impairment charges were incurred during the fourth quarter of 2020. Based upon interim impairment evaluations of our FCC licenses as of June 30, 2020 and March 31, 2020, we incurred impairment charges of $28.7 million and $78.4 million, respectively, for FCC licenses in 35 and 46, respectively, of our 67 local markets for the three months ended June 30, 2020 and March 31, 2020, respectively. The impairment charge realized during the three months ended June 30, 2020 was primarily driven by changes in the market data utilized in determining the discount rate applied in the valuation of our FCC licenses which drove an increase in the weighted average cost of capital. The changes in data were driven by an increase in market volatility and industry bond yields, a direct result of the impact of the COVID-19 pandemic on market and economic conditions. The impairment charge realized during the three months ended March 31, 2020 was primarily due to declines in forecasted traditional broadcast revenue in the markets we operate in as a result of the COVID-19 pandemic.

Charges related to the impairment of the Company's FCC licenses are included in Advertising segment results.

Unfavorable changes in key assumptions utilized in the impairment assessment of our FCC licenses may affect future testing results. For example, keeping all other assumptions constant, a 100-basis point increase in the weighted average cost of capital would cause the estimated fair values of our FCC licenses to decrease by $56.2 million as of December 31, 2020. Assumptions used to estimate the fair value of our FCC licenses are also dependent upon the expected performance and growth of our traditional broadcast operations. In the event our broadcast revenue experiences further actual or anticipated declines, including as a result of the COVID-19 pandemic, such declines will have a negative impact on the estimated fair value of our FCC licenses, and the Company could recognize additional impairment charges, which could be material.

For 2020, in assessing whether goodwill was impaired in connection with its annual impairment testing performed as of December 31st, the Company performed a quantitative assessment for each of its reporting units. Based upon such assessment, the Company determined that the fair value of the following reporting units exceeded their respective carrying amounts as of December 31, 2020. The fair values of our National Digital, Townsquare Ignite, Analytical Services, Townsquare Interactive, and Live Events reporting units were in excess of their respective carrying values by approximately 138%, 231%, 795%, 300% and 118%, respectively.

For 2019, we determined that the carrying value of our Local Advertising reporting unit exceeded its fair value as of our impairment assessment date, primarily as a result of traditional broadcast operations comprising a standalone reporting unit. Prior to our change in reportable operating segments in 2019, the results of our traditional broadcast operations were aggregated with our digital advertising products and solutions, including Townsquare Interactive and Townsquare Ignite for the purposes of our annual goodwill impairment test. The fair values of our National Digital, Townsquare Ignite, Analytical Services, Townsquare Interactive and Live Events reporting units were in excess of their respective carrying values by approximately 125%, 277%, 559%, 267% and 273%, respectively.

The Company recognized an aggregate $69.0 million non-cash goodwill impairment charge related to the local advertising businesses reporting unit in the fourth quarter of 2019. Following the recognition of this non-cash goodwill impairment charge, the local advertising businesses reporting unit had no goodwill.

As of December 31, 2020, the goodwill balances remaining for each of our reporting units were as follows (amounts in thousands):

	Goodwill at December 31, 2020	Goodwill at December 31, 2019
Reporting Unit:		
Local Advertising	$ —	$ —
National Digital	8,273	8,273
Townsquare Ignite	66,378	66,378
Analytical Services	2,313	2,313
Townsquare Interactive	77,000	77,000
Live Events	3,983	3,983
Balance	**$ 157,947**	**$ 157,947**

The fair values of each of our reporting units were determined using a weighted average market and income approach. The income approach requires several assumptions including future sales growth, EBITDA (earnings before interest, taxes, depreciation and amortization) margins, and capital expenditures and discount rates which are the basis for the information used in the discounted cash flow model. The weighted-average cost of capital used in testing our reporting units for impairment ranged from 8.4% - 14.5% with a perpetual growth rates ranging from (4.5)% to 7.3%.

In January 2019, management concluded that the Company should exit its Music Festival business and commenced an active search for a buyer. As a result of these actions, the Music Festival business met the criteria for assets held for sale which required the Company to measure its long-lived assets at the lower of carrying value or fair value less costs to sell. During the first quarter of 2019, management received indications of fair value. This assessment resulted in a $10.0 million impairment charge against the assets of the disposal group which was recorded in discontinued operations for the year ended December 31, 2019.

The following table presents changes in goodwill by segment during each of the two years ended December 31, 2020 and 2019, respectively (in thousands):

	Advertising	Townsquare Interactive	Live Events	Total
Balance at December 31, 2018 [1]	**$ —**	**$ —**	**$ —**	**$ 226,981**
Reassignment of goodwill	145,998	77,000	3,983	226,981
Impairment loss on goodwill	(69,034)			(69,034)
Balance at December 31, 2019	**$ 76,964**	**$ 77,000**	**$ 3,983**	**$ 157,947**
Balance at December 31, 2020	**$ 76,964**	**$ 77,000**	**$ 3,983**	**$ 157,947**

[1] The aggregate goodwill balance as of December 31, 2018 is net of $48.9 million of accumulated impairment charges, of which $39.9 million was included as a component of discontinued operations and $9.1 million of which related to the 2017 strategic review and restructuring of our entertainment business. Additionally, a $4.1 million write-off of goodwill was recorded in 2017 in connection with business realignments within the entertainment business.

The following tables present details of intangible assets as of December 31, 2020 and 2019, respectively (in thousands):

	December 31, 2020			
	Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:				
FCC licenses	Indefinite	$ 277,013	$ —	$ 277,013
Customer and advertising relationships	3	6,540	(4,793)	1,747
Leasehold interests	11	1,085	(970)	115
Tower space	3	454	(439)	15
Trademarks	9	2,761	(1,218)	1,543
Software License Fees	3	853	(126)	727
Total		**$ 288,706**	**$ (7,546)**	**$ 281,160**

	December 31, 2019			
	Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:				
FCC licenses	Indefinite	$ 383,738	$ —	$ 383,738
Customer and advertising relationships	3	6,540	(4,139)	2,401
Leasehold interests	12	1,085	(940)	145
Tower space	4	454	(433)	21
Trademarks	10	2,761	(1,045)	1,716
Other intangibles	0.1	160	(152)	8
Total		**$ 394,738**	**$ (6,709)**	**$ 388,029**

Amortization expense for definite-lived intangible assets for each of the years ended December 31, 2020 and 2019 was $1.0 million and $0.9 million, respectively.

Estimated future amortization expense for each of the five succeeding fiscal years and thereafter as of December 31, 2020 is as follows (in thousands):

2021	$ 1,115
2022	1,112
2023	848
2024	179
2025	179
Thereafter	714
	$ 4,147

Note 8. Investments

As management does not exercise significant control over operating and financial policies of the investees, the investments are not consolidated or accounted for under the equity method of accounting. The initial valuation of the equity securities was based upon an estimate of market value at the time of investment or upon a combination of a valuation analysis using observable inputs categorized as Level 2 and performing a discounted cash flows analysis, using unobservable inputs categorized as Level 3 within the ASC 820 framework. In accordance with ASC 321, Investments - Equity Securities, the Company measures its equity securities at cost minus impairment, as their fair values are not readily determinable and the investments do not qualify for the net asset value per share practical expedient. The Company monitors its investments for any subsequent observable price changes in orderly transactions for the identical or a similar investment of the same investee, at which time the Company would adjust the then current carrying values of the related investment. Additionally, the Company evaluates its investments for any indicators of impairment.

During the year ended December 31, 2020, the Company made certain investments in three small businesses totaling $2.8 million and an additional $0.4 million investment in an existing investee. There were no impairment charges or fair value adjustments recorded for the year ended December 31, 2020.

During the year ended December 31, 2019 approximately $0.3 million of a convertible note receivable previously outstanding at December 31, 2018 converted into an investment. Additionally, the Company made a non-cash investment in a small business totaling $2.0 million. The investments represent minority ownership positions and are considered equity investments accounted for as equity securities under ASC 825, Financial Instruments. These transactions were recorded as investments in the Company's Consolidated Balance Sheet as of December 31, 2019.

During the year ended December 31, 2019, one of our equity investments was not meeting performance targets and was not in alignment with our strategic goals. In the fourth quarter of 2019, when we began the process to sell this cost-based investment, it was determined that the fair value of the investment had declined to below our carrying value. Therefore, in the fourth quarter of 2019, we recognized an impairment charge of $0.6 million. Subsequent to the impairment charge we sold this equity investment for its fair value of $2.9 million for cash and recognized no gain or loss on the sale.

Note 9. Long-Term Debt

Total debt outstanding is summarized as follows (in thousands):

	December 31, 2020	December 31, 2019
2023 Notes	$ 273,416	$ 278,148
Term Loans	272,381	282,332
Debt before deferred financing costs	545,797	560,480
Deferred financing costs	(2,369)	(3,840)
Total debt	543,428	556,640
Less: current portion of long-term debt	—	(9,929)
Total long-term debt [1]	**$ 543,428**	**$ 546,711**

[1] See Note 17, *Subsequent Events,* in our Notes to Consolidated Financial Statements for further information for debt-related matters that occurred subsequent to December 31, 2020.

On April 1, 2015, the Company issued $300.0 million in aggregate principal amount of its 6.5% Unsecured Senior Notes due in 2023 (the "2023 Notes") and entered into a Senior Secured Credit Facility, which includes a seven year, $275.0 million term loan facility (together with the incremental term loans described below the "Term Loans") and a five year, $50.0 million revolving credit facility (the "Revolving Credit Facility"). Borrowings are guaranteed by each of the Company's direct and indirect subsidiaries, and subject to certain exceptions, are secured by substantially all of the tangible and intangible assets of the Company and its subsidiaries. On September 1, 2015, the Company issued incremental term loans of $45.0 million under the Senior Secured Credit Facility.

During the year ended December 31, 2020, the Company voluntarily repurchased $4.7 million of its 2023 Notes at a market price below par, plus accrued interest and recognized a gain of $1.2 million. The Company wrote-off approximately $0.1 million of unamortized deferred financing costs in connection with the voluntary repurchase of its 2023 Notes. The repurchased notes were canceled by the Company. During each of the years ended December 31, 2018 and 2016, the Company voluntarily repurchased $1.9 million and $19.9 million, respectively, of the 2023 Notes at then market prices below par, plus accrued interest.

The 2023 Notes mature on April 1, 2023, with interest payable on April 1 and October 1 of each year. Prior to maturity, the Company may redeem all or part of the 2023 Notes at specified redemption premiums as set forth in the indenture, together with any accrued and unpaid interest thereon. Additionally, if the Company experiences certain change of control events, holders of the 2023 Notes may require the Company to repurchase all or part of their notes at 101% of the principal amount thereof.

The 2023 Notes rank equally with all of the Company's existing and future senior debt, are senior to all of the Company's existing and future subordinated debt, and are guaranteed on a senior basis by certain of the Company's direct and indirect wholly-owned subsidiaries.

The 2023 Notes indenture contains restrictive covenants that limit the ability of the Company and its subsidiaries to, among other things, incur additional debt or issue preferred stock; create liens; create restrictions on the Company's subsidiaries' ability to make payments to the Company; pay dividends and make other distributions in respect of the Company's and its subsidiaries' capital stock; make certain investments or certain other restricted payments; guarantee indebtedness; designate unrestricted subsidiaries; sell certain kinds of assets; enter into certain types of transactions with affiliates; and effect mergers and consolidations.

As of December 31, 2020, the interest rate on the Term Loans was 4.00%. The Revolving Credit Facility has an interest rate based either on LIBOR and an applicable margin of 250 basis points, or an alternative base rate and an applicable margin of 150 basis points. The Revolving Credit Facility also carries an unused commitment fee equal to 0.50% per annum. As of December 31, 2020, the Company had no outstanding borrowings under the Revolving Credit Facility.

On April 30, 2019, the Company amended its Senior Secured Credit Facility to, among other things, extend the maturity date of the existing Revolving Credit Facility by two years to April 1, 2022, coterminous with the Term Loans maturity date (with a springing maturity six months inside of the maturity date of the Term Loans) and to amend certain asset sale provisions. The Term Loans mature on April 1, 2022. In connection with the amendment, the Company incurred financing costs of $0.4 million which are being amortized over the term of the revolving credit facility. Borrowings under the Senior Secured Credit Facility are subject to mandatory prepayments equal to the net proceeds to the Company of any additional debt issuances or asset sales, as well as half of the annual excess free cash flow as defined in the credit agreement (subject to certain reductions). Based on the results of operations for the year ended December 31, 2019 we were required to make an excess free cash flow payment of $9.9 million. The payment was made on June 15, 2020.

The Senior Secured Credit Facility contains covenants that, among other things, limit or restrict the ability of the Company and its subsidiaries to incur additional indebtedness or liens; engage in mergers or other fundamental changes; sell certain property or assets; pay dividends or other distributions; make acquisitions, investments, loans and advances; prepay certain indebtedness including the 2023 Notes; change the nature of its business; engage in certain transactions with affiliates and incur restrictions on interactions between the Company and its subsidiaries, or limit actions in relation to the Senior Secured Credit Facility. In addition, the Senior Secured Credit Facility contains a requirement that, at the end of each calendar quarter, if we have drawn at least 30%, or $15 million, of the commitments under the Revolving Credit Facility, we must have a first lien leverage ratio (as defined under the Senior Secured Credit Facility) on such date of no greater than 3.75:1.00. As a result of our borrowing of $50.0 million on March 17, 2020 under the Revolving Credit Facility, we became subject to this requirement. On June 5, 2020, the Company repaid all amounts outstanding under the Revolving Credit Facility, with $50.0 million of available borrowing capacity following the repayment and as a result, is no longer subject to the foregoing leverage requirement.

The Company was in compliance with its covenants under the 2023 Notes indenture and the Senior Secured Credit Facility as of December 31, 2020.

As of December 31, 2020 and 2019, based on available market information, the estimated fair value of the 2023 Notes was $278.2 million and $279.5 million, respectively, and $272.4 million and $283.4 million, respectively, for the Term Loans. The Company used Level 2 measurements under the fair value measurement hierarchy established under *Fair Value Measurement (Topic 820)*.

Annual maturities of the Company's long-term debt as of December 31, 2020 are as follows (in thousands):

2021	$ —
2022	—
2023	272,381
2024	273,416
2025	—
Thereafter	—
	$ 545,797

Note 10. Lease and Other Commitments

Our lease agreements are primarily for facilities, land, radio towers and other equipment used in our operations and contain renewal options through 2088, escalating rent provisions and/or cost of living adjustments. The majority of our leases are operating leases, although we have several finance leases for equipment as the lease term represents a significant portion of the useful life. In several cases, we have lease arrangements where the lease payment is based upon the consumer price index. Our lease agreements generally do not contain guarantees of the residual value at the end of the lease term or restrictive financial or other covenants.

Total rental expense, including costs incurred for live events such as venue and equipment rentals, for our operating leases was $12.0 million and $14.5 million for the years ended December 31, 2020 and 2019, respectively, and is included in Income from continuing operations. During the year ended December 31, 2020, the Company recognized $0.7 million in accelerated rent related to a facility in Princeton, NJ in connection with consolidating operations within the market.

In September 2015, the Company closed on the sale of 43 towers located on 41 sites in 28 markets to a subsidiary of Vertical Bridge, LLC ("Vertical Bridge") (the "Tower Sale"). The divested towers house antenna that broadcast certain of the Company's radio stations. As part of this transaction, the Company leased a portion of the space on the sold towers that house certain of the Company's antenna. The lease is for a period of 35 years, including an initial term of twenty years and three optional 5-year renewal periods. The Company pays $41 of rent per annum ($1 per site per annum) to Vertical Bridge for the right to house its existing antenna on the divested towers. In addition, the Company determined that the lease is an operating lease and is amortizing the long-term prepaid rent asset and deferred gain on the sale of towers as offsetting amounts over the lease term. The ending balances of the prepaid rent asset and deferred gain, including the current portion of $0.2 million, as of December 31, 2020 and 2019 were $6.2 million and $6.4 million, respectively. The Company will continue to amortize these balances over the remaining lease term.

Weighted-average remaining lease term (in years) and discount rate related to leases were as follows:

Weighted Average Remaining Lease Term	**December 31, 2020**	**December 31, 2019**
Finance Leases	3.29 years	4.31 years
Operating leases	7.54 years	7.75 years
Weighted Average Discount Rate		
Finance Leases	6.15%	7.06%
Operating leases	7.02%	7.34%

Maturities of lease liabilities for operating leases are as follows as of December 31, 2020 (in thousands):

2021	$	10,161
2022		9,415
2023		8,375
2024		7,007
2025		5,801
Thereafter		19,431
Total operating lease payments		**60,189**
Less: imputed interest		**(14,209)**
Add: deferred gain sale leaseback transaction		**6,197**
Total	**$**	**52,178**

Maturities of lease liabilities for financing leases are as follows as of December 31, 2020 (in thousands):

2021	$	72
2022		71
2023		39
2024		24
2025		8
Thereafter		—
Total financing lease payments		**214**
Less: imputed interest		**(20)**
Total	**$**	**194**

The components of lease costs recorded to operating and corporate expense where the short-term lease measurement and recognition exemption was not applied are as follows (dollars in thousands):

	Year Ended December 31, 2020		Year Ended December 31, 2019	
Operating lease cost	$	11,035	$	11,516
Short-term lease cost	$	70		57
Variable lease cost	$	6		6
Total lease cost	**$**	**11,111**	**$**	**11,579**

Other Commitments: The radio broadcast industry's principal ratings service is Nielsen Holdings N.V. ("Nielsen"), which publishes surveys for domestic radio markets. The Company's remaining aggregate obligation under the agreements with Nielsen as of December 31, 2020 is approximately $1.6 million and is expected to be paid in accordance with the agreements through September 2021. In addition, the Company has aggregate commitments of $6.4 million for a business management platform through 2023.

Future expected payments under these agreements as of December 31, 2020 are as follows (in thousands):

2021	$	3,694
2022		2,147
2023		2,188
2024		—
2025		—
Thereafter		—
Total purchase obligations	$	8,029

Note 11. Income Taxes

Income tax benefit from continuing operations for the years ended December 31, 2020 and 2019 consisted of the following (in thousands):

	December 31, 2020	December 31, 2019
Current income tax expense		
State	$ 348	$ 464
Total current income tax expense	**$ 348**	**$ 464**
Deferred tax benefit		
Federal	$ (20,205)	$ (12,323)
State	(4,001)	(2,705)
Total deferred income tax benefit	**(24,206)**	**(15,028)**
Total income tax benefit	**$ (23,858)**	**$ (14,564)**

Total income tax (benefit) expense from continuing operations differed from the amount computed by applying the federal statutory tax rate of 21% for the years ended December 31, 2020 and 2019, due to the following (in thousands):

	December 31, 2020	December 31, 2019
Pretax income at federal statutory rate	$ (21,926)	$ (15,154)
State income tax expense, net federal expense	(4,584)	(2,827)
Non-deductible items	272	581
Goodwill impairment	—	1,726
Adjustment of prior year deferred taxes	836	249
Change in valuation allowance	1,552	953
Other items	(8)	(92)
Total benefit for income taxes	**$ (23,858)**	**$ (14,564)**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2020 and 2019 are presented below (in thousands):

	2020	2019
Deferred tax assets:		
Allowance for doubtful accounts	$ 1,812	$ 668
Accrued expenses and other current liabilities	534	262
Stock-based compensation	3,670	3,648
Property and equipment	2,011	1,767
Interest expense	7,579	4,816
Operating lease obligations	13,406	13,508
Deferred revenue	—	100
Noncurrent liabilities	4,623	1,020
Net operating loss and credit carryforwards	59,460	56,771
Foreign tax credits	385	385
	93,480	**82,945**
Less: valuation allowance	(55,438)	(53,886)
Deferred tax assets	**38,042**	**29,059**
Deferred tax liabilities:		
Intangible assets	34,228	49,067
Operating lease right of use assets	12,407	12,778
Software development costs	1,733	1,561
Deferred tax liabilities	**48,368**	**63,406**
Net deferred tax liabilities	**$ (10,326)**	**$ (34,347)**

As of December 31, 2020, the Company has federal net operating loss carryforwards of approximately $167.6 million available to offset future income which will expire in the years 2021 through 2037, of which $36.9 million have an indefinite life. Approximately $50.4 million is applicable to Townsquare Radio, Inc. and can only be utilized against its future earnings (subject to further limitations under Section 382 of the Internal Revenue Code), and $80.3 million applicable to post IPO operations of the Company and can be utilized against future earnings without limitation through 2037. The Company has approximately $56.2 million of capital loss carryforwards which can be utilized through 2023. Additionally, the Company has various amounts of state net operating loss carry forwards expiring through 2040.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities and projected future taxable income in making this assessment. At December 31, 2020 and 2019, management believes it is not more likely than not that the Company will realize the benefits of these deductible differences. The increase in the valuation allowance of $1.6 million and $1.0 million during the December 31, 2020 and 2019 periods, respectively, is primarily due to managements conclusion in the period that an additional portion of the deferred tax assets will more than likely not be realized.

The Company has not recorded any unrecognized tax benefits as of December 31, 2020 and December 31, 2019. It is not expected that unrecognized tax benefits will materially change in the next 12 months.

Note 12. Stockholders' Equity

The table below presents a summary, as of December 31, 2020, of our authorized and outstanding common stock, and securities convertible into common stock, excluding options issued under our 2014 Omnibus Incentive Plan.

Security[1]	Par Value Per Share	Number Authorized	Number Outstanding	Description
Class A common stock	$0.01	300,000,000	14,436,065	One vote per share.
Class B common stock	$0.01	50,000,000	2,966,669	10 votes per share.[2]
Class C common stock	$0.01	50,000,000	1,636,341	No votes.[2]
Warrants			8,977,676	Each warrant is exercisable for one share of Class A common stock, at an exercise price of $0.0001 per share. The aggregate exercise price for all warrants currently outstanding is $898.[3]
Total		**400,000,000**	**28,016,751**	

[1] Each of the shares of common stock, including the shares of Class A common stock issuable upon exercise of the warrants, have equal economic rights.

[2] Each share converts into one share of Class A common stock upon transfer or at the option of the holder, subject to certain conditions, including compliance with FCC rules.

[3] The warrants are fully vested and exercisable for shares of Class A common stock, subject to certain conditions, including compliance with FCC rules.

The foregoing share totals include 306,177 shares of restricted Class A common stock, subject to vesting terms, but exclude 6,120,896 of Class A common stock and 5,113,182 of Class B common stock issuable upon exercise of stock options, which options have an exercise price of between $4.79 and $9.63 per share. Additionally, the Company is authorized to issue 50,000,000 shares of undesignated preferred stock.

Dividend Rights

Each holder of shares of our common stock will be entitled to receive equally, on a per share basis, such dividends and other distributions in cash, securities or other property of the Company as may be declared thereon by our Board of Directors from time to time out of assets or funds of the Company legally available therefor; provided, however, that in the event that such dividend is paid in the form of shares of common stock or rights to acquire common stock, the holders of Class A common stock shall receive Class A common stock or rights to acquire Class A common stock, as the case may be, the holders of Class B common stock shall receive Class B common stock or rights to acquire Class B common stock, as the case may be, and the holders of Class C common stock shall receive Class C common stock or rights to acquire Class C common stock, as the case may be. Following the economic circumstances and uncertainty created by the COVID-19 pandemic, our board of directors has determined to cease payment of quarterly cash dividends. Any future determination to pay dividends will be at the discretion of our board of directors.

If we declare or pay a dividend or make any other distribution upon shares of our common stock, except for a dividend payable in common stock, then each warrant holder shall be entitled to, at the time of the dividend, the amount which would have been paid to each warrant holder based on the shares of common stock each warrant holder would have held had the warrants been fully exercised immediately prior to the date on which a dividend is paid.

Other Rights

Each holder of common stock is subject to, and may be adversely affected by, the rights of the holders of any series of preferred stock that we may designate and issue in the future.

Liquidation Rights

If our company is involved in a consolidation, merger, recapitalization, reorganization, or similar event, each holder of common stock will participate pro rata in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Equal Status

Except as expressly provided in our certificate of incorporation, the Class A common stock, Class B common stock and Class C common stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters. Without limiting the generality of the foregoing, (i) in the event of a merger or consolidation requiring the approval of the holders of the Company's common stock entitled to vote thereon (whether or not the Company is the surviving entity), the holders of each class of common stock have the right to receive, or the right to elect to receive, the same form and amount of consideration, if any, as the holders of each other class of common stock on a per share basis, and (ii) in the event of (x) any tender or exchange offer to acquire any shares of common stock by any third party pursuant to an agreement to which the Company is a party or (y) any tender or exchange offer by the Company to acquire any shares of common stock, pursuant to the terms of the applicable tender or exchange offer, the holders of each class of common stock shall have the right to receive, or the right to elect to receive, the same form and amount of consideration on a per share basis as the holders of each other class of common stock provided, that if the consideration to be received by the holders of common stock in connection with any such transaction is in the form of shares of stock of the surviving or resulting corporation (or any parent corporation), such shares received by the holders of Class A common stock, Class B common stock or Class C common stock may have varying voting powers or other rights as are equivalent to those of the Class A common stock, Class B common stock and Class C common stock, respectively.

Holders of shares of Class A common stock, Class B common stock and Class C common stock vote together as a single class on all matters presented to the Company's stockholders for their vote or approval, except as otherwise required by applicable law. Each holder of the Company's Class A common stock is entitled to one vote per share on each matter submitted to a vote of stockholders. The Company's Class A common stock is neither convertible nor redeemable. Each holder of the Company's Class B common stock is entitled to ten votes per share on each matter submitted to a vote of stockholders. The Company's Class B common stock is not redeemable, but is convertible 1:1 (including automatically upon certain transfers) into Class A common stock. Holders of shares of Class C common stock are not entitled to any voting rights with respect to such shares. The Company's Class C common stock is not redeemable, but is convertible 1:1 (including automatically upon certain transfers) into Class A common stock.

On January 31, 2017, the Company issued 48,035 shares of Class A common stock as a portion of the consideration in its acquisition of an interest in a joint venture.

On November 13, 2019, the Company repurchased 50,000 shares of Class A common stock from its Chief Executive Officer in order to assist with a 2019 tax obligation that was incurred upon the vesting of 100,000 shares of Class A common stock of the Company that were previously issued to him. The shares were repurchased at a price of $8.00 per share.

The Company's common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities. Unless the Company's board of directors determines otherwise, we will issue all of our capital stock in uncertificated form.

Stock-based Compensation

The Company's 2014 Omnibus Incentive Plan (the "2014 Incentive Plan") provides grants of stock options, stock appreciation rights, restricted stock, other stock-based awards and other cash-based awards. Directors, officers and other employees of the Company and its subsidiaries, as well as others performing consulting or advisory services for the Company, are eligible for grants under the 2014 Incentive Plan. The purpose of the 2014 Incentive Plan is to provide incentives that will attract, retain and motivate high performing officers, directors, employees and consultants by providing them with appropriate incentives and rewards either through a proprietary interest in our long-term success or compensation based on their performance in fulfilling their personal responsibilities. The aggregate number of shares of common stock which may be issued or used for reference purposes under the 2014 Incentive Plan or with respect to which awards may be granted may not exceed 12,000,000 shares. As of December 31, 2020, 162,233 shares were available for grant.

Stock Options: During the year ended December 31, 2020, the Company granted 2,181,041 options with grant date fair values of $2.36 and $3.15. The option grants have a four year vesting period of 25% each year with a ten-year term.

The grant date fair value of the stock options is estimated using the Black-Scholes option pricing model, which requires estimates of the expected term of the option, the expected volatility of the Company's common stock price, dividend yield and the risk-free interest rate. The below table summarizes the assumptions used to estimate the fair value of the equity options granted:

	2020	2019
Expected volatility	50.0 %	40.0 %
Expected term	6.25 years	6.33 years
Risk free interest rate	0.66 %	2.0 %
Expected dividend yield	0.0 %	5.2 %

The expected term was calculated using the simplified method, defined as the midpoint between the vesting period and the contractual term of each award. The expected volatility was based on market conditions of the Company and comparable companies. The risk-free interest rate was based on the U.S. Treasury yield curve in effect on the date of grant which most closely corresponds to the expected term of the option. Our board of directors has determined to cease payment of quarterly cash dividends, following the payment of our first quarter dividend of $2.1 million on May 15, 2020.

The following table summarizes stock option activity for the years ended December 31, 2020 and 2019:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2018	**9,688,424**	**$ 9.50**	**6.11**	**$ —**
Granted	6,500	5.25		
Exercised	—	—		
Forfeited and expired	(479,399)	7.71		
Outstanding at December 31, 2019	**9,215,525**	**$ 8.26**	**5.21**	**$ 15,764**
Granted	2,181,041	6.50		
Exercised	(5,646)	8.74		**$ 6**
Forfeited and expired	(156,842)	8.16		
Outstanding at December 31, 2020	**11,234,078**	**$ 7.92**	**4.99**	**$ 1,062**
Exercisable at December 31, 2020	**7,723,037**	**$ 8.57**	**3.13**	**$ 258**

The weighted average grant date fair value of options granted during 2019 was $1.30 per share. These options were subsequently forfeited in the fourth quarter of 2019. The aggregate intrinsic value in the table above represents the difference between the exercise price of the underlying options and the market price of the Company's common stock on for the options that were in-the-money.

The maximum contractual term of stock options is 10 years.

Restricted Stock: During the years ended December 31, 2020 and 2019, 71,362 shares and 67,026 shares, respectively of restricted Class A common stock shares were issued under the 2014 Incentive Plan. These awards have weighted-average grant date fair values of $6.98 and $7.46 for the years ended December 31, 2020 and 2019, respectively. During the twelve months ended December 31, 2020, 150,248 shares of restricted stock vested which had a weighted average grant date fair value of $6.86.

As of December 31, 2020, there were 306,177 shares of restricted Class A common stock outstanding with a weighted average grant date fair value per share of $6.55. The fair value of the restricted stock is equal to the closing share price on the date of grant. The vesting term of shares of restricted stock vary from 1 to 5 years.

For the years ended December 31, 2020 and 2019, the Company recognized approximately $2.1 million and $2.6 million, respectively, of stock-based compensation expense with respect to the options and shares of restricted stock granted. As of December 31, 2020, total unrecognized stock-based compensation expense related to our stock options and restricted stock was $8.1 million and $1.5 million, respectively, and is expected to be recognized over a weighted average period of 3.6 and 1.4 years, respectively.

Note 13. Net Income (Loss) Per Common Share

Net Loss Per Common Share

Basic earnings (loss) per common share ("EPS") is generally calculated as income available to common shareholders divided by the weighted average number of common shares outstanding. Diluted EPS is generally calculated as income available to common shareholders divided by the weighted average number of common shares outstanding plus the dilutive effect of common share equivalents. The Company has determined that our Warrants are a participating security, as defined, in accordance with Accounting Standards Codification ("ASC") Topic 260, Earnings Per Share. Although these Warrants are subject to restrictions on exercise, they participate in the undistributed earnings of the Company and therefore, our presentation reflects the two-class method.

The calculation of basic and diluted EPS for the years ended December 31, 2020 and 2019, was as follows (in thousands, except per share data):

	Year Ended December 31, 2020	Year Ended December 31, 2019
Numerator:		
Net loss	$ (80,551)	$ (65,654)
Net income from non-controlling interest	$ 1,919	$ 2,109
Net loss attributable to controlling interest	$ (82,470)	$ (67,763)
Net loss from continuing operations	$ (80,551)	$ (57,504)
Net income from continuing operations attributable to non-controlling interest	1,919	2,109
Net loss from continuing operations attributable to controlling interest	**$ (82,470)**	**$ (59,613)**
Net loss from discontinued operations, net of tax	**$ —**	**$ (8,150)**
Denominator:		
Weighted average shares of common stock outstanding	18,647	18,549
Weighted average shares of participating securities outstanding	8,978	8,978
Total weighted average basic shares outstanding	**27,625**	**27,527**
Effect of dilutive common stock equivalents	—	—
Weighted average diluted common shares outstanding	**18,647**	**18,549**
Basic (loss) income per share:		
Continuing operations attributable to common shares	$ (4.46)	$ (3.36)
Continuing operations attributable to participating shares	$ 0.08	$ 0.30
Discontinued operations attributable to common shares	$ —	$ (0.44)
Discontinued operations attributable to participating shares	$ —	$ —
Diluted loss per share:		
Continuing operations	$ (4.46)	$ (3.36)
Discontinued operations	$ —	$ (0.44)

The Company had the following dilutive securities that were not included in the computations of diluted net income per share as they were considered anti-dilutive (in thousands):

	Year Ended December 31, 2020	Year Ended December 31, 2019
Warrants	8,978	8,978
Stock options	11,234	9,216
Restricted Stock	306	24

Note 14. Segment Information

Operating segments are organized internally by type of products and services provided. Operating segments include components for which separate financial information is available that is evaluated regularly by the Company’s Chief Operating Decision Maker (“CODM”), identified as the Company's CEO, Bill Wilson, in deciding how to allocate resources and in assessing the Company's performance. Based on the information reviewed by Mr. Wilson in his capacity as CODM, the Company has identified three reportable operating segments, which are Advertising, which includes broadcast and digital advertising products and solutions, Townsquare Interactive, which is our digital marketing solutions subscription business and Live Events, which is comprised of the Company’s live events, including concerts, expositions and other experiential events. The Company has concluded that each of these operating segments shall be presented separately. The Company operates in one geographic area. The Company's assets and liabilities are managed within the small and mid-sized markets across the United States where the Company conducts its business and are reported internally in the same manner as the Consolidated Financial Statements; thus, no additional information regarding assets and liabilities of the Company’s reportable segments is produced for the Company's CEO or included in these Consolidated Financial Statements. Intangible assets consist principally of FCC broadcast licenses and other definite-lived intangible assets and primarily support the Company’s Advertising segment. For further information see Note 7, *Goodwill and Other Intangible Assets*. The Company does not have any material inter-segment sales.

The Company's management evaluates segment operating income, which excludes unallocated corporate expenses and the impact of certain items that are not directly attributable to the reportable segments' underlying operating performance, and primarily includes expenses related to corporate stewardship and administration activities, transaction related costs and impairments of investments.

The following table presents the Company's reportable segment information for the year ended December 31, 2020 (in thousands):

	Advertising	Townsquare Interactive	Live Events	Corporate and Other Reconciling Items	Total
Net revenue	$ 298,499	$ 70,360	$ 2,479	$ —	$ 371,338
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	230,849	49,259	2,239	—	282,347
Depreciation and amortization	14,303	529	438	4,837	20,107
Corporate expenses	—	—	—	26,885	26,885
Stock-based compensation	145	90	9	1,840	2,084
Transaction costs	—	—	—	2,653	2,653
Business realignment costs	—	—	304	2,785	3,089
Impairment of investments, long-lived and intangible assets	108,483	—	575	—	109,058
Net loss on sale and retirement of assets	—	—	—	83	83
Operating (loss) income	**$ (55,281)**	**$ 20,482**	**$ (1,086)**	**$ (39,083)**	**$ (74,968)**

The following table presents the Company's reportable segment information for the year ended December 31, 2019, (in thousands):

	Advertising	Townsquare Interactive	Live Events	Corporate and Other Reconciling Items	Total
Net revenue	$ 352,814	$ 61,517	$ 17,077	$ —	$ 431,408
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	244,322	42,351	13,752	—	300,425
Depreciation and amortization	10,920	509	544	13,863	25,836
Corporate expenses	—	—	—	28,599	28,599
Stock-based compensation	221	106	29	2,236	2,592
Transaction costs	—	—	—	1,518	1,518
Business realignment costs	—	—	—	166	166
Impairment of goodwill	69,034	—	—	—	69,034
Impairment of investments, long-lived, and intangible assets	39,588	—	—	693	40,281
Net loss on sale and retirement of assets	—	—	—	92	92
Operating income (loss)	**$ (11,271)**	**$ 18,551**	**$ 2,752**	**$ (47,167)**	**$ (37,135)**

Note 15. Related Party Transactions

The Company has a strategic partnership and services agreement with a venture studio affiliated with the Chairman of Townsquare's Board of Directors. Under the agreement, the Company provides certain professional and administrative services including, IT, accounting and human resources support business development and engineering and consulting services. The Company receives a monthly service fee of $5,000, and any direct expenses, as applicable. During the year ended December 31, 2020 and 2019, the Company received payments in the aggregate of $0.1 million and $0.2 million related to services provided under the terms of the agreement, respectively.

Note 16. Selected Quarterly Financial Data (Unaudited) (in thousands, except per share data)

	2020 Quarter Ended			
(in thousands, except per share data)	**March 31,**	**June 30,**	**September 30,**	**December 31,**
Net revenue [1]	$ 93,433	$ 74,055	$ 95,356	$ 108,494
Operating (loss) income [2]	(72,111)	(33,655)	9,535	21,263
Net (loss) income from continuing operations	$ (59,577)	$ (26,822)	1,311	$ 4,537
Net (loss) income	**$ (59,577)**	**$ (26,822)**	**$ 1,311**	**$ 4,537**
Basic income (loss) per share: [3]				
Continuing operations attributable to common shares	$ (3.27)	$ (1.46)	$ 0.03	$ 0.15
Continuing operations attributable to participating shares	$ 0.08	$ —	$ 0.03	$ 0.15
Diluted income (loss) per share: [3]				
Continuing operations	(3.27)	$ (1.46)	$ 0.03	0.15

	2019 Quarter Ended			
(in thousands, except per share data)	**March 31,**	**June 30,**	**September 30,**	**December 31,**
Net revenue	$ 93,682	$ 113,088	$ 112,561	$ 112,077
Operating income (loss) [4]	11,923	22,183	20,183	(91,424)
Net income (loss) from continuing operations	2,384	9,851	8,502	(78,241)
Net (loss) income from discontinued operations, net of tax	(6,962)	84	(1,234)	(38)
Net (loss) income	**$ (4,578)**	**$ 9,935**	**$ 7,268**	**$ (78,279)**
Basic income (loss) per share: [3]				
Continuing operations attributable to common shares	$ 0.07	$ 0.34	$ 0.29	$ (4.28)
Continuing operations attributable to participating shares	$ 0.07	$ 0.34	$ 0.29	$ 0.07
Discontinued operations attributable to common shares	$ (0.38)	$ —	$ (0.04)	$ —
Discontinued operations attributable to participating shares	$ —	$ —	$ (0.04)	$ —
Diluted income (loss) per share: [3]				
Continuing operations	$ 0.07	$ 0.34	$ 0.29	$ (4.28)
Discontinued operations	$ (0.25)	$ —	$ (0.04)	$ —

[1] The effects of the COVID-19 pandemic began to impact our operations in early March 2020, and included significant advertising cancellations and material declines in the purchase of new advertising by our clients. Additionally, the Company canceled nearly all scheduled live events beginning in March 2020. During the second half of 2020, we experienced some recovery in advertising revenues from the declines that were observed during the

end of the first quarter and into the second quarter of 2020, however it remained materially below the levels we experienced in the same period of 2019.

(2) Declines in forecasted traditional broadcast revenue in the markets we operate in contributed to impairments to the carrying values of our FCC license intangible assets of $78.4 million during the three months ended March 31, 2020 in 35 of our 67 local markets. The Company realized an additional impairment charge of $78.4 million in 46 of our 67 local markets during the three months ended June 30, 2020, primarily driven by changes in assumptions utilized in determining the discount rate applied in the valuation of our FCC licenses due to increases in the weighted average cost of capital as a direct result of the impact of the COVID-19 pandemic on market and economic conditions and the corresponding impacts to our risk premium.

(3) Basic and diluted income (loss) per share is computed independently for each quarter presented. Therefore, the sum of the quarters may not necessarily equal the total for the year.

(4) In connection with our 2019 annual goodwill impairment assessment, we determined that the carrying value of our Local Advertising reporting unit exceeded its fair value as of our impairment assessment date, primarily as a result of traditional broadcast operations comprising a standalone reporting unit. Prior to our change in reportable operating segments in 2019, the results of our traditional broadcast operations were aggregated with our digital advertising products and solutions, including Townsquare Interactive and Townsquare Ignite for the purposes of our annual goodwill impairment test. As a result, we recognized an aggregate $69.0 million non-cash goodwill impairment charge related to the local advertising businesses reporting unit in the fourth quarter of 2019. For the year ended December 31, 2019 we incurred impairment charges of $39.4 million, for FCC licenses in 34 of our 67 local markets.

Note 17. Subsequent Events

2021 Financing Transactions

On January 6, 2021, the Company, completed the private offering and sale of $550.0 million aggregate principal amount of 6.875% senior secured notes due 2026 (the “2026 Notes”) at an issue price of 100.0%. The net proceeds from the 2026 Notes, together with cash on hand, were used to repay borrowings under the Senior Secured Credit Facility and to redeem all of the outstanding 2023 Notes on January 14, 2021, and to pay the premium, fees and expenses related thereto.

The 2026 Notes bear interest at a rate of 6.875% and mature on February 1, 2026. Interest is payable on the 2026 Notes semi-annually on February 1 and August 1 of each year, commencing on August 1, 2021. The 2026 Notes rank equally with all of the Company’s future senior debt, are senior to all of the Company’s future subordinated debt and any future junior lien indebtedness and unsecured indebtedness of the Company or guarantors. Obligations under the 2026 Notes and Borrowings are guaranteed by each of the Company’s direct and indirect subsidiaries, and subject to certain exceptions, are secured by substantially all of the tangible and intangible assets of the Company and its subsidiaries. The 2026 Notes and the related guarantees are structurally subordinated to any existing and future indebtedness, other liabilities and preferred stock of the Company’s subsidiaries that do not guarantee the 2026 Notes.

At any time prior to February 1, 2023, the Company may redeem the 2026 Notes in whole or in part, at its option, at a redemption price equal to 100% of the principal amount of the 2026 Notes plus an “applicable premium,” as set forth in the 2026 Notes indenture and accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time on or after February 1, 2023, the Company may redeem the 2026 Notes at the redemption prices set forth in the 2026 Notes indenture, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to February 1, 2023, the Company may redeem up to 40% of the aggregate principal amount of the 2026 Notes with the net cash proceeds of one or more equity offerings, at a price equal to 106.875% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. If the Company experiences certain change of control events, holders of the 2026 Notes may require it to repurchase all or part of their New Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Company intends to enter into a new senior secured asset-based revolving credit facility (any such facility, the "New ABL Facility"). The Company intends to use the New ABL Facility to finance the working capital needs and other general corporate purposes of the Company and its subsidiaries. There can be no assurance that the Company will be able to negotiate a definitive agreement or that it will be able to close the New ABL Facility. If the Company enters into any New ABL Facility, from and after the entry into any such New ABL Facility, the 2026 Notes and the related guarantees will be secured on a first priority basis.

The 2026 Notes indenture contains restrictive covenants that limit the ability of the Company and its restricted subsidiaries to, among other things: incur additional indebtedness; declare or pay dividends, redeem stock or make other distributions to stockholders; make investments; create liens or use assets as security in other transactions; merge or consolidate, or sell, transfer, lease or dispose of substantially all of their assets; enter into transactions with affiliates; sell or transfer certain assets; and agree to certain restrictions on the ability of restricted subsidiaries to make payments to the Company. Certain of these covenants will be suspended if the 2026 Notes are assigned an investment grade rating by Standard & Poor's Investors Ratings Services, Moody's Investors Service, Inc. or Fitch Ratings, Inc. and no event of default has occurred and is continuing.

Stock Repurchase Agreement

On January 24, 2021, the Company entered into a stock repurchase agreement with certain affiliates of Oaktree Capital Management L.P. ("Oaktree") to repurchase 606,484 shares of the Company's Class A common stock, par value $0.01 per shares, 2,151,373 shares of the Company's Class B common stock, par value $0.01 per share, and 7,242,143 warrants to purchase Class A Common Stock, or such greater number of securities as the Company may elect. On March 9, 2021, the repurchase was consummated and the Company elected to repurchase all of the outstanding securities held by Oaktree, including 1,595,224 shares of Class A Common Stock, 2,151,373 shares of Class B Common Stock and 8,814,980 warrants for an aggregate purchase price of $80.4 million, or $6.40 per security.

In connection with the closing under the stock repurchase agreement, on March 8, 2021, the Company and Oaktree entered into a settlement agreement (the "Settlement Agreement"), pursuant to which, among other things, the Company agreed to pay $4.5 million to Oaktree as follows: (i) $1.5 million on April 1, 2021; (ii) $1.0 million on July 1, 2021; (iii) $1.0 million on October 1, 2021; and (iv) $1.0 million on November 10, 2021. The Settlement Agreement also includes customary mutual releases from claims, demands, and damages related to the stock repurchase agreement.

Amendment to 2014 Incentive Plan

On January 25, 2021, the Board of Directors determined that it was in the best interests of the Company and its stockholders to amend the Company's 2014 Omnibus Incentive Plan to increase the number of shares of common stock available for grant under the 2014 Incentive Plan from 12,000,000 shares to 27,000,000 shares (the "Amendment"). Subsequently, on January 25, 2021, the Board of Directors submitted the Amendment to certain stockholders affiliated with Oaktree for approval. By written consent delivered to the Company on January 27, 2021, the Oaktree-affiliated stockholders, representing approximately 52.4% of the voting power of the Company, approved the Amendment.

SCHEDULE II
TOWNSQUARE MEDIA, INC.
FINANCIAL STATEMENT SCHEDULE
VALUATION AND QUALIFYING ACCOUNTS

Fiscal Year	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions	Balance at End of Year
Allowance for doubtful accounts				
2020	$ 2,604	$ 6,970	$ (2,523)	$ 7,051
2019	$ 3,314	$ 2,223	$ (2,933)	$ 2,604

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12
OF THE SECURITIES EXCHANGE ACT OF 1934

The Class A common stock, par value $0.01 per share, of Townsquare Media, Inc. (“Townsquare”, “the Company”, “we”, “our” and “us”) is the only class of securities of Townsquare registered under Section 12 of the Securities Exchange Act of 1934, as amended. The following summary of certain provisions of our capital stock does not purport to be complete and is subject to our certificate of incorporation, our bylaws, our Stockholders’ Agreement (as defined below) and the provisions of applicable law. Copies of our certificate of incorporation and bylaws and our Stockholders’ Agreement are incorporated herein by reference and attached as exhibits to our Annual Report on Form 10-K of which this Exhibit 4.6 is a part.

Authorized Capitalization

The total amount of our authorized capital stock consists of 300,000,000 shares of Class A common stock, par value $0.01 per share, 50,000,000 shares of Class B common stock, par value $0.01 per share, 50,000,000 shares of Class C common stock, par value $0.01 per share, and 50,000,000 shares of undesignated preferred stock, par value $0.01 per share.

Except as expressly provided in our certificate of incorporation, the Class A common stock, Class B common stock and Class C common stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters. In the event of (i) a merger or consolidation requiring the approval of the holders of the Company’s capital stock entitled to vote thereon, (ii) any tender or exchange offer to acquire any shares of common stock by any third party pursuant to an agreement to which the Company is a party or (iii) any tender or exchange offer by the Company to acquire any shares of common stock, the holders of each class of common stock shall have the right to receive or to elect to receive the same form and amount of consideration on a per share basis as the holders of each other class of common stock; provided that, if the consideration to be received by the holders of common stock is in the form of shares of stock of the surviving, resulting or parent corporation, such shares received by the holders of Class A common stock, Class B common stock or Class C common stock may have varying voting powers or other rights as are equivalent to those of the Class A common stock, Class B common stock and Class C common stock, respectively.

Voting Rights

Holders of shares of Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

Each holder of our Class A common stock is entitled to one vote per share on each matter submitted to a vote of stockholders. Each holder of our Class B common stock is entitled to ten votes per share on each matter submitted to a vote of stockholders. Holders of shares of Class C common stock are not entitled to any voting rights on each matter submitted to a vote of stockholders, except as otherwise required by law.

Our bylaws provide that the presence, in person or by proxy, of holders of shares representing a majority of the outstanding shares of capital stock entitled to vote at a stockholders’ meeting shall constitute a quorum. When a quorum is present, the affirmative vote of a majority of the votes cast is required to take action, unless otherwise specified by law or our certificate of incorporation (see “Anti-takeover Effects of our Certificate of Incorporation and Bylaws” below), and except for the election of directors, which is determined by a plurality vote. There are no cumulative voting rights.

Dividend Rights

Each holder of shares of our common stock is entitled to receive equally, on a per share basis, such dividends and other distributions of the Company as may be declared thereon by our Board of Directors out of assets or funds of the Company legally available therefor; provided, however, that in the event that such dividend is paid in the form of shares of common stock or rights to acquire common stock, the holders of each class of common stock shall receive such class of common stock or the right to acquire such class of common stock. These rights are subject to the preferential rights of any other class or series of our preferred stock.

Liquidation Rights

If our Company is involved in a liquidation, dissolution or winding up of the affairs of the Company, each holder of common stock will participate pro rata in all assets remaining after payment of liabilities, subject to prior distribution rights of any preferred stock.

Conversion

Our Class A common stock is not convertible. Subject to transfer restrictions set forth in our certificate of incorporation, each holder of shares of Class B or Class C common stock is entitled to convert at any time or times all or any part of such holder's shares of Class B or Class C common stock, as the case may be, into an equal number of shares of Class A common stock.

In connection with the transfer of shares of Class B common stock, unless the transferee is an affiliate or related party of Oaktree or FiveWire (each as defined below), such transferred shares automatically convert into an equal number of shares of Class A common stock. In connection with the transfer of shares of Class C common stock, unless a notice to not so convert is provided to the Company, such transferred shares automatically convert into an equal number of shares of Class A common stock. However, to the extent that any conversion or transfer of Class B common stock or Class C common stock, or any transfer of Class A common stock (whether or not in connection with any conversion), would result in the holder or transferee holding more than 4.99% of the voting power of the Company's issued and outstanding common stock following such conversion or transfer, the holder or transferee, respectively, shall first deliver to the Company an ownership certification for the purpose of enabling the Company (i) to determine that such holder does not have an attributable interest in another entity that would cause the Company to violate applicable United States Federal Communications Commission ("FCC") rules and regulations and (ii) to seek any necessary approvals from the FCC or the United States Department of Justice. The Company, however, is not required to convert any share of Class B common stock or Class C common stock if the Company in good faith determines that such conversion would result in a violation of the Communications Act of 1934, as amended (the "Communications Act"), the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the rules and regulations promulgated under either such Act. In addition, prior to any transfer or conversion of Class B common stock or Class C common stock, other than in connection with certain sales to the public, a holder of such stock is required to give the Company four business days' notice of the transfer or conversion and provide any information reasonably requested by the Company to ensure compliance with applicable law.

Other Rights and Restrictions

Our common stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities, is not redeemable and has no sinking fund provisions.

Undesignated Preferred Stock

Our Board of Directors has the authority to issue shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the designations, preferences, privileges, and restrictions of preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference and the number of shares constituting any series or the designation of any series to the fullest extent permitted by the General Corporation Law of the State of Delaware (the "DGCL"). Each holder of common stock is subject to, and may be adversely affected by, the rights of the holders of any series of preferred stock that we may designate and issue in the future. The issuance of our preferred stock could have the effect of decreasing the trading price of our common stock, restricting dividends on our capital stock, diluting the voting power of our common stock, impairing the liquidation rights of our capital stock, or delaying or preventing a change in control of our Company.

FCC Matters

To the extent necessary to avoid (i) a violation of the Communications Act or the rules, regulations and policies promulgated by the FCC and in effect from time to time (collectively, the "FCC Regulations"), (ii) a material limitation or impairment of any existing business activity or proposed business activity of the Company or any of its subsidiaries under the Communications Act or FCC Regulations, (iii) a material limitation or impairment under the Communications Act or FCC Regulations of the acquisition of an attributable interest in a full power radio station by the Company or any of its subsidiaries for which the Company or its subsidiary has entered into a definitive agreement with a third party, or (iv) the Company or any of its subsidiaries becoming subject to any rule, regulation, order or policy under the Communications Act or FCC Regulations having or which could reasonably be expected to have a material effect on the Company to which the Company would not be subject but for such ownership, conversion or proposed ownership, then, in the case of each of (i) through (iv) above (each, an "FCC Regulatory Limitation"), the Board of Directors may, after allowing the applicable owner of shares of capital stock a reasonable opportunity to cure or prevent such FCC Regulatory Limitation, (a) take any action, including, without limitation, exchanging capital stock for non-voting securities of the Company, warrants to purchase securities of the Company or any other securities of the Company, it believes necessary to prohibit the ownership or voting of more than 25% of the Company's outstanding capital stock by or for the account of aliens or their representatives or by a foreign government or representative thereof or by any entity organized under the laws of a foreign country (collectively "Aliens"), or by any other entity (1) that is subject to or deemed to be subject to control by Aliens on a de jure or de facto basis or (2) owned by, or held for the benefit of, Aliens in a manner that would cause the Company to be in violation of the Communications Act or FCC Regulations; (b) prohibit any conversion or transfer of the Company's stock which the Company believes could cause more than 25% of the Company's outstanding capital stock to be owned or voted by or for any person referred to in (a) above, (c) prohibit the ownership, voting or transfer of any portion of its outstanding capital stock to the extent that it would result in violation of the Communications Act or FCC Regulations, (d) require the conversion of any or all shares of capital stock held by a holder into shares of any other class of capital stock in the Company with equivalent economic value, (e) require the exchange of any or all shares held by a holder for warrants to acquire, at a nominal exercise price, the same number and class of shares of capital stock, and/or (f) redeem any shares of capital stock, subject to certain procedural and fair market value requirements set forth in the certificate of incorporation. The Company may request information from a person if it believes that such ownership, conversion, transfer or proposed ownership by or to such person could subject the Company to an FCC Regulatory Limitation or FCC reporting requirements. If any person from whom information is requested does not provide all the information requested by the Company in a timely manner, the Board of Directors may take any of the actions listed in clauses (a) through (f) above, except that in such case the person may upon notice to the Company decide not to proceed with the transfer or conversion.

Anti-takeover Effects of our Certificate of Incorporation and Bylaws

Action by Written Consent. Our certificate of incorporation provides that stockholder action cannot be taken by written consent in lieu of a meeting once certain funds managed by Oaktree cease to beneficially own more than 50% of the voting power of our outstanding shares of common stock.

Special Meeting of Stockholders. Our certificate of incorporation provides that special meetings of the stockholders can be called only pursuant to a resolution adopted by a majority of the total voting power of directors that we would have if there were no vacancies or, until the date that Oaktree ceases to beneficially own more than 50% of the voting power of our outstanding shares of common stock, at the request of holders of 50% or more of the voting power of our outstanding shares of common stock.

Advance Notice Requirements for Stockholder Proposals. Our bylaws require advance notice procedures for stockholder proposals to be brought before an annual meeting of the stockholders, including the nomination of directors. Stockholders at an annual meeting may only consider the proposals specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors, or by a stockholder of record at the time notice is given and on the record date for the meeting, who is entitled to vote at the meeting and who has delivered a timely written notice in proper form to our secretary, of the stockholder's intention to bring such business before the meeting.

Classified Board. Our certificate of incorporation provides that our Board of Directors will be divided into three classes of directors (with each class having one director designated by certain funds managed by Oaktree (who will have two votes on each matter presented to the Board of Directors, but only one vote on each matter presented to any committee of the Board of Directors, until Oaktree ceases to beneficially own at least 70% of the number of shares of common stock it beneficially owned immediately following the consummation of our initial public offering ("IPO")), with the classes as nearly equal in number as possible. As a result, approximately one-third of our Board of Directors are elected each year.

Stockholders' Agreement. Pursuant to a Stockholders' Agreement we entered into with Oaktree, FiveWire Media Ventures LLC ("FiveWire") (an entity formed for the purpose of investing in the Company by certain members of management, including Steven Price, Stuart Rosenstein, Alex Berkett, Scott Schatz and Dhruv Prasad (together with FiveWire, the "FiveWire Holders")) and the other FiveWire Holders upon consummation of our IPO (the "Stockholders' Agreement"), Oaktree has the right to designate three director designees to our board of directors so long as Oaktree beneficially owns at least one-third of the number of shares of common stock it beneficially owned immediately following the consummation of our IPO. In addition, for so long as Oaktree beneficially owns at least one-third of the number of shares of common stock it beneficially owned immediately following the consummation of our IPO, each FiveWire Holder will take all necessary actions to cause the election of such Oaktree director designees.

Furthermore, pursuant to the Stockholders' Agreement, each FiveWire Holder granted to Oaktree an irrevocable proxy to vote their shares of Class B common stock, which shall remain in effect for so long as Oaktree beneficially owns at least 50% of the number of shares of common stock it beneficially owned immediately following the consummation of our IPO. Such proxy is assignable by Oaktree to any single transferee, or group of affiliated transferees, of all of the shares of common stock beneficially owned by Oaktree immediately following the consummation of our IPO.

Removal of Directors. Our certificate of incorporation provides that directors may be removed with or without cause at any time upon the affirmative vote of holders of at least a majority of the votes to which all the stockholders would be entitled to cast until certain funds managed by Oaktree cease to beneficially own more than 50% of the voting power of our outstanding shares of common stock. After such time, directors may only be removed from office only for cause and only upon the affirmative vote of at least 75% of the voting power of our outstanding shares of common stock.

Amendment to Certificate of Incorporation and Bylaws. Our bylaws may be amended, altered, changed or repealed by a majority vote of our Board of Directors, provided that, in addition to any other vote otherwise required by law, after the date on which certain funds managed by Oaktree cease to beneficially own more than 50% of the voting power of our outstanding shares of common stock, the affirmative vote of at least 75% of the voting power of our outstanding shares of common stock entitled to vote on the adoption, alteration, amendment or repeal of our bylaws, voting as a single class, will be required to adopt, amend, alter, change or repeal our bylaws. Additionally, after the date on which Oaktree ceases to beneficially own more than 50% of the voting power of our outstanding shares of common stock, the affirmative vote of at least 75% of the voting power of the outstanding shares of capital stock entitled to vote on the adoption, alteration, amendment or repeal of our certificate of incorporation, voting as a single class, will be required to amend or repeal or to adopt any provision inconsistent with specified provisions of our certificate of incorporation. In addition, the affirmative vote of a majority of the outstanding shares of Class B common stock, voting as a separate class, is required for any amendment to the specific rights or obligations of the Class B common stock that does not similarly affect the Class A common stock. Similarly, the affirmative vote of a majority of the outstanding shares of Class C common stock, voting as a separate class, is required for any amendment to the specific rights or obligations of the Class C common stock that does not similarly affect the Class A common stock.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

Our Class A common stock is listed on the New York Stock Exchange under the trading symbol “TSQ.”

Subsidiaries of Townsquare Media, Inc.

Exact Name of Subsidiaries of Registrant	Jurisdiction of Incorporation or Organization
Townsquare Live Events International, LLC	Delaware
Townsquare Next, LLC	Delaware
Townsquare Live Productions, LLC	Delaware
Townsquare Interactive, LLC	Delaware
Townsquare MMN, LLC	Delaware
Townsquare Commerce, LLC	Delaware
Townsquare Finance, LLC	Delaware
Townsquare Management Company, LLC	Delaware
Townsquare Radio Holdings, LLC	Delaware
Townsquare Radio, LLC	Delaware
Zader Acquisition Company, LLC	Delaware
Townsquare Media Battle Creek, LLC	Delaware
Townsquare Media Battle Creek License, LLC	Delaware
Townsquare Media Cedar Rapids, LLC	Delaware
Townsquare Media Cedar Rapids License, LLC	Delaware
Townsquare Media Danbury, LLC	Delaware
Townsquare Media Danbury License, LLC	Delaware
Townsquare Media Faribault, LLC	Delaware
Townsquare Media Faribault License, LLC	Delaware
Townsquare Media Kalamazoo, LLC	Delaware
Townsquare Media Kalamazoo License, LLC	Delaware
Townsquare Media Lansing, LLC	Delaware
Townsquare Media Lansing License, LLC	Delaware
Townsquare Media Portland, LLC	Delaware
Townsquare Media Portland License, LLC	Delaware
Townsquare Media Portsmouth, LLC	Delaware
Townsquare Media Portsmouth License, LLC	Delaware
Townsquare Media Quad Cities, LLC	Delaware
Townsquare Media Quad Cities License, LLC	Delaware
Townsquare Media Rochester, LLC	Delaware
Townsquare Media Rochester License, LLC	Delaware
Townsquare Media Rockford, LLC	Delaware
Townsquare Media Rockford License, LLC	Delaware
Townsquare Media Waterloo, LLC	Delaware
Townsquare Media Waterloo License, LLC	Delaware
Lyla Acquisition Company, LLC	Delaware
Lyla Intermediate Holding, LLC	Delaware
Townsquare Media Boise, LLC	Delaware
Townsquare Media Boise License, LLC	Delaware
Townsquare Media Poughkeepsie, LLC	Delaware
Townsquare Media Poughkeepsie License, LLC	Delaware
Townsquare Media Dubuque, LLC	Delaware
Townsquare Media Dubuque License, LLC	Delaware

Townsquare Media Pittsfield, LLC	Delaware
Townsquare Media Pittsfield License, LLC	Delaware
Berkshire Broadcasting, Inc.	Delaware
Townsquare Radio, Inc.	Delaware
Townsquare Media 2010, Inc.	Delaware
Regent Licensee of South Carolina, Inc	Delaware
Regent Licensee of San Diego, Inc	Delaware
Regent Licensee of Lexington, Inc.	Delaware
Regent Licensee of Watertown, Inc	Delaware
Regent Licensee of Kingman, Inc.	Delaware
Regent Licensee of Palmdale, Inc.	Delaware
Regent Licensee of Flagstaff, Inc.	Delaware
Regent Licensee of Lake Tahoe, Inc.	Delaware
Regent Licensee of Chico, Inc.	Delaware
Regent Licensee of Redding, Inc.	Delaware
Regent Licensee of Erie, Inc.	Delaware
Special Events Management, LLC	Delaware
Townsquare Media Broadcasting, LLC	Delaware
Townsquare Media of Midwest, LLC	Delaware
Townsquare Media of Evansville/Owensboro, Inc.	Delaware
Townsquare Media of Flint, Inc.	Delaware
Townsquare Media of Albany and Lafayette, Inc.	Delaware
Townsquare Media Licensee of Albany and Lafayette, Inc.	Delaware
Townsquare Media of Albany, Inc.	Delaware
Townsquare Media of Lafayette, LLC	Delaware
Townsquare Media of Buffalo, Inc.	Delaware
Townsquare Media of El Paso, Inc.	Delaware
Townsquare Media of Ft. Collins, Inc.	Delaware
Townsquare Media of Utica/Rome, Inc.	Delaware
Townsquare Media Licensee of Utica/Rome, Inc.	Delaware
Townsquare Media of St. Cloud, Inc.	Delaware
Townsquare Media Licensee of St. Cloud, Inc.	Delaware
Townsquare Media of Ft. Collins and Grand Rapids, LLC	California
Townsquare Media of Presque Isle, Inc.	Delaware
Townsquare Media Licensee of Peoria, Inc.	Delaware
Townsquare Media of Presque Isle Licensee, LLC	Delaware
Townsquare Media of Grand Rapids, Inc	Delaware
Townsquare Media of Killeen-Temple, Inc.	Delaware
Townsquare Media of Killeen-Temple Licensee, LLC	Delaware
Townsquare Media West Central Holdings, LLC	Delaware
Townsquare Media West Central Intermediate Holdings, LLC	Delaware
Townsquare Media West Central Radio Broadcasting, LLC	Delaware
Townsquare Media Abilene, LLC	Delaware
Townsquare Media Abilene License, LLC	Delaware
Townsquare Media Amarillo, LLC	Delaware
Townsquare Media Amarillo License, LLC	Delaware

Townsquare Media Lake Charles, LLC	Delaware
Townsquare Media Lake Charles License, LLC	Delaware
Townsquare Media Lawton, LLC	Delaware
Townsquare Media Lawton License, LLC	Delaware
Townsquare Media Lubbock, LLC	Delaware
Townsquare Media Lubbock License, LLC	Delaware
Townsquare Media Lufkin, LLC	Delaware
Townsquare Media Lufkin License, LLC	Delaware
GAP Broadcasting Midland-Odessa, LLC	Delaware
GAP Broadcasting Midland-Odessa License, LLC	Delaware
Townsquare Media Shreveport, LLC	Delaware
Townsquare Media Shreveport License, LLC	Delaware
Townsquare Media Texarkana, LLC	Delaware
Townsquare Media Texarkana License, LLC	Delaware
Townsquare Media Tyler, LLC	Delaware
Townsquare Media Tyler License, LLC	Delaware
Townsquare Media Victoria, LLC	Delaware
Townsquare Media Victoria License, LLC	Delaware
Townsquare Media Wichita Falls, LLC	Delaware
Townsquare Media Wichita Falls License, LLC	Delaware
Townsquare Media Billings, LLC	Delaware
Townsquare Media Billings License, LLC	Delaware
Townsquare Media Bozeman, LLC	Delaware
Townsquare Media Bozeman License, LLC	Delaware
GAP Broadcasting Burlington, LLC	Delaware
GAP Broadcasting Burlington License, LLC	Delaware
Townsquare Media Casper, LLC	Delaware
Townsquare Media Casper License, LLC	Delaware
Townsquare Media Cheyenne, LLC	Delaware
Townsquare Media Cheyenne License, LLC	Delaware
Townsquare Media Duluth, LLC	Delaware
Townsquare Media Duluth License, LLC	Delaware
Townsquare Media Laramie, LLC	Delaware
Townsquare Media Laramie License, LLC	Delaware
Townsquare Media Missoula, LLC	Delaware
Townsquare Media Missoula License, LLC	Delaware
Townsquare Media Pocatello, LLC	Delaware
Townsquare Media Pocatello License, LLC	Delaware
Townsquare Media Shelby, LLC	Delaware
Townsquare Media Shelby License, LLC	Delaware
Townsquare Media Tri-Cities, LLC	Delaware
Townsquare Media Tri-Cities License, LLC	Delaware
Townsquare Media Twin Falls, LLC	Delaware
Townsquare Media Twin Falls License, LLC	Delaware
Townsquare Media Yakima, LLC	Delaware
Townsquare Media Yakima License, LLC	Delaware

Townsquare Media Acquisition III, LLC	Delaware
Townsquare Media Oneonta, LLC	Delaware
Townsquare Media Oneonta License, LLC	Delaware
Townsquare Media Quincy-Hannibal, LLC	Delaware
Townsquare Media Quincy-Hannibal License, LLC	Delaware
Townsquare Media Sedalia, LLC	Delaware
Townsquare Media Sedalia License, LLC	Delaware
Townsquare Media San Angelo, LLC	Delaware
Townsquare Media San Angelo License, LLC	Delaware
Townsquare Media Odessa-Midland, LLC	Delaware
Townsquare Media Odessa-Midland License, LLC	Delaware
Townsquare Media Acquisition IV, LLC	Delaware
Townsquare New Jersey Holdco, LLC	Delaware
Millennium Atlantic City II Holdco, LLC	Delaware
Townsquare Media Atlantic City II, LLC	Delaware
Townsquare Media Atlantic City II License, LLC	Delaware
Townsquare Media Trenton, LLC	Delaware
Townsquare Media Trenton License, LLC	Delaware
Townsquare Media Atlantic City, LLC	Delaware
Townsquare Media Atlantic City License, LLC	Delaware
Townsquare Media Monmouth-Ocean, LLC	Delaware
Townsquare Media Monmouth-Ocean License, LLC	Delaware
Townsquare Media Atlantic City III Holdco, LLC	Delaware
Townsquare Media Atlantic City III, LLC	Delaware
Townsquare Media Atlantic City III License, LLC	Delaware
Bryton Acquisition Company, LLC	Delaware
Townsquare Media Augusta/Waterville, LLC	Delaware
Townsquare Media Augusta/Waterville License, LLC	Delaware
Townsquare Media Bangor, LLC	Delaware
Townsquare Media Bangor License, LLC	Delaware
Townsquare Media Binghamton, LLC	Delaware
Townsquare Media Binghamton License, LLC	Delaware
Townsquare Media Bismarck, LLC	Delaware
Townsquare Media Bismarck License, LLC	Delaware
Townsquare Media Grand Junction, LLC	Delaware
Townsquare Media Grand Junction License, LLC	Delaware
Townsquare Media New Bedford, LLC	Delaware
Townsquare Media New Bedford License, LLC	Delaware
Townsquare Media Odessa-Midland II, LLC	Delaware
Townsquare Media Odessa-Midland II License, LLC	Delaware
Townsquare Media Sioux Falls, LLC	Delaware
Townsquare Media Sioux Falls License, LLC	Delaware
Townsquare Media Tuscaloosa, LLC	Delaware
Townsquare Media Tuscaloosa License, LLC	Delaware
Townsquare Live Events, LLC	Delaware
Townsquare Expos, LLC	Delaware

Townsquare Expos II, LLC	Delaware
Townsquare Live Events Colorado, LLC	Delaware
Townsquare Live Events Montana, LLC	Delaware
Townsquare Lifestyle Events, LLC	Delaware
Townsquare Food and Wine, LLC	Delaware
Taste of Country Productions, LLC	Delaware
Townsquare Live Events Minnesota, LLC	Delaware
Townsquare Beverage, LLC	Delaware
Townsquare Live Events Texas, LLC	Delaware
Townsquare Live Events Wisconsin, LLC	Delaware
Townsquare Experiential, LLC	Delaware
Townsquare Active Events, LLC	Delaware
Townsquare Registration, LLC	Delaware
Townsquare Active Treasury, LLC	Delaware
Townsquare Live Events Philadelphia, Inc.	Pennsylvania
Townsquare License, LLC	Delaware

Consent of Independent Registered Public Accounting Firm

Townsquare Media, Inc.
New York, New York

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-205366) of Townsquare Media, Inc. of our reports dated March 16, 2021, relating to the consolidated financial statements and schedule, and the effectiveness of Townsquare Media, Inc.'s internal control over financial reporting, which appear in this Annual Report on Form 10-K. Our report on the effectiveness of internal control over financial reporting expresses an adverse opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2020.

/s/ BDO USA, LLP

New York, New York
March 16, 2021

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Stuart Rosenstein, certify that:

1. I have reviewed this Annual Report on Form 10-K of Townsquare Media, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 16, 2021	By:	/s/ Stuart Rosenstein
		Name: Stuart Rosenstein
		Title: Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Bill Wilson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Townsquare Media, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 16, 2021

By: /s/ Bill Wilson

Name: Bill Wilson

Title: Chief Executive Officer

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

In connection with the Annual Report on Form 10-K of Townsquare Media, Inc. (the "Company") for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart Rosenstein, as Executive Vice President and Chief Financial Officer of Townsquare Media, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge: the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Townsquare Media, Inc.

Dated: March 16, 2021

/s/ Stuart Rosenstein
Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

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

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

In connection with the Annual Report on Form 10-K of Townsquare Media, Inc. (the "Company") for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bill Wilson, as Chief Executive Officer of Townsquare Media, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge: the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Townsquare Media, Inc.

Dated: March 16, 2021

/s/ Bill Wilson
Name: Bill Wilson

Title: Chief Executive Officer

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