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, 2023

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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 $173,363,842 based upon the closing price on the New York Stock Exchange on June 30, 2023, 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 12, 2024, the registrant had 16,633,342 outstanding shares of common stock consisting of: (i) 15,818,046 shares of Class A common stock, par value $0.01 per share; and (ii) 815,296 shares of Class B common stock, par value $0.01 per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement relating to its 2023 annual meeting of stockholders (the “2023 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 AND DIGITAL MARKETING SOLUTIONS COMPANY WITH LOCAL BROADCAST RADIO STATIONS PRINCIPALLY FOCUSED ON BEING THE PREMIER LOCAL ADVERTISING AND MARKETING SOLUTIONS PLATFORM IN MARKETS OUTSIDE THE TOP 50 IN THE UNITED STATES

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. 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 are additional sources of information included in this Annual Report. 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;
- cancellations, disruptions or postponements of advertising schedules in response to national or world events;
- 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 ability to identify, 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”.

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 is a community-focused digital media and digital marketing solutions company with market leading local radio stations, principally focused outside the top 50 markets in the U.S. Our integrated and diversified products and solutions enable local, regional and national advertisers to target audiences across multiple platforms, including digital, mobile, social, video, streaming, e-commerce, radio and events. Our assets include a subscription digital marketing services business ("Townsquare Interactive"), providing website design, creation and hosting, search engine optimization, social platforms and online reputation management as well as other monthly digital services for approximately 24,000 small to medium sized businesses; a robust digital advertising division ("Townsquare Ignite," or "Ignite"), a powerful combination of (a) an owned and operated portfolio of more than 400 local news and entertainment websites and mobile apps along with a network of leading national music and entertainment brands, collecting valuable first party data and (b) a proprietary digital programmatic advertising technology stack with an in-house demand and data management platform; and a portfolio of 350 local terrestrial radio stations in 74 U.S. markets strategically situated outside the Top 50 markets in the United States. Our portfolio includes local media brands such as *WYRK.com*, *WJON.com* and *NJ101.5.com*, and premier national music brands such as *XXLmag.com*, *TasteofCountry.com*, *UltimateClassicRock.com*, and *Loudwire.com*.

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

In our markets, we are among the largest providers of original local content available to consumers. The quality and availability of our original local content distinguishes our brands from other local offerings, attracting large and loyal audiences. Several of our competitors, particularly in print media, have reduced the amount of original local content they produce or created pay-walls that restrict access to their content. According to research conducted by UNC School of Media and Journalism, approximately 1,800 newspapers have closed in the United States since 2004. We believe these trends will continue and further amplify the attractiveness of our offerings as we fill this expanding void in our communities, both online and on-air. We believe that our focus on providing original local news, entertainment, music and lifestyle media experiences to our audience is a key driver of our powerful reach and engagement metrics. In 2023, we set new company records reaching 75 million unique visitors per month, on average, across our digital platform, 11 million listeners on a weekly basis across our radio platform, and 44 million social media followers across our local and national media brands. We believe the investment in our original content strategy has contributed to a larger and more engaged online audience that is spending more time consuming content on our websites and mobile apps, and a stable radio audience, in terms of both number of listeners and, importantly, time spent listening.

The local media industry is an important medium for advertisers to reach local consumers and for consumers to engage with relevant local content and events. According to BIA, local advertising spending across all U.S. major media categories was forecasted to be $162 billion in 2023. In 2024, BIA forecasts U.S. local advertising spending to increase 8.6% to over $175 billion.

Our Transformation

Townsquare was founded in 2010 with 60 radio stations in 13 markets with a vision of becoming the number one local media company in each of our markets. Through a series of acquisitions, we built our radio platform to 350 radio stations across 74 local markets. Since 2010, we have leveraged our radio platform to penetrate these local markets and organically build a full and comprehensive suite of digital advertising and marketing solutions that meet our customers' needs to grow their business. Our significant radio reach and audience engagement provided a powerful foundation from which we were able to build and grow our digital solutions, including websites, mobile applications, a social media presence, online radio streams, subscription digital marketing solutions, and a robust owned and operated digital programmatic advertising platform. We believe that the increased interaction and engagement with consumers across our digital products and platforms in turn reinforces consumer loyalty and affinity toward our local radio brands.

Radio is a component of our business. However, according to S&P Global Market Intelligence, radio advertising was approximately 5% of all advertising dollars spent in the United States in 2023, while digital advertising solutions contributed approximately 69%. According to S&P Global Market Intelligence, it is estimated that digital advertising will grow to represent approximately 77% of all advertising spend in 2028. Therefore, while radio will continue to be a component of our local offering, we do not expect it to be our primary growth driver. Our growth engine is and will be digital, and we consider ourselves a “Digital First” local media company.

Digital First. Internally and externally, we position ourselves as a digital company that also owns powerful local radio assets. Therefore, when any of our local sales account executives engage with local advertisers to help them grow their business, they are able to educate them on how important it is to have a strong digital presence and online storefront, and how Townsquare has the preeminent tools and suite of solutions to accomplish that for them. Digital First means ensuring that our content is as engaging, relevant and local online as it is on-air. In addition, it means that our first priority for internal investment is to fuel the growth in our digital platforms, in terms of additional personnel, incremental product development and physical expansion. Our longstanding local client relationships, combined with our best-in-class digital product suite and skilled sales force, have enabled us to create meaningful digital businesses and fully embrace a Digital First strategy.

Our Segments

The Company has identified three segments, which are Subscription Digital Marketing Solutions, Digital Advertising, Broadcast Advertising, and the remainder of our business is reported in an Other category. The Subscription Digital Marketing Solutions segment includes our subscription digital marketing solutions business, Townsquare Interactive. The Digital Advertising segment, which we market externally as Townsquare Ignite, includes digital advertising on our owned and operated digital properties and our digital programmatic advertising platform. The Broadcast Advertising segment includes our local, regional and national advertising products and solutions delivered via terrestrial radio broadcast, and other miscellaneous revenue that is associated with our broadcast advertising platform. The Other category includes our owned and operated live events.

Our Digital revenue, comprised of our Subscription Digital Marketing Solutions segment and our Digital Advertising segment, was $232.5 million in 2023 and $230.8 million in 2022, comprising 51% and 50% of our total net revenue, respectively. Our organically developed, flexible and customized content management system, digital advertising products and delivery capabilities, mobile applications, digital marketing solutions capabilities, digital programmatic advertising platform, data management and analytics and strategic insights platform, and online video content allow us to deliver world-class products in markets outside the top 50 in the U.S. As such, we believe we offer superior solutions for advertisers and audiences alike as compared to many of our local competitors.

Subscription Digital Marketing Solutions

Our Subscription Digital Marketing Solutions segment encompasses Townsquare Interactive, our subscription digital marketing solutions business. Townsquare Interactive offers digital marketing solutions, on a subscription basis, to small and medium-sized businesses (“SMBs”) in markets outside the top 50 across the United States, including but importantly not limited to the markets in which we operate radio stations. As of December 31, 2023, Townsquare Interactive had approximately 24,000 subscribers, 58% of which are located outside our local radio footprint. A subscriber is defined as a customer that has the right to receive subscription digital marketing services. Subscribers include customers in promotional periods. Unless converted to a paying subscription, these customers are removed from the subscriber list at the end of the promotion. Additionally, subscribers include customers whose subscription fees are past due while attempting to collect payment until the Company terminates the customers rights due to non-payment. Our Subscription Digital Marketing Solutions segment generated net revenue of $82.2 million in 2023 and $90.4 million in 2022.

Townsquare Interactive is the creator of the Townsquare Business Management Platform, an all-in-one SAAS solution that provides a suite of digital solutions which assists SMBs in identifying, converting, and communicating with clients. The platform enables SMBs to choose the optimal features for their specific business. These solutions primarily include:

- Traditional and mobile-enabled website design, creation, and development as well as hosting services;
- Search engine optimization services;
- Online directory optimization services;
- E-commerce solutions;
- Online reputation monitoring;
- Social media management;
- Appointment scheduling services;
- Payment and invoice services;
- Customer management services;
- Email marketing services; and
- Email and SMS marketing services.

This platform can serve as an all-in-one solution, managing the entirety of an SMB's growth strategy, or can operate alongside pre-existing business tools.

We believe the Business Management Platform represents an attractive value and provides a strong return on investment for our SMB clients as compared to the competition, such as self-serve platforms or others that charge a significant upfront fee in addition to hourly customer service rates. Our pricing is transparent and fixed on a monthly basis, providing for unlimited customer service. Some features which differentiate our offerings include:

- Unlimited changes and edits to website before and after launch;
- An advanced lead capture system which enhances online conversion;
- Responsive web design that works on every screen size (desktop and mobile);
- Custom content written for the specific business, industry and location; and
- Optimized keywords to improve rankings in Google and other search results.
- Monthly reporting and analytics which consolidates all relevant platform activity into one place; and
- A customer relationship management ("CRM") system with integrated client communications which stores and organizes relevant customer data.

We target SMBs outside the top 50 markets in the U.S., outside and within our 74 local media market footprint. As of December 31, 2023, approximately 58% of our total subscriber base was located in markets outside of our local media footprint. Our Townsquare Interactive sales team of more than 150 sellers target private, independently owned SMBs outside of the top 50 markets, with less than 20 employees and less than $5 million of annual revenue. We believe this customer profile represents the ideal potential customer for our product, and we believe the addressable market for such potential subscribers of Townsquare Interactive is approximately 8.8 million SMBs which translates to a $32 billion Total Addressable Market ("TAM") value. We also leverage our local sales teams in our 74 markets, who enjoy trusted and long-standing local relationships and heritage brand recognition, to sell Townsquare Interactive solutions within our market footprint.

Digital Advertising

Our Digital Advertising segment, marketed externally as Townsquare Ignite, is a combination of our owned and operated digital properties, our proprietary digital programmatic advertising platform, and an in-house demand and data management platform collecting valuable first party data. We generated Digital Advertising revenue of $150.3 million in 2023 and $140.4 million in 2022.

- *Owned and Operated Platform.* We connect local, regional and national advertisers to an audience of approximately 75 million unique visitors on average per month in 2023, across our portfolio of over 400 local websites (many of which are companion websites to our local radio stations), 10 leading national music and entertainment websites and over 400 mobile apps. Our on-air personalities, or as we refer to them "the original social influencers" are also digital content creators, and create or curate approximately 20,000 pieces of content per month for our websites and apps, making Townsquare one of the largest producers of original local content in the United States. The content management system that powers our content platforms was built in-house by our product and technology team. In addition, we have 44 million social media followers and our YouTube platform has generated 4.3 billion lifetime views.

- *Digital Programmatic Advertising Platform.* We offer precision customer targeting solutions to local, regional and national advertisers through our proprietary digital programmatic advertising platform. Combining first and third-party audience and geographic location data, we are able to hyper-target audiences for our advertisers, enabling them to reach a high percentage of their targeted online audience with the right message at the right time. We deliver these solutions across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions. We have our own organically developed, in-house demand-side trading desk that is integrated with more than 15 digital advertising buying platforms with access to all major advertising exchanges, mobile apps, and social media platforms, providing access to more than 250 billion impressions per day. This extensive access places us among the largest of the established in-house media trading desks. Additionally, we provide full-service design and creative services to assist clients in crafting the right marketing message and developing and building assets and creative for their campaign across the desired platform (i.e., display, social, video, or audio).

- *Data Analytics and Management Platform.* As a publisher, we are able to collect and analyze first-party data from our owned and operated portfolio of websites and apps, leading to detailed insights about consumer behaviors, audience interest and purchase intent. We use this data in our sales process, helping our sales team generate new business and upsell current clients, and to inform our client's advertising campaigns, providing significant value to our clients.

Broadcast Advertising

Our primary source of Broadcast Advertising net revenue is the sale of advertising on our local radio stations to local, regional and national spot advertisers, and national network advertisers. Our Broadcast Advertising segment revenue was $211.7 million in 2023 and $223.9 million in 2022.

We believe we are the largest and best-capitalized owner and operator of radio stations focused solely on markets outside the top 50 markets in the United States. Our 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. As of December 31, 2023, we owned and operated 352 radio stations in 74 local markets, importantly all outside the top 50 markets across the United States. Our radio 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. As of March 12, 2024, we own 80 radio stations formatted with Country content, 72 formatted with News/Talk/Sports content and 62 formatted with Rock content, representing approximately 23%, 21%, and 18% of our radio stations, respectively. The majority of our local radio stations airing these formats capture the largest audience, and thus are market leaders, among radio stations airing similar content in their respective markets, as ranked by Nielsen Holdings N.V. ("Nielsen") or other ratings services. We endeavor to develop strong audience loyalty and believe that the diversification of formats on our radio stations helps to insulate our radio stations from the effects of changes in musical tastes of the public.

Despite the growth of alternative media choices, terrestrial radio has experienced negligible audience fragmentation over the past 50 years and remains a significant component of daily media exposure. According to Nielsen, terrestrial radio broadcasts reached approximately 84% of American adults ages 18+ each week as of December 2023, a level that has remained largely consistent since 1970. Given the stability of radio listenership and the population growth in the U.S., more people listen to radio on a weekly basis today than 10, 20 and even 30 years ago. The challenge for the radio industry overall has been time spent listening to radio and, unlike the industry overall, Townsquare's time spent listening to our radio stations has been stable. We believe that our ability to maintain stable audience and time spent listening levels to our radio stations is driven by our focus on markets outside of the Top 50, where there is less competition and less local content available in our communities, and our investment in our original content strategy, which takes the form of investing in local talent and resources to support our local talent.

Given the stability of radio's 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 local markets outside the top 50 markets in the U.S.

Other

We report the remainder of our revenue in the Other category, and it includes revenue from our live events, which includes concerts, expositions, and other experiential events. Our live events portfolio includes iconic local events such as *WYRK's Taste of Country*, the *Boise Music Festival*, the *Red Dirt BBQ & Music Festival* and *Taste of Fort Collins.* Our primary source of live events net revenue is ticket sales. Our live events also generate revenue through the sale of sponsorships, food and other concessions, merchandise and other ancillary products and services. Our Other category revenue was $10.0 million in 2023 and $8.4 million in 2022.

Overall

In the year ended December 31, 2023, we generated approximately 84% of our net 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 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 and marketing expenditure decisions.

No single customer accounted for more than 1% of revenue in any of the years ended December 31, 2023 and 2022. For the year ended December 31, 2023, no advertising category, market, or state represented more than 20% of revenue. 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 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 and inventory costs, as well as certain programming costs, such as music license fees, and certain costs related to production. Other programming, digital, engineering and general and administrative expenses are primarily fixed costs.

Our business enjoys strong cash flow generation owing to the relatively limited capital needs of our operations. During the year ended December 31, 2023, we recorded $15.0 million of capital expenditures, which represented 3.3% 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.

Our Growth Strategy

The principal features of our growth strategy are:

Digital First - Invest in Our Digital Businesses to Drive Further Growth.

We plan to continue to invest in the platforms and personnel supporting our digital growth, including our digital product technology, sales, content, and support teams, specifically in our Townsquare Interactive and Townsquare Ignite businesses. We have continually invested in our digital platform and team, including during the COVID-19 pandemic. In 2022, we opened a second location for Townsquare Interactive in Phoenix, AZ to further support growth in that subscription business by accessing a new geographic talent pool and better aligning our subscribers with support personnel in a similar time zone. Given our local content contributors on-air and online generate digital content and digital revenue, we also plan to continue to invest in the hiring of local content contributors.

Deepen Relationships with Advertisers to Increase Share of Advertising Spend.

We are committed to growing our local sales force, training our sales personnel and investing in our business to allow us to deepen relationships with our advertisers, including developing new digital 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 digital advertising expenditure in our markets across all mediums and across industries, including but not limited to, digital, radio, print, outdoor, direct mail, and broadcast and cable television.

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

Our audience reach, our direct relationship with local advertisers in our markets, and our tech capabilities position us to launch and monetize new products and services, further diversifying and growing our digital revenue. We have invested in world-class technology and infrastructure to create best of breed products and services to serve our clients and engage our loyal audience. In the past, we have organically built and introduced a variety of new products, including our subscription digital marketing solutions platform (Townsquare Interactive), various new offerings for Townsquare Interactive, our programmatic digital advertising platform (Townsquare Ignite), as well as mobile applications for individual stations and brands. We have also organically built and introduced a data and analytics tool and a data management platform that enhance our ability to create and deliver effective targeted broadcast and digital advertising campaigns for our clients. In addition to delivering revenue growth, these products and services frequently appeal to potential customers in our markets who may not access our heritage radio products, thereby leveraging our digital solutions to increase our overall customer base and revenue market share. We intend to continue to develop new products and offerings over time and to better monetize our audiences.

Focus on Differentiated Live and Local Content.

We generally provide a larger proportion of live and local content on-air and more original local content online relative to other local media companies in our markets. We believe such live, local, and original 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 any local content in our markets. We intend to continue providing audiences with this differentiated local content and enjoy the advantages it provides us with our audience and our advertisers.

Support Our Premium Portfolio of Brands Superserving Our Communities.

Our branding strategy is fundamental to growing our audience and revenue. Across our markets, we have a large portfolio of distinct local and national 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 to support our brands and to actively participate in community events to increase our local market presence.

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

Our various media products and marketing services offerings 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 and cash flow.

Prudently Pursue Attractively-Valued Acquisition Opportunities.

We have a successful track record of sourcing and integrating acquisitions. Since our Company's founding in 2010, we have expanded our local radio station portfolio from 60 to 350 by completing more than 10 radio transactions. We successfully transformed traditional broadcast radio assets that began with almost 100% of revenue tied to broadcast into Digital First brands that now generate a significant and growing amount of digital revenue. 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 intend to continue to consider attractively-priced acquisitions of radio stations and digital properties. 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.

Competition

The local media industry is very competitive. The success of each of our digital and radio properties depends largely upon our ability to attract audiences, to develop competitive products and solutions, and to price our products attractively relative to our local media competitors, as well as our ability to attract and retain sales, digital, content and leadership talent, and the overall demand for advertising within individual markets. We compete directly for audiences and advertising revenue with other radio broadcasters, satellite radio, cable television, broadcast television, print, and digital media operators, streaming music and video service providers and podcasters, amongst others. In addition, we compete for advertising revenue with a broader set of competitors in the advertising industry, including search and social media companies. We attempt to improve our competitive position, maximize our audience and grow our revenue by focusing on high quality, differentiated original local content and by providing innovative and effective advertising integrations for our customers, many of whom we have supported for many years, and managing our sales efforts to attract a larger share of advertising and marketing dollars from each customer.

The market for digital marketing solutions is highly fragmented, dynamic and competitive. Our competitors for Townsquare Interactive include large internet marketing providers, web development and hosting providers, yellow page publishers, newspaper and television companies, as well as other local SMB marketing providers. While some of our competitors enjoy 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 products meet and exceed customer requirements and provide a strong return on investment 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.

We mitigate the competitive pressures by focusing on markets outside the top 50 in the United States, where there are fewer and less well-capitalized digital marketing solutions providers and local media competitors. For example, in 49 of our 74 local markets, we do not compete against any of the five largest English language national radio competitors, as measured by revenue. Many competing audio media offerings, including Spotify, Pandora and SiriusXM, do not offer local content in our markets or have any local sales personnel. We believe this competitive landscape contributes to our success as we operate strong brands with deep local heritage, allowing our brands to gain a greater share of the local audience, and greater share of advertising and digital marketing expenditures in our markets than what is generally achieved by local media companies operating in larger markets. In addition, the small and mid-sized markets we operate in are generally 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.

Another significant mitigant to the competitive pressures we face in our markets is our talented local leadership who have strong local roots, connection to our communities and multi-platform sales and content skills. We have built a team of in-house recruiters that is crucial to our ability to identify and recruit highly skilled employees to our Company. In addition, we invest a significant amount of resources in training our employees so that they are fully equipped to execute our Digital First strategy and grow market share.

Seasonality

Our 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. 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

Current economic challenges, including high and sustained inflation and interest rates have caused and could continue to cause economic uncertainty and volatility. These factors could result in advertising and subscription digital marketing solutions cancellations, declines in the purchase of new advertising by our clients, declines in the addition of new digital marketing solutions subscribers, and increases to our operating expenses. We monitor economic conditions closely, and in response to observed or anticipated reductions in revenue, we may institute precautionary measures to address the potential impact to our consolidated financial position, consolidated results of operations, and liquidity, including wage reduction efforts and controlling non-essential capital expenditures.

The extent of the impact of current economic conditions will depend on future actions and outcomes, all of which remain fluid and cannot be predicted with confidence (including effects on advertising activity, consumer discretionary spending and our employees in the markets in which we operate).

Human Capital

Our most important core value is “You Matter.” We are not just a company; we are a team. “You Matter” means that every employee has an impact on our success, and it is our obligation to provide each employee with the tools, resources and leadership required to succeed and achieve our goals. We believe that if we work together to train, develop and reward our employees in ways that acknowledge performance, abilities and contributions, we will all grow together and share our individual and collective success.

Our ability to identify, hire, develop, motivate and retain our talent is critical to the future success and continued growth of our business. As such, we seek to provide a desirable work environment with competitive compensation and benefits packages, and create a collaborative culture that is focused on a team mentality and gives each individual the means to succeed and contribute to the Company’s overall success. In addition, we have built a team of in-house recruiters that is crucial to our ability to identify and recruit highly skilled employees to our Company.

In addition to competitive compensation packages, we offer a variety of health and insurance benefits, including:

- Employer sponsored health insurance;
- Company provided life insurance;
- Pet insurance;
- Paid sick, holidays and vacation;
- Volunteer time off;
- 401(k) plan, with matching reinstated in 2022;
- Non-qualified employee stock purchase plan (launched January 1, 2022);
- Employee Assistance Program; and

- Employee discount program.

Race, background, age, gender, sexual orientation, religion, physical ability, perspective and life experience are all important elements of each and every one of our team members. We embrace this diversity because we care about our team members and because these individual perspectives contribute a wealth of knowledge, talent and experience that ultimately benefit the Company. We have work to do, but our goal is for everyone in the Company to be seen, heard and valued. We will accomplish this through increased awareness and empathy around the challenges faced by one another and by making diversity part of our culture and not just an initiative. In 2022, a Black Employee Resource Group, or B.E.R.G., was created with the mission to foster networking, professional development, mentoring and leadership opportunities with a focus on recruitment, retention, learning and development of Black people at Townsquare. Townsquare has also instituted diversity trainings for newly hired employees as well as ongoing trainings during employment. Townsquare's mission is to enhance the communities we serve and use our influential voices to improve and support all members of those communities.

Our radio stations and local websites, together with our employees, play a vital role in the communities we serve. During weather and other emergencies, government officials rely on our radio stations to disseminate critical, occasionally life-saving, information. Our radio stations, local websites, and mobile apps also routinely support charity and community events through on-air and digital promotions to bolster fundraising activities and emergency relief efforts.

As of December 31, 2023, we employed 2,159 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 the senior management team, product leaders, local market presidents and selected sales personnel and local media personalities. We do not believe that the loss of any one of 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. In the last renewal cycle, the FCC granted all of the license renewal applications that were filed for our radio stations, all for full eight-year terms. The next renewal cycle begins in 2027. While we are not currently aware of any facts that would prevent future 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 up to 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 March 12, 2024, the number of our owned and operated radio stations by market, excluding booster stations, FM translator stations, and stations operated under Local Marketing Agreements (“LMAs”) (also known as Time Brokerage Agreements or “TBAs”).

Market	Stations
Abilene, TX	6
Albany-Schenectady-Troy, NY	5
Amarillo, TX	5
Atlantic City-Cape May, NJ	5
Augusta-Waterville, ME	3
Bangor, ME	5
Battle Creek, MI	2
Billings, MT	5
Binghamton, NY	4
Bismarck, ND	5
Boise, ID	6
Bozeman, MT	5
Buffalo-Niagara Falls, NY	4
Butte, MT	4
Casper, WY	6
Cedar Rapids, IA	3
Cheyenne, WY	3
Danbury, CT	2

Dubuque, IA (NR)	5
Duluth-Superior, MN, WI	5
El Paso, TX	3
Evansville, IN	5
Faribault/Owatonna, MN	4
Flint, MI	5
Ft. Collins-Greeley, CO	4
Grand Junction, CO	5
Grand Rapids, MI	5
Great Falls, MT	5
Kalamazoo, MI	3
Killeen-Temple, TX	5
Lafayette, LA	6
Lake Charles, LA	5
Lansing-East Lansing, MI	6
Laramie, WY	2
Lawton, OK	3
Lubbock, TX	6
Lufkin-Nacogdoches, TX	5
Missoula, MT (NR)	7
Montrose, CO	3
Monmouth-Ocean, NJ	5
New Bedford-Fall River, MA	2
Odessa-Midland, TX	5
Oneonta, NY	10
Owensboro, KY	2
Pittsfield, MA	6
Portland, ME	4
Portsmouth-Dover-Rochester, NH	4
Poughkeepsie, NY	8
Presque Isle, ME	3
Quad Cities, IA-IL	5
Quincy, IL-Hannibal, MO	4
Richland-Kennewick-Pasco, WA	7
Rochester, MN	10
Rockford, IL	4
San Angelo, TX	5
Sedalia, MO	3
Shelby, MT	2
Shreveport, LA	6
Sierra Vista, AZ	3

Sioux Falls, SD	8
St. Cloud, MN	6
St. George, UT	8
Texarkana, TX-AR	4
Trenton, NJ	4
Tuscaloosa, AL	6
Twin Falls-Sun Valley, ID	4
Tyler-Longview, TX	4
Utica/Rome, NY	5
Victoria, TX	3
Wenatchee, WA	8
Waterloo-Cedar Falls, IA	4
Wichita Falls, TX	4
Williston, ND	3
Yakima, WA	6

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 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 a corporation's voting stock.

In December 2018, the FCC initiated its 2018 review of the broadcast ownership rules ("2018 Notice"). The 2018 Notice sought comment on a number of matters, including the local radio ownership rule, the local television ownership rule, and the dual network rule, and several diversity proposals. At the time, litigation was still pending concerning the FCC's 2017 decision that concluded the FCC's 2010 and 2014 ownership proceedings. In April 2021, the U.S. Supreme Court upheld the FCC's 2017 decision to eliminate certain media ownership restrictions, including the ban on common ownership of newspapers and radio stations within the same market and the radio/television cross-ownership rule. On June 4, 2021, the FCC's Media Bureau adopted an Order implementing these rule changes, which became effective June 30, 2021.

While the 2018 proceeding remained pending, on December 22, 2022, the FCC's Media Bureau issued a Public Notice ("2022 Notice") announcing its 2022 broadcast ownership proceeding. The 2022 Notice did not propose any new rules or the elimination of any existing rules. It asked commenters whether the current rules need to be changed and to provide empirical evidence supporting such proposals. The 2022 Notice also asked for information regarding the media marketplace, including ongoing trends or developments, and how the rules impact minority and female ownership of broadcast stations. The comment period closed in October 2021, and the 2022 proceeding remains open. In December 2023, the FCC adopted a Report and Order resolving its 2018 proceeding. In the Report and Order, the FCC concluded that it would retain the majority of existing media ownership rules, making substantive changes only to the local television ownership rule.

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, we have not received notice from the FCC with regard to those audits of any violation that would result in FCC action that could 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). In addition, there is new proposed federal legislation that would prohibit radio and other advertising of online sports gambling businesses. If the proposed legislation were to become law, this prohibition could have an adverse impact on our business.

Local Marketing and Joint Sales Agreements

A number of radio stations have entered into LMAs (also known as Time Brokerage Agreements) or Joint Sales Agreements (“JSAs”). 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. 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). LMAs and JSAs 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 or 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.

A radio station that brokers more than 15.0% of the weekly content hours, or sells more than 15.0% of the weekly advertising time of another radio station in its market, will be considered to have an attributable ownership interest in that radio station for purposes of the FCC’s ownership rules. In that situation, 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. In addition, 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 $119.5 million, effective March 6, 2024. 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 are subject to risks and uncertainties related to general economic conditions and our business, some of which are beyond our control, including that:

- Macroeconomic factors such as inflation, rising interest rates, and changes in the economy have had, and may continue to 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 impacted by political advertising revenue, which can vary from even to odd-numbered years.
- If we are unable to retain our digital audience, our business may be adversely affected.
- To remain competitive, we must respond to changes in technology, services and standards that characterize our industry.
- 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 are dependent on key personnel.
- Artificial intelligence-based platforms present new risks and challenges to our business.
- 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.
- Capital requirements necessary to operate our business or consummate acquisitions could pose risks.

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

- Our future revenue and earnings growth may be significantly impacted by our digital lines of business, which are subject to significant competition and rapidly changing technology.
- We may lose audience ratings, market share and advertising revenue to competing radio stations or other types of media competitors.
- Our success is also dependent upon audience engagement with our content, which is difficult to predict.

We are subject to risks related to our acquisition strategy, 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, or achieve the related benefits we anticipate.

We are subject to risks related to our financial reporting and accounting and the risks posed by potential future asset impairment of our FCC licenses and/or goodwill.

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

- New technologies could block our digital ads, and new restrictions on third-party cookies could harm our digital advertising business.
- A security breach or a cyber-attack could adversely affect our business.
- Our engagement of third-party service providers increases our exposure to security and data privacy risks.

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:

- 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 Economic Conditions and Our Business

Macroeconomic factors such as inflation, rising interest rates, and changes in the economy have had, and may continue to have a material adverse effect on our business.

A substantial majority of our net revenue is generated from the sale of local, regional and national advertising on our digital properties and radio stations. In addition, our target clients for our digital marketing solutions business are SMBs. Periods of economic slowdown and uncertainty, recession or recessionary indicators, increases in unemployment rates, interest rates and inflation rates, prolonged supply chain disruptions or labor shortages, market volatility, or a reduction in consumer confidence in the U.S. economy may have a material adverse impact on our business, financial condition and results of operations. Decisions by advertisers and subscribers to delay, reduce or cancel their advertising, campaign, or subscription spending on our platforms based on changes in economic conditions could also slow our revenue growth or reduce our revenues, and SMBs, who generally have less resources than larger companies, may limit their spending. 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 and marketing solutions to the automotive, entertainment, 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. Decisions by SMBs targeted by Townsquare Interactive, our digital marketing services business to delay or reduce their spending and their web presence based on economic conditions could slow our subscriber growth or increase our subscriber attrition.

A decline in attendance at or reduction in the number of concerts and live events may have an adverse effect on revenue and operating income from our live events business. During periods of economic slowdown and recession, many consumers have historically reduced their discretionary spending. 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 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 impacted by political advertising revenue, which can vary from even to odd-numbered years.

Approximately 0.6% and 1.6% of our net revenue for the years ended December 31, 2023 and 2022, 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, we had political advertising revenue of $2.9 million and $7.5 million, during 2023 and 2022, respectively. 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 may be adversely affected.

The increasing number of digital media options available on the internet, through social networking platforms 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 popularity of news aggregation websites, customized news feeds (often free to users), and AI driven content, 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 and social media referrals, including search results provided by Google, the primary search engine directing traffic to our websites, and links from Facebook, the primary social media platform directing traffic to our websites. Search engines and social platforms frequently update and change the methods and algorithms for directing traffic 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.

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 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/iPad and similar mobile devices, gaming consoles, in-home entertainment and enhanced automotive platforms, voice activated smart speakers, and streaming internet services such as Netflix, Spotify, and Pandora, all of which provide access to audio and other entertainment content to consumers.

In addition, some automobile manufacturers have removed AM radio functionality from their vehicles. Although Congress is considering legislation to maintain AM radio in vehicles, we cannot predict whether these legislative efforts will be successful, or their impact on our business.

Further, 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.

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 uplinks, 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), weather events or wildfires (which may increase in frequency due to climate change), 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 are dependent on key personnel.

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.

Future success and growth in our digital businesses depends 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 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 in a particular market could have a negative impact on our ratings and generally could have a material adverse effect on our ability to attract advertisers, which could negatively impact our business, financial condition or results of operations. In addition, the FTC proposed rules that, if adopted, would ban most post-termination non-compete clauses and require employers to rescind existing ones. If adopted, these new rules could have a material adverse impact on our ability to retain key personnel.

Artificial intelligence-based platforms present new risks and challenges to our business.

We are currently developing several artificial intelligence (“AI”) initiatives, both internally and with external partners. Our efforts to develop, acquire or integrate these technologies involve time, costs, and other resources. Issues relating to the use of new and evolving technologies such as AI and machine learning may cause us to experience brand or reputational harm, competitive harm, legal liability, and new or enhanced governmental or regulatory scrutiny, and we may incur additional costs to resolve such issues. As with many innovations, AI presents risks and challenges that could undermine or slow its adoption, and therefore harm our business. Further, if our efforts to develop, acquire or integrate these technologies are unsuccessful, it may have a materially adverse impact on our business, future prospects and financial position.

The use of AI systems by our business partners may lead to novel and urgent cybersecurity risks, which could have a material adverse effect on our operations and reputation as well as the operations of any of our business partners. In addition, the legal and regulatory framework surrounding AI is developing rapidly, and new or changing standards may require significant resources to modify and maintain business practices to comply with United States international laws concerning the use of AI, the nature of which cannot be determined at this time.

Our competitors may also be able to devote greater resources to the development, promotion, and sale of their software solutions and services. If our competitors’ products, services or platforms become more accepted than our solutions, if our competitors are able to respond more quickly and effectively to new or changing opportunities, technologies, or customer requirements, or if their products or services are more technologically capable than ours, it may have a material adverse effect on our business, results of operations, and financial condition.

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 performing rights organizations (“PROs”). Royalties are currently paid to 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 musical compositions on our radio stations and websites. We also pay royalties to Sound Exchange for the streaming of sound recordings. Royalty rates are subject to adjustment and it is possible that our royalty rates associated with obtaining rights to use 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, should one or more new PROs establish that we use compositions or sound recordings to which they have the rights, the royalties we pay could increase.

From time to time, Congress considers legislation that could require that radio broadcasters pay performance royalties to record labels, recording artists, and other copyright holders. 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 additional royalties to be paid, likely to Sound Exchange, for the benefit of record labels (or other sound recording copyright holders) and artists. If adopted, this would increase the cost of music and other sound recordings. It is currently unknown what proposed legislation, if any, will become law, however, such additional royalties could have an adverse effect on our business, financial condition and results of operations.

The DOJ, from time to time, considers whether to reform or terminate the long-standing antitrust consent decrees that govern music licensing by ASCAP and BMI. Any change to the consent decrees could lead to the increase of our royalty rates associated with obtaining rights to use musical compositions and sound recordings in our programming content.

The use of music other than in connection with our broadcast operations and the streaming of our broadcast programming is not covered by our broadcast licenses with ASCAP, BMI, SESAC, GMR and Sound Exchange. In most cases, rights to use music on digital platforms requires direct negotiations with the copyright holders. There is no guarantee that rights to such music uses can be obtained at reasonable costs which could restrict our ability to monetize and grow our online operations.

Our substantial indebtedness could have an adverse impact on us.

We have a significant amount of indebtedness. As of December 31, 2023, we had $499.7 million of outstanding indebtedness, net of deferred financing costs of $4.0 million, with annual cash interest expense requirements of approximately $34.6 million. 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 our $550.0 million aggregate principal amount of 6.875% senior secured notes due 2026 (the “2026 Notes”) semi-annually in cash in arrears on February 1st and August 1st of each year. 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.

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

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 invest significant capital and employee resources in our digital businesses, including our subscription digital marketing solutions business, Townsquare Interactive, and 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 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 markets outside the top 50 upon which we focus. However, if our net subscriber base decreases, our business, financial condition and operating results will be adversely affected.

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, digital platforms and applications, satellite radio, outdoor advertising, mobile devices and other portable digital audio players. We also compete for advertising dollars with other large digital companies, such as Meta, 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.

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.

Our success is dependent upon audience engagement with our content, which is difficult to predict.

Digital media and radio content production and distribution is an inherently risky business because the revenue derived from the production and distribution of digital 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. 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 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.

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 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 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 remediated several material weaknesses in our internal control over financial reporting in prior years. 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.

Remediation efforts, when necessary, place a significant burden on management and add increased pressure to our financial resources and processes. If we identify material weaknesses in our internal control over financial reporting 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.

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, 2023, our FCC licenses and goodwill comprised approximately 27.8% and 24.1% 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 our forecasts, 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 6, *Goodwill and Other Intangible Assets, Net* for additional information.

Risks Related to Technology

New technologies could block our digital ads, and new restrictions on third-party cookies could harm our digital advertising 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 advertising 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. In order to effectively target digital advertising campaigns, we use a combination of first and third-party data. Any restrictions that limit the use of third-party cookies could impact our ability to deliver effective digital advertising results which 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.

There have been recent developments in U.S. federal and state data protection laws that we may be required to comply with and which may impact our business. For example, the California Consumer Privacy Act (the "CCPA"), among other things, allows California consumers the right to opt out of the "sale" or "sharing" of their personal information, which includes any data transferred for the purpose of cross-contextual behavioral advertising. This opt-out right, and similar opt-out rights in other effective and proposed state privacy laws, may have an adverse effect on our business by decreasing the availability and increasing the cost of data. The CCPA and other state privacy laws also impose broader obligations on covered businesses such as transparency and information security requirements, and additional privacy rights such as rights to access and delete personal information. Enforcement of these laws may carry a variety of consequences, including civil penalties, litigation, private rights of action or damage to our reputation. In addition, if any of our third-party service providers fail to comply with applicable privacy 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 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 digital 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 for full eight-year terms. The next license renewal cycle begins in 2027. We cannot be certain that our 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 or 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 an 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 or other material 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, an important 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.

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 and state 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 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 privacy legislation or regulation could hinder the growth of our digital properties.

A variety of federal and state laws govern the collection, use, retention, sharing and security of consumer data that our digital 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 digital 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 applicable to 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.

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.

We are subject to risks related to corporate social responsibility.

We are facing increasing scrutiny related to our environmental, social and governance ("ESG") practices and requested disclosures by investors who are increasing using ESG screening criteria in making investment decisions. Our disclosures on these issues or a failure to satisfy evolving shareholder expectations for ESG practices and reporting may impact our reputation and relationships with investors. As ESG best practices, reporting standards, and disclosure requirements continue to evolve, we may incur increasing costs related to ESG monitoring and reporting.

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.

We began paying quarterly cash dividends in 2023, although 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.

On March 6, of 2023, the board of directors approved a quarterly dividend of $0.1875 per share for holders of record as of March 27, 2023. On February 28, 2024, the board of directors increased the quarterly dividend to $0.1975 per share. We previously paid a quarterly dividend of $0.075 per share starting in 2018, which was ceased in 2020 as a result of uncertainty created by the COVID-19 pandemic. Any determination to continue 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.

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 1C. Cybersecurity

The Company's information security is managed by the Executive Vice President, Finance, Operations and Technology, whose team leads enterprise-wide cybersecurity strategy, policy, education and training, standards, architecture, processes, monitoring and implementation. The status of the Company's cyber risk and threat profile and any proposed plans to strengthen the Company's information security systems or assessments thereof are reported to senior management and the audit committee of our board of directors.

The Company has implemented and continues to enhance a comprehensive set of cybersecurity measures based on industry best practices that are meant to protect confidential information, minimize vulnerabilities and intrusions, and maximize detection and response and restoration capabilities. Key components of our strategy include employee training, identity management, multi-factor authentication, endpoint security, detection and response SOCs, privileged access and endpoint management, network traffic inspection, email security, local and cloud-based backups, and third party vulnerability testing and remediation.

Our strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previously identified cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity related risks, see Item 1A Risk Factors in this Annual Report.

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, 2023, we owned 52 facilities containing broadcast studios and 278 towers in our 74 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.

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, 2023. 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 12, 2024 the Company had 126 Class A common stockholders of record and 4 Class B 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 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. On March 6, 2023, the board of directors approved a quarterly dividend of $0.1875 per share and subsequently paid equivalent dividends in the second, third and fourth quarters of 2023, and the first quarter of 2024. Each quarterly dividend payment was approximately $3 million in the aggregate. On February 28, 2024, the board of directors approved a quarterly dividend of $0.1975 per share. The dividend will be paid to holders of record as of April 5, 2024 on May 1, 2024.

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, 2023.

Securities Authorized for Issuance under Equity Compensation Plans

For information on securities authorized for issuance under the Company’s equity compensation plan, see "Item 12 - *Security Ownership of Certain Beneficial Owners and Related Stockholder Matters*."

Item 6. [Reserved]

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" for further information regarding forward-looking statements.

OUR BUSINESS

Townsquare is a community-focused digital media and marketing solutions company with market leading local radio stations, principally focused outside the top 50 markets in the U.S. Our integrated and diversified products and solutions enable local, regional and national advertisers to target audiences across multiple platforms, including digital, mobile, social, video, streaming, e-commerce, radio and events. Our assets include a subscription digital marketing services business ("Townsquare Interactive"), providing website design, creation and hosting, search engine optimization, social platforms and online reputation management as well as other monthly digital services for approximately 24,000 small to medium sized businesses; a robust digital advertising division ("Townsquare Ignite," or "Ignite"), a powerful combination of (a) an owned and operated portfolio of more than 400 local news and entertainment websites and mobile apps along with a network of leading national music and entertainment brands, collecting valuable first party data and (b) a proprietary digital programmatic advertising technology stack with an in-house demand and data management platform; and a portfolio of 350 local terrestrial radio stations in 74 U.S. markets strategically situated outside the Top 50 markets in the United States. Our portfolio includes local media brands such as *WYRK.com*, *WJON.com* and *NJ101.5.com*, and premier national music brands such as *XXLmag.com*, *TasteofCountry.com*, *UltimateClassicRock.com*, and *Loudwire.com*.

Our primary sources of net revenue are the sale of digital and broadcast advertising solutions on our owned and operated websites, radio stations' online streams and mobile applications, and on third party websites through our in-house digital programmatic advertising platform. Through our digital programmatic advertising platform, we are able to hyper-target audiences for our local, regional and national advertisers by combining first and third party audience and geographic location data, providing them the ability to reach a high percentage of their online audience. We deliver these solutions across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions. We also offer subscription digital marketing solutions through Townsquare Interactive to small and medium-sized local and regional businesses in markets outside the top 50 across the United States, including, but not limited to 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 and social media management.

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 original, local content on our websites, and the employment of local personalities on our radio stations contribute to our ability to retain and grow our audience. In addition, we believe that the diversification of formats on our radio stations and websites helps to insulate our local media assets from the effects of changes in musical tastes of the public with respect to any particular format.

Advertising revenue 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 25, 2024, U.S. GDP increased 2.5% for the year ended December 31, 2023.

We strive to maximize our net revenue by managing our digital and broadcast 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 local advertisers in each of our markets by providing a wide array of digital and broadcast solutions to help clients grow their business and achieve their goals.

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 and inventory costs, 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.

Our business enjoys strong cash flow generation owing to the relatively limited capital needs of our operations. During the year ended December 31, 2023, we recorded $15.0 million of capital expenditures, which represented 3.3% 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.

OVERVIEW OF OUR PERFORMANCE

Changes in our Business

Acquisition of Cherry Creek

On June 17, 2022, the Company acquired Cherry Creek Broadcasting LLC (“Cherry Creek”) for a total cash purchase price of $18.5 million, net of closing adjustments. The results of Cherry Creek's operations have been included in our Consolidated Financial Statements, following the closing of the acquisition on June 17, 2022. Pro forma information has not been presented because the effect of the acquisition is not material. For further discussion on the Cherry Creek acquisition, see Note 4, *Acquisitions and Divestitures* in the Notes to the Consolidated Financial Statements.

Macroeconomic Indicators

Current economic challenges, including high and sustained inflation and interest rates have caused and could continue to cause economic uncertainty and volatility. These factors could result in advertising and subscription digital marketing solutions cancellations, declines in the purchase of new advertising by our clients, declines in the addition of new digital marketing solutions subscribers, and increases to our operating expenses. We monitor economic conditions closely, and in response to observed or anticipated reductions in revenue, we may institute precautionary measures to address the potential impact to our consolidated financial position, consolidated results of operations, and liquidity, including wage reduction efforts and controlling non-essential capital expenditures.

The extent of the impact of current economic conditions will depend on future actions and outcomes, all of which remain fluid and cannot be predicted with confidence (including effects on advertising activity, consumer discretionary spending and our employees in the markets in which we operate).

Highlights of Our Financial Performance

Certain key financial developments in our business for the year ended December 31, 2023 as compared to 2022 are summarized below:

- Net revenue for the year ended December 31, 2023, decreased $8.8 million, or 1.9%, as compared to the year ended December 31, 2022. Our Broadcast Advertising net revenue decreased $12.2 million, or 5.4% and our Subscription Digital Marketing Solutions net revenue decreased $8.2 million, or 9.1% as compared to the year ended December 31, 2022. These decreases were partially offset by a $9.9 million or 7.1% increase in our Digital Advertising net revenue and a $1.6 million, or 18.6%, increase in our Other net revenue.

- Excluding revenue related to political advertising of $2.9 million and $7.5 million for the years ended December 31, 2023 and 2022, respectively, net revenue decreased $4.2 million, or 0.9% to $451.3 million. Broadcast Advertising net revenue decreased $7.8 million, or 3.6%, to $209.0 million and Digital Advertising net revenue increased $10.2 million, or 7.3%, to $150.1 million.

- Operating income decreased $74.7 million to an operating loss of $19.1 million for the year ended December 31, 2023, as compared to operating income of $55.6 million for the year ended December 31, 2022. Operating income decreased due to an increase in total non-cash impairment charges of $59.5 million, the $8.8 million decrease in net revenue as discussed above, an increase in stock-based compensation of $4.2 million and an increase in direct operating expenses of $4.3 million. These increases were partially offset by a $3.3 million decrease in transaction and business realignment costs.

- Our Broadcast Advertising segment reported an operating loss of $33.8 million, compared to operating income of $27.6 million for the year ended December 31, 2022, due to an increase in total non-cash impairment charges of $47.5 million and the $12.2 million decrease in net revenue. Our Subscription Digital Marketing Solutions segment reported operating income of $21.3 million, a decrease of $3.0 million from 2022, due to the $8.2 million decrease in net revenue, partially offset by a $5.3 million decrease in direct operating expenses. Our Digital Advertising segment reported operating income of $44.9 million, an increase of $2.8 million from 2022, due to the $9.9 million increase in net revenues, partially offset by a $6.7 million increase in direct operating expenses.

Consolidated Results of Operations

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

The following table summarizes our historical consolidated results of operations:

($ in thousands) Statement of Operations Data:	Year Ended December 31, 2023	Year Ended December 31, 2022	$ Change	% Change
Net revenue	$ 454,231	$ 463,077	$ (8,846)	(1.9) %
Operating costs and expenses:				
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	329,197	324,931	4,266	1.3 %
Depreciation and amortization	19,200	19,044	156	0.8 %
Corporate expenses	25,023	24,428	595	2.4 %
Stock-based compensation	8,033	3,797	4,236	111.6 %
Transaction and business realignment costs	1,169	4,448	(3,279)	(73.7) %
Impairment of intangible assets, investments, goodwill, and long-lived assets	90,578	31,114	59,464	191.1 %
Net loss (gain) on sale and retirement of assets	170	(275)	445	**
Total operating costs and expenses	**473,370**	**407,487**	**65,883**	**16.2 %**
Operating (loss) income	**(19,139)**	**55,590**	**(74,729)**	**(134.4)%**
Other expense (income):				
Interest expense, net	37,249	39,828	(2,579)	(6.5) %
Gain on repurchases of debt	(1,249)	(108)	(1,141)	**
Other (income) expense, net	(5,975)	2,044	(8,019)	**
(Loss) income from operations before tax	**(49,164)**	**13,826**	**(62,990)**	**(455.6)%**
Income tax benefit	(6,142)	(564)	(5,578)	**
Net (loss) income	**$ (43,022)**	**$ 14,390**	**$ (57,412)**	**(399.0)%**

***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, 2023 and 2022, respectively (in thousands):

	Net Revenue				Direct Operating Expenses			
	For the Year Ended December 31,				For the Year Ended December 31,			
	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Subscription Digital Marketing Solutions	$ 82,220	$ 90,402	$ (8,182)	(9.1) %	$ 58,973	$ 64,282	$ (5,309)	(8.3) %
Digital Advertising	150,276	140,355	9,921	7.1 %	104,381	97,661	6,720	6.9 %
Broadcast Advertising	211,725	223,879	(12,154)	(5.4) %	156,056	155,355	701	0.5 %
Other	10,010	8,441	1,569	18.6 %	9,787	7,633	2,154	28.2 %
Total	**$ 454,231**	**$ 463,077**	**$ (8,846)**	**(1.9)%**	**$ 329,197**	**$ 324,931**	**$ 4,266**	**1.3 %**

Net Revenue

Net revenue for the year ended December 31, 2023 decreased by $8.8 million, or 1.9%, as compared to the same period in 2022. Our Broadcast Advertising net revenue decreased $12.2 million, or 5.4%, due to decreases in the purchases of advertising by our clients. Our Subscription Digital Marketing Solutions net revenue decreased $8.2 million, or 9.1% as compared to the year ended December 31, 2022, due to a reduction of net subscribers. These decreases were partially offset by a $9.9 million, or 7.1%, increase in our Digital Advertising net revenue due to purchases of new advertising and a $1.6 million, or 18.6%, increase in our Other net revenue due to an increase in live events held during 2023.

Direct Operating Expenses

Direct operating expenses for the year ended December 31, 2023 increased by $4.3 million, or 1.3%, when compared with the same period in 2022. Our Digital Advertising direct operating expenses increased $6.7 million, or 6.9%, primarily driven by higher inventory costs and headcount related expenses to support revenue growth. Other direct operating expense increased $2.2 million, or 28.2%, due to an increase in live events held during 2023. Our Subscription Digital Marketing Solutions direct operating expenses decreased $5.3 million, or 8.3%, as compared to the same period in 2022. The decrease was primarily driven by lower compensation and sales expenses. Our Broadcast Advertising direct operating expenses for the year ended December 31, 2023 increased $0.7 million, or 0.5%, as compared to 2022.

Stock-based Compensation

Stock-based compensation expense for the year ended December 31, 2023 increased $4.2 million, or 111.6%, as compared to the same period in 2022, due to grants during the fourth quarter of 2022 and the first quarter of 2023. For further discussion, see Note 11, *Stockholders' Equity*, in the Notes to the Consolidated Financial Statements.

Transaction and Business Realignment Costs

Transaction and business realignment costs for the year ended December 31, 2023 decreased $3.3 million, or 73.7%, as compared to 2022, primarily due to the Cherry Creek acquisition during 2022.

Impairment of Intangible Assets, Investments, Goodwill and Long-Lived Assets

The Company recorded total impairment charges of $90.6 million related to intangible assets, investments, goodwill, and long-lived assets during the year ended December 31, 2023. We recorded total impairment charges of $70.9 million related to FCC licenses in 36 of our 74 local markets during the year ended December 31, 2023, as compared to $26.1 million of impairment charges related to FCC licenses in nine of our 74 local markets during the year ended December 31, 2022. The impairment charges were primarily driven by an increase in the discount rate applied in the valuation of our FCC licenses due to an increase in the weighted average cost of capital, decreases in third-party forecasts of broadcast revenues and an increase in the estimate of initial capital costs due to rising prices.

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 50-basis point increase in the weighted average cost of capital as of the date of our last quantitative assessment performed as of December 31, 2023 would have caused the estimated fair values of our FCC licenses to decrease by $13.0 million which would have resulted in an additional impairment charge of $9.9 million. Further, a 100-basis point decline in the long-term revenue growth rate would cause the estimated fair values of our FCC licenses to further decrease by $17.1 million which would have resulted in a further impairment charge of $14.0 million as of December 31, 2023. 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 broadcast revenue experiences actual or anticipated declines, 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.

During the fourth quarter of 2023, the Company revised its near-term revenue and operating margin expectations for the Live Events reporting unit in consideration of the performance of events during the period. As a result, the Company determined that the fair value of the Live Events reporting unit was less than its carrying amount resulting in the recognition of a non-cash goodwill impairment charge of $1.4 million.

During the third quarter of 2023, in connection with an interim goodwill impairment assessment, the Company concluded that the carrying amount of the Local Advertising reporting unit exceeded its fair value, resulting in the recognition of a non-cash goodwill impairment charge of $2.8 million. An interim impairment assessment was considered necessary as a result of declines in traditional broadcast revenue and an increase in the weighted average cost of capital. Following the non-cash goodwill impairment charge, the Local Advertising reporting unit had no remaining goodwill.

Unfavorable changes in certain key assumptions utilized in determining the fair values of each of our reporting units, may affect future testing results. For example, keeping all other assumptions constant, a 100-basis point increase in the weighted average cost of capital assumption for each of our reporting units would cause the estimated fair values of our National Digital, Townsquare Ignite, Analytical Service, Townsquare Interactive and Live Events reporting units to decline, resulting in a decrease in the fair value in excess of their respective carrying values by approximately 6%, 5%, 8%, 9%, and 4%, respectively. Further, keeping all other assumptions constant, a 10% decline in the estimated fair value of each reporting unit, due to other changes in assumptions, including forecasted future cash flows, would have resulted in an incremental goodwill impairment charge of approximately $0.3 million for the Live Events reporting unit.

For further discussion, see Note 6, *Goodwill and Other Intangible Assets* in the Notes to Consolidated Financial Statements.

During the year ended December 31, 2023, the Company recorded an impairment charge of $14.5 million related to certain of its equity securities, which are measured at cost minus impairment. The Company recorded an impairment charge of $1.2 million related to one of our investments during the year ended December 31, 2022. For further discussion, see Note 7, *Investments,* in the Notes to Consolidated Financial Statements.

We recorded $2.9 million in impairment losses during the year ended December 31, 2022 due to changes in the fair value of the Company's digital assets. For further discussion, see Note 6, *Goodwill and Other Intangible Assets* in the Notes to Consolidated Financial Statements.

Interest Expense, net

The following table illustrates the components of our interest expense, net for the periods indicated (in thousands):

	Year Ended December 31,	
	2023	2022
2026 Notes	$ 35,534	$ 36,999
Capital leases and other	1,350	1,140
Deferred financing costs	2,086	1,879
Interest income	(1,721)	(190)
Interest expense, net	**$ 37,249**	**$ 39,828**

Gain on Repurchase of Debt

During the year ended December 31, 2023, the Company voluntarily repurchased an aggregate $27.1 million principal amount of its 2026 Notes at or below par, plus accrued interest. The Company wrote-off approximately $0.3 million of unamortized deferred financing costs, recognizing a total net gain of $1.2 million in connection with the voluntary repurchases of its 2026 Notes. The repurchased notes were canceled by the Company.

Other (Income) Expense, Net

Realized Gain on Investment

During the year ended December 31, 2023, one of the Company's investments was acquired in a private transaction. The Company recognized a $5.2 million gain on the transaction, based on total consideration received in the amount of $6.0 million. See Note 7, *Investments,* in the Notes to the Consolidated Financial Statements for further discussion related to this investment.

<u>*Sale of Digital Assets*</u>

During the year ended December 31, 2023, the Company sold its digital assets with a carrying value of $2.1 million, recognizing a gain on the sale of $0.8 million. For further discussion, see Note 6, *Goodwill and Other Intangible Assets* in the Notes to Consolidated Financial Statements.

<u>*Unrealized Loss on Investment*</u>

Other (income) expense, net includes unrealized losses related to measuring the fair value of one of the Company's investees. During the year ended December 31, 2023, the Company recorded a total unrealized net loss of $0.4 million, as compared to $2.1 million during 2022. See Note 7, *Investments*, in our Notes to Consolidated Financial Statements for further discussion related to this investment.

Benefit from income taxes

We recognized an income tax benefit of $6.1 million for the year ended December 31, 2023 as compared to $0.6 million for the same period in 2022. Our effective tax rate was approximately 12.5% for the year ended December 31, 2023 as compared to (4.1)% for the year ended December 31, 2022. The increase in the effective tax rate is primarily driven by an increase in the valuation allowance for interest expense carryforward.

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%, primarily relates to certain non-deductible items, state and local income taxes, and the valuation allowance for deferred tax assets.

Liquidity and Capital Resources

	Year Ended December 31,	
(in thousands)	**2023**	**2022**
Cash and cash equivalents	$ 61,046	$ 43,417
Restricted cash	503	496
Cash provided by operating activities	$ 67,827	$ 50,185
Cash used in investing activities	(3,569)	(37,764)
Cash used in financing activities	(46,622)	(19,507)
Net increase (decrease) in cash and cash equivalents	**$ 17,636**	**$ (7,086)**

Operating Activities

Net cash provided by operating activities was $67.8 million for the year ended December 31, 2023, as compared to $50.2 million for the same period in 2022. This increase was primarily related to lower prepaid expenses and accounts receivable, as well as higher accounts payable and accrued expenses due to the timing of payments.

Investing Activities

Net cash used in investing activities was $3.6 million for the year ended December 31, 2023, as compared to $37.8 million for the same period in 2022. The decrease in net cash used in investing activities was primarily due to the payment for the Cherry Creek acquisition of $18.5 million and the purchase of digital assets of $5.0 million during 2022 that did not reoccur in 2023. Additionally, during the year ended December 31, 2023, the Company received cash proceeds of $7.7 million and $3.0 million related to the sales of assets and investment related transactions and digital assets, respectively.

Financing Activities

Net cash used in financing activities was $46.6 million for the year ended December 31, 2023, as compared to $19.5 million for the same period in 2022. The increase in net cash used in financing activities was primarily due to a $16.4 million increase in stock repurchases, $6.8 million of incremental repurchases of 2026 Notes in 2023 as compared to 2022, and dividend payments of $9.3 million in 2023, partially offset by an increase in proceeds from stock options exercised.

Sources of Liquidity and Anticipated Cash Requirements

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, dividend payments, debt service, and other funding requirements for at least one year from the date of this report. 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 focused on and will continue to monitor our liquidity.

As of December 31, 2023, we had $499.7 million of outstanding indebtedness, net of deferred financing costs of $4.0 million.

Based on our terms of our 2026 Notes, as of December 31, 2023, we expect our debt service requirements to be approximately $34.6 million over the next twelve months. See Note 8, L*ong-Term Debt,* in our Notes to Consolidated Financial Statements for additional information related to our 2026 Notes.

As of December 31, 2023, we had $61.0 million of cash and cash equivalents, $60.8 million of receivables from customers, which historically have had an average collection cycle of approximately 55 days. We had restricted cash of $0.5 million as of December 31, 2023 and 2022, respectively, 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.

On November 6, 2023, the board of directors approved a quarterly dividend of $0.1875 per share. The $3.1 million dividend was paid to holders of record as of January 2, 2024 on February 1, 2024. On February 28, 2024, the board of directors approved a quarterly dividend of $0.1975 per share. The dividend will be paid to holders of record as of April 5, 2024 on May 1, 2024.

During 2023, the Company voluntarily repurchased an aggregate $27.1 million in principal amount of its 2026 Notes below par, plus accrued interest. The Company may repurchase additional amounts in future periods.

On June 16, 2023, the Company repurchased 1.5 million shares of the Company’s Class C common stock in the aggregate amount of $14.6 million from MSG National Properties, LLC ("MSG"). The shares were retired upon repurchase. Additionally, the Company repurchased approximately 0.2 million shares of Class A common stock for approximately $2.1 million, during the twelve months ended December 31, 2023.

Our anticipated uses of cash in the near term include working capital needs, interest payments, dividend payments, other obligations, and capital expenditures. The Company believes that the cash generated by its operations should be sufficient to meet its liquidity needs for at least the next 12 months. However, our ability to fund our working capital needs, dividend payments, 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 could introduce covenants that might restrict our operations. We cannot assure you that we could obtain additional financing on favorable terms or at all.

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 may require additional capital, which may not be available to us on acceptable terms, if at all.

We closely monitor the impact of capital and credit market conditions on our liquidity and our ability to refinance in the future. We also routinely monitor the changes in the financial condition of our customers and the potential impact on our results of operations.

Other Liquidity Matters

Below is a summary of additional liquidity matters. See the indicated Notes to Consolidated Financial Statements for additional details related to these and other matters affecting our liquidity and commitments.

Long-Term Debt	Note 8
Lease and Other Commitments	Note 9

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 economic conditions 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.

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 adequacy 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; (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 6, *Goodwill and Other Intangible Assets, Net,* 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 cash flow 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.

For further discussion on key assumptions utilized in the greenfield method, see Note 2, *Summary of Significant Accounting Policies - Intangible Assets*. For further discussion of impairment charges, see Note 6, *Goodwill and Other Intangible Assets, Net,* 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 and the Employee Stock Purchase Plan, ("ESPP") 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 or Monte Carlo option-pricing models for service and market-based options, respectively. We estimate the fair value of the ESPP based on the estimated grant-date fair value determined using the Black-Scholes model. These models require assumptions including the fair value of our common stock, expected volatility, expected term of the award, exercise timing, expected dividend yield and risk-free interest rate. Stock-based compensation expense is recognized as the equity awards vest or on derived service period. We account for forfeitures as a reduction of compensation cost in the period when such forfeitures occur.

For further discussion on the fair value of option awards, see Note 11, *Equity,* in our Notes to Consolidated Financial Statements.

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. As of December 31, 2023, the Company has recorded $38.5 million of valuation allowance against its net operating losses and tax credit carry forwards. Revisions to our forecasts or declining macroeconomic conditions could result in changes to our assessment of the realization of these deferred income tax assets.

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.

For further discussion of valuation allowances and uncertain tax positions, see Note 10, *Income Taxes,* in our Notes to Consolidated Financial Statements.

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, P.C., 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, 2023. 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, 2023, our Chief Executive Officer and Chief Financial Officer determined that the Company's internal control over financial reporting was effective as of December 31, 2023.

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, 2023, 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's internal control over financial reporting was effective as of December 31, 2023.

Our independent registered public accounting firm, BDO USA, P.C., independently assessed the effectiveness of our internal control over financial reporting as of December 31, 2023, as stated in the firm's attestation report, which appears on page F-3.

PART III

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the quarter ended December 31, 2023, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended), adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408(a) and (c) of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspection

Not Applicable.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the information in the 2024 Proxy Statement under the caption "Directors and Corporate Governance" and "Executive Officers."

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the information in the 2024 Proxy Statement under the captions “Executive Compensation” and “Director Compensation.”

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 2024 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, 2023, relating to equity compensation plans of the Company pursuant to which equity securities of the Company are authorized for issuance. For more information on these plans, see Note 11, *Equity,* in our Notes to Consolidated Financial Statements.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights (a)	Weighted-Average Exercise Price of Outstanding Options 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	11,056,324	$7.74	11,814,800
Equity compensation plans not approved by security holders	—	—	—
Total	**11,056,324**	**$7.74**	**11,814,800**

Employee Stock Purchase Plan

In September 2021, the Company’s Board of Directors approved the 2021 Employee Stock Purchase Plan (the “ESPP”). The Plan constitutes a sub-plan under the Townsquare Media, Inc. 2014 Omnibus Incentive Plan. Under the ESPP, eligible employees may authorize payroll deductions of at least 3% but no more than 15% of their current compensation of each payday during six month offering periods which commence on January 1 and July 1. Contributions are subject to an annual limitation of $25,000, and are used to purchase shares of Class A common stock at 90% of the fair market value of the Class A common stock on either the first or last day of an offering period, whichever is lower. The total number of shares purchased during each offering period may not exceed 2,000 shares per eligible participant and the total aggregate discount price for any calendar year may not exceed an annual limitation of $600,000. The first offering period for the ESPP commenced on January 1, 2022. During the year ended December 31, 2023, the total amount of common stock issued under the ESPP totaled 111,709 shares of Class A common stock. During the year ended December 31, 2022, a total of 102,224 shares of Class A common stock were issued under the ESPP.

Stock Repurchase Plan

On December 16, 2021, the Board of Directors approved a stock repurchase plan (the “2021 Stock Repurchase Plan”), pursuant to which the Company is authorized to repurchase up to $50 million of the Company’s issued and outstanding Class A common stock over a three-year period. Repurchases of common stock under the repurchase plan may be made, from time to time, in amounts and at prices the Company deems appropriate, subject to market conditions, applicable legal requirements, debt covenants and other considerations. Any such repurchases may be executed using open market purchases, privately negotiated agreements or other transactions, and may be funded from cash on hand, available borrowings or proceeds from potential debt or other capital markets sources. During the year ended December 31, 2023, the total amount of shares repurchased under the 2021 Stock Repurchase Plan was 183,768 shares. During the year ended December 31, 2022, a total of 25,623 shares were repurchased under the 2021 Stock Repurchase Plan.

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 2024 Proxy Statement under the captions “Directors and Corporate Governance,” “Executive Officers" 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 2024 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
10.2.4 *	Amended and Restated Employment Agreement, dated, October 7, 2022, by and between Townsquare Media Inc. and Bill Wilson.		8-K		10.1	10/14/2022
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
10.4.3 *	Amended and Restated Employment Agreement, dated, October 7, 2022, by and between Townsquare Media Inc. and Stuart Rosenstein.		8-K		10.2	10/14/2022

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
10.5.3 *	Amended and Restated Employment Agreement, dated, October 7, 2022, by and between Townsquare Media Inc. and Erik Hellum.		8-K		10.3	10/14/2022
10.5.4 *	Amended and Restated Employment Agreement, dated, December 21, 2023, by and between Townsquare Media, Inc. and Erik Hellum.		8-K		10.1	12/28/2023
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
10.7.7 *	2021 Employee Stock Purchase Plan					
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

Exhibit Number	Exhibit Description	Filed/Furnished Herewith	Form	Period Ending	Exhibit/Appendix Number	Filing Date
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
16.1	Letter to Securities and Exchange Commission from RSM US LLP, dated June 19, 2019		8-K		16.1	6/19/2019
17.1	Departure of Director, David Quick (incorporated by reference to the registrant's Current Report on Form 8-K filed on May 17, 2021)		8-K		17.1	5/17/2021
21.1	List of Subsidiaries of Townsquare Media, Inc.	X				
23.1	Consent of BDO USA, P.C.	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				
97.1	Clawback Policy, adopted as of October 26, 2023.	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.

Exhibit Number	Exhibit Description	Filed/Furnished Herewith	Form	Period Ending	Exhibit/Appendix Number	Filing Date

(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 15th day of March 2024.

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 15, 2024
/s/ Stuart Rosenstein Stuart Rosenstein	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 15, 2024
/s/ Robert Worshek Robert Worshek	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 15, 2024
/s/ Steven Price Steven Price	Executive Chairman and Director	March 15, 2024
/s/ B. James Ford B. James Ford	Director	March 15, 2024
/s/ Gary Ginsberg Gary Ginsberg	Director	March 15, 2024
/s/ Stephen Kaplan Stephen Kaplan	Director	March 15, 2024
/s/ David Lebow David Lebow	Director	March 15, 2024
/s/ Gary D. Way Gary D. Way	Director	March 15, 2024

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, 2023 and 2022, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years then ended, and the related notes and schedule (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, 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, 2023, 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 15, 2024 expressed an unqualified opinion thereon.

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 audit 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 the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

FCC Broadcast License Impairment Assessment

As described in Notes 2 and 6 to the consolidated financial statements, the Company's FCC licenses carrying value at December 31, 2023 was $181.2 million. Management tests the FCC licenses for impairment annually, as of December

31, or more frequently if certain events or changes in circumstances indicate they may be impaired. In order to determine the fair value of the FCC licenses, management utilized an income approach, specifically the Greenfield method. This method 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 Greenfield method requires management to make certain significant judgments and assumptions such as discount rate, forecasted revenue growth and profit margins, among others, which may be affected by future economic and market conditions.

We identified the impairment assessment of certain FCC licenses as a critical audit matter. The principal considerations for our determination were the certain significant judgments and assumptions that management used when developing the fair value measurement of the FCC licenses, primarily the discount rate, forecasted revenue growth and profit margins. Auditing the discount rate, forecasts of future revenues and profit margins assumptions involved especially challenging and subjective auditor judgment due to the nature and extent of the audit effort required to address these matters, including the extent of specialized skills and knowledge needed.

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

- Evaluating the reasonableness of the forecasted revenue growth used by management by comparing the forecasts to industry data and historical financial results.
- Evaluating the reasonableness of the forecasted profit margins used by management by comparing the forecasts to historical financial results.
- Utilizing personnel with specialized skills and knowledge in valuation to assist in evaluating the reasonableness of the inputs and assumptions used in the estimation of the discount rate used in the Greenfield method.

/s/ BDO USA, P.C.

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

New York, New York
March 15, 2024

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, 2023, 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 maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years then ended, and the related notes and schedule and our report dated March 15, 2024, 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.

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, P.C.

New York, New York

March 15, 2024

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

	At December 31, 2023	At December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 61,046	$ 43,417
Accounts receivable, net of allowance for credit losses of $4,041 and $5,946, respectively	60,780	61,234
Prepaid expenses and other current assets	10,356	16,037
Total current assets	**132,182**	**120,688**
Property and equipment, net	110,194	113,846
Intangible assets, net	200,306	276,838
Goodwill	157,270	161,385
Investments	3,542	19,106
Operating lease right-of-use assets	46,887	50,962
Other assets	1,165	1,197
Restricted cash	503	496
Total assets	**$ 652,049**	**$ 744,518**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,036	$ 4,127
Deferred revenue	9,059	10,669
Accrued compensation and benefits	13,085	14,831
Accrued expenses and other current liabilities	25,112	17,876
Operating lease liabilities, current	9,376	9,008
Accrued interest	14,420	15,203
Total current liabilities	**76,088**	**71,714**
Long-term debt, net of deferred finance costs of $3,960 and $6,324, respectively	499,658	524,442
Deferred tax liability	11,856	18,748
Operating lease liability, net of current portion	41,437	45,107
Other long-term liabilities	13,099	15,428
Total liabilities	**642,138**	**675,439**
Stockholders' equity:		
Class A common stock, par value $0.01 per share; 300,000,000 shares authorized; 14,023,767 and 12,964,312 shares issued and outstanding, respectively	140	130
Class B common stock, par value $0.01 per share; 50,000,000 shares authorized; 815,296 and 815,296 shares issued and outstanding, respectively	8	8
Class C common stock, par value $0.01 per share; 50,000,000 shares authorized; 1,961,341 and 3,461,341 shares issued and outstanding, respectively	20	35
Total common stock	168	173
Treasury stock, at cost; 183,768 and 0 shares of Class A common stock, respectively	(2,177)	—
Additional paid-in capital	310,612	309,645
Accumulated deficit	(302,193)	(244,298)
Non-controlling interest	3,501	3,559
Total stockholders' equity	9,911	69,079
Total liabilities and stockholders' equity	**$ 652,049**	**$ 744,518**

See Notes to Consolidated Financial Statements

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Net revenue	$ 454,231	$ 463,077
Operating costs and expenses:		
Direct operating expenses, excluding depreciation, amortization, and stock-based compensation	329,197	324,931
Depreciation and amortization	19,200	19,044
Corporate expenses	25,023	24,428
Stock-based compensation	8,033	3,797
Transaction and business realignment costs	1,169	4,448
Impairment of intangible assets, investments, goodwill, and long-lived assets	90,578	31,114
Net loss (gain) on sale and retirement of assets	170	(275)
Total operating costs and expenses	**473,370**	**407,487**
Operating (loss) income	**(19,139)**	**55,590**
Other expense (income):		
Interest expense, net	37,249	39,828
Gain on repurchases of debt	(1,249)	(108)
Other (income) expense, net	(5,975)	2,044
(Loss) income from operations before tax	**(49,164)**	**13,826**
Income tax benefit	(6,142)	(564)
Net (loss) income	**$ (43,022)**	**$ 14,390**
Net (loss) income attributable to:		
Controlling interests	(44,961)	12,337
Non-controlling interests	1,939	2,053
Net (loss) income	(43,022)	14,390
Basic (loss) income per share:	$ (2.68)	$ 0.73
Diluted (loss) income per share:	$ (2.68)	$ 0.68
Weighted average shares outstanding:		
Basic	16,761	16,991
Diluted	16,761	18,204

See Notes to Consolidated Financial Statements

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Cash flows from operating activities:		
Net (loss) income	$ (43,022)	$ 14,390
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization	19,200	19,044
Amortization of deferred financing costs	2,086	1,879
Non-cash lease expense	96	11
Net deferred taxes and other	(6,892)	(1,333)
Allowance for credit losses	4,265	3,015
Stock-based compensation expense	8,033	3,797
Gain on repurchases of debt	(1,249)	(108)
Trade and barter activity, net	(1,465)	(4,626)
Impairment of intangible assets, investments, goodwill and long-lived assets	90,578	31,114
Realized gain on sale of digital assets	(839)	—
Gain on sale of investment	(5,210)	—
Unrealized loss on investment	388	2,073
Content rights acquired	—	(19,784)
Amortization of content rights	4,867	4,315
Change in content rights liabilities	(2,997)	16,297
Other	(291)	(837)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(3,900)	(7,185)
Prepaid expenses and other assets	6,198	(4,719)
Accounts payable	982	(1,608)
Accrued expenses	(2,268)	(4,621)
Accrued interest	(783)	(551)
Other long-term liabilities	50	(378)
Net cash provided by operating activities	**67,827**	**50,185**
Cash flows from investing activities:		
Payment for acquisition	—	(18,485)
Purchase of property and equipment	(14,979)	(15,828)
Purchase of digital assets	—	(4,997)
Proceeds from sale of digital assets	2,975	—
Proceeds from insurance recoveries	774	578
Proceeds from sale of assets and investment related transactions	7,661	968
Net cash used in investing activities	**(3,569)**	**(37,764)**
Cash flows from financing activities:		
Repurchases of 2026 Notes	(25,621)	(18,850)
Dividend payments	(9,344)	—
Proceeds from stock options exercised	6,750	790
Repurchases of stock	(16,645)	(225)
Withholdings for shares issued under the ESPP	729	753
Cash distribution to non-controlling interests	(1,997)	(1,820)
Repayments of capitalized obligations	(494)	(155)
Net cash used in financing activities	**(46,622)**	**(19,507)**
Cash and cash equivalents and restricted cash:		
Net increase (decrease) in cash, cash equivalents and restricted cash	**17,636**	**(7,086)**
Beginning of period	43,913	50,999
End of period	**$ 61,549**	**$ 43,913**

See Notes to Consolidated Financial Statements

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Supplemental Disclosure of Cash Flow Information:		
Cash payments:		
Interest	$ 37,547	$ 38,603
Income taxes	1,412	1,198
Supplemental Disclosure of Non-cash Activities:		
Dividends declared, but not paid during the period	$ 3,279	$ —
Deferred payments for software licenses	3,889	—
Investments acquired in exchange for advertising [(1)]	—	4,161
Property and equipment acquired in exchange for advertising [(1)]	997	1,198
Accrued capital expenditures	85	158
Supplemental Disclosure of Cash Flow Information relating to Leases:		
Cash paid for amounts included in the measurement of operating lease liabilities, included in operating cash flows	$ 11,747	$ 10,909
Right-of-use assets obtained in exchange for operating lease obligations	5,687	10,944
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 61,046	$ 43,417
Restricted cash	503	496
	$ 61,549	$ 43,913

[(1)] Represents total advertising services provided by the Company in exchange for property and equipment and equity interests acquired during each of the years ended December 31, 2023 and 2022, respectively.

See Notes to Consolidated Financial Statements

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

	Shares of Common Stock			Treasury Stock						
	Class A	Class B	Class C	Class A						
	Shares	Shares	Shares	Shares	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Non-controlling Interest	Total
Balance at December 31, 2021	**12,573,654**	**815,296**	**3,461,341**	**—**	**$ 169**	**$ —**	**$ 302,724**	**$ (256,635)**	**$ 3,326**	**$ 49,584**
Net income	—	—	—	—	—	—	—	12,337	2,053	14,390
Common stock issued under exercise of stock options	116,601	—	—	—	1	—	789	—	—	790
Issuance of restricted stock[(1)]	197,456	—	—	—	2	—	1,807	—	—	1,809
Stock-based compensation	—	—	—	—	—	—	3,797	—	—	3,797
Treasury stock acquired at cost[(2)]	—	—	—	25,623	—	(225)	—	—	—	(225)
Common stock issued under the Employee Stock Purchase Plan	76,601	—	—	(25,623)	1	225	528	—	—	754
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,820)	(1,820)
Balance at December 31, 2022	**12,964,312**	**815,296**	**3,461,341**	**—**	**$ 173**	**$ —**	**$ 309,645**	**$ (244,298)**	**$ 3,559**	**$ 69,079**
Net loss	—	—	—	—	—	—	—	(44,961)	1,939	(43,022)
Dividends declared ($0.75 per share)	—	—	—	—	—	—	—	(12,934)	—	(12,934)
Repurchase of stock[(3)]	—	—	(1,500,000)	—	(15)	—	(14,535)	—	—	(14,550)
Common stock issued under exercise of stock options	847,731	—	—	—	8	—	6,742	—	—	6,750
Issuance of restricted stock[(4)]	100,015	—	—	—	1	—	(1)	—	—	—
Stock-based compensation	—	—	—	—	—	—	8,033	—	—	8,033
Treasury stock acquired at cost[(2)]	—	—	—	183,768	—	(2,177)	—	—	—	(2,177)
Common stock issued under the Employee Stock Purchase Plan	111,709	—	—	—	1	—	728	—	—	729
Cash distributions to non-controlling interests	—	—	—	—	—	—	—	—	(1,997)	(1,997)
Balance at December 31, 2023	**14,023,767**	**815,296**	**1,961,341**	**183,768**	**$ 168**	**$ (2,177)**	**$ 310,612**	**$ (302,193)**	**$ 3,501**	**$ 9,911**

(1) Includes 156,000 shares issued in the form of stock awards that vested immediately.

(2) Represents shares repurchased under the terms of the Company's stock repurchase plan pursuant to which the Company is authorized to repurchase up to $50 million of the Company's issued and outstanding Class A common stock over a three-year period, the "2021 Stock Repurchase Plan."

(3) On June 16, 2023, the Company repurchased 1.5 million shares of the Company's Class C common stock. For further discussion on the repurchase, see Note 11, *Stockholders' Equity*, in our Notes to Consolidated Financial Statements.

(4) Refer to Note 11, *Stockholders' Equity*, in the accompanying Notes to Consolidated Financial Statements for additional information related to shares issued.

See Notes to Consolidated Financial Statements

Note 1. Organization and Basis of Presentation

Nature of Business

Townsquare is a community-focused digital media and digital marketing solutions company with market leading local radio stations, principally focused outside the top 50 markets in the U.S. Our integrated and diversified products and solutions enable local, regional and national advertisers to target audiences across multiple platforms, including digital, mobile, social, video, streaming, e-commerce, radio and events. Our assets include a subscription digital marketing services business (“Townsquare Interactive”), providing website design, creation and hosting, search engine optimization, social platforms and online reputation management as well as other monthly digital services for approximately 24,000 small to medium sized businesses; a robust digital advertising division (“Townsquare Ignite,” or “Ignite”), a powerful combination of (a) an owned and operated portfolio of more than 400 local news and entertainment websites and mobile apps along with a network of leading national music and entertainment brands, collecting valuable first party data and (b) a proprietary digital programmatic advertising technology stack with an in-house demand and data management platform; and a portfolio of 350 local terrestrial radio stations in 74 U.S. markets strategically situated outside the Top 50 markets in the United States. Our portfolio includes local media brands such as *WYRK.com*, *WJON.com* and *NJ101.5.com*, and premier national music brands such as *XXLmag.com*, *TasteofCountry.com*, *UltimateClassicRock.com*, and *Loudwire.com*.

Current economic challenges, including high and sustained inflation and interest rates have caused and could continue to cause economic uncertainty and volatility. These factors could result in advertising and subscription digital marketing solutions cancellations, declines in the purchase of new advertising by our clients, declines in the addition of new digital marketing solutions subscribers, and increases to our operating expenses. We monitor economic conditions closely, and in response to observed or anticipated reductions in revenue, we may institute precautionary measures to address the potential impact to our consolidated financial position, consolidated results of operations, and liquidity, including wage reduction efforts and controlling non-essential capital expenditures.

The extent of the impact of current economic conditions will depend on future actions and outcomes, all of which remain fluid and cannot be predicted with confidence (including effects on advertising activity, consumer discretionary spending and our employees in the markets in which we operate).

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.

Segment Reporting: The Company's operating segments are organized internally by the types of products and services provided, represented by three segments: Subscription Digital Marketing Solutions, which includes the results of the Company's subscription digital marketing solutions business, Townsquare Interactive; Digital Advertising, which includes digital advertising on its owned and operated digital properties and its digital programmatic advertising platform; and Broadcast Advertising, which includes our local, regional and national advertising products and solutions delivered via terrestrial radio broadcast, and other miscellaneous revenue that is associated with its broadcast advertising platform. The remainder of the Company's business is reported in the Other category, which includes owned and operated live events.

The presentation of $0.1 million of broadcast and digital advertising revenues for the year ended December 31, 2022 have been reclassified to conform with the current period's presentation.

The Company's activities are predominately within the United States, which represents one geographic region for segment reporting. The Company does not have any material inter-segment sales. See Note 13, *Segment Reporting,* in our Notes to Consolidated Financial Statements for further information.

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 credit losses 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 1% of revenue for the years ended December 31, 2023 and 2022.

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, 2023 and 2022, cash equivalents were comprised of money market funds of $59.0 million and $42.4 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 as of December 31, 2023 and 2022, respectively.

Accounts Receivable and Allowance for Credit Losses: Accounts receivable are recorded at the invoiced amount. The Company maintains an allowance for credit losses, which represents the portion of accounts receivable that is not expected to be collected over the duration of its contractual life. Credit losses are recorded when the

Company believes a customer, or group of customers, may not be able to meet their financial obligations. A considerable amount of judgment is required in determining expected credit losses. Relevant factors include prior collection history with customers, the related aging of past due balances, projections of credit losses based on historical trends or past events, and the consideration of forecasts of future economic conditions. Allowances for credit losses are based on facts available and are re-evaluated and adjusted on a regular basis. Negative macroeconomic trends could result in an increase in credit losses if delays in the payment of outstanding receivables are observed or if future economic conditions differ from those considered in our forecasts. Account balances are charged off against the allowance when it is probable the receivable will not be recovered.

The change in the allowance for credit losses for the year ended December 31, 2023 was as follows (in thousands):

Balance at December 31, 2022	$	5,946
Provision for credit losses		4,265
Amounts written off against allowance, net of recoveries		(6,170)
Balance at December 31, 2023	**$**	**4,041**

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 property and equipment are as follows:

Property Type	Depreciation Period in Years
Buildings and improvements	10 to 39 years
Broadcasting equipment	3 to 30 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 3 years
Leasehold improvements	Shorter of the economic useful life or remaining term of lease assuming likely renewal periods, as appropriate

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.

During each of the years ended December 31, 2023 and 2022, the Company received total insurance recoveries of $0.8 million and $0.6 million, respectively, primarily related to hurricane related damages incurred in the Shreveport, LA and Lake Charles, LA markets, respectively. Insurance recoveries are included as a component of Other expense (income), net 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 $5.9 million and $4.7 million during each of the years ended December 31, 2023 and 2022, respectively. 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.

Intangible Assets: Intangible assets consist principally of Federal Communication Commission (“FCC”) broadcast licenses and other definite-lived intangible assets. FCC broadcast licenses are granted to radio stations for up to eight years under the Telecommunications Act of 1996 (the “Act”). The Act requires the FCC to renew a broadcast license if the FCC finds that the station has served the public interest, convenience and necessity, there have been no serious violations of either the Communications Act of 1934 or the FCC’s rules and regulations by the licensee, and there have been no other serious violations which taken together constitute a pattern of abuse. The licenses may be renewed indefinitely at minimal cost. Costs incurred to renew FCC broadcast licenses are expensed as incurred. The weighted average time to renewal of our FCC licenses is 5.6 years as of December 31, 2023. 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 9 years, as of December 31, 2023.

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 cash flow 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 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, profit margins and a risk-adjusted discount rate. 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 2023 impairment assessments:

	December 31, 2023	
Discount Rate	12.2% - 14.1%	
Long-term Revenue Growth Rate	0.0%	
	Low	High
Mature Market Share*	20.6 %	75.0 %
Operating Profit Margin	20.0 %	47.0 %

Below are some of the key assumptions used in our 2022 impairment assessments:

	December 31, 2022	
Discount Rate	10.2% - 12.0%	
Long-term Revenue Growth Rate	0.0%	
	Low	High
Mature Market Share*	19.3 %	60.7 %
Operating Profit Margin	20.0 %	47.0 %

* Market share assumption used when reliable third-party data is available. Otherwise, Company results and forecasts are utilized.

Based on the results of the Company's impairment evaluations of its FCC licenses performed at March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023, we incurred impairment charges of $8.2 million, $16.6 million, $23.6 million, and $22.5 million, respectively, for FCC licenses in 36 of our 74 local markets representing total FCC impairment charges of $70.9 million for the year ended December 31, 2023.

Based on the results of the Company's impairment evaluations of its FCC licenses performed at June 30, 2022, September 30, 2022 and December 31, 2022, we incurred impairment charges of $5.2 million, $10.3 million and $10.6 million, respectively, for FCC licenses in nine of our 74 local markets representing total FCC impairment charges of $26.1 million for the year ended December 31, 2022.

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 broadcast revenues experience 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 31st, 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 unit is comprised of the components representing the local broadcast 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) Amped, which is our owned and operated network of digital brands, made up of over 400 websites and over 400 mobile applications (iv) Analytical Services, which is an attribution and analytics platform dedicated to tracking broadcast media, (v) Townsquare Interactive, which is our subscription based digital marketing solutions offered to small and mid-sized local and regional businesses in markets outside the top 50 in the United States, and (vi) Live Events, which includes the operations of our national events including other expos, lifestyle and active events which occur outside of our 74 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; (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 fair value of the Company's reporting units to the Company's enterprise value based on its market capitalization.

During the third quarter of 2023, the Company concluded that the carrying amount of the Local Advertising reporting unit exceeded its fair value, resulting in the recognition of a non-cash goodwill impairment charge of $2.8 million. An interim impairment assessment was considered necessary as a result of declines in traditional broadcast revenue and the increase in the weighted average cost of capital. The Company did not identify indicators of impairment related to any other reporting unit that would have required an interim impairment assessment during the year ended December 31, 2023.

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, 2023, including goodwill. Based upon such assessment, we determined that the fair value of the following reporting units exceeded their respective carrying amounts. The fair values of our National Digital, Townsquare Ignite, Analytical Services and Townsquare Interactive reporting units were in excess of their respective carrying values by approximately 117%, 41%, 157%, and 147%, respectively. The fair values of each of our reporting units were determined using the 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 12.0% to 17.2% with perpetual growth rates ranging from 1.7% to 5.6%.

During the fourth quarter of 2023, the Company revised its near-term revenue and operating margin expectations for the Live Events reporting unit in consideration of the performance of events during the period. As a result, the Company determined that the fair value of the Live Events reporting unit was less than its carrying amount resulting in the recognition of a non-cash goodwill impairment charge of $1.4 million. The fair value of the Live Events reporting unit was calculated utilizing a weighted average cost of capital of 12.0%. Cash flow projections were derived from internal forecasts of anticipated revenue growth rates and operating margins, updated as discussed above, with cash flows beyond the discrete forecast period estimated using a terminal value calculation which incorporated historical and forecasted trends and an estimate of the long-term growth rate. The perpetual growth rate utilized in the terminal value calculation was 4.1%.

For 2022, 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, 2022, including goodwill. Based upon such assessment, we determined that the fair value of each of our reporting units exceeded their respective carrying amounts. The fair values of our Local Advertising, National Digital, Townsquare Ignite, Analytical Services, Townsquare Interactive and Live Events reporting units were in excess of their respective carrying values by approximately 18%, 243%, 90%, 211%, 252% and 19%, respectively. The fair values of each of our reporting units were determined using the 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 10% to 18.8% with perpetual growth rates ranging from (4.9)% to 10.6%.

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.

See Note 6, *Goodwill and Other Intangible Assets, Net,* for further details related to the results of our impairment testing for each of the years ended December 31, 2023 and 2022, respectively.

Investments: Long-term investments consists of minority holdings in various companies. As management does not exercise significant influence 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 equity securities is based upon an estimate of market value at the time of investment, or upon a combination of valuation analyses using both observable and unobservable inputs categorized as Level 2 and Level 3 within the ASC 820 framework, respectively.

In accordance with ASC 321, *Investments - Equity Securities*, the Company measures its equity securities at cost minus impairment, as their fair value is 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 adjusts the then current carrying values of the related investment. On July 2, 2021, one of the Company's investees completed its registration with the SEC and became a publicly traded company. As a result, the Company's investment was no longer measured at cost minus impairment and the carrying value of the investment is measured at its fair value with changes in fair value reflected in net income. Additionally, the Company evaluates its investments for any indicators of impairment. The Company recorded $14.5 million impairment charges for the year ended December 31, 2023. There were $1.2 million impairment charges recorded for the year ended December 31, 2022.

See Note 7, *Investments,* for further details related to the Company's investments.

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, 2023 and 2022 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. There were a total of $0.4 million non-cash impairment charges related to long-lived assets for the twelve months ended December 31, 2023. We recognized total impairment charges related to long-lived assets during the year ended December 31, 2022 of $0.9 million. Long-lived asset impairment charges are included in caption *Impairment of long-lived and intangible assets*, in the Company's Consolidated Statements of Operations.

Transaction and Business Realignment Costs: On June 17, 2022, following regulatory approval, the Company completed the acquisition of Cherry Creek Broadcasting LLC ("Cherry Creek") and incurred transaction, acquisition, integration, and other costs. On January 24, 2021 the Company entered into a stock repurchase agreement with Oaktree Capital Management L.P. ("Oaktree") and paid $4.5 million related to the settlement agreement.

The Company recorded the following transaction and business realignment costs for the years ended December 31, 2023 and 2022 (in thousands):

	December 31, 2023	December 31, 2022
Transaction/Acquisition Costs	127	1,085
Business Integration Costs	—	1,272
Compensation and Other Costs	1,042	2,091
Total	**$ 1,169**	**$ 4,448**

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 over time 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. Subscription 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, regional, and national advertisers and is recognized over the duration of the campaigns based on impressions delivered or time elapsed, depending upon the terms of the contract. Live events revenue and other non-broadcast advertising revenue are recognized as events are conducted. Deferred revenue consists primarily of digital subscriptions in which payment is received in advance of the service month and advance ticket sales of events scheduled to take place at dates in the future.

Trade and Barter Advertising: Trade and Barter Advertising (advertising provided in exchange for goods and services) are reported at the estimated fair value of the products or services received, unless this is not reasonably estimable, in which case the consideration is measured based on the standalone selling price of the advertising promised or delivered. Revenue from trade and barter advertising 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 trade and barter advertising were $13.8 million and $13.3 million for the years ended December 31, 2023 and 2022, respectively. Total expense recognized related to trade and barter advertising were $12.3 million and $8.7 million for the years ended December 31, 2023 and 2022, 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, accrued expenses and other current liabilities and other long-term liabilities 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. 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. There were a total of $0.6 million non-cash impairment charges related to ROU assets for the twelve months ended December 31, 2023 associated with the abandonment of leased office space in Purchase and Binghamton, NY, and in Dubuque, IA.

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, 2023, the Company operated two non-owned radio stations under an LMA. The total net revenue for the contractual portion of the LMAs of the radio stations and its total expenses for the contractual portion of the LMAs 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 8, *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 $0.7 million, for the years ended December 31, 2023 and 2022, 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 2019.

Stock-based compensation: Stock-based compensation expense related to stock-based transactions, including employee awards and the Employee Stock Purchase Plan (the "ESPP"), 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 time-based and performance-based option awards is estimated using the Black-Scholes and Monte Carlo option-pricing models. The models require assumptions including the fair value of the Company's common stock, expected volatility, expected term of the award, exercise timing, expected dividend yield and risk-free interest rate. Stock-based compensation expense is recognized as the equity awards vest and ESPP expense is based on the estimated grant-date fair value determined using the Black-Scholes valuation model with a straight-line amortization method. Share-based awards may be subject to forfeiture if certain employment conditions are not met. The Company accounts for forfeitures as they occur.

Employee benefit plans: The Company's 401(k) Plan is a defined contribution plan covering the employees of the Company and is subject to the provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 ("IRC"). The Company's U.S. employees participate in a defined contribution plan. Under the provisions of the plan, an employee is fully vested with respect to Company contributions after four years of service. The Company matches employee contributions of 25% up to a maximum of 4% of qualified compensation and may, at its discretion, make voluntary contributions. The Company's contributions were $1.0 million for each of the years ended December 31, 2023, and 2022, respectively.

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, 2023 and 2022, management does not believe any such matters are material to the Company's consolidated results of operations or financial condition.

Adjustments: During fourth quarter of 2023, the Company recorded an immaterial adjustment to recognize revenue and an equal amount of direct operating expense related to certain barter transactions that should have been recorded during the previous quarterly periods in 2023. The adjustment did not have any net effect on operating loss or net loss.

Accounting Developments

Recently Adopted Accounting Standards

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 became effective for smaller reporting companies for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.

The Company adopted the new guidance in the first quarter of 2023. The adoption of this standard did not have a significant impact on the Consolidated Financial Statements.

Recently Issued Standards That Have Not Yet Been Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting – Improvements to Reportable Segments Disclosures, which enhances disclosures of significant segment expenses by requiring to disclose significant segment expenses regularly provided to the chief operating decision maker, extends certain annual disclosures to interim periods, and permits more than one measure of segment profit or loss to be reported under certain conditions. The amendments are effective for the Company in fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption of the amendment is permitted, including adoption in any interim periods for which financial statements have not been issued. The Company is currently evaluating the guidance and the adoption of this standard is not expected to have a significant impact on the Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires additional categories of information about federal and state income taxes in the rate reconciliation table and to provide more details about reconciling items in some categories if items meet a quantitative threshold. The guidance also requires the disclosure of income taxes paid, net of refunds, disaggregated by federal (national) and state taxes for annual periods and to disaggregate the information by jurisdiction based on a quantitative threshold. The guidance is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the guidance and the adoption of this standard is not expected to have a significant impact on the Consolidated Financial Statements.

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, 2023				
	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Total
Net Revenue (ex Political)	$ 82,220	$ 150,074	$ 209,025	$ 10,010	$ 451,329
Political	—	202	2,700	—	2,902
Net Revenue	**$ 82,220**	**$ 150,276**	**$ 211,725**	**$ 10,010**	**$ 454,231**

	Year Ended December 31, 2022				
	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Total
Net Revenue (ex Political)	$ 90,402	$ 139,854	$ 216,858	$ 8,441	$ 455,555
Political	—	501	7,021	—	7,522
Net Revenue	**$ 90,402**	**$ 140,355**	**$ 223,879**	**$ 8,441**	**$ 463,077**

Revenue from contracts with customers is recognized as an obligation until the terms of a customer contract are satisfied; this occurs with the transfer of control as we satisfy contractual performance obligations. Our contractual performance obligations include the performance of digital marketing solutions, placement of internet-based advertising campaigns, broadcast of commercials on our owned and operated radio stations, 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 digital and broadcast advertising solutions on our owned and operated websites, radio stations' online streams, and mobile applications, radio stations, and on third-party websites through our in-house digital programmatic advertising platform. Through our digital programmatic advertising platform, we are able to hyper-target audiences for our local, regional and national advertisers by combining first and third-party audience and geographic location data, providing them the ability to reach a high percentage of their online audience. We deliver these solutions across desktop, mobile, connected TV, email, paid search and social media platforms utilizing display, video and native executions. We also offer subscription digital marketing solutions under the brand name Townsquare Interactive to small and mid-sized local and regional businesses in markets outside the top 50 across the United States, including the markets in which we operate radio stations. Townsquare Interactive offers 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.

Political net revenue includes the sale of advertising for political advertisers. Contracted performance obligations under political contracts consist of the broadcast and placement of digital advertisements. Management views political revenue separately based on the episodic nature of election cycles and local issues calendars.

Net revenue for digital advertisements are recognized as the contractual performance obligations for Townsquare services are satisfied over the duration of the campaigns based on impressions delivered or time elapsed. Net revenue for broadcast advertisements are recognized when the commercial is broadcast. Live events revenue and other non-broadcast advertising revenue are recognized as events are conducted. We measure progress towards the satisfaction of our contractual performance obligations in accordance with the contractual arrangement. We recognize the associated contractual revenue as delivery takes place and the right to invoice for services performed is met.

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.

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.

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 acquisition costs and contract liabilities from contracts with customers (in thousands):

	December 31, 2023	December 31, 2022
Accounts Receivable	$ 60,780	$ 61,234
Short-term contract liabilities (deferred revenue)	$ 9,059	$ 10,669
Contract acquisition costs	$ 5,175	$ 6,348

We receive payments from customers based upon contractual billing schedules; accounts receivable is recorded when the right to consideration becomes unconditional. Accounts receivable 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.

Our contract liabilities include cash payments received or due in advance of satisfying our performance obligations and digital subscriptions in which payment is received in advance of the service and month. These contract liabilities are recognized as revenue as the related performance obligations are satisfied. As of December 31, 2023, and December 31, 2022, the balance in the contract liabilities was $9.1 million and $10.7 million, respectively. The decrease in our contract liabilities balance from December 31, 2022 is primarily driven by $9.6 million of recognized revenue for the year ended December 31, 2023, offset by cash payments received or due in advance of satisfying our performance obligations. For the year ended December 31, 2022, we recognized $8.6 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, 2023.

Our capitalized contract acquisition costs include amounts related to sales commissions paid for signed contracts with perceived durations exceeding one year. We defer the related sales commission costs and amortize such costs to expense in a manner that is consistent with how the related revenue is recognized over the duration of the related contracts. We have evaluated the average customer contract duration (initial term and any renewals) to determine the appropriate amortization period for these contractual arrangements. Capitalized contract acquisition costs are recognized in prepaid expenses and other current assets in the accompanying consolidated balance sheets. As of December 31, 2023 and 2022, we had a balance of $5.2 million and $6.3 million in capitalized contract acquisition costs and recognized $6.8 million and $5.1 million of amortization during the years ended December 31, 2023 and 2022, respectively. 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, 2023 or 2022, 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 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. Performance obligations that are not distinct at contract inception are combined.

Performance Obligations

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. Amounts related to 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 and Divestitures

Acquisitions and Divestitures

On June 17, 2022, the Company acquired Cherry Creek Broadcasting LLC ("Cherry Creek") for a cash purchase price of $18.5 million, net of closing adjustments. The purchase price was in excess of the fair value of net assets acquired, resulting in the recognition of goodwill. The Company finalized the allocation of the purchase price for Cherry Creek during the three months ended March 31, 2023. The table below summarizes the Cherry Creek purchase price allocation. The measurement period adjustments below reflect changes from the preliminary purchase acquisition date fair values of major classes of net assets acquired (in thousands):

	Amounts recognized at June 17, 2022 (Provisional)	Measurement Period Adjustments	Amounts recognized at December 31, 2022 (Adjusted)	Measurement Period Adjustments	Amounts recognized at March 31, 2023 (Adjusted)
Net tangible assets acquired	$ 1,366	$ 4,790	$ 6,156	$ (96)	$ 6,060
Intangible assets, net	8,676	187	8,863	—	8,863
Goodwill	8,377	(4,939)	3,438	96	3,534
Total Purchase Price	**$ 18,419**	**$ 38**	**$ 18,457**	**$ —**	**$ 18,457**

The intangible assets acquired based on the estimate of the fair values of the identifiable intangible assets are as follows:

	Amounts recognized at December 31, 2022	Remaining Useful Life at June 17, 2022 (in years)
Customer relationships	$ 5,007	10
FCC licenses	2,889	Indefinite
Content Rights	642	7
Other intangibles	325	3
Total Acquired Intangible Assets	**$ 8,863**	

The estimate of the fair value of the customer relationships acquired in the Cherry Creek acquisition were determined using a risk-adjusted discounted cash flow model, specifically, the excess earnings method which considers the use of other assets in the generation of the projected cash flows of a specific asset to isolate the economic benefit generated by the customer relationships. The contribution of other assets, such as fixed assets, working capital and workforce, to overall cash flows was estimated through contributory asset capital charges. Therefore, the value of the acquired customer relationship is the present value of the attributed post-tax cash flows, net of the return on fair value attributed to tangible and other intangible assets.

The estimate of the fair value of the FCC licenses acquired in the Cherry Creek acquisition were determined utilizing observable market-based transactions of similar broadcast licenses and their estimated replacement values.

Goodwill totaling $3.4 million represents the excess of the Cherry Creek purchase price over the fair value of net assets acquired, representing future economic benefits that are expected to be achieved as a result of the acquisition, and is included in the Broadcast Advertising and Digital Advertising segments. The Company believes the acquisition of Cherry Creek, which includes a portfolio of local media brands, will further its goal of becoming the number one local media company in markets outside of the Top 50 in the United States. In addition, the acquisition provides an opportunity to bring our digital assets and solutions to the Cherry Creek markets and accelerate their digital growth with our Digital First strategy.

Goodwill generated from the Cherry Creek acquisition is deductible for income tax purposes.

The results of Cherry Creek's operations have been included in our Consolidated Financial Statements, following the closing of the acquisition on June 17, 2022. Pro forma information has not been presented because the effect of the acquisition is not material.

Simultaneously, due to FCC ownership limitations, the Company sold six radio stations in Missoula, MT for an immaterial amount and has placed one radio station in Tri-Cities, WA in a divestiture trust. On July 19, 2022, the Company acquired a radio station in Tri-Cities, WA for an immaterial amount.

During the twelve months ended December 31, 2023, the Company sold assets associated with radio broadcast stations in Texarkana, TX, Bozeman, MT and Danbury, CT for immaterial amounts, and returned the licenses associated with broadcast stations in Binghamton, NY and Augusta/Waterville, ME.

Note 5. Property and Equipment, Net

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

	December 31, 2023	December 31, 2022
Land and improvements	$ 19,320	$ 19,966
Buildings and leasehold improvements	58,302	57,386
Broadcast equipment	107,663	108,057
Computer and office equipment	25,097	24,211
Furniture and fixtures	22,384	22,968
Transportation equipment	18,573	20,703
Software development costs	45,347	39,489
Total property and equipment, gross	**296,686**	**292,780**
Less: Accumulated depreciation and amortization	(186,492)	(178,934)
Total property and equipment, net	**$ 110,194**	**$ 113,846**

Depreciation and amortization expense for property and equipment was $16.7 million and $17.1 million for the years ended December 31, 2023 and 2022, respectively.

For the year ended December 31, 2023, the Company recognized a total of $0.2 million in losses related to the sales of assets in various markets, as compared to an $0.3 million total gain related to the sales of assets for the year ended December 31, 2022.

For the year ended December 31, 2023, the company recognized $0.4 million in impairment charges related to the sale of land and a building in Battle Creek, MI.

For the year ended December 31, 2022, the Company sold land and a building in Quincy-Hannibal, IL and in Oelwein, IA. The Company recognized $0.9 million in impairment charges related to the sales.

The Company had no material right of use assets related to it finance leases as of December 31, 2023 and
2022.

Note 6. Goodwill and Other Intangible Assets, Net

Indefinite-lived intangible assets

Indefinite-lived assets consist of goodwill and FCC broadcast licenses.

FCC Broadcast Licenses

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, 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 changes in forecasted traditional broadcast revenue in the markets in which we operate in and increases in the weighted average cost of capital, the Company quantitatively evaluated the fair value of its FCC licenses at each quarter during the year ended December 31, 2023.

Based on the results of the Company's impairment evaluations of its FCC licenses performed at March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023, we incurred impairment charges of $8.2 million, $16.6 million, $23.6 million, and $22.5 million, respectively, for FCC licenses in 36 of our 74 local markets representing total FCC impairment charges of $70.9 million for the year ended December 31, 2023. The $70.9 million impairment charges recorded during the year were primarily driven by increases in the discount rate applied in the valuation of our FCC licenses due to an increase in the weighted average cost of capital, decreases in third-party forecasts of broadcast revenues and an increase in the estimate of initial capital costs due to rising prices.

The Company recorded impairment charges of $26.1 million for FCC licenses in nine of our 74 local markets during the year ended December 31, 2022, driven by increases in the discount rate applied in the valuation of our FCC licenses due to an increase in the weighted average cost of capital and the estimate of initial capital costs due to rising prices.

Charges related to the impairment of the Company's FCC licenses are included in the Broadcast 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 50-basis point increase in the weighted average cost of capital as of the date of our last quantitative assessment would cause the estimated fair values of our FCC licenses to decrease by $13.0 million which would have resulted in an additional impairment charge of $9.9 million as of December 31, 2023. Further, a 100-basis point decline in the long-term revenue growth rate would cause the estimated fair values of our FCC licenses to further decrease by $17.1 million which would have resulted in a further impairment charge of $14.0 million as of December 31, 2023. 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 broadcast revenue experiences actual or anticipated declines, 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.

Goodwill

During the third quarter of 2023, the Company concluded that the carrying amount of the Local Advertising reporting unit exceeded its fair value, resulting in the recognition of a non-cash goodwill impairment charge of $2.8 million. An interim impairment assessment was considered necessary as a result of declines in traditional broadcast revenue and the increase in the weighted average cost of capital. The Company did not identify indicators of impairment related to any other reporting unit that would have required an interim impairment assessment during the year ended December 31, 2023.

For its annual impairment testing performed as of December 31, 2023, 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, 2023. The fair values of our National Digital, Townsquare Ignite, Analytical Services, and Townsquare Interactive reporting units were in excess of their respective carrying values by approximately 117%, 41%, 157%, and 147%, respectively. The Local Advertising and Amped reporting units had no goodwill as of December 31, 2023.

During the fourth quarter of 2023, the Company revised its near-term revenue and operating margin expectations for the Live Events reporting unit in consideration of the performance of events during the period. As a result, the Company determined that the fair value of the Live Events reporting unit was less than its carrying amount resulting in the recognition of a non-cash goodwill impairment charge of $1.4 million. The fair value of the Live Events reporting unit was calculated using a weighted average cost of capital of 12.0%. Cash flow projections were derived from internal forecasts of anticipated revenue growth rates and operating margins, updated as discussed above, with cash flows beyond the discrete forecast period estimated using a terminal value calculation which incorporated historical and forecasted trends and an estimate of the long-term growth rate. The perpetual growth rate utilized in the terminal value calculation was 4.1%.

For 2022, 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, 2022. The fair values of the Local Advertising, National Digital, Townsquare Ignite, Analytical Services, Townsquare Interactive and Live Events reporting units were in excess of their respective carrying values by approximately 18%, 243%, 90%, 211%, 252% and 19%, respectively. The Amped reporting unit had no goodwill as of December 31, 2022.

As of December 31, 2023, the goodwill balances remaining for each of our reporting units were as follows (amounts in thousands):

	Goodwill at December 31, 2023	Goodwill at December 31, 2022
Reporting Unit:		
Local Advertising	$ —	$ 2,715
National Digital	8,273	8,273
Townsquare Ignite	67,101	67,101
Amped	—	—
Analytical Services	2,313	2,313
Townsquare Interactive	77,000	77,000
Live Events / Other	2,583	3,983
Balance	**$ 157,270**	**$ 161,385**

The fair values of each of our reporting units were determined using an income approach whereby the fair value was calculated utilizing discounted estimated future cash flows. 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 12.0% to 17.2% with perpetual growth rates ranging from 1.7% to 5.6%.

Due to the inherent uncertainties involved in making these estimates, assumptions may change in future periods. Estimates and assumptions made for purposes of goodwill impairment testing may prove to be inaccurate predictions of the future, and other factors used in assessing fair value, such as the weighted average cost of capital, are outside the control of management. Unfavorable changes in certain of these key assumptions may affect future testing results. For example, keeping all other assumptions constant, a 100-basis point increase in the weighted average cost of capital assumption for each of our reporting units would cause the estimated fair values of our National Digital, Townsquare Ignite, Analytical Service, Townsquare Interactive and Live Events reporting units to decline, resulting in a decrease in the fair value in excess of their respective carrying values by approximately 6%, 5%, 8%, 9%, and 4%, respectively. Further, keeping all other assumptions constant, a 10% decline in the estimated fair value of each reporting unit, due to other changes in assumptions, including forecasted future cash flows, would have resulted in an incremental goodwill impairment charge of approximately $0.3 million for the Live Events reporting unit. A 10% decline in the estimated fair values of the remainder of our reporting units would not have resulted in goodwill impairment charges for the year ended December 31, 2023.

The following table presents changes in goodwill by segment during each of the two years ended December 31, 2023 and 2022, respectively (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Total
Balance at December 31, 2021[1]	**$ 77,000**	**$ 76,964**	**$ —**	**$ 3,983**	**$ 157,947**
Cherry Creek acquisition[2]	—	723	2,715	—	**3,438**
Balance at December 31, 2022	**$ 77,000**	**$ 77,687**	**$ 2,715**	**$ 3,983**	**$ 161,385**
Cherry Creek measurement period adjustment [2]	—	—	96	—	**96**
Impairment	—	—	(2,811)	(1,400)	**(4,211)**
Balance at December 31, 2023	**$ 77,000**	**$ 77,687**	**$ —**	**$ 2,583**	**$ 157,270**

[(1)] The aggregate goodwill balance as of December 31, 2021 is net of (i) a $69.0 million non-cash goodwill impairment charge related to the local advertising businesses reporting unit in the fourth quarter of 2019; (ii) $48.9 million of accumulated impairment charges incurred in 2017, 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; and (iii) a $4.1 million write-off of goodwill was recorded in 2017 in connection with business realignments within the entertainment business.

[(2)] For further information see Note 4, *Acquisitions and Divestitures*.

Digital Assets

During the first quarter of 2022, the Company invested an aggregate of $5.0 million in digital assets. They are accounted for as indefinite-lived intangible assets in accordance with ASC 350, Intangibles - Goodwill and Other, included as a component of intangible assets, net on the Consolidated Balance Sheet. We had ownership of and control over our digital assets and we used third-party custodial services to secure it. Any decrease in the digital assets' fair values below our carrying values at any time subsequent to acquisition required the Company to recognize impairment charges. No upward revisions for any market price increases are recognized until a sale of the digital assets occurs.

The fair value of the digital assets was based upon quoted prices (unadjusted) on the active exchange that the Company determined was the principal market for our digital assets, Level 1 measurements under the fair value measurement hierarchy established under *Fair Value Measurement (Topic 820).* The Company performed an analysis to identify whether events or changes in circumstances, principally decreases in the quoted prices on the active exchange, indicated that it was more likely than not that our digital assets were impaired. In determining if an impairment had occurred, the Company considered the lowest market price of one unit of digital asset quoted on the active exchange since the date the Company acquired the digital assets. Any observed declines in the market values of our digital assets below their current carrying values resulted in an impairment loss equal to the difference between the digital assets carrying values and the lowest observed market price, even if the overall market values of these assets subsequently increased.

In early March 2023, the Company sold its digital assets with a carrying value of $2.1 million, recognizing a gain on the sale of $0.8 million, included as a component of Other (income) expense, net on the Consolidated Statements of Operations.

During the year ended December 31, 2022, the Company recorded $2.9 million in impairment losses due to changes in the fair value of the Company's digital assets observed during the period. As of December 31, 2022, the carrying value of the Company's digital assets was $2.1 million.

Definite-lived intangible assets

The Company’s definite-lived intangible assets were acquired primarily in various acquisitions as well as in connection with the acquisition of software and music licenses.

Content Rights

The Company enters into multi-year content licensing agreements pursuant to which the Company is required to make payments over the term of the license agreement. These licensing agreements are accounted for as a license of program material in accordance with ASC 920-350, Broadcasters - Intangibles - Goodwill and Other. The Company capitalizes the content licenses and records a related liability at fair value, which includes a discount, on the effective date of the respective license agreement. Amortization of capitalized content licenses is included as a component of direct operating expenses in the Consolidated Statement of Operations. The difference between the gross and net liability is amortized over the term of the license agreements and reflected as a component of interest expense.

The following tables present details of intangible assets as of December 31, 2023 and 2022, respectively (in thousands):

	December 31, 2023			
	Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:				
FCC licenses	Indefinite	$ 181,236	$ —	$ 181,236
Content rights and other intangible assets	3 - 9	32,630	(13,560)	19,070
Total		**$ 213,866**	**$ (13,560)**	**$ 200,306**

	December 31, 2022			
	Weighted Average Useful Life (in Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible Assets:				
FCC licenses	Indefinite	$ 252,110	$ —	$ 252,110
Digital Assets	Indefinite	2,136	0	2,136
Content rights and other intangible assets	1 - 10	37,092	(14,500)	22,592
Total		**$ 291,338**	**$ (14,500)**	**$ 276,838**

Amortization expense for definite-lived intangible assets for each of the years ended December 31, 2023 and 2022 was $7.3 million and $6.2 million, respectively.

Estimated future amortization expense for each of the five succeeding fiscal years and thereafter as of December 31, 2023 is as follows (in thousands):

2024	$ 7,314
2025	3,600
2026	3,188
2027	1,978
2028	1,880
Thereafter	1,110
	$ 19,070

Note 7. Investments

Long-term investments primarily consists of minority holdings in various companies. 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 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.

Equity securities measured at cost minus impairment

During the year ended December 31, 2023, the Company recorded $14.5 million of impairment charges for existing investments based on the implied fair value of the investees, as the Company became aware of objective evidence to indicate that the fair value of the investments were below their carrying amounts.

On April 12, 2023, one of the Company's investees was acquired as a result of a private transaction. The Company recognized a $5.2 million gain on the transaction during the twelve months ended December 31, 2023, based on total consideration received in the amount of $6.0 million.

During the twelve months ended December 31, 2022, the Company recorded a $1.2 million impairment charge for an investee based on the implied fair value of the investee as a result of a private transaction.

A total of $15.7 million in cumulative impairment charges have been recorded for the Company’s existing equity securities that are measured at cost minus impairment.

Equity securities measured at fair value

On July 2, 2021, one of the Company's investees completed its registration with the SEC and became a publicly traded company. Based on the market price of the investee's common stock as of December 31, 2023, the fair value of the Company's investment in the common stock of the investee was approximately $0.8 million. As a result, the Company recorded a total unrealized net loss of $0.4 million during 2023. The Company recorded a total unrealized net loss of $2.1 million during 2022.

Unrealized gains and losses are included as a component of other expense (income) on the Consolidated Financial Statements. The market price of the investee's common stock as of December 31, 2023 is categorized as Level 1 within the ASC 820 framework.

In February of 2024, one of the Company’s investees announced the completion of its acquisition in a private transaction. The Company will recognize a gain of approximately $4.0 million based on total consideration received in March of 2024.

Note 8. Long-Term Debt

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

	December 31, 2023	December 31, 2022
2026 Notes	$ 503,618	$ 530,766
Deferred financing costs	(3,960)	(6,324)
Total long-term debt	$ 499,658	$ 524,442

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 2026 Notes bear interest at a rate of 6.875% and mature on February 1, 2026. Interest on the 2026 Notes is payable semi-annually in cash in arrears on February 1 and August 1 of each year, commencing on August 1, 2021.

The Company’s obligations under the 2026 Notes are guaranteed by substantially all of its subsidiaries and assets. 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, subject to the following redemption prices, plus accrued and unpaid interest, if any to, but excluding, the redemption date:

Period	Price
Beginning February 1, 2023	103.438 %
Beginning February 1, 2024	101.719 %
Beginning February 1, 2025 and thereafter	100.000 %

Change of Control

If the Company experiences certain change of control events, holders of the 2026 Notes may require the Company 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.

Certain Covenants

The 2026 Notes indenture contains certain covenants that may limit, among other things, our ability to; incur additional indebtedness, declare or pay dividends, redeem stock, transfer or sell assets, make investments or 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.

During the year ended December 31, 2023, the Company voluntarily repurchased an aggregate $27.1 million principal amount of its 2026 Notes at or below par, plus accrued interest. The Company wrote-off approximately $0.3 million of unamortized deferred financing costs, recognizing a total net gain of $1.2 million in connection with the voluntary repurchases of its 2026 Notes. The repurchased notes were canceled by the Company.

During the year ended December 31, 2022, the Company voluntarily repurchased an aggregate $19.2 million principal amount of its 2026 Notes at or below par, plus accrued interest. The Company wrote-off approximately $0.3 million of unamortized deferred financing costs, recognizing a total net gain of $0.1 million in connection with the voluntary repurchases of its 2026 Notes. The repurchased notes were canceled by the Company.

The Company was in compliance with its covenants under the 2026 Notes indenture as of December 31, 2023.

As of December 31, 2023 and 2022, based on available market information, the estimated fair value of the 2026 Notes was $493.5 million and $472.4 million, respectively. The Company used Level 2 measurements under the fair value measurement hierarchy established under *Fair Value Measurement (Topic 820).*

The following table illustrates the components of our interest expense, net (in thousands):

	Year Ended December 31,	
	2023	**2022**
2026 Notes	$ 35,534	$ 36,999
Capital leases and other	1,350	1,140
Deferred financing costs and discounts	2,086	1,879
Interest income	(1,721)	(190)
Interest expense, net	**$ 37,249**	**$ 39,828**

Annual maturities of the Company's long-term debt as of December 31, 2023 are as follows (in thousands):

		(in thousands)
2024	$	—
2025		—
2026		503,618
2027		—
2028		—
Thereafter		—
	$	**503,618**

Note 9. 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 $14.7 million and $13.0 million for the years ended December 31, 2023 and 2022, respectively, and is included in Income from operations.

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, 2023 and 2022 were $5.6 million and $5.8 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, 2023**	**December 31, 2022**
Finance Leases	24.28 years	25.53 years
Operating leases	6.71 years	7.09 years
Weighted Average Discount Rate		
Finance Leases	7.40%	7.39%
Operating leases	6.98%	7.05%

Maturities of lease liabilities for operating leases are as follows as of December 31, 2023 (in thousands):

2024	$	11,843
2025		10,631
2026		7,849
2027		5,823
2028		4,942
Thereafter		16,305
Total operating lease payments		**57,393**
Less: imputed interest		**(12,151)**
Add: deferred gain sale leaseback transaction		**5,571**
Total	**$**	**50,813**

Maturities of lease liabilities for financing leases are as follows as of December 31, 2023 (in thousands):

2024	$	199
2025		173
2026		137
2027		109
2028		98
Thereafter		3,005
Total financing lease payments		**3,721**
Less: imputed interest		**(2,194)**
Total	**$**	**1,527**

Finance leases are included in property and equipment, net, accrued expenses and other current liabilities and other long-term liabilities on our Consolidated Balance Sheets.

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, 2023		Year Ended December 31, 2022	
Operating lease cost	$	11,831	$	10,778
Short-term lease cost		33		35
Variable lease cost		13		12
Total lease cost	**$**	**11,877**	**$**	**10,825**

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 fixed obligation under the agreements with Nielsen as of December 31, 2023 is approximately $15.0 million and is expected to be paid in accordance with the agreements through September 2026. In addition, the Company has aggregate commitments of $6.0 million for a business management platform through October 2026.

Future expected payments under these agreements as of December 31, 2023 are as follows (in thousands):

2024	$	9,127
2025		8,941
2026		2,982
2027		—
2028		—
Thereafter		—
Total purchase obligations	**$**	**21,050**

Total payments made under these agreements were $8.7 million and $10.2 million for the years ended December 31, 2023 and 2022, respectively.

Note 10. Income Taxes

Income tax (benefit) expense from operations for the years ended December 31, 2023 and 2022 consisted of the following (in thousands):

	2023	2022
Current income tax expense		
State	$ 750	$ 769
Total current income tax expense	**$ 750**	**$ 769**
Deferred tax (benefit) expense		
Federal	$ (5,516)	$ 421
State	(1,376)	(1,754)
Total deferred income tax benefit	**(6,892)**	**(1,333)**
Total income tax benefit	**$ (6,142)**	**$ (564)**

Total income tax (benefit) expense from operations differed from the amount computed by applying the federal statutory tax rate of 21% for the years ended December 31, 2023 and 2022, due to the following (in thousands):

	2023	2022
Pretax income at federal statutory rate	$ (10,324)	$ 2,903
State income tax expense, net federal expense	(1,146)	626
Non-deductible compensation	1,870	1,083
Non-controlling interest	(407)	(431)
Other Non-deductible items	69	(61)
Total Non-deductible items	1,532	591
Prior year true-up adjustment	—	241
Tax basis in investments	413	—
Tax attribute expiration	13,701	764
Prior year NOL adjustment	(135)	—
Tax rate changes	(102)	(192)
Stock-based compensation	386	188
Property and equipment	328	—
Total Adjustment of prior year deferred taxes	14,591	1,001
Change in valuation allowance	(10,878)	(5,672)
Other items	83	(13)
Total (benefit) expense for income taxes	**$ (6,142)**	**$ (564)**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2023 and 2022 are presented below (in thousands):

	2023	2022
Deferred tax assets:		
Allowance for credit losses	$ 1,026	$ 1,516
Accrued expenses and other current liabilities	347	479
Stock-based compensation	2,477	2,774
Investments	2,058	1,553
Property and equipment	1,502	1,977
Interest expense	23,200	16,949
Operating lease obligations	12,875	13,773
Non-current liabilities	2,250	2,462
Net operating loss and credit carryforwards	33,151	52,179
Foreign tax credits	385	385
	79,271	**94,047**
Less: valuation allowance	(38,520)	(49,398)
Deferred tax assets	**40,751**	**44,649**
Deferred tax liabilities:		
Intangible assets	39,930	49,227
Operating lease right of use assets	11,905	12,998
Software development costs	772	1,172
Deferred tax liabilities	**52,607**	**63,397**
Net deferred tax liabilities	**$ (11,856)**	**$ (18,748)**

As of December 31, 2023, the Company has federal net operating loss carryforwards of approximately $121.4 million available to offset future income which will expire in the years 2024 through 2037, of which $45.7 million has an indefinite life. Approximately $18.0 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 $57.8 million applicable to post IPO operations of the Company and can be utilized against future earnings without limitation through 2037. Additionally, the Company has various amounts of state net operating loss carry forwards expiring through 2043.

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, 2023 and 2022, management believes it is not more likely than not that the Company will realize the benefits of these deductible differences.

The decrease in the valuation allowance of $10.9 million during the December 31, 2023 period, is primarily due to the expiration of capital loss carryforwards of $13.5 million, a $0.6 million decrease in valuation allowances associated with the utilization of capital loss carryforwards, and a $5.8 million decrease in valuation allowances associated with the utilization of net operating loss carryforwards, partially offset by a $9.0 million increase in the valuation allowance for the interest expense carryforward. The decrease in the valuation allowance of $5.7 million during the December 31, 2022 period, is primarily due to the utilization of net operating loss carryforwards.

A reconciliation of the beginning and ending amounts of gross unrecognized tax benefits for the years ended December 31, 2023 and 2022 is as follows (in thousands):

	2023	2022
Balance at beginning of the year	$ —	$ —
Increases for prior year tax positions	12,986	—
Balance at the end of the year	**$ 12,986**	**$ —**

As of December 31, 2023, the Company had unrecognized tax benefits of $13.0 million, all of which if recognized, would result in additional federal and state net operating loss carryforwards, with $2.2 million impacting the effective tax rate, and $10.8 million fully offset by a valuation allowance. It is not expected that unrecognized tax benefits will materially change in the next 12 months.

Note 11. Stockholders' Equity

The table below presents a summary, as of December 31, 2023, 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	14,023,767	One vote per share.
Class B common stock	$ 0.01	50,000,000	815,296	Ten votes per share.[2]
Class C common stock	$ 0.01	50,000,000	1,961,341	No votes.[2]
Total		**400,000,000**	**16,800,404**	

[1] Each of the shares of common stock 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.

The foregoing share totals include 125,145 shares of restricted Class A common stock, subject to vesting terms, but excludes 7,449,595 of Class A common stock and 3,606,729 of Class B common stock issuable upon exercise of stock options, which options have an exercise price of between $4.79 and $10.08 per share and 873,265 of non-vested restricted Class A common stock units. 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.

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.

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 27,000,000 shares. As of December 31, 2023, 11,814,800 shares were available for grant. Shares issued under the 2014 Incentive Plan are generally issued from common stock authorized for issuance.

Employee Stock Purchase Plan

The ESPP constitutes a sub-plan under the Townsquare Media, Inc. 2014 Omnibus Incentive Plan. Under the ESPP, eligible employees may authorize payroll deductions of at least 3% but no more than 15% of their current compensation of each payday during six months offering periods which commence on January 1 and July 1. Contributions are subject to an annual limitation of $25,000, and are used to purchase shares of Class A common stock at 90% of the fair market value of the Class A common stock on either the first or last day of an offering period, whichever is lower. The total number of shares purchased during each offering period may not exceed 2,000 shares per eligible participant and the total aggregate discount price for any calendar year may not exceed an annual limitation of $600,000. During the years ended December 31, 2023 and 2022, the total amount of common stock issued under the ESPP totaled 111,709 and 102,224 shares, respectively.

Dividends Declared

On November 6, 2023 the board of directors approved a dividend of $0.1875 per share. The dividend of $3.1 million was paid to holders of record as of January 2, 2024 on February 1, 2024.

On February 28, 2024, the board of directors approved a dividend of $0.1975 per share. The dividend will be paid to holders of record as of April 5, 2024 on May 1, 2024.

Stock Repurchase Agreement

On June 16, 2023, the Company entered into a stock repurchase agreement with MSG National Properties, LLC ("MSG") to repurchase 1.5 million shares of the Company's Class C common stock. Total consideration paid in the aggregate amount of $14.6 million, or $9.70 per share, are reflected as a reduction in capital during the twelve months ended December 31, 2023. The shares were retired upon repurchase. Following this transaction, MSG owned 1,708,139 shares of Common Stock in the Company (comprising 583,139 shares of Class A Common Stock and 1,125,000 shares of Class C Common Stock).

Stock Repurchase Plan

The Company's 2021 Stock Repurchase Plan authorizes the repurchase of up to $50 million of the Company's issued and outstanding Class A common stock over a thirty-six month period ending on December 15, 2026. Repurchases of common stock under the repurchase plan may be made, from time to time, in amounts and at prices the Company deems appropriate, subject to market conditions, applicable legal requirements, debt covenants and other considerations. Any such repurchases may be executed using open market purchases, privately negotiated agreements or other transactions, and may be funded from cash on hand, available borrowings or proceeds from potential debt or other capital markets sources. There is no defined number of shares to be repurchased over a specified timeframe through the term of the 2021 Stock Repurchase Plan. During the years ended December 31, 2023 and 2022 a total of 183,768 and 25,623 shares, respectively, were repurchased representing total shares repurchased under the 2021 Stock Repurchase Plan of 209,391.

Stock Option Activity

During the year ended December 31, 2023, eligible option holders tendered 847,731 options to purchase 847,731 shares of Townsquare common stock.

During the year ended December 31, 2023, the Company granted 217,547 and 750,000 options with grant date fair values of \$2.47 to \$3.07 and \$2.05 to \$2.14, respectively. The options contain market conditions whereby the options will vest and become exercisable subject to the achievement of a specified volume weighted average trading price ("VWAP") over a specified period and continued employment through the performance period each as observed and summarized below, respectively:

VWAP over the last 20 trading days of the three-year performance period		VWAP over 30 consecutive trading days of the seven-year performance period	
VWAP	**Number of Shares that Vest**	**VWAP**	**Number of Shares that Vest**
$8.74	65,147	$11.00	250,000
$10.75	71,429	$14.00	250,000
$13.05	80,971	$17.00	250,000
	217,547		750,000

No portion of the grants will vest unless the VWAP targets are achieved during the respective performance periods.

The Company also granted 168,067 and 1,343,000 options with grant date fair values of \$3.99 and \$3.97, respectively. The options have three-year and four-year vesting periods, respectively, each with ten-year terms.

During the year ended December 31, 2022, the Company granted 681,951 options with grant date fair values of \$3.24 to \$3.35, each with a ten-year term. The options contain market conditions whereby the options will vest and become exercisable subject to the achievement of a specified VWAP over a period of 20 consecutive trading days from the grant date and continued employment through each vesting date, as observed over a five-year period, summarized as follows:

VWAP	Number of Shares that Vest
$9.59	138,462
$11.59	134,730
$13.59	134,329
$15.59	135,542
$17.59	138,888

No portion of the grant will vest unless the VWAP targets are achieved during the five-year period. The Company also granted 582,901 options with a grant date fair value of \$3.97. The options have a three year vesting period with a ten-year term.

The grant date fair value of stock options with market conditions is estimated using the Monte Carlo option pricing model, while stock options containing only service conditions is estimated using the Black-Scholes option pricing model. Each model requires an estimate 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:

	Monte Carlo Model	Black-Scholes Model	Monte Carlo Model	Black-Scholes Model
	2023	2023	2022	2022
Expected volatility	50%	51% - 52%	50.0 %	50.0 %
Expected term	5 - 7 years	6.01 - 6.38 years	6.67 years	6.01 years
Risk free interest rate	3.43% - 3.74%	3.42% - 4.02%	3.94 %	4.09 %
Expected dividend yield	0% - 9.15%	0%	0.0 %	0.0 %

For options only containing service conditions, the expected term was calculated using the simplified method, defined as the midpoint between the vesting period and the contractual term of each award, due to the lack of sufficient historical exercise data. For options with market-based conditions, the expected term was estimated based on when the options are expected to be exercised. The expected volatility was based on market conditions of the Company. 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. On March 6, 2023, the board of directors approved a quarterly dividend of $0.1875 per share for holders of record as of March 27, 2023. Thus, for options with grant dates prior to March 6, 2023, the expected dividend yield was 0%.

The following table summarizes option activity for the year ended December 31, 2023:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2022	**9,478,698**	**$ 7.80**	**4.62**	**$ 2,798**
Granted - service conditions	1,516,067	7.31		
Granted - market conditions	967,547	7.93		
Exercised	(847,731)	7.96		2,232
Forfeited and expired	(58,257)	7.40		
Outstanding at December 31, 2023	**11,056,324**	**$ 7.74**	**4.82**	**$ 31,221**
Exercisable at December 31, 2023	**7,527,075**	**$ 7.90**	**3.19**	**$ 19,989**

The maximum contractual term of stock options is 10 years.

Restricted Stock Awards

During the year ended December 31, 2023, the Company granted 68,876 shares to non-employee directors with a vesting period of one year, 26,067 shares with a vesting period of three years and 5,072 shares that vested immediately. The fair value of the restricted stock awards is equal to the closing share price on the date of grant.

The following table summarizes restricted stock activity for the year ended December 31, 2023:

	Number of Shares	Weighted Average Fair Value
Non-vested balance at January 1, 2023	**93,181**	**$ 9.63**
Shares granted	100,015	8.30
Shares vested	(68,051)	9.68
Non-vested balance at December 31, 2023	**125,145**	**$ 8.54**

The fair value of the restricted stock award is equal to the closing share price on the date of grant. The vesting terms of shares of restricted stock vary from 1 to 4 years.

Restricted Stock Units

The following table summarizes restricted stock unit activity for the year ended December 31, 2023:

	Number of Shares	Weighted Average Fair Value
Non-vested balance at January 1, 2023	—	$ —
Shares granted - service conditions	436,632	9.22
Shares granted - market conditions	436,633	6.17
Shares vested	—	—
Non-vested balance at December 31, 2023	**873,265**	**$ 7.69**

During the year ended December 31, 2023, the Company granted 436,632 stock units with a vesting period of three years and a grant date fair value of $7.55 and $10.89 per share, respectively. The fair value of the restricted stock awards is equal to the closing share price on the date of grant.

During the year ended December 31, 2023, the Company granted 218,543 and 218,090 restricted stock units with a vesting period of three years and grant date fair values ranging from $3.51 - $4.91 and $7.00 - $9.35, respectively. The stock units contain market conditions whereby the stock units will vest subject to the achievement of a specified VWAP, subject to continued employment or service through the end of the performance period as observed and summarized below:

VWAP over the last 20 trading days of the three-year performance period		VWAP over a period of 20 consecutive trading days of the three-year performance period	
VWAP	**Number of Shares that Vest**	**VWAP**	**Number of Shares that Vest**
$8.74	72,840	$12.40	72,690
$10.75	72,840	$14.40	72,690
$13.05	72,863	$16.40	72,710

The grant date fair value of the restricted stock units with market conditions is estimated using the Monte Carlo option pricing model. The below table summarizes the assumptions used to estimate the fair value of the restricted stock units granted:

	Monte Carlo Model
Expected volatility	46% - 50%
Risk free interest rate	3.72% - 4.02%
Expected dividend yield	0% - 6.84%

The expected volatility was based on market conditions of the Company. 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 vesting period of the restricted stock units. On March 6, 2023, the board of directors approved a quarterly dividend of $0.1875 per share for holders of record as of March 27, 2023. Thus, for options with grant dates prior to March 6, 2023, the expected dividend yield was 0%.

For the years ended December 31, 2023 and 2022, the Company recognized $8.0 million and $3.8 million, respectively, of stock-based compensation expense with respect to options, restricted stock awards, restricted stock units and the ESPP. As of December 31, 2023, total unrecognized stock-based compensation expense related to our stock options and restricted stock was $8.9 million and $5.1 million, respectively, and is expected to be recognized over a weighted average period of 2.2 and 2.6 years, respectively. The income tax benefit derived for the year ended December 31, 2023 and December 31, 2022 as a result of stock option exercises and other stock-based compensation was approximately $0.5 million and $0.2 million, respectively, of which approximately $0.2 million and $0.1 million represented excess tax benefits, respectively.

Note 12. Net (Loss) Income Per Common Share

Net (Loss) Income Per Common Share

Basic earnings 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 calculation of basic and diluted EPS for the years ended December 31, 2023 and 2022, was as follows (in thousands, except per share data):

	Year Ended December 31, 2023	Year Ended December 31, 2022
Numerator:		
Net (loss) income	$ (43,022)	$ 14,390
Net income from non-controlling interest	$ 1,939	$ 2,053
Net (loss) income attributable to controlling interest	$ (44,961)	$ 12,337
Denominator:		
Weighted average shares of common stock outstanding	**16,761**	**16,991**
Effect of dilutive common stock equivalents	—	1,213
Weighted average diluted common shares outstanding	**16,761**	**18,204**
Basic (loss) income per share:	$ (2.68)	$ 0.73
Diluted (loss) income per share:	$ (2.68)	$ 0.68

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

	Year Ended December 31, 2023	Year Ended December 31, 2022
Stock options	10,185	182
Stock options with unsatisfied market conditions	1,018	161
Restricted stock units	211	—
Restricted stock units with unsatisfied market conditions	211	—
Restricted stock awards	120	8
Shares expected to be issued under the 2021 Employee Stock Purchase Plan	55	—

Note 13. Segment Information

Operating segments are organized internally by type of products and services provided. Based on the information reviewed by the Company's CEO in his capacity as Chief Operating Decision Maker ("CODM"), the Company has identified three segments: Subscription Digital Marketing Solutions, Digital Advertising and Broadcast Advertising. The remainder of our business is reported in the Other category.

The Company operates in one geographic area. The Company's assets and liabilities are managed within markets outside the top 50 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 Broadcast Advertising segment. For further information see Note 6, *Goodwill and Other Intangible Assets, Net*. 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 non-cash impairment charges.

The following table presents the Company's reportable segment information for the year ended December 31, 2023 (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate	Total
Net revenue	$ 82,220	$ 150,276	$ 211,725	$ 10,010	$ —	**$ 454,231**
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	58,973	104,381	156,056	9,787	—	**329,197**
Depreciation and amortization	1,338	623	13,323	138	3,778	**19,200**
Corporate expenses	—	—	—	—	25,023	**25,023**
Stock-based compensation	582	344	850	15	6,242	**8,033**
Transaction and business realignment costs	—	—	667	19	483	**1,169**
Impairment of intangible assets, investments, goodwill and long-lived assets	—	—	74,442	1,400	14,736	**90,578**
Net loss (gain) on sale and retirement of assets	—	—	177	—	(7)	**170**
Operating income (loss)	**$ 21,327**	**$ 44,928**	**$ (33,790)**	**$ (1,349)**	**$ (50,255)**	**$ (19,139)**

The following table presents the Company's reportable segment information for the year ended December 31, 2022, (in thousands):

	Subscription Digital Marketing Solutions	Digital Advertising	Broadcast Advertising	Other	Corporate	Total
Net revenue	$ 90,402	$ 140,355	$ 223,879	$ 8,441	$ —	**$ 463,077**
Direct operating expenses, excluding depreciation, amortization and stock-based compensation	64,282	97,661	155,355	7,633	—	**324,931**
Depreciation and amortization	1,240	516	13,818	153	3,317	**19,044**
Corporate expenses	—	—	—	—	24,428	**24,428**
Stock-based compensation	521	60	413	9	2,794	**3,797**
Transaction and business realignment costs (1)	—	—	—	25	4,423	**4,448**
Impairment of intangible assets, investments, goodwill and long-lived assets	—	—	26,933	120	4,061	**31,114**
Net gain on sale and retirement of assets	—	—	(219)	—	(56)	**(275)**
Operating income (loss)	**$ 24,359**	**$ 42,118**	**$ 27,579**	**$ 501**	**$ (38,967)**	**$ 55,590**

(1) Includes integration costs of $1.3 million related to the acquisition of Cherry Creek. These costs were predominantly for travel and compensation.

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 credit losses				
2023	$ 5,946	$ 4,265	$ (6,170)	$ 4,041
2022	$ 6,743	$ 3,015	$ (3,812)	$ 5,946

Exhibit 4.6

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

Subject to certain limited exceptions (as set forth in our certificate of incorporation), 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, 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.

Special Meeting of Stockholders. Our certificate of incorporation provides that special meetings of the stockholders can be called only by or at the direction of the Board of Directors pursuant to a written resolution adopted by the affirmative vote of a majority in voting power of the whole Board of Directors.

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 the classes as nearly equal in number as possible. As a result, approximately one-third of our Board of Directors are elected each year.

Removal of Directors. Our certificate of incorporation provides directors may 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 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, 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 Equiniti Trust Company, LLC.

Listing

Exhibit 4.6

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
Townsquare License, LLC	Delaware
Townsquare Media Sierra Vista, LLC	Delaware
Townsquare Media Montrose, LLC	Delaware
Townsquare Media Butte, LLC	Delaware
Townsquare Media Great Falls, LLC	Delaware
Townsquare Media Williston, LLC	Delaware
Townsquare Media St. George, LLC	Delaware
Townsquare Media Wenatchee, 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

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Townsquare Media, Inc.
Purchase, 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. (the Company) of our reports dated March 15, 2024, relating to the consolidated financial statements and schedule, and the effectiveness of the Company's internal control over financial reporting, which appear in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

New York, New York

March 15, 2024

Exhibit 31.1

**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 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 15, 2024

By: /s/ Stuart Rosenstein
Name: Stuart Rosenstein

Title: Executive Vice President and Chief Financial Officer

Exhibit 31.2

**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 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 15, 2024

By: /s/ Bill Wilson
Name: Bill Wilson

Title: Chief Executive Officer

Exhibit 32.1

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, 2023 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 15, 2024	/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.

Exhibit 32.2

**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, 2023 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 the Company.

Dated: March 15, 2024	/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.

CLAWBACK POLICY

TOWNSQUARE MEDIA, INC.

PURPOSE

Townsquare Media, Inc. (the "Company") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Company's Board of Directors (the "Board") has therefore adopted this policy, which provides for the recoupment of certain executive compensation in the event that the Company is required to prepare an accounting restatement of its financial statements due to material noncompliance with any financial reporting requirement under the federal securities laws (this "Policy"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the rules promulgated thereunder, and the listing standards of the national securities exchange on which the Company's securities are listed.

ADMINISTRATION

This Policy shall be administered by the Compensation Committee of the Board (the "Compensation Committee"). Any determinations made by the Compensation Committee shall be final and binding on all affected individuals.

COVERED EXECUTIVES

This Policy applies to the Company's current and former executive officers (as determined by the Compensation Committee in accordance with Section 10D of the Exchange Act, the rules promulgated thereunder, and the listing standards of the national securities exchange on which the Company's securities are listed) and such other senior executives or employees who may from time to time be deemed subject to this Policy by the Compensation Committee (collectively, the "Covered Executives"). This Policy shall be binding and enforceable against all Covered Executives.

RECOUPMENT; ACCOUNTING RESTATEMENT

In the event that the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (each an "Accounting Restatement"), the Compensation Committee will reasonably promptly require reimbursement or forfeiture of the Overpayment (as defined below) received by any Covered Executive (x) after beginning service as a Covered Executive, (y) who served as a Covered Executive at any time during the performance period for the applicable Incentive-Based Compensation (as defined below), and (z) during the three (3) completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement and any transition period

(that results from a change in the Company's fiscal year) within or immediately following those three (3) completed fiscal years.

INCENTIVE-BASED COMPENSATION

For purposes of this Policy, "Incentive-Based Compensation" means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure, including, but not limited to: (i) non-equity incentive plan awards that are earned solely or in part by satisfying a financial reporting measure performance goal; (ii) bonuses paid from a bonus pool, where the size of the pool is determined solely or in part by satisfying a financial reporting measure performance goal; (iii) other cash awards based on satisfaction of a financial reporting measure performance goal; (iv) restricted stock, restricted stock units, stock options, stock appreciation rights, and performance share units that are granted or vest solely or in part based on satisfaction of a financial reporting measure performance goal; and (v) proceeds from the sale of shares acquired through an incentive plan that were granted or vested solely or in part based on satisfaction of a financial reporting measure performance goal.

Compensation that would not be considered Incentive-Based Compensation includes, but is not limited to: (i) salaries; (ii) bonuses paid solely based on satisfaction of subjective standards, such as demonstrating leadership, and/or completion of a specified employment period; (iii) non-equity incentive plan awards earned solely based on satisfaction of strategic or operational measures; (iv) wholly time-based equity awards; and (v) discretionary bonuses or other compensation that is not paid from a bonus pool that is determined by satisfying a financial reporting measure performance goal.

A financial reporting measure is: (i) any measure that is determined and presented in accordance with the accounting principles used in preparing financial statements, or any measure derived wholly or in part from such measure, such as revenues, EBITDA, or net income or (ii) stock price and total shareholder return. Financial reporting measures include, but are not limited to: revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); net assets or net asset value per share; earnings before interest, taxes, depreciation and amortization; funds from operations and adjusted funds from operations; liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); sales per square foot or same store sales, where sales is subject to an accounting restatement; revenue per user, or average revenue per user, where revenue is subject to an accounting restatement; cost per employee, where cost is subject to an accounting restatement; any of such financial reporting measures relative to a peer group, where the Company's financial reporting measure is subject to an accounting restatement; and tax basis income.

OVERPAYMENT: AMOUNT SUBJECT TO RECOVERY

The amount to be recovered will be the amount of Incentive-Based Compensation received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid (the "Overpayment"). Incentive-Based Compensation is deemed

"received" in the Company's fiscal period during which the financial reporting measure specified in the incentive-based compensation award is attained, even if the vesting, payment or grant of the incentive-based compensation occurs after the end of that period.

For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Accounting Restatement, the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received, and the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the exchange on which the Company's securities are listed.

METHOD OF RECOUPMENT

The Compensation Committee will determine, in its sole discretion, the method or methods for recouping any Overpayment hereunder which may include, without limitation:

- requiring reimbursement of cash Incentive-Based Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards granted as Incentive-Based Compensation;
- offsetting any or all of the Overpayment from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding vested or unvested equity awards; and/or
- taking any other remedial or recovery action permitted by law, as determined by the Compensation Committee.

LIMITATION ON RECOVERY; NO ADDITIONAL PAYMENTS

The right to recovery will be limited to Overpayments received during the three (3) completed fiscal years prior to the date on which the Company is required to prepare an Accounting Restatement and any transition period (that results from a change in the Company's fiscal year) within or immediately following those three (3) completed fiscal years. In no event shall the Company be required to award Covered Executives an additional payment if the restated or accurate financial results would have resulted in a higher Incentive-Based Compensation payment.

NO INDEMNIFICATION

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive-Based Compensation.

INTERPRETATION

The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and the applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

EFFECTIVE DATE

This Policy shall be effective as of the date it is adopted by the Board (the "Effective Date") and shall apply to Incentive-Based Compensation (including Incentive-Based Compensation granted pursuant to arrangements existing prior to the Effective Date). Notwithstanding the foregoing, this Policy shall only apply to Incentive-Based Compensation received (as determined pursuant to this Policy) on or after October 2, 2023.

AMENDMENT; TERMINATION

The Board may amend this Policy from time to time in its discretion. The Board may terminate this Policy at any time.

OTHER RECOUPMENT RIGHTS

The Board intends that this Policy will be applied to the fullest extent of the law. The Compensation Committee may require that any employment or service agreement, cash-based bonus plan or program, equity award agreement, or similar agreement entered into on or after the adoption of this Policy shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, cash-based bonus plan or program, or similar agreement and any other legal remedies available to the Company.

IMPRACTICABILITY

The Compensation Committee shall recover any Overpayment in accordance with this Policy except to the extent that the Compensation Committee determines such recovery would be impracticable because:

(A) The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered;

(B) Recovery would violate home country law of the Company where that law was adopted prior to November 28, 2022; or

(C) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

SUCCESSORS

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.